

PHILADELPHIA HOUSING AUTHORITY

**MOVING TO WORK ANNUAL REPORT
YEAR SEVEN**

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EXECUTIVE DIRECTOR**

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**PHILADELPHIA HOUSING AUTHORITY
MOVING TO WORK
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MOVING TO WORK YEAR SEVEN ANNUAL REPORT
PART ONE: ACCOMPLISHMENTS REPORT

MOVING TO WORK ANNUAL REPORT

YEAR SEVEN ACCOMPLISHMENTS

Introduction

This is the Seventh Annual Accomplishments Report published by the Philadelphia Housing Authority (PHA) under the Moving To Work (MTW) Demonstration Program. PHA's participation in the MTW Program has been a critical ingredient in its ambitious and successful ten year program to transform and revitalize Philadelphia's public housing program, create affordable homeownership opportunities, and promote resident economic self sufficiency. PHA's existing MTW agreement expired on March 31, 2008; however, PHA is actively seeking an extension which would allow this enormously effective program to continue and to achieve its full potential.

The Annual Accomplishments Report serves as the introduction to the Year Seven MTW Annual Report. It provides a summary of the extensive initiatives undertaken and accomplishments achieved by PHA for the one-year period ending March 31, 2008.

Year Seven Highlights

A summary of major accomplishments organized by Strategic Operating Plan goal area follows. Among the many highlights of the past year were the commencement of construction at Nellie Reynolds Gardens, completion of 155 rental units at Ludlow and Marshall Shepherd Village, completion of 28 homeownership units at Schuylkill Falls, sale of 112 affordable homes, and securing more than \$40 million in new private equity, state and local resources to support new development activities. While these and other major accomplishments were achieved, PHA's efforts have been hampered by ongoing reductions in federal support for public housing which, over the past year, was pro-rated at approximately 83% of actual funding need. The implications of reduced funding levels are significant, resulting in large-scale staff reductions as reported in the previous Annual Report and ongoing challenges in meeting PHA's service delivery goals.

PHA's Executive Director, Carl R. Greene described the issue as one requiring national attention. "We are doing everything we can in concert with our residents and local elected officials to urge Congress and HUD to provide adequate funding for the public housing and the Housing Choice Voucher programs", said Greene. "PHA's 84,000 residents are some of the most vulnerable members of our community - the frail elderly, people with disabilities and families with children. Ongoing federal budget cuts directly impact their lives," said Greene. "At the same time, federal disinvestment in public housing inevitably will have a destabilizing effect on the neighborhoods surrounding public housing. PHA has proven that investments in public housing have a positive impact on local housing values. We can not allow these hard fought improvements to be reversed."

While funding cutbacks have presented considerable operational challenges, as in prior years, PHA has risen to the challenge. Executive Director Greene believes that

long-term investments in employee training and technology have been an essential component of PHA's efforts to achieve excellence in the context of dwindling resources. "When I started my tenure in Philadelphia, PHA employed 2,500 employees," said Greene. "Ten years later we have fewer than 1,200 employees doing basically the same amount of work. The initiatives PHA has implemented to improve the overall quality of the workforce through extensive training are now paying dividends. We are working both harder and smarter at PHA. Our industry-leading management trainee program in cooperation with local universities has also been an invaluable source of fresh, energetic talent."

Mr. Greene also cited new initiatives focusing on performance management and quality assurance as important factors in PHA's ability to temper the impact of funding cuts. "Over the past year, PHA implemented a comprehensive Performance Management Initiative designed to carefully track management and maintenance operations at the individual property level," said Greene. "Cross-functional teams are now responsible for monitoring site conditions, identifying problem areas, and supporting local Asset Managers in addressing these problems. These activities have resulted in overall increases to our work order turnaround time, rent collections and other management indicators."

PHA's accomplishments were acknowledged by others including The Multifamily Executive magazine, which awarded its "Project of the Year" designation to the Martin Luther King, Jr. development. PHA's efforts to promote a "smart growth" neighborhood at MLK were also acknowledged by the Pennsylvania Environmental Council. The Pennsylvania Association of Housing and Redevelopment Officials awarded PHA a Certificate of Achievement in recognition of its outstanding efforts to reduce homelessness through the Blueprint Program. Finally, the Apartment Association of Greater Philadelphia recognized Emlen Arms, Gladys B. Jacobs and Germantown House for "Best in Apartment Living" awards.

Strategic Operating Plan

All MTW activities are incorporated into PHA's comprehensive, agency-wide Strategic Operating Plan, which provides a detailed "blueprint" for agency goals, objectives and tasks in every major area of agency operations. The Strategic Operating Plan is regularly updated to report progress and reflect new agency initiatives including those undertaken as part of the MTW Demonstration Program. PHA utilizes industry standard project management system to track and report on Strategic Operating Plan progress.

To ensure continuous progress in each goal area, PHA convenes regular inter-departmental goal meetings for each of the nine goals. The goal meetings are working sessions that provide an opportunity for staff to work on key objectives, address operational challenges, and identify solutions to strategic plan tasks. In addition to goal meetings, PHA established Leadership Council which meets weekly to review strategic plan progress and to identify and resolve obstacles to achieving all identified goals. Finally, as noted below, site level goals and objectives are

monitored and supported by cross-functional teams as part of the Performance Management Initiative.

The Accomplishments Report for 2007-2008 highlights and summarizes the accomplishments achieved by PHA under each of the nine Strategic Operating Plan goals during the fiscal year from April 1, 2007 through March 31, 2008.

Strategic Operating Plan Goal 1: Achieve Excellence In Property Management.

PHA currently owns and manages a total of 15,789 housing units in thirty-one (31) conventional public housing developments, five (5) scattered site management areas, ten (10) alternatively managed developments and seventeen (17) newly renovated or constructed Low Income Housing Tax Credit sites. PHA's portfolio includes units managed by its subsidiary, Philadelphia Asset and Property Management Corporation (PAPMC). Unit counts will change in the coming months to reflect new development (Nellie Reynolds, Warnock Street, Marshall Shepherd Village), disposition and demolition activity (Mantua, partial Liddonfield, partial Abbotsford).

Over the course of the year, PHA was able to maintain a high level of productivity on key property management indicators:

- PHA collected 93.46% of billed rent. Of approximately \$31.46 million in rent billed, PHA successfully collected \$29.4 million. This represents an increase of approximately \$984,150 over the prior year. This performance level was aided by the various communication activities undertaken as part of the Performance Management initiative, including Rent Reminder calendars sent to all residents.
- PHA achieved overall occupancy of 13,632 households in the public housing program (including scattered site, conventional, PAPMC and AME sites).
- Work order response time for emergency service orders remained within 72 hours. Average completion time for routine service orders was 44 days.
- Over 97% of PHA occupied units were inspected using the UPCS standards during the year.
- Over 99% of scheduled recertifications were completed.
- Lease up activities commenced at Ludlow Scattered Sites (75 units) and Marshall Shepard Village (80 units.)
- The overall total of families housed under the "Blueprint to End Homelessness" program increased to 425 including 375 public housing units and 50 Housing Choice Vouchers.
- Supported site operations through Performance Management Initiative including implementation of deferred maintenance activities.
- Sparkle Plus initiatives were undertaken at Greater Grays Ferry Estates and other PAPMC sites.
- Comprehensive staff training curricula were developed and implemented.

- Four editions of the PHA Experience newspaper were published, keeping residents informed about a wide range of issue and opportunities.

Strategic Operating Plan Goal 2: Achieve Excellence in The Management of the Housing Choice Voucher Program and Enforce Program Compliance.

PHA operates one of the country's largest Housing Choice Voucher (HCV) programs, which last year served approximately 16,390 Philadelphia households. In contrast to the PHA-owned housing programs, the HCV program allows PHA to enter into contracts with private property owners so that rents are affordable to low-income households. In these efforts, PHA collaborates with a broad range of community actors, developers and government agencies to use HCV resources to accelerate and support neighborhood revitalization.

HCV resources are also allocated to assisting low-income households to become homeowners. Eligible households, who must have an employment history unless they are disabled or elderly, are provided with credit and homebuyer counseling that enables them to find and secure permanent homeownership units in the community. PHA's HCV homeownership initiative represents one of the most successful programs in the country.

PHA continued to operate community site offices, which provided neighborhood residents with convenient access to conduct business and contact with their assigned Service Representatives. Major accomplishments in the area of HCV operations during MTW Year Seven include:

- PHA met 100% of its MTW leasing goals.
- 100% of scheduled recertifications were completed.
- A total of 929 units were awarded under the Unit Based Leasing and Development Program.
- The HCV Homeownership Program expanded and currently serves 217 first time homebuyers. Fifty-nine (59) of these home sales occurred during the past year, including eighteen (18) to families with disabilities. Some of the homeowners purchased new units at PHA redevelopment sites, while others found quality existing housing in Philadelphia neighborhoods.
- Through extensive resident self-sufficiency efforts, 603 previous HCV program participants have "graduated" from the program during the MTW demonstration. This represents the point when household income is sufficient to pay all rental expenses without a subsidy.
- 100% of all HCV scheduled inspections were completed. Units are inspected before occupancy and then regularly throughout the term of the lease.
- PHA continued to implement the Enhanced Tenant Responsibility Training program requirement for all HCV program participants.

- A total of 238 formerly homeless families were assisted in the past year through the Blueprint to End Homelessness program.
- Efforts to improve the quality and expand the geographic distribution of housing units available to HCV participants were implemented during the past year. These efforts included conducting Housing Fairs, briefing sessions and distribution of information materials to program participants. 514 HCV participants and 259 property owners participated in the Housing Fairs, which resulted in 300 housing placements.
- PHA Investigations conducted 834 investigations in response to community and staff calls.
- File audits were completed on all files using PHA's CRM Quality Control module.
- HCV participants who are subject to the seven-year time limit as part of MTW continued to work with PHA to develop a Family Economic Development Action Plan (FEDAP). The FEDAP helps establish self-sufficiency goals for the entire family in order to assist them in improving their overall economic status. PHA staff collaborates with local community partners to provide employment, training and other supportive services to HCV program participants.

Strategic Operating Plan Goal 3: Develop Affordable Quality Housing that Supports Balanced Communities

This Strategic Operating Goal encompasses both the redevelopment of existing PHA communities as well as the implementation of new development initiatives that complement Philadelphia's neighborhood revitalization efforts. MTW funding flexibility has allowed PHA to leverage capital dollars in support of public housing and neighborhood revitalization.

PHA redevelopment and neighborhood revitalization initiatives have transformed Philadelphia's neighborhoods. The economic value and leveraging effect generated by these initiatives have been carefully documented in the "Creating Wealth" study discussed in Year Five Annual Report. That study documented the extent to which real estate values in neighborhoods adjacent to PHA redevelopment projects have increased at levels substantially higher than in other parts of the City.

Major highlights for this goal area during MTW Year Seven include:

- PHA continued to effectively administer capital budgets of over \$1.2 billion. This includes funding for recently completed redevelopment, new construction and modernization as well as projects scheduled in the coming years. PHA's track record as developer now totals 26 projects including two new transactions this year: Mantua and Warnock Street Phase II.
- An additional \$40.4 million in leveraged financing was raised during the year including \$500,000 in state funds, \$12.6 million in bond funds, \$22.8 million in LIHTC private equity and \$2.5 in local funds.
- PHA closed on a total of \$33.5 million in real estate transactions over the past year, involving the creation of 64 rental and 50 affordable homeownership units. The sites that closed included Nellie Reynolds Gardens and Ludlow Homeownership.
- Construction began on a \$22 million, 64 unit senior building at Nellie Reynolds Garden. The site will include approximately 12,000 square feet of commercial office space.
- Master planning and property acquisition activities were completed for the \$46.2 million Warnock Street Phase 1 and 2.
- At Mantua, a Tax Credit application was submitted and master planning activities completed for a 101 unit development with an estimated cost of \$31 million.
- Extensive progress was made at the \$140 million Lucien E. Blackwell Homes project including the sale of 35 off-site homeownership units and completion of construction of 80 scattered site units at the Marshall Shepherd Village.

As part of the Angela Court Phase II component of LEB, construction began on 54 senior rental units.

- At the \$83 million MLK Plaza development, PHA submitted a revised revitalization plan for development of green space and 19 affordable homeownership units.
- At Greater Grays Ferry, PHA completed construction of a 32,000 sq. ft. building on the site that now serves as PHA offices including multi-purpose and training areas.
- At Liddonfield, one of PHA's most distressed sites, PHA issued an RFP to select a Master Developer for the site and is currently evaluating responses.
- Under the \$50 million Ludlow Scattered Site HOPE VI development, PHA completed construction of 75 Energy Star certified units, and began construction of 50 affordable homeownership units.
- HVAC upgrades were completed at Queen Lane, West Park, Emlen Arms and the John F. Street Community Center.
- As part of the \$50 million Falls Ridge development, PHA completed and sold 28 homeownership units. Approximately 10% of the market rate homeownership units developed by a private developer have settled.
- PHA submitted 17 disposition applications during this past year to permit the transfer of 1.063 scattered site properties. Along with other properties assembled by PHA affiliates, and private purchasers/developers, they will be used for sales to enhance PHA's scattered site initiative, transfer to PHA affiliates for developments including 64 senior and 50 family rentals, and transfer to community development corporations and private entities for development of approximately 110 affordable rental and homeownership units.
- Finally, PHA undertook a wide range of master planning efforts in neighborhoods adjacent to or near PHA developments including Abbotsford, Mill Creek Extension, Strawberry Mansion, Mantua Hall and others.

Strategic Operating Plan Goal 4: Implement Public Safety Programs That Promote the Well-Being Of Our Neighborhoods and the Accountability of Program Participants.

PHA's public safety focus under Strategic Operating Plan Goal 4 encompasses management of security for all PHA housing communities, offices and other facilities. In addition, PHA provides a range of public safety related services including support for resident crime prevention efforts, investigation of complaints, coordination of lease compliance activity, criminal records checks and other critical task. These services include management of private security contracts that provide security at 11 senior developments, 3 family developments, 5 HCV site offices, 1 scattered site office and 4 administrative offices.

Progress in the area of public safety was made during Year Seven in spite of reduced federal funding. Major public safety accomplishments and highlights from MTW Year Seven include:

- While Philadelphia as a whole continues to experience high crime rates, reported crimes for PHA developments actually decreased over the past year. The level of Part I crimes, which encompasses the most serious and violent crime categories, at PHA developments decreased by 10.7%.
- PHA continued to work in partnership with the Philadelphia Police Department and other federal and state law enforcement agencies including Homeland Security. Weekly COMSTAT meetings are held between the PHA Police Department Chief and the Philadelphia Police Department management to review crime statistics and identify joint strategies. In addition, the PHA Police Chief and the Philadelphia Police Commissioner meet bi-weekly to review issues and strategies.
- Upgrades and installations of digital security equipment were completed during this period at Wilson Park Community Center, Greater Grays Ferry, John Street Community Center and the Bartram Warehouse.
- PHA Police Department staff has conducted over 12,000 criminal records checks as required by federal and local policy. This process helps to strengthen the fabric of Philadelphia's neighborhoods by screening out serious criminal offenders from participation in the public housing and HCV programs.
- PHAPD continued to operate the Gang Resistance Education and Training (GREAT) program. To date, the program has helped teach 1,886 PHA youths to overcome peer pressure regarding drug use and learn conflict resolution skills. The thirteen-week Summer Camp component of the program has served 601 youth and 92 adults.

- As part of its collaboration with local law enforcement, PHA continued operation of a voucher program to assist victims and witnesses to violent crime identified by the District Attorney's office.
- PHA Police continued to help support the Citizens Crime Commission including the anonymous TIP line. This collaboration helped to solve the burglary of the Bartram Computer Center which involved theft of 15 computers used by residents.
- PHA continued to provide enhanced Tenant Responsibility MTW Training. As part of its local leased housing MTW program initiative, PHA requires all Housing Choice Voucher Program participants to participate in Tenant Responsibility Training at both the initial lease-up and at every recertification period. This effort will help improve residents' understanding of their roles and responsibilities as good neighbors and PHA program participants.

Strategic Operating Plan Goal 5: Engage Other Institutions to Leverage Resources and Assist In Promoting Economic Enhancement and Support Services for PHA Residents.

Strategic Operating Plan Goal 5 incorporates the numerous programs and activities undertaken by PHA and its network of community partners to promote resident economic self sufficiency, encourage the healthy development of children, support seniors and people with disabilities, and maximize resident potential for independent living.

Programs under this goal area include affordable homeownership, youth and senior programs, employment training and job placement initiatives. Because the scope of need among PHA residents is so great, PHA cannot do this job alone. Therefore, central to PHA's approach is leveraging resources, collaborating with resident leadership, and partnering with qualified agencies and institutions to bring the best available program services to PHA residents.

PHA's Communication Department supported and enhanced these efforts through community events, media spots and publications including the successful "PHA Experience" quarterly resident newspaper. These efforts are designed to promote resident awareness of community opportunities, to promote positive role models, to inform residents of PHA policy issues, and to strengthen and reshape PHA's image in the larger community.

Through the non-profit Tenant Support Services Inc. (TSSI), PHA expanded efforts to involve public housing and other community residents in improving PHA communities. TSSI is an integral partner in all of PHA's service planning and implementation initiatives.

Major accomplishments related to this goal area through MTW Year **Seven** include:

- PHA's groundbreaking affordable homeownership program continued to grow during the past year. To date, the Home Sales Department has sold 879 homes, of which 112 took place in Year Seven.
- The marketplace has consistently validated the quality and affordability of PHA homes. At Greater Grays Ferry, 123 homes were sold. At Martin Luther King Plaza, all 90 Phase I and II homes were sold. At Ludlow, 41 of the 50 homes were sold. To date, all 65 homes in Phases I and II at Lucien E. Blackwell have sold out. In Phase III, 32 sales have occurred.
- As part of the home sales activity, PHA expanded its HCV Homeownership Program to 217 homes, including 59 new homeowners in the past year. Eighteen (18) of these new homeowners are families with disabilities.

- Under the Section 5(h) Scattered Site homeownership program, an overall total of 118 existing PHA units have been sold to date to existing public housing residents.
- More than 1,465 low and moderate-income households participated in PHA sponsored first-time homebuyer workshops over the past year. PHA has also established working partnerships with 27 certified housing counseling agencies and many major regional banks including Wachovia, Bank of America, Citizens, Commerce and Sovereign Banks.
- PHA continued to implement a Resident Mortgage Assistance Program (RMAP) comprehensive benefit package to assist residents in achieving Homeownership by providing closing cost assistance, writing down the cost of the home and providing free financial counseling.
- PHA continued to operate the Pre-Apprenticeship Training Program initiative in partnership with the building trade unions. As of September 30, 2007, a total of five hundred twenty eight (528) residents graduated from the Pre-Apprenticeship Building, Maintenance and Construction Training Program, of which forty-two (420) graduated over the past year. Two hundred seventy nine (279) of these graduates entered the construction trades. These jobs are positions at union scale wages with benefits, resulting from certified apprenticeships in the building and construction trades program and PHA's new partnership with industrial employment opportunities. In addition, PHA has formed new partnerships to provide industrial employment opportunities, at businesses such as Aker Shipyard. Twenty (20) graduates have entered industrial employment.
- PHA placed residents in jobs through the Section 3 program. This program, which requires PHA contractors to hire qualified PHA residents for new positions, produced one hundred fifty four (154) jobs over the past year. PHA contractors continue to fill their workforce needs with qualified PHA residents, who are often graduates of the Pre-Apprenticeship program.
- Fifty four (54) residents enrolled in the Certified Nursing Assistant (CNA) program over the past year, bringing the six year total to nine hundred ninety eight (998) residents. CAN graduates have a 90% employment rate. All graduates are employable as State certified CNAs.
- Seventy-eight (78) residents enrolled and graduated from the Pharmacy Technician program over the past year, for a six year total of three hundred seventy-seven (377) residents. Pharmacy Technician graduates have a 90% employment rate. All graduates are eligible to sit for the Pennsylvania State Certification and may secure employment as Pharmacy Technicians.
- Thirty-eight (38) residents enrolled and graduated from the Medical Billing Program this year, for an overall total of two hundred fifty-two (252) graduates. Medical Billing graduates have a 92% employment rate. Graduates may secure employment as Medical Billing Clerks.

