

**READING HOUSING AUTHORITY**

Reading, Massachusetts

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**WITH INDEPENDENT AUDITOR'S REPORT**

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**READING HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2016**

As management of the Reading Housing Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 1.

### **Financial Highlights**

- The assets of the Authority exceed its liabilities at the close of the most recent fiscal year by \$1,105,850 (Net Position).
- The Net Position of the Authority consisted of Net Investment in Capital Assets in the amount of \$1,072,588; Restricted Net Position in the amount of \$16,204 and Unrestricted Net Position in the amount of \$17,058.
- Restricted Net Assets in the amount of \$16,204 is attributable to restricted reserves in the State Consolidated Program 400-1.
- The Authority's cash and investments at June 30, 2015 was \$594,827 representing a decrease of \$254,600 from June 30, 2015. At June 30, 2016, \$1,156 of the cash balance is restricted for tenant security deposits.
- The Authority's capital outlays for the year were \$322,231.

### **OVERVIEW OF THE READING HOUSING AUTHORITY**

The Authority is a separately established corporate body organized under Massachusetts General Law. The Authority was established to provide safe, decent and sanitary housing to low income persons residing in Reading, Massachusetts. The Authority's governing body is a Board of Commissioners.

The Authority owns and manages 115 residential housing units that are leased to low income individuals as defined by the Massachusetts Department of Housing and Community Development (DHCD). The Authority administers 125 vouchers under housing assistance programs funded by the US Department of Housing and Urban Development (HUD). Under this program the Authority subsidizes rents for low income individuals who rent dwelling units in the private housing market.

The Authority is also eligible to receive grants or subsidies from DHCD to fund operating deficits of rental units that are owned by the Authority and constructed with Massachusetts grants or loans.

The Authority currently has a staff of one full-time, two part-time administrative personnel and two full-time maintenance personnel.

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June 30, 2016**

## **Overview of the Financial Statements**

The Authority's financial statements consist of two parts: 1) management discussion and analysis which is intended to serve as an introduction to the Authority's basic financial statements, and 2) the Authority's basic financial statements which are comprised of two components: 1) Government-wide financial statements, and 2) notes to the financial statements. This report also contains the schedule of expenditures of federal awards as supplementary information in addition to the basic financial statements themselves.

The Authority is considered by accounting principles generally accepted in the United States of America (GAAP) to be a special purpose government accounted for as enterprise funds. Its charted purpose is the housing of low and moderate income families and elderly individuals. All of the activities, programs and grants administered by the Authority are focused for that purpose.

As a single purpose enterprise fund government, the Authority is permitted to issue combined entity level and fund level financial statements. These statements report financial information for each of the Authority's funds and a combined total of all funds that represents the Authority wide financial position.

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The following is a brief description of each financial statement.

### **Statement of Net Position**

- The statement of net position is prepared using the accrual basis of accounting and provides information relating to all financial and capital resources for the Authority as of the reporting date as well as all other related debts and other liabilities. The statement of net position is presented in a format where assets minus liabilities equal net position. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (those which are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business), and "Non-current".
- Net Position (formerly net assets) represent the cumulative effect of revenues and expenses. It is also the difference between assets and liabilities. Net Position is reported in three broad categories:

Unrestricted Net Position is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority.

Net Invested in Capital Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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June 30, 2016**

Restricted Net Position consist of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Statement of Revenue, Expenses and Changes in Fund Net Position**

- This statement is similar to an Income Statement. This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation. This statement also includes non-operating revenue and expenses, such as grant revenue, investment income and interest expenses and capital contributions and operating transfers.
- The Focus of this Statement of Revenue, Expenses and Changes in Fund Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

**Statement of Cash Flows**

The statement of cash flows shows the sources and amounts from which the Authority received cash such as income from tenants, income from grants, loans etc. and the items and amounts for which cash was used such as payments to vendors and contractors, payments to employees, repayment of loans etc. The statement is divided into four major sections, operating activities, non-capital financing activities, capital and related financing activities and investing activities. The statement functions down to the net increase or decrease in the Authority's cash accounts for the reporting period.

**The Authority's Funds**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to endure and demonstrate compliance with finance-related legal requirements.

Business Type Funds – The Authority maintains a business type fund also called enterprise fund. The programs supporting this fund are as follows:

**Section 8 Housing Choice Voucher Program** - HUD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenant's share of rent not to exceed a predetermined payment standard.

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**State and Local Programs** – The Authority operates the following state and local programs:

- State Consolidated Housing and State Chapter 705 Housing – Under these programs the Authority owns, operates and maintains rental housing acquired with grants from Massachusetts Department of Housing & Community Development (DHCD). Dwelling units are leased to low income tenants at rates based on their ability to pay. Operations are supported by operating income.
- State Chapter 689 Housing – Under this program the Authority owns operates and maintains rental housing acquired with grants from DHCD. The building is generally rented to a non-profit corporation who provides health and human resource needs to mentally disabled individuals.
- State Modernization Program – DHCD provides grant funds to authorities with State Consolidated units based on the Authority's application and determination of need. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the State Consolidated Housing Program.
- Local Program – Consist of 17 family dwelling condominiums owned and operated by the Authority.

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MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2016**

**Authority-Wide Statements**

**Statement of Net Position**

	<b>FY 2016</b>	<b>FY 2015</b>	<b>Change</b>	<b>% Change</b>
<b>Assets</b>				
Cash	\$ 594,827	\$ 849,427	\$ (254,600)	-30%
Receivables	5,100	5,331	(231)	-4%
Other current assets	31,882	17,424	14,458	83%
Total Current Assets	631,809	872,182	(240,373)	-28%
Total fixed assets net of depreciation	1,412,749	1,177,282	235,467	20%
Deferred outflows of resources	124,167	-	\$ 124,167	0%
<b>Total Assets</b>	<b>\$2,168,725</b>	<b>\$2,049,464</b>	<b>\$ 119,261</b>	<b>6%</b>
<b>Liabilities</b>				
Current liabilities	\$ 59,266	\$ 50,916	\$ 8,350	16%
Non-current liabilities	980,944	854,339	126,605	15%
Total Liabilities	1,040,210	905,255	134,955	15%
Deferred inflows of resources	22,665	-	\$ 22,665	0%
<b>Net Position</b>				
Investments in capital assets, net of related debt	1,072,588	814,315	258,273	32%
Restricted net position	16,204	18,772	(2,568)	-14%
Unrestricted net position	17,058	311,122	(294,064)	-95%
Total Net Position	1,105,850	1,144,209	(38,359)	-3%
<b>Total Liabilities &amp; Net Position</b>	<b>\$2,168,725</b>	<b>\$2,049,464</b>	<b>\$ 119,261</b>	<b>6%</b>

**Narrative of Material Changes on the Statements of Net Assets**

Cash decreased of \$254,600 is mainly due to the purchase of 504 Gazebo in the amount of \$218,980. The balance attributable to funding the current year deficit of \$38,359.