- PHA has a number of senior developments along with programs specifically designed to provide services for senior residents. PHA is presently developing a comprehensive program to provide enhanced supportive living services and options for seniors under programs administered by the Pennsylvania Department of Public Welfare and the Pennsylvania Department of Aging. Working cooperatively with Health Plan Organization partners, PHA has negotiated a successful partnership with Pfizer, the nation's leading pharmaceutical firm to provide health and fitness and advocacy programming for senior and disabled customers.
- The St Agnes LIFE Program, which provides comprehensive health care services to those who are nursing home eligible, continued to operate at the Greater Grays Ferry Estates. A second LIFE center, operated by New Cortland, operates at Germantown House. PHA's Eldercare Initiative implemented a "virtual" One Stop Shop for services; access to a wide array of senior and disabled services is only a phone call away.
- PHA has expanded the number and variety of programs available to residents by incorporating the following Community Partner programs
 - **Opportunities Industrialization Corporation, Inc.** (OIC) - Provides Hospitality Training in the areas of Culinary Arts, Guest Services, Front Office Procedure, and/or Travel Tourism.
 - **Educational Data Systems Inc.** (EDSI) provides Supported Work, Job Search, Job Placement, Community Service and Job Retention services;
 - **Management Environmental Technologies, Inc** (MET) offers Job Training, Youth Development, Cultural Awareness, Small Business Development and Neighborhood Improvement programs.
 - **Creative Urban Educational Systems Medical Billing** - students receive training in technical ICD-9CM coding, CPT data processing and reimbursement procedures. They generate reports for patient day sheets, procedure ledgers, patient billing cycles and patient statements using standard Medisoft software;
 - **The Enterprise Center Self Employment Program** offers classes, individualized coaching, and a professional and nurturing environment, allowing students to gain valuable, marketable skills and the resources to start a business. By the end of the program, students will be prepared to begin their own business venture;
 - **Community College of Philadelphia's Administrative Assistant Job Readiness Program** (132 hours) prepares students to serve as administrative assistants by providing training in the areas of life skills, customer service, computer use, workplace etiquette, filing, job searching and interviewing;
 - **Community College of Philadelphia's Financial Services Job Readiness Program** (120 hours) is designed to prepare students for jobs in the financial services industry with a focus on customer service and clerical skills development. This program includes life

skills, math skills, accounting skills, customer service, computer skills, workplace etiquette, and job search and interviewing skills;

- **New Wave Resources Inc Customer Service** - 16-week course provides training for careers in hotels, restaurants, and food service at schools, financial services, airlines, personal care facilities, and retail;
- **New Wave Resources Inc Commercial Drivers License** - 16-week course (130 hours) provides training to drive commercial vehicles such as trucks, buses, and ambulances. Upon successful completion, students can obtain one of two types of commercial drivers licenses, Class A (Tractor Trainer) or Class B (small trucks and buses);

- PHA expanded its efforts to promote healthy alternatives and educational attainment for youth, serving over 2,500 youth through various programs. PHA has created partnerships with nine Family Centers, two Cultural Arts organizations, eight Community-Based Organizations and the Explorers of the Boy Scouts of America. The Skills for Life program has produced an impressive 89% success rate based on students who matriculate to the next grade level. PHA was awarded a grant from the Philadelphia Workforce Investment Board and the Philadelphia Youth Council to serve 100 youth in the Experiential and College and Career Exposure Program.
- As many as 200 low-income children now have a great new place to learn and have fun after school, thanks to a historic partnership between the Philadelphia Housing Authority and the Boys & Girls Clubs (BGCP) of Philadelphia. The BGCP provides programs and activities at PHA's two newest community centers, Wilson Park in South Philadelphia at the South Philadelphia After-school Recreation Center (SPARC) and in North Philadelphia in the John F. Street Community Center. Both locations offer programs for 1st through 5th graders from 3:00 PM to 6:00 PM, and for 12-18 year olds from 6:00 to 8:00, Monday through Friday. Activities at the centers focus on five core areas: education and career development; character and leadership development, health and life skills; the arts; fitness and recreation. There is no charge to families for their children's participation in the BGCP programs at the PHA locations. BGCP obtained foundation and Department of Juvenile Justice grants in cooperation with HUD to pay for this first year of program operation, while PHA covers the cost of providing and maintaining the community centers.
- As part of PHA's Foundation Strategy, Tenant Support Services in partnership with the Philadelphia Housing Authority was awarded \$150,000 from the Wachovia Foundation to hire a coordinator to initiate the program delivery phase of the Grays Ferry revitalization project. TSSI launched the South Philadelphia After-school Recreation Center (SPARC) with services provided by the Boys and Girls Clubs of Philadelphia, designed to promote healthy living, support academic achievement and leadership skills for area youth. The SPARC provides the youth with access to an exercise room, arts and crafts room with kiln, recording studio, dance studio, computer lab, classrooms, commercial kitchen and a gym/multipurpose room.

- PHA served over 58,000 meals to more than 9,000 low-income children at 26 PHA sites as part of its Summer Food Service Program.
- Transportation services for shopping, medical care and other needs were provided to approximately 1,900 seniors.

Strategic Operating Plan Goal 6: Improve the Productivity and Cost Effectiveness of PHA's Operations.

In response to continuing, serious federal budget reductions, PHA's efforts to improve productivity and cost efficiency were heavily emphasized over the past year. Across all departments and levels of the operation, staff engaged in working groups, discussions and detailed analyses designed to identify cost savings and/or productivity enhancing opportunities. PHA anticipates that these efforts will continue at a rapid pace in the New Year, especially as they relate to capping soaring utility costs in the scattered site portfolio and elsewhere. Accomplishments related to Strategic Operating Plan Goal 6 in MTW Year Seven included:

- As previously noted, PHA implemented a comprehensive Performance Management Initiative over the past year. Through this program, PHA leverages cross-functional teams of staff in support of site-level improvement programs. The program has resulted in improvements to rent collections and work order performance.
- PHA reduced total inventory from \$4,272,030 to \$3,443,882.01 for an overall reduction of \$828,148.20 or 19% as compared to the previous fiscal year. The reduction resulted from improved inventory accuracy provided by Peoplesoft PAR Inventory functionality, the sale of excess/obsolete items and staff training.
- PHA retired 34 trailer rentals used to store excess/obsolete materials resulting in a \$3,230 monthly expense reduction. In addition, the excess materials were sold in accordance with the Excess Materials policy resulting in revenue of approximately \$36,000.
- A wide array of energy conservation initiatives took place including replacement of 1,035 inefficient commodes with low-water usage models. This is estimated to save \$ 215,000 per year.
- PHA replaced 4,437 incandescent light bulbs with compact fluorescent bulbs. An estimated annual cost savings of over \$32,000 per year will result from this effort.
- An energy analysis of 4,000 units was conducted, achieving estimated cost savings of \$500,000.
- In response to the need to increase productivity across the board, PHA continued implementation of an agency-wide teambuilding initiative.
- Proactive cost containment and service monitoring allowed for the restructuring of communication and data-lines reductions. Many of the services for lines were combined with other active service or were eliminated from inventory. Many of the field telephone switches were upgraded to

handle Voice Over Internet Protocol (VOIP) technology. All existing switches with these features were upgraded to support updated infrastructure.

- PHA implemented an on-line, automated Non-Represented Annual Performance Appraisal system and related Mid-Year Self Assessment and Probationary Performance Evaluation tools. This system provides continuous bi-directional feedback and communication. The annual appraisal, combined with the mid-year self-assessment ratings and probationary performance evaluations for those employees placed into a new position, provides management with a systematic tool to track performance improvements and declines.
- PHA implemented a vacancy-tracking module to verify and expedite unit turnover. This module reports the status of all units and their various stages of readiness. Asset Managers can at a glance determine unit availability.
- Phase II of a project to upgrade office copier equipment was implemented, including the deployment of scan to file functionality. Scanned documents are converted to .pdf files that can be stored in shared or personal files and emailed, reducing the time to move documents between staff, departments and outside entities. Planned hard dollar equipment cost reduction is \$5,000 - \$7,000 per month, along with further operating cost reductions in the area of interoffice mail distribution and postage.
- Designated field staff were provided with new tools to promote efficiency with the rollout of wireless laptop computers that allow remote access to all PHA systems. A secure connection to PHA utilizing VPN connectivity allows staff to confidentially process tenant and property information as if they were at their office desktop.
- The rollout of new state-of-the-art desktop computers has begun. These new computers will process information more than 10 times faster than the existing desktop computers. This implementation is geared to increase employee productivity with the speed of processing and decrease mean time to fail with the stability of the reliable new desktops.
- To improve efficiency and employees' ability to quickly access the internet, PHA implemented a new firewall, internet security software, enhanced SPAM email filtering, and direct connectivity to internet. Access to the internet is now crisp as well as having the capacity to accommodate 80 simultaneous remote users without a loss of speed or functionality.

Strategic Operating Plan Goal 7: Improve Program Compliance, Reporting, Performance and Accountability.

Strategic Operating Plan Goal 8: Maximize the Use of Technology to Improve Efficiency and Accountability of PHA Operations

PHA continued to implement an ambitious quality assurance and compliance program throughout the organization, combined with an array of technology initiatives. All program procedures are documented, which facilitates the review and/or audit of program transactions. PHA's Quality Assurance Department provided quality control reviews of program files, assisted operating units to assess and re-engineer business practices to promote efficiency, and provided regular monitoring of strategic goals and objectives. PHA continued to utilize a sophisticated project management system to track and report on all program initiatives. This system is updated monthly and reviewed by senior management. Significant accomplishments related to these goals through MTW Year Seven included:

- As evidence of PHA's outstanding financial management, PHA received an unqualified audit opinion for its financial statements.
- PHA conformed to all required investor and funding source requirements including timely submission of cost certifications for all Low Income Housing Tax Credit sites. These actions illustrate the careful attention PHA pays to conformance to regulatory and other funding covenants.
- Independent audits of sample executed contracts were conducted, resulting in no findings made.
- PHA continued its commitment to working with minority and woman-owned businesses. During the past year, PHA achieved 22.31% MBE participation and 17.03% WBE participation, with contract awards totaling over \$28.1 million.
- A new Site Based Quality Assurance Review (SBQAR) process was implemented over the past year, with the goal of reviewing every conventional, scattered site, and PAPMC site over a one year period. To date the process has been completed for 8 conventional sites, 8 scattered sites and 5 PAPMC sites. The reviews produce compliance reports and findings as appropriate, and then are followed up within 30 days to assess progress.
- PHA implemented a critical component, Call Parrot, to the IVR integration. Managers are able to monitor incoming calls to ensure agents adhere to compliance and quality standards. The implementation is enriched with comprehensive and user-friendly data mining capabilities including agent ID, caller ID, time, date, and more. This integrated tool is used as a training device to enhance customer service.

- PHA implemented Enterprise Performance Management (EPM) to provide key business performance indicators via an Executive Dashboard. This implementation simplifies the viewing and tracking performance metrics as well as provides the infrastructure for Business Process Management (BPM) implementation. It's a multi-disciplinary, cross-functional process that enables improved enterprise performance through alignment, visibility, and collaboration among business units and functional areas. More than just connecting strategy and goals to metrics, analytics and methodology are required to understand which metrics are important and how they should be measured.
- PHA implemented the Accounts Payable ("A/P") vendor database clean-up project to capture updated vendor business and contact information to improve data quality and facilitate the implementation of eProcurement. The project includes the capture of vendor banking information that will enable automated clearinghouse ("ACH") instead of paper check settlement of vendor accounts. Phase I of the project included the top 700 vendors, in terms of total transactions and/or dollars paid, whose records were successfully updated. Phase II of the project includes approximately 1300 A/P vendors who participate in the small dollar Purchasing arena.
- PHA implemented a number of enhancements to its CRM Quality Control review application. Staff can now access client files in CRM to conduct file reviews in both Public Housing and Housing Choice Voucher programs. Using checklist functionality created in CRM, staff reviewers can determine the accuracy of tenant benefits and applicability of pertinent policies. The CRM continues to produce business wide detailed reports detailing all housing activities.
- PHA made substantial progress in readying the Partner Campaign to support tracking of PHA Social Service Partners and to integrate with agency-wide external Correspondence Management tools. It will be used to manage and track relationships with partners in order to provide excellent services to PHA clients. By linking the partner business plans to marketing campaigns, it improves awareness of all partners that are involved with PHA organized campaigns and their contribution towards the event, allowing PHA to measure each partner's contribution and performance. It also supports greater operational efficiency by creating a communication mechanism between different functional divisions through various PHA campaigns.

Strategic Operating Plan Goal 9: Maximize Relationships and Initiatives to Deliver Sound and Effective Services

Strategic Operating Plan Goal 9 focuses on creating and nurturing partnerships to achieve maximum benefit for PHA residents and program participants. As federal funding support for HCV and public housing declines relative to need, the importance of forging partnership in support of PHA's mission has become even more important to the agency's long-term success. Significant accomplishments in this area through MTW Year Seven included:

- In addition to the \$1.2 billion in capital funds previously secured, PHA secured an additional \$40.4 million in leveraged financing was raised during the year including \$500,000 in state funds, \$22.8 million in LIHTC private equity and \$2.5 in local funds.
- PHA continued to coordinate efforts with the Commonwealth of Pennsylvania to support expanded housing opportunities for seniors and people with disabilities. New initiatives include the Nursing Home Transition initiative, in which PHA provides housing opportunities for persons living in nursing homes who wish to live independently.
- PHA has entered into a Memorandum of Agreement with Liberty Resources, Inc., to provide vouchers for 100 disabled LRI clients including persons transitioning out of nursing homes. State funding is funding to support two-years of funding for 75 vouchers.
- The Commonwealth and PHA are also collaborating to identify funding sources to support assisted living services at new and current PHA developments.
- PHA's social service fundraising efforts resulted in receipt of new grant funds including: \$974,866 from the U.S. Department of Housing and Urban Development to support and expand homeownership opportunities to low-income PHA residents under the Family and Homeownership Program; \$92,000 from the U.S. Department of Health and Human Services Administration to implement an Assets For Independence Homeownership Program designed to provide homeownership opportunities to low and moderate income Philadelphians; \$110,144 from the U.S. Department of Justice to expand services under the Gang Resistance Education and Training Program; \$109,000 for the Philadelphia Corporation for Aging to provide; \$150,000 from the U.S. Department of Justice to expand services under the Gang Resistance Education and Training Program; \$109,000 for the Philadelphia Corporation for Aging to provide congregate meals at four PHA senior developments; and, \$1.78 million in HUD grants for FSS, Shelter Plus Care and Congregate Housing Services.
- PHA continued coordination of a nationwide network of MTW Housing Authority partners to promote increased support for public housing financial

needs, expansion of MTW to additional cities, and extension of MTW agreements. Periodic group conference calls are held to share critical information and promote shared objectives.

- To promote affordable homeownership, PHA continued its highly effective partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, Commerce Bank, Sovereign Bank and Wells Fargo. PHA also maintains relationships with 27 certified housing counseling agencies throughout the city of Philadelphia.
- In an effort to promote quality service and accountability among HCV private property owners, owners have participated in a mandatory orientation program offered by the Institute of Real Estate Management. This is a unique and groundbreaking program that PHA believes results in better service to HCV participants and more responsiveness to community concerns.
- PHA submitted 17 disposition applications to permit the transfer of 1,063 scattered site properties to be used, along with other properties assembled by PHA affiliates, community development corporations, and private purchasers/developers, for development of additional rental and homeownership units and to provide sales proceeds to support PHA's scattered site initiatives.

Annual Report

As required by the MTW Agreement, the remaining sections of the MTW Annual Report provide details on PHA's recently completed and ongoing activities during MTW Year Seven.

MOVING TO WORK YEAR SEVEN ANNUAL REPORT
PART TWO: PLANNED VS ACTUAL

SECTION 2: HOUSEHOLDS SERVED

This section provides information about the types of units and the characteristics of families served by and on the waiting list for the Philadelphia Housing Authority (PHA) in the MTW Baseline Year and Year Seven in Public Housing (Conventional Scattered Sites, Low-Income Housing, Tax Credit, and Alternative Management Entities Properties) and the Housing Choice Voucher (HCV) Program.

A. Number and Characteristics of Households Served

In PHA's Year Seven Plan, PHA projected serving a total of 14,137 households in the public housing program. The actual number of households served in the public housing program as of March 31, 2008 was 13,632, due primarily to demolition activity at sites slated for redevelopment.

PHA projected that it would serve 14,850 households in the MTW Tenant-based HCV program. As of March 31, 2008, the actual number of households served in this program was 14,850. An additional 1,540 households were served in the non-MTW HCV programs including Moderate Rehab.

Overall, PHA served 30,022 households in MTW Year Seven. For comparative purposes, PHA was serving approximately 24,602 households in FY 2001, i.e. the baseline year for MTW. An additional 2,675 MTW Activity Vouchers were utilized for authorized vouchers.

1. Unit Size of PHA Households.

The Baseline Year unit sizes for PHA households are presented in Table 2-1, followed by Year Seven. The number of households by bedroom size increased in all categories except efficiencies and 6-bedroom units over the figures provided in the Baseline Year. PHA has increased the number of households served by 5,420 over the seven year term of the MTW Demonstration.

Table 2-1. Baseline Year Number and Unit Size for All PHA Households.

Housing Type/ Program	Efficiency	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Six Bdrm	Total
Conventional	499	1,580	2,756	2,335	517	89	8	7,784
Scattered Sites	0	34	531	2,327	663	602	237	4,394
HCV Housing	<u>506</u>	<u>2,152</u>	<u>3,169</u>	<u>5,434</u>	<u>918</u>	<u>195</u>	<u>50</u>	<u>12,424</u>
Program Total	1,005	3,766	6,456	10,096	2,098	886	295	24,602
Distribution %	4%	15%	26%	41%	9%	4%	1%	100%

Source: PHA CCS. October 1, 2001.

Table 2-2. Year Seven. Number and Unit Size for All PHA Households

Housing Type/Program	Efficiency	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Six Bdrm	Total
Conventional	297	1,367	2,316	2,127	512	73	11	6,703
Scattered Sites	27	163	639	2,268	554	513	193	4,357
LIHTC ¹	0	493	469	412	92	3	0	1,469
AME ²	0	368	267	382	77	9	0	1,103
HCV Housing	332	2,823	3,979	7,245	1,308	703	0	16,390
Program Total	656	5,214	7,670	12,434	2,543	1,301	204	30,022
Distribution %	2%	17%	27%	41%	8%	4%	1%	

Source: PHA CCS, March 31, 2008.