Total Liabilities increase is mainly attributable to the increase of accrued pension (GASB 68) and OPEB (GASB 45) for the year June 30, 2016 in the amount of \$150,356, increase current liabilities of \$8,350, a decrease of \$1,395 in accrued compensated absences (LT), and annual debt service reduction of \$22,356.

The decrease in Unrestricted net position is attributable to the use of operating reserves to purchase 504 Gazebo in the amount of \$218,980 reported in RHA Owned Local Program

The net decrease in Total Net Position is attributable to the current year's net deficit of \$38,359.

**READING HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**June 30, 2016**

**Statement of Revenues, Expenses and Changes in Net Position**

	FY 2016	FY 2015	Change	% Change
<b>Revenues</b>				
PHA HUD contributions	\$ 1,352,935	\$ 1,115,786	\$ 237,149	21%
Net tenant rental revenue	751,303	726,601	24,702	3%
Other revenue	6,958	15,322	(8,364)	-55%
Other government grants - DHCD	54,128	87,418	(33,290)	-38%
Total operating income	<u>2,165,324</u>	<u>1,945,127</u>	<u>220,197</u>	<u>11%</u>
<b>Operating Expenses</b>				
Housing assistance payments	1,216,531	1,061,278	155,253	15%
Maintenance	324,512	282,546	41,966	15%
Administration	330,100	345,276	(15,176)	-4%
Utilities	152,307	145,843	6,464	4%
Extraordinary maintenance	14,952	19,054	(4,102)	-22%
Depreciation expense	86,764	84,580	2,184	3%
Insurance	41,239	38,533	2,706	7%
General	20,881	16,612	4,269	26%
Tenant services	1,835	1,399	436	31%
Total operating expenses	<u>2,189,121</u>	<u>1,995,121</u>	<u>194,000</u>	<u>10%</u>
Operating loss	<u>(23,797)</u>	<u>(49,994)</u>	<u>26,197</u>	<u>-52%</u>
<b>Non-Operating Revenues &amp; (Expenses)</b>				
Gain on sale of assets	-	76,654	(76,654)	-100%
Interest - unrestricted	791	834	(43)	-5%
Interest expense	(15,353)	(16,045)	692	-4%
Total non-operating revenues & expenses	<u>(14,562)</u>	<u>61,443</u>	<u>(76,005)</u>	<u>-124%</u>
Change in net position	(38,359)	11,449	(49,808)	-435%
Net position, beginning	1,144,209	1,349,995	(205,786)	-15%
Prior period adjustments	-	(217,235)	217,235	0%
Net position, ending	<u>\$ 1,105,850</u>	<u>\$ 1,144,209</u>	<u>\$ (38,359)</u>	<u>-3%</u>

**Narrative of Material Changes on the Statement of Revenues, Expenses and Change in Net Assets**

The decrease in net position is attributable to expenses of \$2,204,474 exceeding revenues of \$2,166,115 by \$38,359.

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MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2016**

Housing Assistance Payments – There was an increase of \$155,253 mainly due to an increase of vouchers issued from an average of 115 in FY 2015 to an average of 121 in FY 2016, along with a modest increase in market rents.

Maintenance Expense – The increase in maintenance expense is due to unexpected maintenance issues experienced during the current year necessary to maintain the 115 dwelling units.

Administrative – The decrease in administrative expense is attributable to continued reduction in administrative staff commencing back in January, 2015.

### **ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET**

The following factors were considered in preparing the Authority's budget for the 2017 fiscal year.

- Administrative Fee Subsidies for the Housing Choice Voucher Program will continue to be funded at 84% (variable) of the posted rate of \$117.91 per unit month leased.
- Local inflationary, recessionary and employment trends, which affect resident incomes and therefore the calculated amounts of rental income.
- Labor and Industries dictates rates based on current rates in the local construction industry, which can affect maintenance wage rates.
- Costs of utilities, and building materials and supplies will continue to rise.
- Costs of Employer Health Insurance, Employer Retirement Contributions, Worker's Compensation, Fire, Liability, and Property Insurance too will continue to rise.

### **Financial Contact**

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Teresa Ewald, CPA, of Fenton, Ewald & Associates, P.C., fee accountants of the Reading Housing Authority, 280 Hillside Avenue, Needham, MA 02494, or call (781) 444-6630.

**Ross & Company  
Certified Public Accountant  
397 South Main Street  
Nashua, New Hampshire 03060  
978-337-2846**

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Reading Housing Authority  
Reading, Massachusetts

We have audited the accompanying financial statements of the Reading Housing Authority, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

The Reading Housing Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinion**

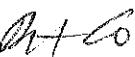
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Reading Housing Authority, as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2016, on our consideration of Reading Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Reading Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as the Financial Data Schedule, Combining statement of net position, the Combining statement of revenues, expenses and changes in net position. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Ross & Company  
Nashua, New Hampshire  
October 8, 2016

Reading Housing Authority  
Statement of Net Position  
June 30, 2016

**Assets**

Current assets:

Cash:

Cash - unrestricted	\$ 593,671
Cash - tenant security deposits	1,156
Total cash	<u>594,827</u>

Receivables:

Accounts receivable - HUD other projects	4,596
Accounts receivable - tenants dwelling rents	2,686
Accounts receivable - miscellaneous	501
Allowance for doubtful accounts - tenants dwelling rents	(2,683)
Total receivables	<u>5,100</u>

Prepaid expenses	31,882
Total current assets	<u>631,809</u>

Property, plant and equipment

Building	4,492,064
Furniture, equipment & machinery	140,062
Construction in progress	52,467
Land	13,767
Less - accumulated depreciation	(3,285,611)
Property, plant and equipment, net	<u>1,412,749</u>

Deferred outflows of resources	124,167
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Total assets	<u>\$ 2,168,725</u>
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Reading Housing Authority  
Statement of Net Position  
June 30, 2016