¹ Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

² AME – Alternatively Managed Entity

2. Composition by Family Type of PHA Households.

The number and type of households served by PHA in MTW Baseline Year and Year Seven are presented in Tables 2-3 and Table 2-4. Family households continue to represent the majority of households served by PHA in Year Seven. Elderly and disabled households represented 19% and 22% of the remaining households served respectively. Disabled households served represents 2% and 1,754 units increase over the baseline year.

Table 2-3. Baseline Year Composition by Family Type for All PHA Households

Housing Type/Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Program Totals	Percent Program Totals
Conventional	4,121	53%	2,168	28%	1,495	19%	7,784	100%
Scattered Sites	2,240	51%	1,058	24%	1,096	25%	4,394	100%
HCV Housing	8,186	66%	1,430	12%	2,808	22%	12,424	100%
Program Totals	14,547	59%	4,656	19%	5,399	22%	24,602	100%

Source: PHA CCS, October 1, 2001.

Table 2-4. Year Seven Composition by Family Type For All PHA Households

Housing Type/ Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Program Totals	Percent Program Totals
Conventional	3,532	53%	1620	24%	1,551	23%	6,703	100%
Scattered Sites	2,160	50%	1,278	29%	921	21%	4,357	100%
LIHTC ¹	772	53%	486	33%	211	14%	1,469	100%
AME ²	939	85%	97	9%	67	6%	1,103	100%
HCV	9,791	60%	2,196	13%	4,403	27%	16,390	100%
Program Total	17,192	57%	5,677	19%	7,153	24%	30,022	100%

Source: PHA CCS. March 31, 2008

¹Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

²AME – Alternatively Managed Entity

3. Income Groups

The income groups for PHA households in the MTW Baseline Year and Year Seven are presented in Tables 2-5 and 2-6. The vast majority of PHA residents have incomes below 30% of the area median income (“AMI”) level. PHA continued to meet the MTW Demonstration Agreement requirement that at least 75% of the families assisted under MTW be very low-income families. The percentage of households earning less than 30% of AMI has increased since the baseline year, which reflects the continuing strong demand for affordable housing among Philadelphia’s poorest residents.

Table 2-5. Baseline Year Income Levels for All PHA Households.

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Conventional	6,488	978	255	63	7,784
Scattered Sites	3,391	668	263	72	4,394
HCV Housing	<u>10,101</u>	<u>1,916</u>	<u>387</u>	<u>20</u>	<u>12,424</u>
Program Totals	19,980	3,562	905	155	24,602
Percentage	81%	14%	4%	<1%	100%

Source: PHA CCS. October 1, 2001.

Table 2-6. Year Seven Income Levels for All PHA Households.

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Conventional	5,910	611	148	34	6,703
Scattered Sites	3,563	564	187	43	4,357
LIHTC ¹	1,093	301	65	10	1,469
AME ²	699	318	82	4	1,103
HCV Housing	13,750	2,194	426	20	16,390
Program Totals	25,015	3,988	908	111	30,022
Percentage	83.3%	13.3%	3.0%	0.4%	100.0%

Source: PHA CCS. March 31, 2008

¹Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

²AME – Alternately Managed Entity

4. Program/Housing Types for All PHA Households

PHA housing by program types for MTW Baseline and Year Seven are presented in Table 2-7. The total number of households increased over the Baseline Year by 22% in Year Seven. A significant increase was observed in the number of PHA households funded under the Housing Choice Voucher Program, which increased by 32% over the Baseline Year. The number of households served under the Low-Income Housing Tax Credit (LIHTC) also increased.

Table 2-7. Baseline Year and Year Seven Program/Types for All PHA Households.

Housing Type/Program	Baseline Year		Year Seven	
	Total	%	Total	%
Conventional	7,784	32%	6,703	22%
Scattered Sites	4,394	18%	4,357	14%
LIHTC ¹	0	0%	1,469	5%
AME ²	0	0	1,103	4%
HCV Housing	12,424	50%	16,390	55%
Program Total	24,602	100%	30,022	100%

Source: PHA CCS. October 1, 2001; March 31, 2008

¹Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

²AME – Alternately Managed Entity

5. Races and Ethnicity

Tables 2-8 thru 2-10 present the race/ethnicity of Heads of Households of PHA residents in the MTW Baseline and Year Seven. African-Americans continue to represent the majority of households served by PHA (88%), followed by white (7%). Of the approximate 30,022 heads of PHA households, (5%) identify themselves as being of Hispanic ethnicity.

Table 2-8. Baseline Year Race/Ethnicity for All Heads of PHA Households.

Housing Type/Program	African-American	White	Hispanic	Asian/Pacific Island & Native American	Other	Total
Conventional Housing	7,425	252	90	14	3	7,784
Scattered Sites	3,901	37	448	5	3	4,394
HCV Housing	<u>10,765</u>	<u>1,129</u>	<u>337</u>	<u>115</u>	<u>78</u>	<u>12,424</u>
Program Totals	22,091	1,418	875	134	84	24,602
Percentage Distribution	90%	6%	4%	<1%	<1%	100%

Source: PHA CCS. October 1, 2001.

Table 2-9. Year Seven Race for All Heads of PHA Households

Housing Type/Program	African-American	White	Spanish American	Asian/Pacific Island & Native American	Other	Total
Conventional Housing	6,382	172	132	14	3	6,703
Scattered Sites	3,961	35	352	6	3	4,357
HCV Housing	13,922	1,688	566	104	110	16,390
LIHTC ¹	1,442	10	15	2	0	1,469
AME ²	896	183	0	24	0	1,103
Program Totals	26,603	2,088	1,065	150	116	30,022
Percentage Distribution	88.6%	7.5%	3.5%	<1.0%	<1.0%	100%

Source: PHA CCS. March 31, 2008.

¹Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed

²AME – Alternately Managed Entity

Table 2-10. Year Seven Ethnicity of Heads of Households of Public Housing and Housing Choice Vouchers

Housing Type/Program	Hispanic	Non-Hispanic	Total
Conventional Housing	137	6,566	6,703
Scattered Sites	320	4,037	4,357
HCV Housing	684	15,706	16,390
LIHTC ¹	20	1,449	1,469
AME ²	242	861	1,103
Program Totals	1,403	28,619	30,022
Percentage Distribution	5%	95%	100%

B. Changes in Tenant Characteristics.

While the overall number of households served by PHA has significantly increased since the baseline year, the demographic composition of households has remained relatively constant.

C. Changes in the Waiting List Numbers and Characteristics.

This section provides information about the types of units requested and the characteristics of families on the PHA Waiting List for housing units in MTW Year Seven at Public Housing (both conventional and scattered sites) and with the Housing Choice Voucher Program, formerly known as the Section 8 Program.

At the end of Year Seven, the waiting lists contained 50,428 applicant households, reflecting the strong need for affordable housing in Philadelphia. The number of applicants on the waiting list for HCV Housing/Housing Choice Vouchers decreased significantly reflecting the fact that the HCV waiting list has been closed to most new applicants as well as the high level of voucher issuance and leasing activity that occurred over the past few years.

1. Unit Size Need by Waiting List Applicants.

Table 2-11 indicates that efficiency, two and three bedroom units are the most sought units; furthermore Table 2-12 indicates that more applicant households are on the Waiting List for Public Housing than HCV Housing in comparison to the numbers presented in the Baseline Year.

Table 2-11. Baseline Year Composition by Bedroom Size Need For All Waiting List Applicants for PHA Housing

Housing Type/Program	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Six Bedroom	Not Specified	Total
Public Housing	255	3,760	662	106	12	5	2,391	7,191
HCV Housing	176	3,297	1,720	343	55	7	12,989	18,587
Program Total	431	7,057	2,382	449	67	12	15,380	25,778
Percentage Distribution	2%	27%	9%	2%	<1%	<1%	60%	100%

Source: PHA CCS. October 1, 2001.

Table 2-12. Year Seven Composition by Bedroom Size Need For All Waiting List Applicants for PHA Housing

Housing Type/Program	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Six Bedroom	Total
Public Housing ¹	9,244	3,652	18,893	11,316	2,140	213	34	45,492
HCV Housing	1,142	135	1,734	1,496	372	50	7	4,936
Program Totals¹	10,386	3,787	20,627	12,812	2,512	263	41	50,428
Percentage Distribution	21%	8%	41%	25%	5%	1%	<1.0%	100%

Source: PHA CCS. March 31, 2008.

¹ Public Housing program includes conventional, scattered and LIHTC sites.

2. Composition by Family Type of Waiting List Applicants.

Tables 2-13 and 2-14, indicate that the majority of applicants on the waiting lists are families (78%), followed by disabled (15%), and elderly (7%).

Table 2-13. Baseline Year Composition by Family Type for All Waiting List Applicants for PHA Housing.

Housing Type/Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Total	Percent Program Totals
Public Housing	4,265	59%	258	4%	2,668	37%	7,191	100%
HCV Housing	13,246	71%	1,645	9%	3,696	20%	18,587	100%
Program Totals	17,511	68%	1,903	7%	6,364	25%	25,778	100%

Source: PHA CCS. October 1, 2001.

Table 2-14. Year Seven Composition by Family Type for All Waiting Lists Applicants for PHA Housing

Housing Type/Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Total	Percent Program Totals
Public Housing	36,132	79%	2,661	6%	6,699	15%	45,492	100%
HCV Housing	3,334	68%	603	12%	999	20%	4,936	100%
Program Totals	39,466	78%	3,264	7%	7,698	15%	50,428	100%

Source: PHA CCS, March 31, 2008.

¹ Public Housing program includes conventional, scattered and LIHTC sites.

3. Income Levels of Waiting List Applicants

In the Baseline Year, 77% of applicant households were below 30% of area median income (“AMI”). As of March 31, 2008, the percentage of households below 30% AMI increased to 92%.

Table 2-15. Baseline Year Income Levels for All Waiting List Applicants for PHA Housing.

Housing Type/Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Public Housing	6,450	618	115	8	7,191
HCV Housing	<u>13,514</u>	<u>3,483</u>	<u>1,244</u>	<u>346</u>	<u>18,587</u>
Program Totals	19,964	4,101	1,359	354	25,778
Percentage	77%	16%	5%	<2%	100%

Source: PHA CCS, October 1, 2001.

Table 2-16. Year Seven Income Levels for All Waiting List Applicants for PHA Housing.

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Public Housing	41,753	3,251	444	44	45,492
HCV Housing	4,361	511	57	7	4,936
Program Totals¹	46,114	3,762	501	7	50,428
Percentage	92%	7%	<1%	<1%	100%

Source: PHA CCS, March 31, 2008.

4. Program/Housing Type Requested by Waiting List Applicants.

Table 2-17. Baseline Year and Year Seven Program/Types for All Waiting List Applicants for PHA Housing.

Housing Type/Program	Baseline Year		Year Seven	
	Total	%	Total	%
Public Housing	7,191	28%	45,492	90%
HCV Housing	18,587	72%	4,936	10%
Program Total	25,778	100%	50,428	100%

Source: PHA CCS. October 1, 2001; March 31, 2008.

5. Race/Ethnicity of Waiting List Applicants

The racial/ethnic composition of household applicants has shifted somewhat over the course of the MTW Demonstration, with African American households reflecting a larger percentage of all applicants. PHA plans to continue its outreach to Hispanic and other non African-American minorities to increase ethnic diversity.

Table 2-18. Baseline Year Composition by Race/Ethnicity for All Waiting List Applicants for PHA Housing.

Program Type	African-American	White	Spanish American	Asian, Pacific Island & Native American	Other	Total
Public Housing	6,676	223	216	35	41	7,191
HCV Housing	15,425	1,961	558	72	571	18,587
Total	22,101	2,184	774	107	612	25,778
Percentage of Total	86%	8%	3%	<1%	2%	100%

Source: PHA CCS. October 1, 2001.

Table 2-19. Year Seven Composition by Race for All Waiting List Applicants for PHA Housing.

Housing Type/Program	African-American	White	Spanish American	Asian/Pacific Island & Native American	Other	Total
Public Housing	41,542	1,468	2,470	6	6	45,492
HCV Housing	4,285	482	98	24	47	4,936
Program Totals	45,827	1,950	2,568	30	53	50,428
Percentage Distribution	91%	4%	4%	<1%	<1%	100%

Source: PHA CCS. March 31, 2008.

Table 2-20. Year Seven Composition by Ethnicity for All Waiting List Applicants for PHA Housing.

Public Housing and Housing Choice Vouchers

Housing Type/Program	Hispanic	Non-Hispanic	Total
Public Housing	2,802	42,690	45,492
HCV Housing	158	4,778	4,936
Program Totals	2,960	47,468	50,428
Percentage Distribution	6%	94%	100%

D. Impact of MTW on Households Served.

The total number of households served has increased significantly under MTW from 24,602 households at the MTW Demonstration Program initiation to 30,022 at the close of Year Seven.

SECTION 3: ADMISSIONS AND OCCUPANCY POLICIES

A. Changes in Concentration of Lower-Income Families by Program.

Deconcentration – Over the seven-year term of the MTW Agreement, PHA has dramatically expanded the range of affordable rental and homeownership opportunities for low-income residents of Philadelphia. The total number of households served has increased significantly under MTW from 24,602 households at the MTW Demonstration Program initiation to 30,022 at the close of Year Seven. In addition, PHA’s groundbreaking affordable homeownership program has created 879 homeownership opportunities, of which 112 closed in Year Seven. Year Seven housing development activities are more fully described in Section 7 of this Report.

Under the Year One Plan, PHA proposed efforts to raise the income of current residents, attract a greater mix of incomes through expanded and integrated community policing and lease enforcement efforts, improve conditions in developments and communities where PHA housing exists, and avoid concentrations of low-income residents. This has proven difficult, as Philadelphia has suffered a population decline for many years, with the largest losses at the middle and higher income levels.

Under the Year Two Plan, PHA began to integrate all homeownership programs, including homeownership in the HOPE VI mixed-finance developments, into the MTW Family Program. Essential components of two HOPE VI housing revitalization efforts are to increase economic diversity and expand participation in PHA initiatives. The Falls Ridge (formerly Schuylkill Falls) and Martin Luther King HOPE VI developments seek to increase the diversity of participants in MTW initiatives by offering market rate units. See Year Two Plan and Report for more detailed information on these and other development initiatives.

In Year Three, PHA broke ground for the Lucien E. Blackwell development (formerly Mill Creek), which continues the strategy of integrating homeownership and rental using tax credit financing. Lucien E. Blackwell units will also be offered in settings that are less dense and rely on significant off-site opportunities. See Year Three Plan and Report for more detailed information on these and other development initiatives.

Currently, assisted homeownership programs are limited to households typically earning no more than 80% of median income. The goal is to establish mixed-income communities in neighborhoods where severely distressed housing developments formerly existed. In past MTW Years, PHA proposed homeownership opportunities for households with incomes up to 150% of median income at the Martin Luther King and Falls Ridge HOPE VI sites. In the Year 3 Plan approval HUD declined to approve this option, therefore PHA will provide housing opportunities in accordance with limits prescribed by the regulations and did not provide housing opportunities to those households with incomes greater than 80% of median income.

In Year Five, PHA developed 40 units in Phase I and 25 Units in Phase II for Homeownership in the Lucien E. Blackwell development. These are the highest quality homes, built by PHA, a national leader in affordable housing. All homes at Blackwell feature a driveway for off street parking, central air conditioning, plush carpeting, garbage disposal, dishwasher, washer-dryer hook-ups, cable and telephone outlets in each bedroom and living room. PHA has created wealth

for low and moderate-income residents through homeownership opportunities. Sixty-five (65) units were sold during MTW Year Five.

Also, in Year Five, PHA constructed 125 homeownership units for sale at the Greater Grays Ferry Estates. Greater Grays Ferry Estates has all the beauty and security of a newly built development, while connecting with the wider neighborhood. In Year 6, one hundred and twenty-two (122) units were sold including two (2) units to former Tasker, relocated residents through PHA's lease-to-purchase program.

In Year Five, PHA opened its third site for homeownership at the Martin L. King Development. As of March 31, 2007, all units were under Agreements of Sale.

In Year Six, PHA completed 125 homeownership units at LEB III and MLK, along with completion of 197 rental units at Cambridge III, Greater Grays Ferry Estates II, Lucien E. Blackwell II, Neumann North, MLK IV and ADAPT force account. See Year Five and Six Plans and Reports for more details on development activities.

PHA initiated mobility counseling activities beginning in Year Three. PHA continued to provide relocation assistance to families relocating as a result of HOPE VI and other revitalization programs. The relocation process and support provided to families by PHA has also contributed to deconcentration.

Expanded and integrated community policing and lease enforcement efforts are intended to improve conditions in developments and communities where PHA housing exists and to attract a greater mix of incomes.

PHA's MTW Family Program has helped increase incomes of families currently receiving PHA housing assistance. Since MTW Year Three, PHA has offered the pre-apprenticeship, nursing, health administration and numerous other training programs to families in public housing. These programs are designed to provide existing residents with the skills to enter the construction and health fields. Additional programs include, but are not limited to, daycare training, GED preparation, job placement, certified food handler, home maintenance and repair, youth development, and hospitality industry training, offered by new and existing Community Partners. PHA expects that the increase in training and employment options provided by Community Partners will contribute to the deconcentration of poverty.

PHA adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty and minority concentration. Supportive services and training are provided to certificate and voucher holders who are interested and are seeking housing opportunities in other areas.

B. Changes in Rent Policy.

Rent Simplification -- Incentives to Promote Family Self-Sufficiency. Beginning in Year Three, PHA adopted Rent Simplification as part of a comprehensive program in public housing and HCV to restructure the rent computation process and change the annual and interim review processes. The PHA Board adopted the rent simplification package in January of 2004 after a long period of

public and resident meetings. (PHA held two public hearings and approximately 50 other meetings with resident groups.) The Rent Simplification Program for Public Housing includes the following:

- Retains the income exclusions required by other federal legislation.
- Self-certification of assets and asset income at initial occupancy and at recertification with the first \$500 of asset income excluded from the calculation of annual income.
- Elimination of the existing deductions and creation of one new deduction of \$500 for working families
- Changes in the calculation of Annual Income for elderly and disabled households with Medicare/Medicaid/health insurance payments, the full amount of the health insurance payments will be deducted from income prior to the calculation of the rent.
- Calculation of the total tenant payment with a reduced percentage of monthly adjusted income using a tiered formula based on family size:
 - Household Size 1 – 2 persons: Rent is 28% of adjusted monthly income
 - Household Size 3 – 4 persons: Rent is 27% of adjusted monthly income
 - Household Size 5+persons: Rent is 26% of adjusted monthly income
- Maintenance of the current program for application of utility allowances
- Recertification for all families once every 24 months.
- Ceiling rent families may be recertified every 36 months.
- Elimination of the need to report increases in income that occur between regularly scheduled recertifications, however, if income decreases between regularly scheduled recertifications, residents may still request an interim recertification.
- Requirement for PHA participants reporting zero income to document zero income every 90 days.
- After a 90-day grace period, a \$50 minimum rent will apply to families reporting zero income. The minimum rent will also apply to any tax credit units assisted by PHA.
- Households headed by or consisting of seniors or persons with disabilities are exempt from the minimum rent. Households headed by seniors or persons with disabilities that include non-senior, non-disabled members who are able to work will still be subject to the minimum rent.
- Establish a review board to examine any claim of hardship that results from rent simplification.
- Establish a phase-in period for rent increases in excess of \$50 that result from rent simplification. For rent increases in excess of \$50 rent will increase as follows: 50% of the increase will be applied at the time of the first reexamination under rent simplification and 50% will be applied one year after the first reexamination under rent simplification.
- Revision of the ceiling rent schedule and pegging of ceiling rent to a percentage of the HCV Fair Market Rent.

A similar package of changes was also adopted for the Housing Choice Voucher Program. PHA has completed implementation of the Rent Simplification Program.

Other Changes – PHA adopted an MTW transfer beginning in Year Three The transfer permits PHA to move a limited number of families from Public Housing to the HCV program and vice versa. Moves are limited to 50 families per year for each program (no more than 100 total moves per year). The transfer permits a more efficient response in certain situations such as request for witness protection and domestic violence.

- Blueprint to End Homelessness – PHA revised its preference system to permit families “graduating” from transitional housing facilities to obtain public housing or a housing voucher. The overall total of families housed under the “Blueprint to End Homelessness” program increased to 425 including 375 public housing units and 50 Housing Choice Vouchers.

Adjusted Ceiling Rent adopted in lieu of Market-Based Flat Rent. Beginning in Year Three, PHA conducted preliminary studies on the rental values of public housing units using the HCV rent reasonableness model. However, the results were not consistent and PHA opted to use an adjusted ceiling rent approach in lieu of the flat rents for public housing. New ceiling rents pegged to the FMR s were adopted as part of the rent simplification process described above.

PHA will continue to explore models for market-based rent caps based on quality, location, type and age of the unit as well as amenities available. PHA continues to keep this as an MTW initiative and if a workable model is found, PHA may adopt the approach in a future plan year.

SECTION 4: CHANGES IN HOUSING STOCK

A. Number of units in inventory by program.

Table 4-1. Number of Public Housing Units and HCV Vouchers in Year Seven

Housing Programs	Baseline Year	Year Seven Projection	Year Seven Actual
	1-Apr-01	31-Mar-07	31-Mar-08
MTW Tenant-Based Vouchers	11,473	14,850	14,850
MTW Activity Vouchers	0	2,579	2,675
MTW Subtotal	11,473	17,429	17,525
Non-MTW Vouchers ¹	2	716	789
HCV Moderate Rehabilitation	949	751	751
Public Housing Units ²	12,178	14,137	13,632
TOTAL PHA UNITS	24,602	33,033	32,697

Source: PHA CCS, March 31,2008

¹Non-MTW Vouchers include special purpose vouchers for the Family Unification Program (FUP), mainstream vouchers, designated housing, Fairmount Manor and Elrae Gardens.

²Public Housing units include all occupied units at conventional, scattered site, PAPMC and AME sites.

B. Narrative Explanation of the Differences.

The projected occupancy in public housing was less than the actual primarily due to demolition activity at redevelopment sites.

SECTION 5: SOURCES AND AMOUNTS OF FUNDING

A. Planned Versus Actual Funding Amounts.

Table 5-1 presents the budgeted and actual amounts and sources of funding received by PHA in MTW Year Seven. Sources of funds include those funds previously designated for vouchers. Under MTW, voucher resources may be redirected to achieve the key objectives of the MTW Program.

Table 5-1. Summary of Sources and Amounts of Funding in Year Seven

Revenue Sources	MTW Year Seven Budget	MTW Year Seven Actual Funding
Dwelling Rental Income	\$ 19,000,000	\$ 20,547,500
Interest Income/Other	1,427,601	2,481,745
MTW Housing Choice Voucher ¹	142,666,872	173,945,437
Capital Subsidy including Replacement Housing Factor ²	71,117,569	76,923,773
Operating Subsidy	112,576,177	94,576,279
Total Revenues	346,788,219	368,474,734

¹ Excludes Non MTW Vouchers, Mod Rehab and Special Allocations

² Includes Replacement Housing Funding

B. Narrative Discussion of Differences.

The decrease in the operating subsidy was due to public housing authorities nationwide being funded at less than 100% or at 84% for FYE 3/31/08.

Increased Dwelling Rental Income is the result of decreases in the utility allowances for scattered site residents resulting in a higher rent paid by the residents.

The increase in interest income was due the significant increase in MTW Housing Choice Voucher funding.

The Capital/Replacement Funds showed a small increase in capital funds over last year but a large increase in replacement housing funds over the previous year.

C. Consolidated Financial Statement for MTW Year Seven.

Table 5-2. Summary of MTW Funds and Non-MTW Funds in Year Seven

Revenue Sources	MTW Year Seven Planned Budget	MTW Year Seven Actual
Dwelling Rental Income	\$ 19,000,000	\$ 20,547,500
Interest Income/Other	1,477,293	3,262,071
Section 8 Subsidy and Admin Fee	152,743,407	184,850,796
Capital Subsidy including Replacement Housing Factor	71,117,569	76,923,773
Operating Subsidy	112,576,177	94,576,279
Other Grants	780,468	837,345*
Total Revenue	\$357,694,914	\$380,997,764

*includes: FSS, ROSS-PH, CHSP, Summer Food, GREAT, Amnesty or only funds received between 4/1/07 – 3/31/08.

SECTION 6: USES OF FUNDS

A. Budgeted Versus Actual Expenditures.

Table 6-1. Planned Versus Actual Consolidated Budgets in Year Seven

Project	MTW Year Seven Budget	MTW Year Seven Actual
Public Housing	\$131,801,177	\$116,248,048
Capital Funds	71,117,569	76,923,773
Housing Choice Voucher Program	153,995,700	186,988,598
Other Grants	780,468	837,345
TOTAL	\$357,694,914	\$380,997,764

B. Narrative/Explanation of Uses of Funds.

PHA's Moving To Work Agreement envisions a streamlined annual planning and reporting process, which includes provision in each report of "budgeted vs. actual expenditures by line item." Throughout the term of PHA's MTW participation, PHA has provided this information through four line items: Public Housing, Capital Funds, HCV, and Other Grants. PHA's annual audit, which is submitted to HUD, includes a detailed accounting of these expenditures with a further breakdown of the line items in the annual MTW report. Accordingly, please refer to that audit for additional line item detail.

The flexibility of the Moving to Work Demonstration Program has allowed PHA to more effectively address the critical need for affordable housing in Philadelphia in a variety of new ways, and in addition to capital programs discussed in Section 7. PHA, for example, increased the number of families supported through the Housing Choice Voucher (HCV) Program to a total of 16,896 households.

As part of continuing efforts to use HCV vouchers to support neighborhood revitalization and economic mobility, PHA partnered with a range of organizations under its new Unit-Based Subsidy RFP program. This program uses MTW flexibility and allows qualified partners to request Housing Choice Vouchers, ACC, or other available PHA funds for the repair, rehabilitation, or construction of new units for neighborhood revitalization efforts. To date PHA has awarded 929 vouchers (412 new construction vouchers and 517 rehabilitation vouchers) to 37 vouchers qualified partners to support this initiative.

Residents actively participated in various social service, literacy and economic self-sufficiency programs operated at Blumberg. Since opening the first Self-Sufficiency Center at Blumberg,

PHA MTW Family Service staff and partners have served 7,748 residents. In the last five years of MTW, 603 households have increased their incomes so that they no longer need HCV subsidies.

PHA continued to operate the Pre-Apprenticeship Training Program initiative in partnership with building trade unions. This past year, 42 PHA residents graduated from the program. During the seventeen program cycles PHA has sponsored and placed over 260 graduates into the building trades.

This year, 54 PHA residents graduated from Professional Healthcare Institute's (PHI) Certified Nursing Assistant (CNA) Program. To date, 998 residents have graduated, of which over 90% obtained employment.

PHA continued its commitment to building the highest quality management staff through continued technical training and implementation of new streamlined procedures including quality control reviews. Extensive staff training efforts included training in Low-Income Housing Tax Credit Compliance, use of PeopleSoft applications, and Niku Project Management training.

In terms of technology investments, PHA has dramatically upgraded the use of computer technology to expedite and streamline customer service, management reporting and processing of daily transactions. Specifically, the Information Systems Management (ISM) Department completed integration of ECS Housing Choice Voucher Housing Assistance Payments (HAP), and Utility Assistance Payment (UAP) payments to PeopleSoft Accounts Payable (AP) module. This integration allows all the financial processes to reside in the PeopleSoft financial modules.

ISM staff, also, completed implementation of Computer-Based Training for Housing Choice Voucher's Eligibility Department, and implemented network upgrades including replacing existing network cabling to improve network speed. Further, we have upgraded our legacy system with a state of the art property management system for the HCV program. This upgrade will ensure compliance with the Administrative Plan as well as enable PHA to automatically distribute notifications and perform administrative functions on tenant records as well as a very robust suite of user driven reports. PHA has implemented a system to instantaneously deposit payments, Check 21, into operating bank accounts. Asset Managers can scan checks and money orders at the housing sites and transmit the deposit directly to the bank with confirmations. This program dramatically reduces the time and bureaucracy required to deposit and account for funds received.

The implementation of the PeopleSoft Treasury module precipitated the transition from a manual off-line process to an integrated and centralized process. The Treasury module has since been enhanced to include automated bank reconciliation, electronic payments, and cash positioning. These processes enables PHA to receive and reconcile daily bank statements without intervention, send and receive electronic payments, as well as determine cash flow. The transactions requiring intervention are presented to the Treasurer via automated daily reports.

PHA implementation of Interactive Voice Response (IVR) system enabled expeditious and streamlined customer service requests and the processing of daily transactions. Callers provide minimal information via voice or telephone keypad ensuring that the call is routed to the proper agent on the first engagement. The system is equipped with automated responses for frequently requested information.

The computing and network infrastructure was upgraded to include management of more than 200 terabytes of data as well as supporting a network of more than 1,600 nodes

Enhanced Field Services with the rollout of wireless laptop computers allowing staff to have remote access to all PHA systems. A secure connection to PHA utilizing VPN connectivity allows staff to confidentially process tenant and property information as if they were at their office desktop.

PHA implemented a number of enhancements to its CRM Quality Control review application. Staff can access customer files in CRM to conduct file reviews in both Public Housing and Housing Choice Voucher programs. Using checklist functionality created in CRM, staff reviewers can determine the accuracy of tenant benefits and applicability of pertinent policies. The CRM continues to produce business wide detailed reports detailing all housing activities

PHA implemented a critical component, Call Parrot, to the IVR integration. Managers are able to monitor incoming calls to ensure agents adhere to compliance and quality standards. The implementation is enriched with comprehensive and user-friendly data mining capabilities including agent ID, caller ID, time, date, and more. This integrated tool is used as a training device to enhance customer service.

PHA implemented the Partner Campaign to support tracking of PHA Social Service Partners, which is integrated with the agency-wide external Correspondence Management tools that tracks PHA outbound Correspondence for PHA Wide Agencies. The CRM Partner Campaign implementation is a tool for PHA to efficiently manage and record all of the all-outreaching efforts executed to promote our service to PHA clients and partners. It is also used to manage and track relationships that we have with our partners in order to provide excellent services to PHA clients. By linking the partner business plans to marketing campaigns, it provides an awareness of all the partners that are involved with PHA organized campaigns and their contribution towards the event. Partner Management is objectives and measurable goals that will allow PHA to measure each partner's contribution and performance. Also, partner management allows users to view relationships between partner contacts and PHA staff. Additionally, is to create greater operational efficiency by creating a communication mechanism between different functional divisions through various PHA campaigns.

PHA implemented a vacancy-tracking module to verify and expedite unit turnover. This module reports the status of all units and their various stages of readiness. Asset Mangers can at a glance determine unit availability.

C. Reserve Balance and Adequacy of Reserves.

PHA only restates reserves at the end of each fiscal year. As of the fiscal year ending March 31, 2007, PHA's Low Rent Operating Reserve was \$2.3 million. PHA's operating reserve as of year-end March 31, 2008 will not be available until September 2008.

SECTION 7: CAPITAL PLANNING

A. Budgeted Versus Actual Expenditures by Property

Table 7-1. Capital Programs: Planned vs. Actual for Year Seven

Development Name	Scope of Work	Estimated Capital Cost	Actual Expenditures and Obligations
Martin Luther King	New Development	\$1,500,000	\$1,500,000
Scattered Sites	New Development/Infill/Rehab/Modular Housing	\$10,000,000	\$0
Greater Grays Ferry Estates (Bond)	New Development	\$165,000,000	\$165,000,000
Neumann North	Acquisition/Rehab	\$2,000,000	\$0
PHA-Wide	Security Upgrades	\$1,000,000	\$0
Queen Lane	Security System	\$800,000	\$0
Lucien E. Blackwell Homes (formerly Mill Ck)	New Development	\$15,000,000	\$15,000,000
West Park	Elevator upgrades and balcony enclosures	\$16,000,000	\$0
Wilson Park	Non-Dwelling	\$8,000,000	\$9,000,000
Norris Apartments	Security System	\$500,000	\$0
Germantown House ¹	Comprehensive Modernization	\$12,000,000	\$12,000,000
Third Party Capital Requests	New Development	\$5,000,000	\$0
Fairhill	Security System	\$800,000	\$0
Hill Creek	Modernization	\$4,000,000	\$0
Queen Lane	Boiler	\$500,000	\$2,000,000
Johnson Homes	Utilities upgrade	\$6,000,000	\$0
Croydon (Bond)	New Development	\$48,600,000	\$0
Brewery Town ¹	New Development	\$7,700,000	\$0
Millcreek Extension ¹	New Development	\$8,000,000	\$0
Johnson Homes	Senior Building	\$6,000,000	\$0
Marshall Shephard Village ¹	New Development	\$5,000,000	\$5,000,000
Ludlow HOPE VI Scattered Sites ¹	New Development	\$8,000,000	\$8,000,000
Scattered Sites Modular	New Development	\$2,500,000	\$2,500,000
Warnock ¹	New Development	\$7,700,000	\$0
PHA-Wide	Accessibility Improvements	\$500,000	\$500,000
PHA-Wide	Energy Conservation	\$5,500,000	\$500,000
PHA-Wide	Sparkle Plus	\$6,500,000	\$535,540
	TOTAL	\$354,100,000	\$221,535,540
¹ Capital Funding needs for HOPE VI and Mixed-Finance Developments.			

MAJOR DEVELOPMENTS

- PHA has expanded its role as developer by adding 2 new transactions (Mantua and Warnock Street Phase II, for a total of twenty-six deals currently in its portfolio, creating another 146 rental units and 0 homeownership units, successfully securing a total of approximately \$2M in low-income housing tax credits for a total private equity raise from investors in the amount of approximately \$19.5M.
 - PHA completed and sold 28 homeownership units at Schuylkill Falls.
 - PHA completed 155 rental units at Ludlow and Marshall Shepherd Village.
 - PHA continues it's investment of capital dollars in the following transactions which closed in FY 2007-2008: Nellie Reynolds Garden and Ludlow Homeownership – Total Capital Closed FY 2007-2008 – \$33.5M, (to support 64 rental and 50 homeownership units).
 - PHA continues to leverage these capital dollars to provide quality housing to meet market-rate standards.
 - Leveraged Dollars on closed transactions FY 2006-2007
 - Private Equity Raised (LIHTC) \$22.8M
 - Local Funds \$2.5M
 - State \$500K
 - Bond \$12.6M
- Total Leveraged Dollars \$40.4M
(Fiscal 07-08)

Sparkle Plus Program

- Design Documentation was provided for a solicitation for the Procurement and Installation of two aluminum signs at Greater Grays Ferry Estates and for new post and panel signs for the PAPMC sites that will match the new prototype signs installed under the previous Sparkle programs.

Deferred Maintenance Program

- Technical support was provided for compiling all documentation necessary for issuing 9 solicitations that would cover all work identified by the Performance Management Teams at all PHA sites.

Abbottsford

- Completed master planning
- Received approval for demolition of two buildings
- Issued RFP for demolition
- Issued RFP for Master Developer

Disposition/Demolition/Acquisitions/Conversions

Demolition:

PHA submitted demolition applications for the following locations:

- Mantua Homes – 3500 Fairmount Avenue – Requesting the demolition of an 18-story, 153-unit building – Approved by HUD on March 25, 2008
- Portion of Abbottsford Homes – 3205 Defense Terrace – Requesting demolition of 12 units in one building – Approved by HUD on March 28, 2008
- Liddonfield Homes – Northeast section of Philadelphia – Requesting demolition of 514 units in 61 buildings – Pending HUD approval

Disposition:

PHA submitted 17 disposition applications between 04/01/07 and 03/31/08 to permit the transfer of 1,063 scattered site properties that are to be used along with other properties assembled by PHA affiliates and private purchasers/developers for various developments and uses including: sale to enhance PHA’s scattered sites initiative (designed to sell vacant structures and lots to decrease PHA’s inventory of vacant structures and provide needed capital to offset HUD funding reductions); transfer to PHA affiliates for the development of affordable rental housing, including the development of 64 senior rental housing units and 50 family rental units; transfer to community development corporations and private entities for the development of approximately 110 affordable rental and homeownership units.

Property Settlements:

Although not all of the property dispositions submitted to HUD for approval have resulted in settlement during this period, the following dispositions have been closed, and have been constructed or are currently under construction:

- | | |
|----------------------------|---|
| 1. New Urban Ventures | 613 N. 10 th St. - Closed 04/27/07 - for use in the construction of 54 market homeownership units. |
| 2. PresbyHomes & Services | 3412 Mt. Vernon St. - Closed 06/08/07 - for use as part of a 66-unit, HUD 202 senior building. |
| 3. Nellie Reynolds Gardens | 1.47 acres of vacant land - Closed 07/31/07 – 64-unit PHA senior development with commercial space |

- | | |
|--|--|
| 4. Norris Square | 20 vacant properties - Closed 10/10/07 - for use in the construction of 50 affordable homeownership units |
| 5. Homeownership Developers, LLP
(Union Hill Homes) | 16 vacant properties – Closed 10/17/07 - as part of the development of 30 affordable homes for first time homebuyers between 30% and 115% area median income |
| 6. Allegheny West Foundation | 1929 W. Lehigh Ave. – Closed 02/06/08 – two-story mixed use residential (four [4] rental units and commercial development. |

Falls Ridge – \$50 million

Falls Ridge Phase I – \$35 million

- Negotiations are underway to lease the remaining 6,000 square feet of retail space.

Falls Ridge Phase IIA: \$11.5 million

- Completed construction of 28 affordable homeownership units.
- Sold all 28 affordable homeownership units

Falls Ridge Phase IIB:

- Approximately 10% of market rate homeownership units developed by a private developer, Westrum Properties, have settled.

Greater Gray Ferry Estates (GGFE)/Wilson Park/Blumberg – \$192 million aggregate

GGFE PHA Office Building - \$11.6 million

- Completed construction and occupancy of a 3-story 32,000 square ft. office building with multi-purpose space and computer training facilities.

Germantown House - \$23.2 million

- Achieved breakeven, completed cost certification, and received 8609.
- Completed the place-in-service process.

Liddonfield – \$95 million

- Prepared application for release of \$3,500,000 in RACP funds from the Commonwealth of Pennsylvania.
- Issued RFP for Master Developer for the site.
- Negotiations are underway with respondents to Master Developer RFP.