**Liabilities and net position**

Current liabilities:

Current portion of long term debt	\$ 22,800
Accounts payable	15,406
Accrued compensated absences	10,378
Accrued liabilities - wages/payroll taxes	5,947
Unearned revenue	3,579
Tenant pet deposits	1,156
Total current liabilities:	<u>59,266</u>

Non-current liabilities:

Accrued pension and OPEB liabilities	632,449
Long-term debt, net of current portion	317,361
Accrued compensated absences	31,134
Total non-current liabilities	<u>980,944</u>
 Total liabilities	<u>1,040,210</u>

**Net position**

Invested in capital assets, net of related debt	1,072,588
Unrestricted net position	17,058
Restricted net position	16,204
Total net position	<u>1,105,850</u>
 Total liabilities and net position	<u>\$ 2,168,725</u>

Reading Housing Authority  
Statement of Revenues, Expenses and  
Changes in Net Position  
For The Year Ended June 30, 2016

Operating income:

HUD/PHA contributions	\$ 1,352,935
Rental income	751,303
Other government grants	54,128
Other income	5,686
Fraud recovery	1,272
Total operating income	<u>2,165,324</u>

Operating expenses:

Housing assistance payments	1,216,531
Administration	330,100
Maintenance	324,512
Utilities	152,307
Depreciation expense	86,764
Insurance	41,239
General	20,881
Extraordinary maintenance	14,952
Tenant services	1,835
Total operating expenses	<u>2,189,121</u>

Operating loss	<u>(23,797)</u>
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Non-operating revenues (expenses):

Interest - unrestricted	791
Interest expense	(15,353)
Total non-operating revenue - net	<u>(14,562)</u>

Change in net position	<u>(38,359)</u>
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Net position, beginning	<u>1,144,209</u>
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Net position, ending	<u>\$ 1,105,850</u>
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Reading Housing Authority  
Statement of Cash Flows  
For The Year Ended June 30, 2016

Cash flows from operating activities	
Operating grants from HUD & other governments	\$ 1,407,633
Receipts from tenants	755,634
Other operating receipts	5,185
Payments to employees	(386,853)
Payments to vendors	(460,069)
Payments to landlords	(1,216,531)
Net cash provided by operating activities	<u>104,999</u>
Cash flows from capital and related financing activities:	
Interest expense	(15,353)
Principal note payments	(22,806)
Purchase of property, plant and equipment	(322,231)
Net cash used by capital and related financing activities	<u>(360,390)</u>
Cash flows from investing activities:	
Interest received	791
Net cash provided by investing activities	<u>791</u>
Net decrease in cash	(254,600)
Cash, beginning of year	<u>849,427</u>
Cash, end of year	<u>\$ 594,827</u>
<b>Reconciliation of operating loss to net cash provided by operations:</b>	
Operating loss	\$ (23,797)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	86,764
Changes in:	
Accounts payable and accrued expenses	154,230
Unearned revenue	3,531
Accounts receivable	231
Prepaid expenses and other assets	(14,458)
Deferred assets - net	(101,502)
Cash flows provided by operating activities	<u>\$ 104,999</u>

See auditor's report and notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Reporting Entity***

The Reading Housing Authority is authorized by and operates under the provisions of Chapter 121B of the Massachusetts General Laws, as amended, which is known as the Housing and Urban Renewal Law. The Reading Housing Authority is governed by a five-member Board of Commissioners as follows:

Kevin F. Mulvey, Chairperson  
Diane L. Cohen, Vice Chairperson  
Richard Robbins, Treasurer  
Madeline J. Hodgdon, Assistant Treasurer  
Timothy J. Kelley, Member

The Executive Director, Linda Whyte, was responsible for the daily administration of the Authority in fiscal year 2016. Reading Housing Authority currently administers the following housing programs:

Federal Section 8 Housing Choice Voucher Program	125 units
State-Aided Housing Program 400	90 units
State-Aided Special Needs Housing Program 689	8 units
Business Activities	16 units

GASB statement 14 establishes the criteria for examining the governmental reporting entity and its component units that should be included within the reporting entry. Under the provisions of that statement, the housing authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate and is fiscally independent of other state and local government entities. Independent means that the housing authority may, without approval of another government entity determine and modify its own budget, levy its own charges and issue bonded debt. The Authority is not a component unit of any other entity.

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 of the Government Accounting Standards Board, Financial Reporting Entity.

**Financial Accountability** – The Authority is responsible for its own debts, does not impose a financial burden on any other agency and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

**Appointment of a Voting Majority** – The Authority is governed by a Board of Commissioners Council. The Board of Commissioners has decision making authority and the power to designate management. The Authority's Board elects its own chairperson.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Imposition of Will** – The Town has no influence over management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interests in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other government, and there are no other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in the Town of Reading's financial reports therefore, the Authority reports independently

### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

#### ***Government-wide and fund financial statements***

The Authority's financial statements are reported in accordance with GASB Statement 34 and GASB Statement 63. Under these statements the basic financial statements are to be prepared using the economic resources measurement focus and the accrual basis of accounting and require the presentation of a Statement of Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. GASB 34 requires the Authority to include Management Discussion and Analysis as part of the required supplementary information. GASB 63 requires the Authority to report deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements, in accordance with GASB Statement 33. Grants received in advance of expenditures are recorded as a liability until earned.

In accordance with GASB Statement 20, the Authority applies all applicable GASB pronouncements as well as FASB Statements and Interpretations, APB Opinions, and ARB's issued on or before November 30, 1989, unless those pronouncements conflict with or contradicts guidance of the Governmental Accounting Standards Board.

During 2015, the Authority adopted GASB 68, Accounting and Financial Reporting for Pensions. GASB 68 establishes financial reporting standards for state and local governmental pension plans, defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements.

The requirements of GASB 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts that meet certain criteria and to the financial statements of state and local governmental non-employer contributing entities that have a legal obligation to make contributions directly to such pension plans. The requirements apply whether the government's financial statements are presented in stand-alone financial reports or are included in the financial reports of another government.

## **NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined pension plans, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employer service. Note disclosure and required supplementary information requirements about pensions are also addressed.

GASB 68 replaces the requirements of GASB 27, Accounting for Pensions by State and Local Governmental Employers, and GASB 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of GASB 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. See Note 11 for more detail on the implementation and impact of this standard.