Lucien E. Blackwell Homes - \$140 Million

Lucien E. Blackwell Homes Phase III (Off -Site) – \$23 million

- Sold 35 homeownership units.

Marshall Shepherd Village - \$25 million

- Completed mixed finance settlement with HUD and MMA
- Began construction on 80 unit scattered site rental development
- Completed construction of 80 unit scattered site rental development.

Angela Court Phase II - \$8 million

- Completed mixed finance settlement with HUD and Beneficial Mutual Savings Bank.
- Began construction of 54 senior rental units

LEB Street Project - \$2.1 million

- Purchased equipment for safe street surveillance system.

LUDLOW SCATTERED SITES HOPE VI - \$50 million

Ludlow Phase III - \$26.6 million

- Began construction of 75 Energy Star rental units
- Completed construction of 75 Energy Star rental units
- Received 75 Energy Star certificates

Ludlow Phase V Homeownership - \$20.5 million

- Submitted Homeownership Term Sheet to HUD
- Completed mixed finance settlement on 50 affordable homeownership units
- Began construction of 50 affordable homeownership units.

Mantua - \$31 million

- Completed master plan for development of 101 rental units
- Submitted Tax Credit Applications for a two phase 101 unit development.

Martin Luther King (MLK)- \$83 million

MLK Phase IIC – \$9.9 million

- Submitted revised revitalization plan for the development of 19 affordable homeownership units and green space.
- Began design of 19 homeownership units and green space.

Nellie Reynolds Garden - \$22 million

- Completed mixed finance settlement with HUD and MMA
- Completed design of a three story, 64-unit senior building including approximately 12,000 square feet of commercial space.

- Began construction of a three story, 64-unit senior building including approximately 12,000 square feet of commercial space.

Passyhunk Homes

- Settled on sale of approximately 30 acres of land to a private developer, The DePaul Group
- DePaul Group began construction of 80,000 square foot office building and parking for PHA.

Spring Garden Apartments - \$19 million

- Third party developer, Spring Garden CDC, prepared term sheet.

Warnock - \$46.2 million

Warnock Phase I - \$20.9 million

- Completed master planning for the development of a 45 unit building
- Submitted tax credit application
- Issued RFP for equity investor
- Selected PNC as equity investor
- Issued RFP for construction manager
- Keating selected as construction manager
- Submitted rental term sheet to HUD
- Submitted disposition application to HUD
- Acquired property through condemnation from the RDA
- Issued and received proposals for new pavilion.

Warnock Phase II - \$25.3 million

- Completed master planning for the development of a 45 unit building
- Submitted tax credit application
- Issued RFP for equity investor
- Selected PNC as equity investor
- Issued RFP for construction manager
- Keating selected as construction manager
- Submitted rental term sheet to HUD
- Submitted disposition application to HUD
- Acquired property through condemnation from the RDA

OTHER RESULTS

HVAC Upgrades

- Completed replacement of (4) steam boilers and appurtenances at Queen Lane. Procured vender and started the replacement of the (10,000 gal) Underground Storage Tank for heating fuel.
- Replaced two (10,000 gal.) underground storage fuel oil tanks at West Park
- Completed relocation of duct work at the John F. Street Community Center

- Completed the installation of (2) steam boilers and Emlen Arms. Started the replacement of all heating system traps, temperature control valves at each radiator. Procured the vendor and issued notice to proceed for the replacement of the (7,000 gal.) Underground Storage Tank for heating fuel . Also, procured vendor for the installation of A/C in public corridors at Emlen Arms
- Completed design and began construction of office space rehabilitation/reconfiguration including HVAC at 712 N. 16th Street

Blumberg

- Procured vendor and issued a NTP for design and construction for the demo of the existing guard-booths, installation of a new security kiosk, computer lab, 1st floor concrete slab repairs and investigative survey and repairs for waterproofing of the towers.

Preventive Maintenance

- Issued RFP for implementation of Deferred Maintenance Work Plan for conventional sites.

MASTER PLANNING:

Abbottsford Homes

- Revised original plan for the 17.3 acres of land surrounding the recently renovated portion of the site. New plan calls for two separate phases within the development site including the widening of McMichael Street and the Demolition of two existing Buildings. Phases would be; 60 units Phase I and 52 units Phase II. The unit mixture will be 1,2, 3 and 4 bedroom units of twin, row and walk-up. No acquisition is required.

Mill Creek East Extension

- The plan is to create affordable rental and homeownership housing for various separate projects within the target boundary. Not all will be done by PHA. The unit mixture will be 2 and 3-bedroom units of twin, row and walk-up type. PHA portion would be the development of 50 affordable rental units. Approximately 100 parcels will need to be acquired.

Mill Creek West Extension

- The plan is to create affordable rental and homeownership housing. The plan calls for various separate projects within the target boundary. Not all will be done by PHA. The unit mixture will be 1,2 and 3 bedroom units of twin, row and walk-up type. The PHA portion would be the development of 50 affordable rental units. Approximately 175 parcels will need to be acquired.

Mantua Hall Vicinity

- The Mantua Redevelopment will be a one-phase project. This will include the demolition of the high-rise, the construction of 100 new affordable rental housing units, and the incorporation of commercial space. The unit mixture will be 1, 2, 3

and 4 bedroom units of row and walk-up type. Approximately 100 parcels will need to be acquired.

Warnock Extension

- The plan is to create affordable rental and homeownership housing. done in various separate projects within the target boundary. Not all will be done by PHA. The unit mixture will be 1,2, 3 and 4 bedroom units of twin, row and walk-up type. The PHA portion would be the development of 100 affordable rental units. Approximately 344 parcels will need to be acquired.

Ludlow Extension

- The plan is to create 50 additional affordable rental housing units. The unit mixture will be 2 and 3-bedroom units of twin, row and walk-up type to fill in areas left by the HOPE VI redevelopment. Approximately 100 parcels will need to be acquired.

Paschall Vicinity

- The plan is to create affordable rental and homeownership housing on and off site of the existing Paschall Apartments Development. The plan calls for various separate projects within the target boundary. Not all may be done by PHA. The unit mixture will be 1,2, 3 and 4 bedroom units of twin, row and walk-up type. The PHA portion would be the development of 112 units on site and 80 units offsite. With the potential of an additional 70 offsite units. Approximately 100 parcels will need to be acquired.

Glenwood Vicinity

- The plan is to create affordable rental and homeownership housing. The plan calls for various separate projects within the target boundary. Not all done by PHA. Included would be the rehab of some PHA owned property. The unit mixture will be 2 and 3 bedroom units of twin, row and walk-up type. The PHA portion would be the development of 50 affordable rental units. Approximately 100 parcels will need to be acquired. .

Strawberry Mansion

- The plan is to create affordable rental and homeownership housing. The plan calls for five separate projects within the target boundary. The unit mixture will be 1,2, 3 and 4 bedroom units of twin, row and walk-up type. The PHA portion would be 43 units developed in the 3200 block of Monument Street with 2 and 3 bedroom rental units. Approximately 43 parcels will need to be acquired.

Grays Ferry North

- The plan is to create affordable rental and homeownership housing. The plan calls for various separate projects within the target boundary. Not all done by PHA. Included would be the rehab of some PHA owned property. The unit mixture will be 2 and 3-bedroom units of twin, row and walk-up type. The PHA portion would

be the development of 50 affordable rental units. Approximately 100 parcels will need to be acquired.

Sharswood Neighborhood

- The plan is to create affordable rental and homeownership housing. The plan calls for various separate projects within the target boundary. Not all done by PHA. Included would be the rehab of some PHA owned property. The unit mixture will be 2 and 3-bedroom units of twin, row and walk-up type. The PHA portion would be the development of 50 affordable rental units. Approximately 100 parcels will need to be acquired.

Bartram Village Vicinity

- The plan is to create affordable rental and homeownership housing. The plan calls for various separate projects within the target boundary. Not all done by PHA. Included would be the rehab of some PHA owned property. The unit mixture will be 2 and 3-bedroom units of twin, row and walk-up type. The PHA portion would be the development of 50 affordable rental units. Approximately 100 parcels will need to be acquired.

Liddonfield

- The plan is to create affordable rental and homeownership housing. The plan calls for a mix of townhouse, duplexes, and a senior building within the target boundary. The unit mixture will be 2, 3, and 4 bedroom townhouse units, 1, 2 and 3 bedroom duplexes and 1 and 2 bedroom senior apartments. The total development is for of 225 affordable units. No acquisition is required.

Queen Lane Vicinity

- The plan is to create affordable rental and homeownership housing. The plan calls for various separate projects within the target boundary. Not all done by PHA. Included would be the rehab of some PHA owned property. The unit mixture will be 2 and 3-bedroom units of twin, row and walk-up type. The PHA portion would be the development of 50 affordable rental units. Approximately 100 parcels will need to be acquired.

Morton Homes

- The plan is to perform a Comprehensive Modernization of the existing PHA Development. The unit mixture will be 2, 3, 4, and 5 bedroom units of row houses and walk-up type senior buildings with efficiency and 1-bedroom units. The total Development will be 248 units. No acquisition is required.

Design Development

- Initiated the option year for 7 of the 8 open-ended Architectural Services contracts, which will run from June 2007 to June 2008.
- Issued and coordinated the completion of 20 A&E Task Orders with a total value of \$766,438.

- Issued, and are still coordinating, the completion of 19 A&E Task Orders with a total value of \$1,582,406.
- Prepared an RFP for the solicitation of new Open-Ended A/E Services contract(s).
- Prepared an RFP for the solicitation of an Interior Design Services contract(s).
- Provided additional planning for the interior furnishings of PHA offices at the GGFE Office Building and schematic designs for a storage area addition.
- Provided schematic designs for the LEB Community Center to incorporate requirements of the School District.
- Provided schematic designs for the finishes and furnishings for the atrium of the Nellie Reynolds Senior Building.
- Coordinated the design requirements with the outside developer for the construction of a new PHA office facility at the Passyunk Homes Site.
- Provided technical information for the RFP soliciting proposals for Developers at Abbottsford and Liddenfield.
- Provided additional schematic designs for the development of the MLK Community Building and “Park” parcels.
- Revised schematic designs for the office portion of Warnock Phase II Building.
- Provided additional design documentation, including a 3D rendering for the courtyard canopy at the Wilson Park Community Center.
- Reviewed various site conditions as requested by the Real Estate Division to verify reports of PHA encroachment onto private properties.
- Provided design documents and technical support for the completion of the installation of new boilers at Queen Lane Apartments.
- Provided schematic designs and technical support for the architectural, mechanical, and electrical renovations to 712 N. 16th Street,
- Provided design documents as required to issue RFPs for the boiler replacement and corridor air conditioning at Emlen Arms Apartments.
- Provided design documents for the boiler replacement at Norris Apartments High Rise and air conditioning at the Community Building.
- Worked with an interagency panel to have LEB included in the plan for the installation of security cameras throughout the City
- Created various maps for the disposition of PHA owned properties.
- Created maps for the 11 master Planning Initiative Areas located throughout the City.
- Provided Major Systems with the design documentation as needed for building permits for the construction of various in-house construction projects.
- Prepared design documentation for the RFP to solicit proposals from the “open-ended” CM Contracts for Ludlow, Warnock I, Warnock II, MLK IIC, and LEB Community Center.
- Conducted block surveys of scattered site properties for purposes of future disposition/demolition.
- Provided technical assistance in the preparation of Tax Credit Applications for Warnock II, Mantua, and Paschal.

- Reviewed Construction Documents and Shop Drawings for GGFE Office Facility, Ludlow, Warnock I, Warnock II, Nellie Reynolds Gardens, and Schuylkill Falls IIA.
- Provided Design Documents for new computer labs at Hill Creek, Norris and Spring Garden.
- Provided technical assistance in providing all documentation requested by PHA's third party consultant for the certification of 987 accessible units.
- Provided all specifications for compiling the documentation necessary for issuing 9 solicitations that would cover all work identified by the Performance Management Teams at all PHA sites.
- Reviewed all 504 and emergency transfer files at Admissions office and developed interim 504 Transfer Spread Sheet that meets all the criteria HUD needs for audit reporting
- Developed new location code (ETRF) for the Remaining Family Members in an accessible unit that are to be relocated for ease of tracking for HUD Audit
- Participated as panelist at PHA Social Service Summit, Panel: Expanding Housing and Service Options for Seniors, 9/26/07
- Participated as presenter at The Consortium, Supports Coordination Unit, Housing Forum: 12/4/07
- Worked with QA and CRM consultants on SBWL computer applications and accessibility issues
- Worked on preliminary draft agreement with HUD and submitted Accommodation Request Log report to HUD 11/7/07
- Revised Adaptable Unit Notices and had them installed at four sites. Put scope of work for sites on the Portal.
- Issued a new Notice for all Leasing Packets with information on accommodations and the Accessibility Coordinator's phone number.

SECTION 8: MANAGEMENT INFORMATION FOR OWNED/MANAGED UNITS

A. Vacancy Rates

- 1. Target:** At the time of the submission of the MTW Year Seven Plan, PHA reported an actual vacancy rate of 12.17%. PHA projected that the adjusted vacancy rate would be 6.98% by the end of MTW Year Seven.
- 2. Actual:** As of the end of MTW Year Seven (March 31, 2008), the actual vacancy rate is 13.26% and the adjusted vacancy rate is 6.67% (Table 8-1). This is based on a total unit count of 15,716 (compared to a total unit count of 15,793 at the beginning of Year Seven).

Table 8-1. Vacancy Rates for Year Seven

<u>VACANCIES</u>	<u>Baseline Year (4/01/01)</u>		<u>Year Seven (3/31/08)</u>	
	<u>Actual</u>	<u>Adjusted</u>	<u>Actual</u>	<u>Adjusted</u>
<u>SITE NUMBER / NAME</u>	<u>Rate %</u>	<u>Rate %</u>	<u>Rate %</u>	<u>Rate %</u>
<u>North Central</u>				
001 Johnson Homes	6.58	6.58	3.57	3.57
010 Raymond Rosen Manor -	52.39	0.00	3.36	3.16
117 Raymond Rosen Manor -	-	-	17.39	13.04
119 Raymond Rosen Manor - New	-	-		
042 Champlost - mod	0.98	0.96	2.94	2.94
049 Morton Homes	1.61	1.21	3.63	3.63
050 Norman Blumberg Apts - mod	59.80	15.20	3.59	3.39
077 Bentley	18.18	18.18	6.06	6.06
<u>North Area</u>				
003 Richard Allen Homes - reconfig.	8.67	1.33	2.00	2.00
014 Norris Homes - FA	16.67	16.36	5.56	5.25
015 Harrison Plaza	5.35	5.35	1.67	1.67
020 Spring Garden	3.96	3.47	5.45	5.45
055B Fairhill Apts - mod	17.42	17.42	2.65	2.27
114 Gladys B. Jacobs	1.25	1.25	1.25	1.25
<u>Northeast</u>				
023 Liddonfield	23.64	22.34	46.42	0.00
029 Hill Creek - FA	27.16	4.78	3.89	3.59
032 Oxford Village	10.00	5.50	3.00	3.00
034 Whitehall Apts - FA	44.22	0.40	2.42	2.42
066 Holmecrest	3.57	3.57	1.19	1.19
079 Plymouth Hall	26.09	26.09	100	0.00
<u>South Area</u>				
002 Tasker Homes - demolished	18.15	16.98		
013 Wilson Park - Elderly	39.94	18.45	3.23	3.23
113 Wilson Park - Multi-family (Mod.)	-	-	3.13	3.13
031 Bartram Village	5.88	5.88	3.04	2.84

<u>VACANCIES</u>	Baseline Year (4/01/01)		Year Seven (3/31/08)	
<u>SITE NUMBER / NAME</u>	Actual	Adjusted	Actual	Adjusted
	Rate %	Rate %	Rate %	Rate %
061 Paschall Apts	16.29	14.93	11.31	10.86
062 Point Breeze Court	5.63	5.63	1.41	1.41
<u>West Area</u>				
018 Arch Homes	5.48	5.48	4.11	4.11
024 Queen Lane	7.25	7.19	7.25	6.52
035 Haddington Homes	10.14	10.14	6.08	6.08
039 Westpark Apts	25.69	25.69	4.28	4.28
045 Mantua Hall – demolished 3/30/08	19.74	19.74		
046 Haverford	4.17	4.17	0.00	0.00
063 Katie B. Jackson(9 Units to S.S.)	18.64	18.64	10.17	10.17
076 Emlen Arms	7.05	7.05	3.21	3.21
093 Westpark Plaza	6.15	6.15	4.62	4.62
TOTAL CONVENTIONAL	22.14	13.84	7.58	3.51
<u>Scattered Sites</u>				
901 Haddington/Overbrook	8.16	0.84	11.32	7.34
063 Katie B. Jackson (9 Units from Conv.)	0.00	0.00		
902 Mantua	22.00	11.09	24.30	13.88
903 Kingsessing	8.70	3.34	8.87	6.38
904 Germantown/Hunting Park	16.56	7.57	21.43	13.20
905 Fairhill Square	24.34	13.32	20.71	10.07
030 Abbottsford Homes - mod	49.92	2.18	7.48	0.39
906 Francisville	37.48	14.46	32.26	16.47
907 Ludlow	29.69	9.95	23.26	7.50
908 Susquehanna	26.47	11.25	34.09	20.39
909 Strawberry Mansion	41.12	16.94	44.57	22.29
910 Oxford/Jefferson	34.63	7.60	39.43	14.91
055A Parkview Apt	5.00	5.00	5.00	5.00
065 Collegeview	7.41	7.41	0.00	0.00
100 C.B. Moore Homes	3.33	3.33	6.67	6.67
104 Arlene Homes	0.00	0.00	3.13	3.13
TOTAL SCATTERED SITES	25.59	9.99	25.47	12.83
TOTAL PHA	23.57	12.25	15.56	7.67
<u>Tax Credit Properties</u>				
<u>PHA Managed (PAPMC)</u>				
083 Germantown House (now site #152)	15.98	15.98		
129 Cambridge Plaza - Phase II	na	na	0.00	0.00
132 Suffolk Manor	na	na	1.46	1.46
133 Richard Allen Homes - Phase III	na	na	2.82	2.82
134 Richard Allen Homes - Phase III	na	na	0.00	0.00
137 Cambridge Plaza - 202	na	na	0.00	0.00
138 Mt. Olivet	na	na	4.35	3.73
139 Greater Greys Ferry Estates			0.00	0.00
143 Greater Greys Ferry Estates II-A	na	na	1.23	1.23

<u>VACANCIES</u>	Baseline Year (4/01/01)		Year Seven (3/31/08)	
<u>SITE NUMBER / NAME</u>	Actual	Adjusted	Actual	Adjusted
	Rate %	Rate %	Rate %	Rate %
144 Greater Greys Ferry Estates II-B	na	na	0.00	0.00
145 Lucien E Blackwell	na	na	0.00	0.00
147 Cambridge Plaza - Phase III	na	na	0.00	0.00
149 Martin Luther King – Phase IV	na	na	0.00	0.00
150 Lucien E Blackwell II	na	na	0.00	0.00
152 Germantown House	na	na	0.00	0.00
153 Lucien E. Blackwell III	na	na	0.00	0.00
156 Marshall Sheppard Village	na	na	50.0	50.0
157 Ludlow Phase III	na	na	0.00	0.00
TOTAL PHA MANAGED	na	na	2.59	2.59
<u>Privately Managed Entity's (AMEs)</u>				
121 Courtyard Apts at Riverview	5.32	5.32	0.85	0.85
126 8 Diamonds	na	na	0.81	0.81
141 8 Diamonds	na	na	0.00	0.00
127 Spring Garden Scattered Sites	No data	No data	1.16	1.16
128 Martin Luther King-Phase I	na	na	0.00	0.00
130 Falls Ridge	na	na	0.00	0.00
131 St. Anthony's Senior Residence	No data	No data	0.00	0.00
136 Martin Luther King – Phase III	na	na	0.00	0.00
146 St. Ignatious	na	na	0.00	0.00
148 Neumann North	na	na	0.00	0.00
TOTAL PRIVATELY MANAGED	na	na	0.54	0.54
COMBINED AME TOTAL	na	na	1.72	1.68
GRAND TOTAL PHA & AME SITES	24.09%	11.64%	13.26	6.67

B. Rent Collection – Finance

Table 8-2. Uncollected Rent for Year Seven

	Baseline Year	Year Seven
Billed Rents	\$12,490,979.00	\$31,461,610.47
Collected Rents	11,727,499.17	29,405,031.32
Uncollected Rents	763,479.83	2,056,579.15
Percent Uncollected Rents	6.11%	6.54%

Source: Finance Department

1. Target: PHA projected a 5.5% rate for uncollected rent would be achieved during the current year.

2. Actual: The total amount of collected rent for MTW Year Seven was \$29.4 million, which is an increase of approximately \$984,150 over the prior year. At year's end, the percent of uncollected rents was 6.54%.

C. Work Orders

- 1. Target:** PHA projected it would continue to meet its current response rate of 100% for emergency work orders within 24 hours. For routine work orders, PHA projected it would respond with an average rate of 35 days.
- 2. Actual:** PHA responded to 100% of all emergency work orders within 72 hours. For routine work orders, PHA responded within an average time period of 44 days. Note that the reported completion time for routine work orders is high as a result of reductions in maintenance staffing due to federal budget cuts.

D. Inspections

- 1. Target:** PHA planned to complete inspections of 100% of units during MTW Year Seven.
- 2. Actual:** PHA completed 97.2% of inspections for conventional units, scattered sites, PAPMC and AME sites as of the end of MTW Year Seven.

Results of Independent PHAS Inspections: PHA does not have an official final score for the year ending March 31, 2008

E. Security

In spite of ongoing severe federal budget cuts, PHA continued to make progress in promoting safe and secure housing communities. PHA is pleased to report that Part I crimes at PHA developments decreased by 10.7%. Currently private security officers are on site at eleven senior developments, two family/senior developments, three family developments, five Housing Choice Voucher site offices, one Scattered Site office and four administrative offices. A summary of past year and ongoing security initiatives follows:

GPS (Global Positioning Systems)

The PHA Police Department (PHAPD) has installed GPS devices on all Patrol vehicles. These devices allow PHAPD to monitor (in real time) the exact location of all police vehicles through a secure Internet based site. The GPS acts as an electronic supervisor that monitors driver behavior, vehicle location and vehicle performance. This Fleet Tracking and Diagnostic system serves as a valuable police supervisory and fleet management tool.

Homeland Security

The PHAPD continued its partnership with the U. S. Attorney's Office to support Homeland Security objectives. PHAPD attended scheduled meeting to confer about methods and approaches

to securing our population and infrastructure against terrorist attack. Informative discussions and seminars with security professionals and scholars regarding nuclear, biological and chemical attack are frequently held and provide valuable insight on how to prepare for these potential events.

Enhanced Communication with the Philadelphia Police Department

The Philadelphia Housing Authority Police Department continued to improve its communication with the Philadelphia Police Department through its inclusion in the weekly CompStat meetings held at the Police Academy. The PHAPD Patrol Commander attended the weekly Philadelphia Police Computer Statistics meetings held at the Philadelphia Police Academy. These ongoing meetings include local, state, and governmental agency representatives who discuss a multi-agency approach to reducing crime and quality of life issues. The PHA Police Chief and the Police Commissioner of the City of Philadelphia continue to meet on a bi-weekly basis to discuss law enforcement issues of mutual concern and issues impacting on Public Housing.

Crime Commission

The PHA Police Department continued to maintain a working relationship with the Citizens Crime Commission of Pennsylvania. PHA supports the Commission's anonymous TIP line through which citizens report crimes that are particularly heinous. In the last fiscal year, through the auspices of the Crime Commission Tip line, PHAPD was given valuable information to solve the burglary of the Bartram Computer center and the theft of fifteen (15) computers used by residents and their children.

Criminal History Checks: P.A.T.C.H

Over 12,000 criminal history checks have been performed by sworn personnel to determine a candidate's suitability for public housing, through our close contact with the PSP, the turn around time has been cut from fourteen (14) plus days to ten (10) days or less.

Physical Security Upgrades

PHA issued a Solicitation for Deferred Maintenance and included repair, replacement and installation of security equipment. Responses were received from three companies, and a contract was awarded. To date, the contractor has completed and submitted estimates to complete the necessary upgrades at Norris, Katie B, Fairhill, Queen Lane, Emlen and Wilson Park seniors. Future plans include the repair and/or replacement of equipment throughout the authority.

Integrated Digital Security Systems For Added Protection

Many sites are currently scheduled for installation of upgraded systems, which are composed of interior and exterior digital color surveillance cameras recording to digital video recorders, which can be viewed remotely by personal desktop computers and the PHA Police Radio Room.

Digital Security Systems Provide Added Protection for seniors and other Residents

Installation of the integrated security systems are completed at John Street Community Center, Wilson Park Community Center, Greater Grays Ferry, and the Bartram Warehouse. Additional systems are

under construction at Cambridge III and Germantown House. Personal desktop computers and the PHA Police Radio Room can view images remotely.

Community Relations: DARE and GREAT

The PHAPD leveraged the resources of the P.H.A. summer food program to provides residents a non-threatening and safe environment to interact with police officers and community stakeholders for hundreds of children from June through the middle of August. PHAPD also provided four one-day trips and two overnight trips for 92 of PHA's residents as a positive alternative activity to interact with police officer while enhancing their social skills. There were 19 GREAT summer seminars at 21 housing developments throughout the city reaching 75 adults and 518 children. The PHA Police continues this tradition by bringing the D.A.R.E. Program to 154 school age children in schools and various housing developments throughout the city.

SECTION 9: MANAGEMENT INFORMATION FOR LEASED HOUSING

A. Leasing Information

1. Target versus Actual Lease Ups.

Target: PHA expected to achieve a 100% voucher lease-up rate for MTW vouchers in MTW Year Seven. The projected utilization for the period April 1, 2007 through March 31, 2008 for MTW allocations was 14,850 families leased.

Actual: For the fiscal year ending March 31, 2008, PHA achieved a 100% voucher lease-up rate with 14,850 families leased.

2. Information and Certification of Data on Leased Housing Management.

Ensuring Rent Reasonableness: PHA determines rent reasonableness for all HCV units prior to initial leasing and upon the owner's request for a rent increase. PHA has implemented a citywide rent database that assesses and compares rents by Philadelphia neighborhoods. PHA utilizes the services of Applied Real Estate Analysis, Inc. (AREA) to conduct rental analysis on unassisted units of various bedroom sizes in 32 rental sub-markets in Philadelphia.

Expanding Housing Opportunities: PHA places an emphasis on increasing the supply and range of affordable housing opportunities. PHA supports housing rehabilitation and neighborhood revitalization initiatives to increase the range of housing choices available to low-income participants and promote improved utilization of housing vouchers in stable neighborhood. The agency also continues to promote homeownership opportunities through an extensive counseling, escrow, and sales program. PHA continues to increase homeownership opportunities through use of Tenant Based Vouchers, 5(h) Homeownership Demonstration Program (single-family scattered site units) and Turnkey III units (public housing sites). A total of 541 homes have been sold under these programs.

Homeownership Sales by Program:

Housing Choice Voucher (tenant based): 217

5(h) Homeownership: 118

Turnkey III (Whitman Park and Brown Street): 206

Deconcentration of Low-Income Families: PHA's MTW family program strives to effect upward mobility by assisting public housing residents to increase their income. At HOPE VI developments, mixed-income communities are promoted by targeting different tiers of income. Applicants and/or participants receiving tenant-based vouchers are required to attend a briefing session during which voucher recipients are encouraged to broaden their housing search beyond "traditional neighborhoods" and exercise housing choice.

PHA's deconcentration strategy targets PHA's resources and development activities in impacted areas in order to improve neighborhoods from within. Its HCV

families are dispersed and deconcentrated throughout the City. PHA's residents use HCVs in a variety of non-impacted communities outside Philadelphia.

3. Narrative/Explanation of Differences.

PHA met its target performance goals specified in the MTW Annual Plan for Year Seven.

B. Inspection Strategy

1. Results of Inspection Strategy.

Planned Versus Actual Inspections Completed by Category:

- Annual Housing Quality Standards (HQS) Inspections- PHA met its goal of completing 100% of planned annual HQS Inspections. PHA has scheduled 100% annual HQS inspections of occupied households.
- Pre-Contract HQS Inspections-PHA completed 100% of planned pre-contract HQS inspections. Pre-inspections are conducted on 100% of all units prior to any unit being placed in the HCV program.
- HQS Quality Control Inspections-PHA completed 100% of planned HQS quality control inspections. PHA conducts HQS quality control inspections on 10% of the total number of initial and annual HQS inspections performed annually.
- PHA has not yet implemented its revised inspection procedure for High Performing Landlords. PHA is in the process of developing the parameters for the program.

HQS Enforcement:

- PHA continues to enforce 72 hour and/or 30 day corrective action in the event of failed inspections. Re-inspection of units with safety or health violations is scheduled within 72 hours for emergency deficiencies and within 30 days for routine deficiencies. Units that fail inspection for serious conditions have up to 72 hours to repair or the Housing Assistance Payment (HAP) is abated. Units that fail the re-inspection for routine or emergency repairs are terminated from the program.

2. Narrative/Discussion of Differences.

PHA met or exceeded the target performance goals specified in the MTW Annual Plan for Year Seven.

SECTION 10: RESIDENT PROGRAMS

A. Description of Resident Programs

Resident Programs at PHA are designed to improve the quality of life for residents of both Public Housing and the Housing Choice Voucher programs through a comprehensive array of economic, educational, social, and health initiatives for youth, adults, and seniors which promote self-sufficiency and well being. Under the MTW Demonstration Program, PHA has the opportunity to maximize the delivery of services that are offered by PHA, partners, agencies and neighborhood organizations to residents.

CSS uses a regional model for supportive social service delivery to all residents of a wide array of educational, training, placement, entrepreneurial, homeownership and supportive services through its Economic Self Sufficiency (ESS) Center North at Blumberg Apartments. Five ESS teams in five regional offices have been established at: 1172-1174 South Broad Street, 5207 Walnut Street, 5538-A Wayne Avenue, 642 N. Broad Street, 1516 Judson Way, 2nd Floor (23rd and Jefferson) and 4346 Frankford Avenue.

These service centers outreach to and serve resident of Scattered Sites, Conventional Sites and Housing Choice Vouchers units. Economic Self Sufficiency (ESS) Coordinators link public housing residents to PHA's Family Programs.

TSSI's assistance is invaluable to PHA in developing, managing and implementing programs. TSSI contracts with PHA to perform resident empowerment services, leadership development and evaluation services. TSSI sponsors an annual Resident Empowerment Conference that has hosted residents from 48 of the 50 states and Healthy Homes Asthma Intervention and Reduction program; and the Resident Council election processes.

These programs are funded through a variety of grants and partnerships. PHA aggressively pursues funding for services to ensure that a variety of needed services are available. PHA will continue to seek out resources for existing and new programs and supportive services

Family Program

The goal of PHA's Family Program is self-sufficiency, with the following elements central to this Program:

- Increase the number of households participating in educational, employment and entrepreneurial training programs.
- Increase the average household income of residents.
- Increase savings among resident households.
- Increase opportunities for seniors to continue to live independently.
- Increase access to health care resources.

- Increase services to youth.

In order to effectively deliver these services, PHA has developed the following 5-tiered approach based on household income:

1. Zero Income Households. Assign a case manager to each head of household to develop a self-sufficiency plan that will provide referrals for education and job training programs, improve job readiness, and initiate a job search and placement.
2. TANF Recipients. Through the case manager assigned by Philadelphia County Assistance Office to TANF Recipients, PHA will supplement existing services to provide additional referrals for education and job training programs, improve job readiness, and initiate a job search and placement.
3. Part-Time or Seasonally Employed Heads of Households. PHA will assist these individuals to obtain full-time employment with benefits through training programs to improve career skills and job referrals.
4. Full-Time Employed Heads of Households. PHA will assist these individuals to obtain a living wage with benefits and to achieve homeownership through Career Awareness workshops and job referrals.
5. Elderly and Disabled Households. PHA will assist these individuals to fully access available services and opportunities, including the development of an Assisted Living Program for eligible participants.

The comprehensive MTW Family Program works both with residents of public housing and Housing Choice Voucher (HCV) Program participants to provide the coordination of services necessary to address families' needs. PHAs Moving to Employment (MTE) Economic Self-Sufficiency Program for public housing residents are similar to the HCV Family Self-Sufficiency Program, but do not include an escrow account. Services under the Family Self-Sufficiency Program and Economic Self Sufficiency Programs include specialized skills training, supportive services such as substance abuse counseling, youth and elderly programs, job search and housing search assistance, and homeownership counseling.

The Community Partners program continues to fund a range of supportive services including the nationally recognized Pre-Apprenticeship Program and the Skills for Life youth program. The Community Partners program recruited new partners, expand the range of training programs, and provide incentives to encourage successful participation by residents. These programs are designed to provide residents with the skills to enter the construction, transportation and health fields. Residents securing employment through these programs are earning a median hourly rate of \$13.66. Additional programs include day-care training, certified food handler, home maintenance and repair, and hospitality industry training. In Year 7 PHA's new community partners expanded training opportunities for eligible residents to obtain a commercial driver's license, develop resident owned businesses, and provide training for Administrative Assistants, Financial Services, Customer Service, and cable installation.

PHA uses its MTW single fund budget flexibility, in combination with other funds, to provide or coordinate the provision of all services required to promote family economic self-sufficiency. PHA uses related non-profits to implement and operate various components of our comprehensive program. Tenant Support Services, Inc. (TSSI), which is operated by public housing residents, is keenly aware of the needs, interests, and preferences of the target populations, and as an independent non-profit, they have access to private and public funding sources unavailable to PHA. TSSI anticipates being able to increase its effectiveness through grants and the use of an alternate procurement plan that will be developed under the MTW program.

Supportive Services

A broad range of supportive services is currently available to residents. Resident programs offered during Year Seven included the following:

1. Pre-Apprenticeship Program. As of March 31, 2008, a total of five hundred and twenty-eight (528) residents graduated from the Pre-Apprenticeship Building, Maintenance and Construction Training Program since inception. Two hundred and eighty (280) of these graduates entered the construction trades. These jobs are positions at union scale wages with benefits, resulting from certified apprenticeships in the building and construction trades program.
2. Section 3 Compliance Program. This program, which requires PHA contractors to hire qualified PHA residents for new positions, produced 154 jobs over the past year. PHA contractors continue to fill their workforce needs with qualified PHA residents, who are often graduates of the Pre-Apprenticeship program.
3. Certified Nursing Assistant Program. Nine hundred and ninety-eight (998) residents have graduated from the Certified Nursing Assistant (CNA) program, of which over 90% became employed as State certified CNAs. Fifty-four (54) residents graduated last year.
4. Pharmacy Technician Program. A total of three hundred and seventy-seven (377) residents to date have graduated and secured employment as Pharmacy Technicians, of which seventy-eight (78) graduated in the past year.
5. Medical Billing. A total of two hundred and fifty-two (252) residents to date have graduated and secured employment as Medical Billing Clerks, of which thirty-eight (38) graduated in the past year.
6. Job Skill Training and Entrepreneurial Development Programs. PHA has expanded the number and variety of programs available to residents by incorporating Educational Data Systems Inc, (EDSI) Supported Work, Job Search, Job Placement, Community Service and Job Retention services; Management Environmental Technologies, Inc (MET) offers Job Training, Youth Development, Cultural Awareness, Small Business Development and Neighborhood Improvement programs;

Creative Urban Educational Systems Medical Billing students receive training in technical ICD-9CM coding, CPT data processing and reimbursement procedures.

7. Youth Programs. As many as 200 low-income children participated in a new after school program established under a historic partnership between PHA and the Boys & Girls Clubs (BGCP) of Philadelphia. The BGCP provides programs and activities at PHA's two newest community centers, Wilson Park in South Philadelphia at the South Philadelphia After-school Recreation Center (SPARC) and in North Philadelphia in the John F. Street Community Center. Both locations offer programs for 1st through 5th graders from 3:00 PM to 6:00 PM, and for 12-18 year olds from 6:00 to 8:00, Monday through Friday. Activities at the centers focus on five core areas: education and career development; character and leadership development, health and life skills; the arts; fitness and recreation. There is no charge to families for their children's participation in the BGCP programs at the PHA locations. BGCP obtained foundation and Department of Juvenile Justice grants in cooperation with HUD to pay for this first year of program operation, while PHA covers the cost of providing and maintaining the community centers.

As part of PHA's Foundation Strategy, Tenant Support Services in partnership with the Philadelphia Housing Authority was awarded \$150,000 from the Wachovia Foundation to hire a coordinator to initiate the program delivery phase of the Grays Ferry revitalization project. TSSI launched the South Philadelphia After-school Recreation Center (SPARC) with services provided by the Boys and Girls Clubs of Philadelphia, designed to promote healthy living, support academic achievement and leadership skills for area youth. The SPARC provides the youth with access to an exercise room, arts and crafts room with kiln, recording studio, dance studio, computer lab, classrooms, commercial kitchen and a gym/multipurpose room.

PHA has created partnerships with nine Family Centers, two Cultural Arts organizations, eight Community Based Organizations, and the Explorers of the Boy Scouts of America. These organizations provide youth services for full participation in the economic and social fabric of the City of Philadelphia. The goal is to provide youth with the academic and social skills necessary to not only succeed and graduate from high school, but to develop a long-term career path. To support these goals, PHA is creating resident youth councils, a youth mentoring program, and a comprehensive PHA-wide youth services network to ensure PHA youths throughout the city have equal access to all youth services available.

8. Skills for Life Program. Eighty-nine percent (89%) of the Skills for Life students matriculated to the next grade level, which exceeds the Philadelphia School District rate by as much as 29%. Youth receive stipends and transit passes to attend academic enrichment and career exploration programs. Adult training participants gain work experience that leads to employment in the building and construction trades.
9. Senior Programs. PHA has a number of senior developments along with programs specifically designed to provide services for senior residents. PHA is presently

developing a comprehensive program to provide enhanced supportive living services and options for seniors under programs administered by the Pennsylvania Department of Public Welfare and the Pennsylvania Department of Aging. LIFE centers are now operational at Greater Grays Ferry Estates and Germantown House. PHA has also established a Senior Advisory Board that provides a forum for senior issues and concerns.

10. Home Sales Department To date, the Homeownership Division has sold 879 homes. During the current fiscal year April 1, 2007 thru March 31, 2008, the Homeownership Division sold 112 homes. PHA is one of the leading housing authorities in the nation in HCV homeownership sales.