Also during 2015, the Authority adopted GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An amendment of GASB 68. GASB 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, GASB 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, GASB 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events. At transition to GASB 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of GASB 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

## **CASH AND INVESTMENTS**

### **Cash**

The Authority's cash is considered to be cash on hand and demand deposits.

### **Investments**

The Authority may invest, as directed by policies established by the Authority's board of directors, as directed by the U.S. Department of Housing and Urban Development, in interest-bearing deposit accounts, certificates of deposit, U. S. Government obligations, or obligations that are secured by the U. S. Government, equity investments, and commercial paper rated AI /PI or higher by Moody's and Standard and Poors.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**RECEIVABLES**

Accounts receivable from tenants are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts receivable. Tenant balances are written off with board approval when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Allowances for other non tenant receivables are reviewed annually during financial statement preparation.

**PREPAID EXPENSES**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**OPERATING REVENUE AND EXPENSES**

GASB 34 paragraph 102 requires governments to establish a policy that defines operating revenues and expenses. The Authority uses the criteria prescribed in GASB 9 paragraph 17 and 18 for cash flows to determine operating revenues and expenses. Operating revenue includes rental income, management services provided and all other revenue relating to the provision of safe, decent and affordable housing.

**BUDGETS**

Formal budgetary integration is not employed because effective budgetary control is alternatively achieved through the award agreements. Accordingly, a statement of revenues, expenditures and changes in fund balance comparing budget and actual amounts is not presented in the accompanying financial statements or as required supplementary information.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **CAPITAL ASSETS**

Capital assets which include, property, plant, and equipment are reported in the government-wide financial statements. The Authority defines capital assets as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized and projects under construction are reported as construction in progress.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	10-20
Furniture & Equipment	5-7
Vehicles	5

### **COMPENSATED ABSENCES**

The Authority allows employees to accumulate vacation and sick leave at varying rates depending upon years of service. Upon termination, all accumulated vacation leave will be paid to the employee. All accumulated maximum vacation leave is accrued when incurred in the financial statements.

Employees are paid by prescribed formula for absence due to sickness and vacation. The amount of outstanding accumulated obligation related to such compensated absences is \$41,512 at June 30, 2016, of which \$10,378 is classified as current and \$31,134 as long term in the statement of net position.

### **INCOME TAXES**

The Authority is a governmental entity, which is subsidized by the federal government. The Authority is not subject to federal or state income taxes, nor is it required to file federal and state income tax returns.

### **USE OF ESTIMATES**

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures/expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### ***ADJUSTING JOURNAL ENTRIES***

The audited balances in the financial statements include the adjusting journal entries rendered at June 30, 2016.

### **NOTE 2 - CASH**

At year end, the Authority's carrying amount of deposits was \$594,827 and the bank balance was \$600,496. Of the bank balance, \$250,000 was covered by federal depository insurance or collateral held by the Authority's agent or in the Authority's name. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

The following table, which represents the types of investments made during the period, but not necessarily owned as of the end of the period, presents the carrying amount and fair value of investments by type and categorizes the carrying amounts as follows: Category 1 are those which are insured or registered, or held by the Authority or its agent in the Authority's name. Category 2 are those which are uninsured and unregistered, with securities held by the counter-party's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterpart, or by its trust department or agent but not in the Authority's name.

	Category 1	Category 2	Category 3	Reported Amount	Fair Value
Government securities, bank CD's and other interest-bearing accounts	<u>\$250,000</u>	<u>\$350,496</u>	<u>\$</u> <u>      </u> <u>-</u>	<u>\$600,496</u>	<u>\$600,496</u>
Total	<u>\$250,000</u>	<u>\$350,496</u>	<u>\$</u> <u>      </u> <u>-</u>	<u>\$600,496</u>	<u>\$600,496</u>

### **NOTE 3 – INTERNAL BALANCES**

This amount results primarily from inter-program transactions. The Authority uses a central account known as a revolving account to make vendor payments. All of the individual programs have advanced this account a sum of money to establish the account. The individual programs reimburse the revolving account monthly in arrears for their share or the expenditures of the revolving account.

### **NOTE 4 – ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - HUD**

The Accounts receivable - HUD shown in the statement of net position represent underpayments of annual contributions from HUD under the Section 8 Program.

### NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated</u>				
Land	\$ 13,767	\$ -	\$ -	\$ 13,767
Construction in progress	225,036	50,527	(223,096)	52,467
Total assets not being depreciated	<u>238,803</u>	<u>50,527</u>	<u>(223,096)</u>	<u>66,234</u>
<u>Other Capital assets</u>				
Buildings	4,025,388	466,676	-	4,492,064
Furniture,equipment & machinery	134,065	28,124	(22,127)	140,062
Total other capital assets	<u>4,159,453</u>	<u>494,800</u>	<u>(22,127)</u>	<u>4,632,126</u>
Less accumulated depreciation	(3,220,974)	(86,764)	22,127	(3,285,611)
Capital assets,net	<u>\$ 1,177,282</u>	<u>\$ 458,563</u>	<u>\$ (223,096)</u>	<u>\$ 1,412,749</u>

Depreciation expense for the year ended June 30, 2016 was \$86,764 and was charged to operations, in the statement of revenues, expenses and changes in net position.

### NOTE 6 – LONG TERM DEBT

Long term debt consists of the following as of June 30, 2016:

Mortgage payable, collateralized by a building payable in monthly installments of principal and interest of \$616 through August, 2027. Interest rate is 4.25%. Balance at June 30, 2016 was \$65,681.

Mortgage payable, collateralized by a building payable in monthly installments of principal and interest of \$1,043 through May, 2029. Interest rate is 4.25%. Balance at June 30, 2016 was \$111,559.

Mortgage payable, collateralized by a building payable in monthly installments of principal and interest of \$590 through December, 2031. Interest rate is 4.25%. Balance at June 30, 2016 was \$63,203.

Mortgage payable, collateralized by a building payable in monthly installments of principal and interest of \$931 through February, 2034. Interest rate is 4.25%. Balance at June 30, 2016 was \$99,718.