In Year Seven the Housing Choice Voucher (HCV) Program closed a total of 59 homes of which eighteen were disabled families for a total of 217 homes sold under the HCV Program including 58 families with disabilities. Under the Turnkey III Program, to date PHA has sold 206 homes. PHA developed two Turnkey III sites - Brown Street Village is closed out and only one home remain to be sold at Whitman Park. The Turnkey III program is designed to give families the opportunity to own their own home after a two-year occupancy agreement. Each resident has an individual escrow reserve account, which is intended to assist the households to accumulate savings during the lease term, and apply the funds toward a down payment and/or closing costs.

Under the Section (5H) Scattered Sites Program to date 118 homes closed. The Homeownership division sold out Lucien E. Blackwell Homes Phase I, forty homes, and Phase II, twenty-five homes for a total of 65 homes. PHA sold 32 homes at Lucien Blackwell Phase III. PHA sold 123 affordable homes at Greater Grays Ferry Estates. In South Philadelphia, at the new Martin Luther King Plaza, selling near Center City's "Avenue of the Arts", PHA sold out Phase 1 for a total of seventy-six (76) homes and Phase II, fourteen (14) homes for a total of 90 Homes. The Homeownership Division started the sales at Ludlow Homes and has completed 41 agreements of sales, our new development of 50 affordable homeownership units. Last year, PHA provided first-time homebuyer workshops to over 1,465 PHA residents. The Homeownership division along with the Communications Department received an overwhelming response from widespread and targeted marketing efforts, having received approximately 5,500 applications from prospective homebuyers for our new developments.

PHA has made a special commitment in fulfilling its objective of providing homeownership opportunities to public housing residents. PHA created a Resident Mortgage Assistance Program (RMAP), this is a comprehensive benefit package to assist residents in achieving Homeownership. It provided residents with closing cost assistance, wrote down the sales price for our clients who purchase homes at our New Development and provided free financial counseling in planning their budget.

The Homeownership Division provided homeownership seminars to various community organizations and events throughout the City of Philadelphia, including the annual Tribune Homebuyer's Workshop, one of the premier homebuyer events held in the city. PHA also established partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, Commerce Bank, Sovereign Bank, Wells Fargo and PNC. The services include free credit reports, budgeting/money management, and credit repair. The Division maintains relationships with 27 certified housing counseling agencies throughout the city of Philadelphia and the Pennsylvania Housing Finance Agency (PHFA).

11. Clean Sweep and Community Days. PHA residents are required to participate in a program of Community Service. PHA developed two programs for residents to fulfill this commitment by participating in site/neighborhood clean up activities known as "Clean Sweep and Community Days." These programs continue to foster neighborhood pride and good neighbors.
12. Summer Food Services. PHA operates a summer food program, serving breakfast and lunch to children up to the age of 18 living in and around public housing. Residents are hired to operate this summer program.
13. Healthy Homes. PHA operates a demonstration healthy homes program to reduce asthma hazards in housing choice voucher properties. Focus is on households with children between 0 to 6 years old.
14. DARE and GREAT Programs PHA's Police Department provides Drug Abuse Resistance Education (DARE) and Gang Resistance Education and Training (GREAT) programs to encourage young people to stay off drugs. PHAPD has relationships with 18 elementary and middle schools in the areas surrounding PHA's housing developments.
15. Conflict Resolution; Domestic Violence Prevention and Assistance. Residents needing assistance to resolve a dispute in their family or neighborhood can get such assistance from PHA Police Department staff trained in conflict resolution.
16. Computer Labs: Mobile and On Site Neighborhood Networks Labs. PHA is establishing a network of computer laboratories that provide formal instruction in basic computer literacy, standard software and Internet use. The site-based laboratories are supplemented by two (2) Mobile Computer Labs operated and staffed by the PHA Police Department PHA has outfitted two vans with computers. These vehicles are loaded with educational software and scheduled for site visits at developments that do not yet have labs.
17. Health Clinics. With Drexel University/MCP Hahnemann, Resources for Human Development and Temple University, PHA operates clinics that offer medical, dental and community behavioral health care and health education; primary care for all ages including family planning, pre-natal care, well child care, EPSDT exams, nutrition,

chronic illness care such as asthma, diabetes, heart disease, high blood pressure, acute illness. Behavioral health care includes mental health, drug and alcohol treatment. The centers employ a psychiatrist, licensed psychologist and social workers. The centers generally provide counseling and medication for depression, anxiety, bipolar disorder, schizophrenia, post traumatic stress disorder, substance abuse, family and child therapy, grief and loss counseling. Some centers provide van service.

18. HOPE VI Community and Supportive Services. PHA contracts for case management services with HOPE VI Providers in North, South and West Philadelphia, namely, Asociacion de Puertorriquenos en Marcha (APM), Ramsey Educational Development Institute, Inc (REDI), The Enterprise Center (TEC) and Universal Community Homes have been providing community and social services to residents of Richard Allen, Falls Ridge, Martin Luther King, Lucien E. Blackwell and Ludlow Scattered Sites. Services help residents end their reliance on categorical assistance. HOPE VI links residents to available community services and provides specific training, example, the Enterprise Center provides its array of business development and incubation services. APM provides human service placements using a case management model.
19. HOPE VI Mentoring Demonstration Program. PHA operates a mentoring demonstration program whose focus is to increase FICO credit rating and to increase the adjusted family income. This program serves 40 residents in Lucien E. Blackwell (formerly Mill Creek). The other goals are to assist residents to: train for gaining and sustaining employment; enroll in GED and/or college and gain access to homeownership programs.
20. Grants and Resource Development. The Program Compliance/HOPE VI (PCH6) Department is responsible to research grant opportunities and to identify prospective partners that have the capacity to provide programs and services that are needed by public housing and housing choice voucher residents to become economically self sufficient and to improve their quality of life.

PCH6 identifies opportunities for education, job skills training, job preparation, placement and retention, resident owned business development, homeownership, credit repair and financial literacy and supportive social services including healthy lifestyles, children, youth and senior programs.

MOVING TO WORK YEAR SEVEN ANNUAL REPORT
B. RESULTS OF 2008 RESIDENT SURVEY

**Philadelphia Housing Authority
Customer Service and Satisfaction Survey 2008
ALL DEVELOPMENTS***

604 respondents

OVERALL SATISFACTION

1. How satisfied are you with the following:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
Your unit/home?	13% 75	75% 440	11% 63	1% 8	3% 18	0% 0
Your development/building?	11% 53	64% 309	23% 113	2% 11	19% 117	0% 1
Your neighborhood?	7% 44	60% 362	27% 164	5% 29	1% 4	0% 1

MAINTENANCE AND REPAIR

2. Over the last year, how many times have you called for maintenance or repairs?

Have Never Called	1 to 3 Times	4 to 6 Times	More Than 6 Times	Does Not Apply	Missing Answer
25% 152	51% 305	16% 96	8% 45	1% 6	0% 0

3. If you called for NON-EMERGENCY maintenance or repairs (for example, leaky faucet, broken light, etc.), the work was usually completed in:

Have Never Called	Less Than One Week	1 to 4 Weeks	More Than 4 Weeks	Problem Never Corrected	Missing Answer
32% 196	45% 183	32% 130	15% 59	8% 32	1% 4

4. If you called for EMERGENCY maintenance or repairs (for example, toilet plugged up, gas leak, etc.), the work was usually completed in:

Have Never Called	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
48% 292	12% 36	28% 88	54% 169	6% 19	0% 0

5. Based on your experience, how satisfied are you with:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
How <u>easy</u> it was to request repairs?	5% 23	81% 373	13% 59	2% 8	23% 141	0% 0
How <u>well</u> the repairs were done?	6% 27	83% 382	8% 37	3% 15	24% 142	0% 1
How well you were <u>treated</u> by the person you contacted for repairs?	8% 37	85% 394	5% 23	2% 7	24% 143	0% 0
How well you were <u>treated by</u> the person doing the repairs?	8% 37	89% 408	2% 11	1% 5	24% 143	0% 0

COMMUNICATION

6. Do you think management provides you information about:

	Strongly Agree	Agree	Disagree	Strongly Disagree	Does Not Apply	Missing Answer
Maintenance and repair (for example, water shut-off, boiler shut-down, modernization activities?)	7% 42	72% 415	18% 103	3% 15	4% 26	0% 3
The rules of your lease?	6% 36	80% 470	12% 69	2% 12	3% 16	0% 1
Meetings and events?	7% 39	70% 381	20% 109	3% 14	10% 61	0% 0

7. Do you think management is:

	Strongly Agree	Agree	Disagree	Strongly Disagree	Does Not Apply	Missing Answer
Responsive to your questions and concerns?	7% 39	76% 449	16% 94	2% 9	2% 13	0% 0
Courteous and professional with you?	7% 41	81% 479	11% 64	2% 9	2% 11	0% 0
Supportive of your resident/tenant organization?	6% 22	70% 254	21% 77	2% 8	40% 243	0% 0

8. Are you involved in a resident/tenant organization in your housing development?

Yes	No	Missing
8% 49	92% 552	0% 3

SAFETY

9. How safe do you feel:

	Very Safe	Safe	Unsafe	Very Unsafe	Does Not Apply	Missing Answer
In your unit/home?	14% 84	73% 432	10% 57	3% 16	1% 8	1% 7
In your building?	15% 63	60% 251	19% 80	6% 23	30% 182	1% 5
In your parking area?	11% 42	56% 205	24% 89	8% 31	39% 236	0% 1

10. Do you think any of the following contribute to crime in your development?
(Mark all that apply.)

	Number	Percentage
Bad Lighting	184	30%
Broken Locks	44	7%
Location of Housing Development	118	20%
Police Do Not Respond	139	23%
Residents Don't Care	304	50%
Resident Screening	164	27%
Vacant Units	61	10%
Open Air Drug Activities	321	53%

11. If residents in your development break the rules in the lease, does management take action?

Yes	No	Don't Know	Missing
66%	34%	54%	1%
179	91	325	9

12. Are you aware of any crime prevention programs available to residents (for example, Neighborhood Watch, Block Watch, Community Policing, Tenant Patrol, or Street Patrol)?

Yes	No	Does Not Apply	Missing Answer
27%	73%	8%	0%
151	406	46	1

SERVICES

13. Over the last year, how many problems, if any, have you had with electricity or heat?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
54%	40%	4%	2%	0%	0%
326	242	22	11	3	0

13a. If you had a problem with electricity or heat, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
54%	8%	31%	56%	5%	0%
326	23	84	153	15	3

14. Over the last year, how many problems, if any, have you had with kitchen appliances (for example, stove, refrigerator, etc.)?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
77%	21%	2%	1%	1%	0%
461	123	10	5	5	0

14a. If you had a problem with kitchen appliances, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
76%	8%	21%	62%	9%	1%
460	11	30	87	12	4

15. Over the last year, how many problems, if any, have you had with water or plumbing (for example, toilets, hot water, etc.)?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
57%	36%	5%	2%	1%	0%
344	218	28	9	4	1

15a. If you had a problem with water or plumbing, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
57%	11%	30%	48%	11%	0%
346	29	76	123	27	3

16. Over the last year, how many problems, if any, have you had with smoke detectors?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
90%	10%	0%	0%	0%	0%
539	59	2	1	3	0

16a. If you had a problem with smoke detectors, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
89%	32%	24%	42%	2%	0%
540	20	15	26	1	2

HOUSING DEVELOPMENT APPEARANCE

17. How satisfied are you with the upkeep of the following areas in your development:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
Common areas (for example, stairways, walkways, hallways, etc)?	11% 46	57% 249	27% 119	5% 21	28% 169	0% 0
Exterior of buildings?	8% 39	63% 301	25% 119	3% 16	21% 129	0% 0
Parking areas?	7% 25	59% 208	28% 98	6% 20	41% 250	0% 3
Recreation areas (e.g., playgrounds and other outside facilities)?	7% 20	52% 152	32% 92	9% 27	52% 313	0% 0

18. How often, if at all, are any of the following a problem in your development:

	Never	Sometimes	Often	Always	Does Not Apply	Missing Answer
Abandoned cars?	42% 213	46% 235	9% 45	4% 19	15% 92	0% 0
Broken glass?	32% 176	52% 286	10% 55	6% 31	9% 56	0% 0
Graffiti?	37% 203	49% 268	7% 39	6% 35	10% 58	0% 1
Noise?	14% 77	54% 301	19% 104	13% 72	8% 49	0% 1
Rodents and insects (indoors)?	14% 78	53% 295	19% 103	14% 79	8% 49	0% 0
Trash/litter?	18% 99	52% 284	16% 87	15% 80	8% 51	0% 3
Vacant units?	44% 196	44% 199	6% 26	6% 29	25% 150	1% 4

CONCLUSION

19. If there is a person with a permanent disability in your household who has difficulty moving around, did your management make necessary changes to your unit if you requested them (for example, grab bars, lowered light switches, wheelchair access)?

Made No Such Request	Yes	No	Does Not Apply	Missing Answer
56%	15%	29%	26%	1%
249	66	126	159	4

20. Since moving into your current residence, have you been told by a doctor, nurse, or other local health department that any of your children (who live with you) have lead poisoning or a high level of lead in their blood?

Yes	No	Missing
1%	99%	1%
4	595	5

21. Would you recommend your housing development to a friend or family member seeking public housing?

Yes	No	Don't Know	Missing
73%	27%	14%	1%
373	137	87	7

22. If there were one area you would like to see PHA improve upon what would it be?

Maintenance & Repair

- Maintenance/repairs (60 respondents)
- More maintenance needed (11 respondents)
- Quicker/on time maintenance (11 respondents)
- More maintenance workers (9 respondents)
- Better lights (8 respondents)
- Maintenance workers (4 respondents)
- Maintenance needs to finish work (3 respondents)
- Maintenance not doing their job (2 respondents)
- Everything needs repair (3 respondents)
- More maintenance to clean streets
- Better management with maintenance
- Better upkeep of the exterior
- Communication regarding repairs
- Take better care of units
- Main water pipe underground
- Inspections
- Outside maintenance

Programs

- Programs/activities for children/teens (9 respondents)
- Senior programs (6 respondents)
- Programs/activities (4 respondents)
- Arts & Crafts
- Make sure all residents are involved/included in programs
- Programs for parents

Cleaning

- Clean up trash (11 respondents)
- Clean up area (7 respondents)
- Clean up outside (6 respondents)
- Clean up sites/developments (4 respondents)
- Clean up more often (4 respondents)
- Daily clean up (3 respondents)
- Dumpsters for trash (2 respondents)
- Clean up streets (2 respondents)
- Trash in elevators
- Clean and light stairway and elevator
- Basement needs cleaning
- House and yard cleaning

Safety

- More police/police patrols (32 respondents)
- Drugs (15 respondents)
- Resident screening (8 respondents)
- PHA police (5 respondents)
- Better security (6 respondents)
- Neighborhood group/neighborhood watch (3 respondents)
- Cameras (2 respondents)
- Violence (2 respondents)
- Safety of residents
- Evict drug dealers

Amenities

- Larger unit (7 respondents)
- Play areas for children (5 respondents)
- Child care services (3 respondents)
- Elevators (2 respondents)
- Another cable company
- Bus trips
- Appearance
- More closet space
- New rug in building
- Paint

Rodents/Insects

- Exterminate (9 respondents)
- Rodents
- Get rid of mice
- Bugs
- Raccoon in yard from trash

Management

- Customer service (19 respondents)
- Client/tenant services (5 respondents)
- Management attitudes (4 respondents)
- Managers (3 respondents)
- Better response from management (3 respondents)
- Spanish speaking managers (2 respondents)
- Management (2 respondents)
- Better council people and nicer office staff
- Customer care and more information available
- Faster application process
- More help from management

Physical Improvements

- Tear down development (5 respondents)
- Vacancies (3 respondents)
- Remodel (3 respondents)
- Back yard
- Better accessibility
- Gates on corner houses
- Make row houses
- Abandoned buildings
- 21st& Dickerson
- Scattered sites
- Need basements

Tenant Assistance/Issues

- Tenant rights (2 respondents)
- Homeownership (2 respondents)
- Assistance (2 respondents)
- Tenant councils
- Problem neighbors
- Jobs for residents cleaning the development
- Advocates to speak for residents
- Resident issues

Communication

- Response time (5 respondents)
- Resident management relationship
- Faster response to issues
- Talk with people better
- Inform residents of meetings/events

Other

- Everything (6 respondents)
- Rent reduction (6 respondents)
- Workers (5 respondents)
- Noise (3 respondents)
- Transfers (3 respondents)
- Attitudes (2 respondents)
- Curfew (2 respondents)
- The entire development (2 respondents)
- More support
- Relocate
- Stop signs, speed bumps on streets
- The area
- Whole neighborhood
- Children out during school time
- More homes for people
- Better service

GENERAL INFORMATION

23. What is your gender?

Male	Female
16%	84%
98	498

24. How old are you?

18-24	25-34	35-44	45-54	55-61	62+	Missing
5%	19%	19%	21%	13%	23%	1%
28	114	114	124	76	140	8

25. What is your race/ethnicity? (mark all that apply)

Caucasian/ White	African-Am./ Black	Asian/Pacific Islander	Native Am./ Indian	Hispanic	Other	Missing
1%	93%	0%	1%	4%	1%	1%
8	553	1	3	24	6	9

26. How long have you lived in your housing development?

Less Than 6 Months	6 Months to 2 Years	2 to 5 Years	Over 5 Years	Missing Answer
1%	11%	36%	52%	2%
6	67	213	307	11

27. How much do you pay in rent each month (including utilities)?

< \$100 Per Month	\$100 - \$199 Per Month	\$200 - \$299 Per Month	\$300 - \$399 Per Month	\$400 - \$499 Per Month	\$500 or More Per Month	Missing Answer
9%	25%	31%	24%	8%	3%	1%
56	148	183	145	47	16	9

*The percentages assigned to all categories are based on the total number of responses to each question or sub-question less the responses for "Missing Answer", "Does Not Apply" and "Don't Know". The percentages assigned to the responses for "Missing Answer", "Does Not Apply" and "Don't Know" are based on the total number of respondents in the sample. In addition, in calculating the percentages in questions 3, 4, 13a., 14a., 15a., and 16a. the responses for "Have Never Called" or "Never Had a Problem" were not included. Percentages have been rounded, and therefore may not total 100%.

SECTION 11: OTHER INFORMATION REQUIRED BY HUD

This section provides documentation to HUD that the Philadelphia Housing Authority has complied with specific MTW requirements or with other HUD requirements that are mandated by other HUD regulations.

A. Board Resolution approving the MTW Year Seven Report.

B. Results of latest completed 133 Audit.

C. Required Certifications and other submissions from which PHA is not exempted by the MTW Agreement (All required forms submitted with Year Eight Plan Document).

- PHA Certifications of Compliance with MTW Plan Requirements.
- Form HUD-50070. Certification for a Drug-Free Workplace.
- Form HUD-50071. Certification of Payments to Influence Federal Transactions.
- Form SF-LLL. Disclosure of Lobbying Activities.