Current maturities of long term debt are as follows:

2017	\$ 22,800
2018	23,400
2019	24,100
2020	24,900
2021	25,800
Thereafter	<u>219,161</u>
	<u>\$ 340,161</u>

### **NOTE 7 – NON - CURRENT LIABILITIES - OTHER**

At June 30, 2016, there were the following non-current liabilities reported in the statement of net position:

	Balance at 6/30/15	change	Balance at 6/30/16
Accrued pension and OPEB liabilities	\$ 482,093	\$ 150,356	\$ 632,449
Accrued compensated absences	32,529	(1,395)	31,134
<b>Total</b>	<b>\$ 514,622</b>	<b>\$ 148,961</b>	<b>\$ 663,583</b>

### **NOTE 8 – CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

### **NOTE 9 - ECONOMIC DEPENDENCY**

For the year ended June 30, 2016, the Authority's revenues were primarily received from federal awards, which are subject to availability of funds and the Authority's compliance with federal rules and regulations. A substantial portion was also received from tenant rents.

### **NOTE 10 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### **NOTE 11 - RETIREMENT PLANS**

#### *Employee Retirement Systems and Plans*

The Reading Housing Authority provides pension benefits for its employees through the Town of Reading Retirement System. The Reading Housing Authority's assessment for the fiscal year commencing July 1, 2015 was \$37,577. The Reading Housing Authority made the required payments. The Authority's annual share of the retirement plan contribution is recognized as an expense in the fiscal year the contribution is earned.

#### **NOTE 11 - RETIREMENT PLANS (CONTINUED)**

The Authority provides pension benefits to certain employees through the RRS, a cost-sharing multiple-employer public employee retirement system regulated by PERAC. The plan is a defined benefit plan. Participation is mandatory for all full time employees of the Authority. The retirement plan is a pooled risk type of plan. Under this type of plan funding is determined based on all employees covered for all employing units. The funding liabilities are shared by each employing unit pro-rata based on the number of employees in the employing unit. Since the Authority's share of pension liability is not based on their employees, pension expense is determined by the total required payment to be made to the retirement plan for the year. The RRS issues a publicly available financial report that includes financial statements and required supplementary information.

State law establishes benefit provisions and contribution requirements of the RRS. Employees who have at least 10 years of longevity and have attained 55 years of age are eligible to receive retirement benefits. Retired employees receive an allowance based upon the average of their three highest consecutive salary years of service multiplied by (1) the number of years and full months of creditable service at the time of retirement and (2) a percentage based on age at retirement in accordance with a schedule provided by state law. Assuming normal retirement at age 65, this percentage is 2.5%, which is reduced for individuals who retire prior to age 65 to reflect the longer payout period. Employees may elect early retirement after 20 years of service or any time after attaining age 55 with 10 years of eligible service. Plan members who become permanently and totally disabled may be eligible to receive a disability retirement allowance. The amount of benefits to be received depends on several factors, including the member's age, compensation, veteran status, years of creditable service, and whether or not the disability is work-related. In addition certain death benefits exist for beneficiaries of employees who die in active service.

Depending on their employment date, active Plan members must contribute either 5%, 7%, 8%, or 9% of their gross regular compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. These deductions earn interest at a rate determined by PERAC that vests based upon years of service. Member employers are required to contribute the remaining amounts necessary to finance benefits, except for certain cost of living adjustments (COLAs) granted before July 1, 1998, which are reimbursed by the Commonwealth. The current and two preceding years' apportionment of the annual pension cost between the employers required the Authority to contribute approximately 2% to the total.

##### *Pension Liabilities, Pension Expense and Deferred Inflows and Outflows of Resources*

At June 30, 2016, the Authority reported a liability of \$330,106 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2015, the Authority's proportion was 0.725 percent.

At June 30, 2016, the Authority reported deferred outflows of resources related to pensions of \$124,167 and deferred inflows of resources related to pensions of \$22,665.

## NOTE 11 - RETIREMENT PLANS (CONTINUED)

### Methods & Assumptions

Valuation date	1/1/2015
Measurement date	12/31/2015
Actuarial cost method	Entry Age Normal Cost Method
Investment rate of return	7.65%
Discount rate	7.65%
Inflation	3.75%
COLA	3% of first \$12,000
Salary increases	6% - 4.25% general employees and 7% - 4.75% for public safety
Mortality rates	Based on the RP-2000 Combined Mortality Tables, with adjustments for improvements based on Scale AA.

## NOTE 12 – POSTRETIREMENT BENEFITS

GASB 45 requires governments to disclose the following concerning postretirement benefits other than pensions.

There are three plan types a) medical, b) dental and c) life insurance. The plan administrator is the Group Insurance Commission (GIC). Employees can retire at age 55 with 10 years of service. The RHA contributes 85% of the medical and life insurance premiums for pre 10/1/2009 retirees and 80% for post 10/1/2009 retirees. The RHA contributes 0% of dental insurance premiums. There is a surviving spouse benefit which the RHA pays 90% of the premium.

Annual OPEB cost and net OPEB obligation	7/1/2015 - 6/30/2016
Annual required contribution	\$ 66,132
Adjustments & interest	<u>(12,776)</u>
Annual OPEB cost	53,356
Contribution made	<u>15,875</u>
Increase in net OPEB obligation	37,481
Net OPEB obligation-beginning of year	<u>264,858</u>
Net OPEB obligation-end of year	\$ 302,339

	Annual OPEB cost	% OPEB cost contributed	Net OPEB
6/30/2010	\$75,703	51.4	\$36,827
6/30/2011	75,703	51.4	36,826
6/30/2012	75,703	40.3	45,209
6/30/2013	71,606	44.1	40,059
6/30/2014	70,168	8.7	64,092
6/30/2015	61,996	32.5	41,845
6/30/2016	53,356	29.8	37,481

## NOTE 12 – POSTRETIREMENT BENEFITS (CONTINUED)

### Funded status and funding progress

Actuarial valuation	Actuarial value of assets	Actuarial accrued liability	Unfunded AAL
7/1/2009	0	\$ 880,342	\$ 880,342
7/1/2012	0	730,641	730,641
7/1/2015	0	621,388	621,388

### Methods and assumptions

Interest rate	3.5%
2016 Medical trend rate	5%
Ultimate medical trend rate	5%
Year ultimate medical trend rate reached	2014
Actuarial cost method	Individual Entry Age
Amortization period	30
General inflation rate	2.75%
Annual payroll increase	3%

## NOTE 13 - RELATED PARTY TRANSACTIONS

As of June 30, 2016, there were no related party transactions.

## NOTE 14 – SUBSEQUENT EVENTS

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes.

Management evaluated the activity of the Authority through October 8, 2016 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

## CONCLUDED.

Reading Housing Authority  
Combining Statement of Net Position  
June 30, 2016

	Annual				Eliminations	Total
	Contributions Contract Section 8 Voucher	State & Local Programs	State-Aided Modernization	Revolving Fund		
<b>Assets</b>						
Current assets:						
Cash:						
Cash - unrestricted	\$ 49,290	\$ 528,146	\$ -	\$ 16,235	\$ -	\$ 593,671
Cash - tenant security deposits	-	1,156	-	-	-	1,156
Cash - restricted	-	-	-	-	-	-
Total cash	<u>49,290</u>	<u>529,302</u>		<u>16,235</u>		<u>594,827</u>
Receivables:						
Accounts receivable - HUD other projects	4,596	-	-	-	-	4,596
Accounts receivable - tenants dwelling rents	-	2,686	-	-	-	2,686
Accounts receivable - miscellaneous	501	-	-	-	-	501
Allowance for doubtful accounts - tenant dwelling rents	-	(2,683)	-	-	-	(2,683)
Total receivables	<u>5,097</u>	<u>3</u>				<u>5,100</u>
Prepaid expenses						
Interprogram - due from	1,602	30,280	-	-	-	31,882
Total current assets	<u>55,989</u>	<u>45,978</u>		<u>16,235</u>		<u>(45,978)</u>
Property, plant and equipment						
Building	-	4,492,064	-	-	-	4,492,064
Furniture, equipment & machinery - administration	-	140,062	-	-	-	140,062
Construction in progress	-	-	52,467	-	-	52,467
Land	-	13,767	-	-	-	13,767
Less - accumulated depreciation	-	(3,285,611)	-	-	-	(3,285,611)
Property, plant and equipment, net	-	1,360,282	52,467	-	-	1,412,749
Deferred outflows of resources	28,931	95,236	-	-	-	124,167
Total assets	<u>\$ 84,920</u>	<u>\$ 2,061,081</u>	<u>\$ 52,467</u>	<u>\$ 16,235</u>	<u>\$ (45,978)</u>	<u>\$ 2,168,725</u>

See auditor's report and notes to financial statements.

Reading Housing Authority  
Combining Statement of Net Position  
June 30, 2016

	Annual					Total
	Contributions Contract Section 8 Voucher	State & Local Programs	State-Aided Modernization	Revolving Fund	Eliminations	
<b>Liabilities and net position:</b>						
Current Liabilities:						
Current portion of long-term debt						\$ 22,800
Accounts payable						\$ 15,406
Accrued compensated absences	2,002	8,376				
Accrued liabilities - wages/payroll taxes	356	3,999				
Unearned revenue	2,955	624				
Tenant pet deposit		1,156				
Interprogram - due To	31,335					
Total current liabilities	<u>36,648</u>	<u>52,361</u>				<u>59,266</u>
Non-current liabilities:						
Accrued pension and OPEB liabilities	142,563	489,886				
Long term debt-net of current portion		317,361				
Accrued compensated absences	6,005	25,129				
Total non-current liabilities	<u>148,568</u>	<u>832,376</u>				<u>980,944</u>
Total Liabilities	<u>185,216</u>	<u>884,737</u>				<u>1,040,210</u>
Deferred inflows of resources	5,281	17,384				
Net position						
Invested in capital assets, net of related debt		1,020,121	52,467			
Unrestricted net position		122,635				
Restricted net position		16,204				
Total net position		<u>1,158,960</u>	<u>52,467</u>			
Total Liabilities and net position	<u>\$ 84,920</u>	<u>\$ 2,061,081</u>	<u>\$ 52,467</u>	<u>\$ 16,235</u>	<u>\$ (45,978)</u>	<u>\$ 2,168,725</u>

See auditor's report and notes to financial statements.

**Reading Housing Authority**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**For The Year Ended June 30, 2016**

	Annual Contributions			
	Contract Section 8 Voucher	State & Local Programs	State-Aided Modernization	Total
<b>Operating income:</b>				
HUD/PHA contributions	\$ 1,352,935	\$ -	\$ -	\$ 1,352,935
Rental income	-	751,303	-	751,303
Other government grants	-	3,601	50,527	54,128
Other income	-	5,686	-	5,686
Fraud recovery	1,272	-	-	1,272
<b>Total operating income</b>	<b>1,354,207</b>	<b>760,590</b>	<b>50,527</b>	<b>2,165,324</b>
<b>Operating expenses:</b>				
Housing assistance payments	1,216,531	-	-	1,216,531
Administration	120,488	209,612	-	330,100
Maintenance	-	324,512	-	324,512
Utilities	-	152,307	-	152,307
Depreciation expense	-	86,764	-	86,764
Insurance	5,995	35,244	-	41,239
General	8,128	12,753	-	20,881
Extraordinary maintenance	-	14,952	-	14,952
Tenant services	-	1,835	-	1,835
<b>Total operating expenses</b>	<b>1,351,142</b>	<b>837,979</b>	<b>-</b>	<b>2,189,121</b>
<b>Operating income (loss)</b>	<b>3,065</b>	<b>(77,389)</b>	<b>50,527</b>	<b>(23,797)</b>
<b>Non-operating revenues (expenses):</b>				
Interest - unrestricted	2	789	-	791
Interest expense	-	(15,353)	-	(15,353)
<b>Total non-operating revenues (net)</b>	<b>2</b>	<b>(14,564)</b>	<b>-</b>	<b>(14,562)</b>
<b>Income (loss) before transfers</b>	<b>3,067</b>	<b>(91,953)</b>	<b>50,527</b>	<b>(38,359)</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in net position	3,067	(91,953)	50,527	(38,359)
Net position, beginning	(108,644)	1,027,817	225,036	1,144,209
Equity transfers	-	223,096	(223,096)	-
<b>Net position ending</b>	<b>\$ (105,577)</b>	<b>\$ 1,158,960</b>	<b>\$ 52,467</b>	<b>\$ 1,105,850</b>

SUPPLEMENTARY INFORMATION

Reading Housing Authority  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended June 30, 2016

<u>Department of Housing and Urban Development</u>	<u>Federal CFDA Number *</u>	<u>Agency or Pass-through Number</u>	<u>Federal Assistance Received</u>	<u>Expenditures</u>
Section 8 Housing Choice Voucher Program	14.871	MA 075	\$ 1,352,935	\$ 1,352,935
Total federal awards			\$ 1,352,935	\$ 1,352,935

\* Refer to Catalog of Federal Domestic Assistance

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2

U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net position, or cash flows of the Authority.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) The Authority has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – PROGRAM COST**

The amounts presented as federal expenditures represent only the federal portion of the actual program costs. Actual program costs, including the Authority's portion, may be more than is shown on the schedule.

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Report on internal control over financial reporting and on compliance and other matters based  
on an audit of financial statements performed in accordance  
with *Government Auditing Standards*

Board of Commissioners  
Reading Housing Authority  
Reading, Massachusetts

We have audited the financial statements of Reading Housing Authority as of and for the year ended June 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated October 8, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Reading Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Reading Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Reading Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Reading Housing Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Restriction on Use

This report is intended solely for the information and use of management, the, board of commissioners, others within the Authority, the U.S. Department of Housing and Urban Development, and other federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Ross & Company  
Nashua, New Hampshire  
October 8, 2016

**Ross & Company**  
**Certified Public Accountant**  
**397 South Main Street**  
**Nashua, New Hampshire 03060**  
**978-337-2846**

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Report on compliance for each major federal program and report on internal control over compliance in accordance with the uniform guidance

Board of Commissioners  
Reading Housing Authority  
Reading, Massachusetts

**Compliance**

We have audited the compliance of Reading Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. Reading Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Reading Housing Authority's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Reading Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Reading Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Reading Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Reading Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Reading Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Reading Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Reading Housing Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*MHC*

Ross & Company  
Nashua, New Hampshire  
October 8, 2016

**Ross & Company**  
**Certified Public Accountant**  
**397 South Main Street**  
**Nashua, New Hampshire 03060**  
**978-337-2846**

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**Report on compliance with requirements applicable to each state  
program and internal control over compliance**

Board of Commissioners  
Reading Housing Authority  
Reading, Massachusetts

**Compliance**

We have audited the compliance of Reading Housing Authority with the types of compliance requirements described in the *Single Audit State Compliance Requirements of Housing Authorities*, issued by the Office of the State Auditor of the Commonwealth of Massachusetts, that are applicable to each of its state programs for the year ended June 30, 2016. Reading Housing Authority's state programs are identified in the accompanying Notes to the Financial Statements section of this report.

**Management's Responsibility**

Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its state programs is the responsibility of Reading Housing Authority's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on Reading Housing Authority's compliance based on our compliance audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Single Audit State Compliance Requirements of Housing Authorities*, issued by the Office of the State Auditor of the Commonwealth of Massachusetts. Those standards and the State Compliance Requirements require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state program occurred. A compliance audit includes examining, on a test basis, evidence about Reading Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on Reading Housing Authority's compliance with those requirements.

Opinion

In our opinion, Reading Housing Authority complied, in all material respects, with requirements referred to above that are applicable to each of its state programs for the year ended June 30, 2016.

Internal Control Over Compliance

The management of Reading Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our compliance audit, we considered Reading Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Reading Housing Authority's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies, as defined above.

Restricted Use

The purpose of this report is solely to express our opinion on compliance and to test and report on internal control over compliance in accordance with State Compliance Requirements, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Reading Housing Authority's compliance with requirements that could have a direct and material effect on a state program. Accordingly, this report is not suitable for any other purpose.

*MTZ*  
Ross & Company  
Nashua, New Hampshire  
October 8, 2016

READING HOUSING AUTHORITY  
Schedule of findings and questioned costs  
Year ended June 30, 2016

Section I -- Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Significant deficiency(s) identified not considered to be material weaknesses?	No

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Significant deficiency(s) identified not considered to be material weaknesses?	No

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
Uniform Guidance No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
CFDA No. 14.871	Section 8 Housing Choice Voucher Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

READING HOUSING AUTHORITY  
Schedule of findings and questioned costs  
Year ended June 30, 2016

Section II --Financial Statement Findings

There were no reportable conditions, material weaknesses of instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Section III--Federal Award Findings and Questioned Costs

There were no audit findings required to be reported in accordance with the uniform guidance.

Section IV --State Programs Findings and Questioned Costs

There were no audit findings required to be reported

READING HOUSING AUTHORITY  
Summary schedule of prior audit findings  
Year ended June 30, 2016

The prior audit report for the twelve months ended June 30, 2015, contained no findings.

READING HOUSING AUTHORITY  
Summary schedule of journal entries  
Year ended June 30, 2016

The audit report for the twelve months ended June 30, 2016, contains the following adjusting journal entries.

	AE#	Debit	Credit	For
<u>4001 program</u>				
Prior period adjustments	1	\$ 118,828		FDS &
Accrued pension and OPEB liabilities			\$ 118,828	Books
To record GASB 67&68				
<u>Section 8 program</u>				
Prior period adjustments	2	\$ 51,485		FDS &
Accrued pension and OPEB liabilities			\$ 51,485	Books
To record GASB 67&68				
<u>689 program</u>				
Prior period adjustments	3	\$ 8,038		FDS &
Accrued pension and OPEB liabilities			\$ 8,038	Books
To record GASB 67&68				
<u>Business Activities</u>				
Prior period adjustments	3	\$ 38,884		FDS &
Accrued pension and OPEB liabilities			\$ 38,884	Books
To record GASB 67&68				

Reading Housing Authority (MA075)  
 Reading, MA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2016

	14.871 Housing Choice Vouchers	2 State/Local	Subtotal	Total
111 Cash - Unrestricted	\$17,956	\$575,716	\$593,672	\$593,672
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$1,156	\$1,156	\$1,156
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$17,956	\$576,872	\$594,828	\$594,828
121 Accounts Receivable - PHA Projects	\$4,596		\$4,596	\$4,596
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous	\$501		\$501	\$501
126 Accounts Receivable - Tenants		\$2,686	\$2,686	\$2,686
126.1 Allowance for Doubtful Accounts -Tenants		-\$2,683	-\$2,683	-\$2,683
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,097	\$3	\$5,100	\$5,100
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$1,601	\$50,280	\$31,881	\$31,881
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				

145 Assets Held for Sale			
150 Total Current Assets	\$24,654	\$607,155	\$631,809
161 Land		\$13,767	\$13,767
162 Buildings		\$4,492,065	\$4,492,065
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration		\$140,062	\$140,062
165 Household Improvements		-\$3,285,611	-\$3,285,611
166 Accumulated Depreciation		\$52,467	\$52,467
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$1,412,750	\$1,412,750
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$0	\$1,412,750	\$1,412,750
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$83,585	\$2,115,141	\$2,168,726
311 Bank Overdraft			
312 Accounts Payable <= 90 Days		\$15,407	\$15,407
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$356	\$5,592	\$5,948
322 Accrued Compensated Absences - Current Portion	\$2,002	\$8,376	\$10,378
324 Accrued Contingency Liability			\$10,378
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits	\$1,156	\$1,156	\$1,156
342 Unearned Revenue	\$624	\$3,579	\$3,579

343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$22,800	\$22,800	\$22,800
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities		\$5,313	\$53,955	\$59,268
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$317,361	\$317,361
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current		\$6,005	\$25,129	\$31,134
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities		\$142,563	\$489,886	\$632,449
350 Total Non-Current Liabilities		\$148,568	\$832,376	\$980,944
300 Total Liabilities		\$153,881	\$886,331	\$1,040,212
400 Deferred Inflow of Resources		\$5,281	\$17,384	\$22,665
508.4 Net Investment in Capital Assets			\$1,072,587	\$1,072,587
511.4 Restricted Net Position		\$0	\$0	\$0
512.4 Unrestricted Net Position		-\$105,577	\$138,839	\$33,262
513 Total Equity - Net Assets / Position		-\$105,577	\$1,211,426	\$1,105,849
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net		\$53,585	\$2,115,141	\$2,168,726

Reading Housing Authority (MA075)

Reading, MA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2016

	14.871 Housing Choice Vouchers	2 State/Local	Subtotal	Total
70300 Net Tenant Rental Revenue		\$751,303	\$751,303	\$751,303
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$0	\$751,303	\$751,303	\$751,303
70600 HUD PHA Operating Grants	\$1,352,935		\$1,352,935	\$1,352,935
70610 Capital Grants				
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$2	\$789	\$789	\$789
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery	\$1,272		\$1,272	\$1,272
71500 Other Revenue		\$5,686	\$5,686	\$5,686
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$1,354,209	\$811,906	\$2,166,115	\$2,166,115
91100 Administrative Salaries	\$26,656	\$38,447	\$7125,103	\$725,103
91200 Auditing Fees	\$1,125	\$6,975	\$8,100	\$8,100
91300 Management Fee	\$59,524		\$59,524	\$59,524
91310 Book Keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributors - Administrative	\$22,902	\$59,318	\$82,220	\$82,220
91600 Office Expenses				
91700 Legal Expense	\$1,257	\$331	\$1,788	\$1,788
91800 Travel		\$150	\$150	\$150
91810 Allocated Overhead				
91900 Other	\$9,024	\$44,192	\$53,216	\$53,216
91000 Total Operating - Administrative	\$120,488	\$209,613	\$330,101	\$330,101
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				

92400 Tenant Services - Other		\$1,835	\$1,835	\$1,835
92500 Total Tenant Services	\$0	\$1,835	\$1,835	\$1,835
93100 Water		\$56,312	\$56,312	\$56,312
93200 Electricity		\$87,631	\$87,631	\$87,631
93300 Gas		\$129	\$129	\$129
93400 Fuel		\$6,235	\$6,235	\$6,235
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$0	\$152,307	\$152,307	\$152,307
93900 Total Utilities	\$0	\$152,307	\$152,307	\$152,307
94100 Ordinary Maintenance and Operations - Labor		\$143,988	\$143,988	\$143,988
94200 Ordinary Maintenance and Operations - Materials and Other		\$21,298	\$21,298	\$21,298
94300 Ordinary Maintenance and Operations - Contracts		\$84,502	\$84,502	\$84,502
94500 Employee Benefit Contributions - Ordinary Maintenance		\$74,714	\$74,714	\$74,714
94900 Total Maintenance	\$0	\$224,512	\$224,512	\$224,512
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services		\$0	\$0	\$0
95900 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance				
96120 Liability Insurance				
96130 Workmen's Compensation				
96140 All Other Insurance	\$6,995	\$35,244	\$41,239	\$41,239
96190 Total Insurance Premiums	\$5,995	\$35,244	\$41,239	\$41,239
96200 Other General Expenses	\$6,120	\$190	\$6,310	\$6,310
96210 Compensated Absences	\$2,008	\$2,655	\$4,663	\$4,663
96300 Payments in Lieu of Taxes		\$9,273	\$9,273	\$9,273
96400 Bad debt - Tenant Rents		\$635	\$635	\$635
96500 Bad debt - Mortgages				
96500 Bad debt - Other				
96800 Severance Expense				
96900 Total Other General Expenses	\$8,128	\$12,753	\$20,381	\$20,381
96710 Interest of Mortgage (or Bonds) Payable		\$15,353	\$15,353	\$15,353
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96790 Total Interest Expenses and Amortization Cost	\$0	\$15,353	\$15,353	\$15,353
96900 Total Operating Expenses	\$134,611	\$751,617	\$886,228	\$886,228
97000 Excess of Operating Revenue over Operating Expenses	\$124,938	\$60,289	\$1279,987	\$1279,987
97100 Extraordinary Maintenance		\$14,952	\$14,952	\$14,952

97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments	\$1,216,531		\$1,216,531	\$1,216,531
97350 HAP Portability-in				
97400 Depreciation Expense	\$ 0	\$85,764	\$85,764	\$85,764
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment -Governmental Funds				
97800 Dwelling Units Rent Expense				
99000 Total Expenses	\$1,351,142	\$953,333	\$2,204,475	\$2,204,475
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$3,087	-\$41,427	-\$38,360	-\$38,360
11020 Required Annual Debt Principal Payments	\$ 0	\$ 0	\$ 0	\$ 0
11030 Beginning Equity	-\$108,644	\$1,242,853	\$1,144,209	\$1,144,209
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity	\$ 40,577		-\$105,577	-\$105,577
11180 Housing Assistance Payments Equity	\$ 0		\$ 0	\$ 0
11190 Unit Months Available	1500	1376	2876	2876
11210 Number of Unit Months Leased	1454	1376	2850	2850
11270 Excess Cash				
11610 Land Purchases				
11620 Building Purchases				
11630 Furniture & Equipment - Dwelling Purchases				
11640 Furniture & Equipment - Administrative Purchases				
11650 Leasehold Improvements Purchases				
11660 Infrastructure Purchases				
13510 CFFP Debt Service Payments				
13901 Replacement Housing Factor Funds				