D. Submissions required for the receipt of funds (All required forms submitted with Year Eight Plan Document).

- Form HUD-52723. Calculation of PFS Operating Subsidy.
- Form HUD-52722-A. Calculation of Allowable Utilities Expense Level.
- Form HUD-52721. Direct Disbursement Payment Schedule Data.
- Form HUD-52837. Capital Fund Annual Statement, Parts I, II, III (Formula Allocation).
- Form HUD-52837. Capital Fund Annual Statement, Parts I, II, III (Replacement Housing).
- Form HUD-52673. Estimate of Total Required Annual Contributions.
- Form HUD-52663. Requisition for Partial Payment of Annual Contributions.

RESOLUTION NO. *11235*

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE MOVING TO WORK ("MTW") ANNUAL REPORT FOR MTW YEAR 7 (FISCAL YEAR ENDING MARCH 31, 2008) TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD")

WHEREAS, PHA entered into a Moving To Work Demonstration (MTW) Agreement with the Department of Housing and Urban Development ("HUD") on April 1, 2001 and such Agreement provides that PHA prepare an Annual MTW Report, including a Consolidated Financial Report; and

WHEREAS, the MTW Agreement calls for suspension of current evaluation and reporting requirement due to the authority granted to PHA to depart from the standard program requirements; and

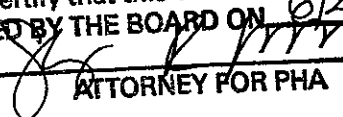
WHEREAS, as an alternate assessment protocol, HUD will assess PHA's performance on an annual basis by comparing at the end of PHA's fiscal year, it goals, as stated in its approved MTW Plan, to its actual performance, as stated in its Annual MTW Report.

WHEREAS, PHA will include in the Annual MTW Report all formats and elements as described in Attachment B of the MTW Agreement; and

WHEREAS, PHA has prepared Annual MTW Reports for MTW Year 7 (Fiscal Year ending March 31, 2008); and

WHEREAS, PHA is required to submit each Annual Report for Board approval within sixty days following the end of each fiscal year.

THEREFORE, BE IT NOW RESOLVED that the Board of Commissioners of the Philadelphia Housing Authority does hereby authorize the Executive Director to submit to HUD the PHA Annual MTW Reports for MTW Year 7 (Fiscal Year ending March 31, 2008).

I hereby certify that this was
APPROVED BY THE BOARD ON 6/23/08

ATTORNEY FOR PHA

PHILADELPHIA HOUSING AUTHORITY

**REPORT ON AUDIT OF FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND SINGLE AUDIT**

FOR THE YEAR ENDED MARCH 31, 2007

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Philadelphia Housing Authority
Building Beyond Expectations

**PHILADELPHIA HOUSING AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Carl R. Greene
Executive Director

TRANSMITTAL LETTER

September 18, 2007

To the Board of Commissioners, Citizens and Clients of the Philadelphia Housing Authority:

Pennsylvania State law requires that all general-purpose local governments and component units publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Philadelphia Housing Authority (PHA) for the fiscal year ended March 31, 2007.

This report consists of management's representations concerning the finances of PHA. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of PHA has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of PHA's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, PHA's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

PHA's financial statements have been audited by Isdaner & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of PHA for the fiscal year ended March 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that PHA's financial statements for the fiscal year ended March 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of PHA was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited

authority's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of PHA's Financial Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. PHA's MD&A can be found immediately following this transmittal letter.

Profile and Background of the Philadelphia Housing Authority

The federal government exerts a major influence on the nation's housing and development activity, a role that has its roots in the 1930s. Over the past seventy years, Washington has developed a variety of programs and policies to support housing production, revitalize cities, and expand housing opportunities for low- and moderate-income homebuyers and renters.

The following major federal housing laws constitute the backbone of the present federal Department of Housing and Urban Development (HUD) housing programs:

- The National Housing Act, passed in 1934, was the first landmark housing law of the New Deal era. It created the Federal Housing Administration (FHA), whose mission was to stimulate housing activity by insuring mortgages made by private lenders.
- The United States Housing Act of 1937 created the public housing program. Like the National Housing Act, the U.S. Housing Act has been amended many times, including a comprehensive revision in 1974.
- In the Housing Act of 1949, Congress established a national housing policy with three objectives: (1) eliminating housing shortages through housing production and related community development, (2) clearing slums and blighted areas, and (3) achieving the goal of "a decent home and a suitable living environment for every American family."
- In 1965, Congress passed a law to create the U.S. Department of Housing and Urban Development. In addition, closely related legislation was passed in 1965, which created the rent supplement program to subsidize the rents of low-income households in private housing.
- One of the landmark housing laws of the post-World War II era, the Housing and Urban Development Act of 1968 created two major subsidy programs, the Section 235 home purchase program and the Section 236 rent subsidy program.

- The Housing and Community Development Act of 1974 rewrote the U.S. Housing Act of 1937, revising the public housing program and creating the Section 8 rent subsidy program. Under Section 8, low-income tenants pay a fixed portion of their income for rent in privately owned housing and HUD covers the difference between the tenant payment and the fair market rent for the unit.
- The Housing and Community Development Act of 1987 made a number of changes to the public housing program. These included converting development funding from loans supported by annual contract payments to up-front grants, requiring public housing authorities to submit comprehensive plans to get modernization funds, and adding provisions for resident management and ownership. For Section 8, the 1987 act made vouchers a permanent program, rather than a demonstration; provided portability for certificates and vouchers, allowing families to take their subsidies with them if they moved within the same or a contiguous metropolitan area; and authorized PHAs to tie up to fifteen (15%) percent of their certificate funding to specific projects.
- The National Affordable Housing Act of 1990 created the Homeownership and Opportunity for People Everywhere (HOPE) program, which was designed to encourage the use of government-owned or government-financed housing for low-income home ownership.
- For public housing, the Housing and Community Development Act of 1992 included provisions to reduce vacancies and improve severely depressed projects. The Section 8 provisions included authorization to use vouchers or certificates for home ownership, and a Moving to Opportunity demonstration program to help families living in subsidized projects to move out of areas with high concentrations of poverty.
- Public housing reform is represented through the Quality Housing and Work Responsibility Act of 1998 (QHWRA). QHWRA was signed by President Clinton on October 21, 1998 and is found in Title V of HUD's FY1999 appropriations act (P.L. 105-276).
- QHWRA is landmark legislation that makes public housing reform a reality by:
 - Reducing the concentration of poverty in public housing
 - Protecting access to housing assistance for the poorest families
 - Supporting families making the transition from welfare to work
 - Raising performance standards for public housing agencies, and rewarding high performance

- Transforming the public housing stock through new policies and procedures for demolition and replacement and mixed-finance projects, and through authorizing the HOPE VI revitalization program
- Merging and reforming the Section 8 certificate and voucher programs, and allowing public housing agencies to implement a Section 8 homeownership program
- Supporting HUD management reform efficiencies through deregulation and streamlining and program consolidation

Under QHWRA, PHA has established a system of site-based waiting lists, consistent with all applicable civil rights and fair housing laws. PHA has set a minimum rent of \$50 for residents in public housing, the Section 8 Voucher Program and moderate rehabilitation projects. Exceptions to payment of minimum rent may be made by the PHA for families in hardship circumstances.

QWHRA also allows PHA to terminate the leases of Residents of public housing and tenant-based Section 8 assistance and be subject to expedited eviction (after an expedited grievance process) for violent or drug-related criminal activity and felony convictions. Families evicted for drug-related criminal activity from public housing or tenant-based Section 8 are prohibited from being readmitted for 3 years.

- Congress has dealt with substantive housing issues in other legislation, including a number of significant housing and development programs created through tax legislation, such as: (1) the mortgage revenue bond and mortgage credit certificate programs, to provide subsidized financing for first-time home buyers; (2) the low-income housing tax credit program, which has become the nation's major low-income housing production program; and (3) the empowerment zone and enterprise community program, which provides tax incentives to encourage development in distressed urban and rural areas.

Moving To Work

Moving To Work (MTW) is the operating plan for the Philadelphia Housing Authority. MTW is a special, contractual agreement between PHA and the government under which the authority has substantial budget flexibility and regulatory relief. This allows PHA to make program changes that increase efficiency and help residents become self-sufficient.

PHA became one of twenty-seven public housing agencies nationwide designated for this seven-year program, effective April 1, 2001. The agency began its seventh year of MTW on April 1, 2007, and has published a plan detailing goals and objectives for the current fiscal year.

PHA was organized under the laws of the Commonwealth of Pennsylvania to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other

federal agencies. PHA is the fourth largest housing authority in the country and has the largest scattered site inventory of almost 5,900 available units, including: 4,540 occupied units, vacant buildings and lots. For the past several years, PHA has embarked upon a strategic planning process that encompasses the following mission statement:

The mission of the PHA is to provide quality housing for the low and very low-income families of Philadelphia well into the 21st century by improving the management systems and buildings, using the best property management principles, and by forming partnerships with the wider community to increase available resources.

Strategic Goals related to the aforementioned mission include:

- Increase the availability of decent, safe, and affordable housing;
- Improve community quality of life and economic vitality;
- Promote individual and family self-sufficiency and asset development.

PHA's current strategic operating plan is based on a comprehensive critical appraisal of its operating, capital and support services. The strategic operating plan development process is one that carefully considers the immediate and long-term needs and programs for residents in public housing and the Housing Choice Voucher program.

Nine goals were identified as a result of this process and have been incorporated into PHA's Annual MTW Plan. Subsequently, each of the nine goals were placed under five Moving to Work Principals

MTW Objective 1:	Reform the existing Housing Choice Voucher program and public housing programs.
Goal 1:	Achieve excellence in property management.
Goal 2:	Achieve excellence in the management of the Housing Choice Voucher program and enforce program compliance.
MTW Objective 2:	Revitalize neighborhoods where MTW and MTW-eligible residents reside.
Goal 3:	Develop affordable quality housing that supports balanced communities.
MTW Objective 3:	Develop an MTW family program to furnish comprehensive economic self-sufficiency services to eligible MTW families.
Goal 5:	Engage other institutions to leverage resources and assist in promoting economic enhancement and supportive services for PHA residents.
Goal 9:	Maximize relationships and initiatives to deliver sound and effective services.
MTW Objective 4:	Establish a quality of life program to promote a living environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of public housing residents, voucher and landlord participants and PHA, to one another and the broader community.
Goal 4:	Implement public safety programs that promote the well-being of our neighborhoods and the accountability of program participants.
MTW Objective 5:	Establish efficient operating procedures and implement cost-saving strategies.
Goal 6:	Improve the productivity and cost effectiveness of PHA operations.
Goal 7:	Improve program compliance, reporting, performance and accountability.
Goal 8:	Maximize the use of technology to improve the efficiency and accountability of PHA operations.

Each of the nine goals is supported by objectives that aggressively and affirmatively promote improvements in the Philadelphia Housing Authority's operation and service delivery. Descriptions of each of the main programs reflected in the accompanying financial statements are as follows:

Low-Rent Housing Program

This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contribution Contract W-55.

Housing Choice Voucher Program

Housing Choice Programs now come under the umbrella of Moving To Work, providing the framework for assisting residents toward self-sufficiency. Housing Choice Voucher Programs include New Construction, Moderate Rehabilitation, Rental Vouchers, and Single Room Occupancy Programs. These programs were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

New Construction and Substantial Rehabilitation Programs

The Housing Choice New Construction and Substantial Rehabilitation programs allow for construction of low-income housing units to be subsidized for a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied.

Moderate Rehabilitation Program

This program provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for-profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing. Once the units are occupied, HUD subsidizes rents in such amounts sufficient to cover the developer's debt service payments on the financing.

Project Based Program

This program allows for existing privately owned housing units to be used for low-income housing. This program assists low-income families and persons to find and lease a house or apartment. After inspecting the unit, PHA assists the resident in negotiating a lease under HUD rules and regulations for the program. After the lease is signed, the resident pays a share of the rent according to HUD guidelines, and the remainder is subsidized by PHA through HUD funding.

PHA earns a fee for administering the annual contributions from HUD. This fund accounts for the revenues and expenses associated with providing administrative services.

Senior Program

PHA has established a program for seniors, Living Independently For Elders (LIFE) in conjunction with St. Agnes Hospital, NewCourtland Elder Services and the Pennsylvania Secretary of Public Welfare. The program includes senior assisted living and enhanced

supportive services, with the goal of enabling nursing-home eligible residents to remain in their homes.

Separately, the Congregate Housing Services Program provides two (2) meals a day (7) seven days a week throughout the year, homemaker services and case management for approximately twenty residents on a daily basis. Its goal is to prevent premature institutionalization of the elderly at Bentley Hall.

Further, PHA provided services to over 4,852 seniors at PHA Senior Centers in FY 2005/2006.

Summer Food Program

The Summer Food Program provides nutritious breakfasts and lunches, sponsored by the Department of Education, at 22 public housing sites throughout the City of Philadelphia. Approximately 60 staff members, primarily PHA residents, are hired for this seasonal employment. 46,000 meals were provided (the combined total for service of breakfast and lunch).

Adult Literacy Program

PHA offers adult literacy through its Community Partners, including the pre-Apprenticeship Program in the Building Trades. The literacy program is designed to offer PHA residents enhancement of basic educational skills in the areas of language development, writing, mathematics, reading, problem-solving, etc. This program is designed to assist participants in passing the General Educational Development (GED) examination, entering a training program and securing employment, working with children on homework, and increasing personal confidence and self-esteem.

New Initiatives

PHA's Moving to Work (MTW) Demonstration Program is focused on helping families achieve self-sufficiency and improving and increasing the stock of quality affordable housing throughout the city. It will furnish convenient and comprehensive services to families to assist them in reaching their full potential, with an emphasis on education, job training and placement, self-sufficiency, and preparation for homeownership. In addition, MTW will promote the revitalization of neighborhoods where MTW and MTW-eligible families live.

The flexibility of the MTW Demonstration Program affords PHA an opportunity to more effectively carry out these strategic goals. For the seven (7) year term, beginning in FY2001, of the MTW Demonstration Program, PHA will focus on the following core objectives:

- Reform the existing Housing Choice Voucher and Public Housing Programs to improve and increase the supply of quality affordable housing throughout the City of Philadelphia.
- Revitalize neighborhoods where MTW and MTW-eligible residents reside.
- Develop a MTW Family Program to furnish comprehensive family self-sufficiency services to eligible MTW families.
- Establish a Quality of Life Program to promote a living environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of public housing residents, voucher participants, voucher landlords, and the PHA to one another and to the broader community.
- Establish efficient operating procedures and implement cost-saving strategies.

PHA intends to continue its focus on strengthening families and revitalizing Philadelphia neighborhoods where MTW and MTW-eligible families reside. This will be achieved by providing comprehensive economic empowerment assistance and supportive services to families, continuing to improve the quality and availability of affordable housing, and by expanding public safety activities.

Year Seven of PHA's Moving To Work program saw continuation of a number of enhancements.

MTW Priority 1 Year 7 Objectives

- **Dislocated Worker Program.** Dislocated Worker Housing Allowance Program provides a short-term housing subsidy, job training and placement services to eligible workers. This program works with key local employment and training partners.
- **Continuation of the Quality Initiative,** including enhanced Quality Control procedures and systems to improve customer service and the accuracy and completeness of client files. These efforts have been enhanced through PHA's recently implemented IVR system. The IVR system allows HCV participants and vendors to obtain updated information on their PHA program status. Calls that cannot be handled automatically or through an immediate staff response are turned into "cases" which are tracked and monitored through to resolution.
- **Housing Choice Time Limits.** PHA will continue its efforts to reform the Housing Choice Voucher program and respond to the needs of the city and its residents. PHA has established a seven-year time limit in the Housing Choice Voucher Program, subject to certain exemptions such as for elderly and disabled households.

- **Two-Year & Three-Year Re-Certifications.** PHA has implemented a new recertification system beginning in April 2003. Recertifications for both public housing and Housing Choice Voucher participants will occur every two years under the new system, except for public housing residents choosing market or flat rents (who will be recertified every three years). Two-year recertifications may not apply to sites funded with Low-Income Housing Tax Credits.
- **Improved applicant screening and enforcement of program regulations,** including enhancements to PHA's investigative and complaint tracking software.
- **Continuation of Tenant Integrity Program** training for all program participants.
- **Continuation of a comprehensive staff training program** and implementation of a revised procedures manual.
- **Continuation of new landlord training** and outreach programs.
- **Continuation of direct deposit** for Housing Choice Voucher payments.
- **Good Neighbors Make Good Neighborhoods Program.** In 2001 PHA made a commitment to provide Housing Choice vouchers to support families moving from homelessness and transitional housing programs to permanent housing. Through the Good Neighbors Make Good Neighborhoods Program, 500 families were housed through December 2003. PHA reached a new agreement in October 2003 with the Blueprint to End Homelessness, a coalition of nonprofit transitional housing providers and made 300 housing opportunities available. To date, 290 families from the Blueprint have been placed in PHA units. PHA has increased its original commitment for this program to 400 units.
- **Rent Simplification.** To promote the goals of economic self-sufficiency and administrative efficiency, PHA has developed and implemented a program to streamline the rent calculation system for both public housing and Housing Choice Voucher participants. The new system, which is based on family size, decreases the percentage of income paid towards rent and provides incentives for resident savings. PHA intends to make the new system simpler to administer and understand, reducing paperwork and administrative burdens for residents and staff.
- **Revitalization Initiatives.** PHA will continue its large-scale revitalization efforts at public housing and other sites around the city. PHA is currently overseeing \$1 billion in large-scale HOPE VI and non-HOPE VI development projects.

MTW Priority 2 Year 7 Objectives

- **Family Economic Development Action Plan (FEDAP).** Housing Choice Voucher Program participants work with PHA staff to develop and implement a Family Economic Development Action Plan as a condition of their continued participation in the program.
- **Affordable Homeownership.** PHA has expanded its homeownership activities to create quality, affordable homeownership opportunities for public housing residents, Housing Choice Voucher participants, and other low-income residents. PHA has expanded its recently implemented Housing Choice Voucher Homeownership program, opening it up to all Housing Choice Voucher ESS program participants. PHA also implemented enhanced housing counseling services designed to help residents with budget, credit repair and other activities designed to support successful homeownership.
- **Replacement Housing.** PHA continued its efforts to increase housing opportunities through implementation of its Replacement Housing Policy. The policy focuses on four strategies to acquire property: (1) acquisition through purchase of single family scattered sites, foreclosure by institutional lenders of single family residential buildings and purchase of multi-family residential buildings; (2) reuse of ACC subsidy to affordable housing projects; (3) provision of capital funds to affordable housing projects; and (4) neighborhood redevelopment projects.
- **New Construction and Substantial Rehabilitation Programs.** Subject to funding availability, PHA will continue work at existing sites throughout the City, including Greater Grays Ferry Estates, Germantown House, Lucien E. Blackwell Homes, Martin Luther King Plaza, Wilson Park and Ludlow Scattered Sites.
- **Enhancements to the Unit-Based Program.** PHA may elect to issue a new or revised RFP for the Unit-Based Program.

MTW Priority 3 Year 7 Objectives

- **Maintain services to residents through the Community Partners Program.** PHA awarded contracts to several training providers under this program to provide supportive and self-sufficiency services to PHA households. Subject to availability of adequate federal funding, PHA plans to award additional community partner program contracts in the coming year in order to maintain the range and quality of training initiatives available to PHA residents.

- **LIFE Program.** Expansion of comprehensive, long-term senior health care services through the establishment of Living Independently For Elderly (LIFE) Centers that will allow seniors to remain in their units while receiving services through Adult Day Centers. A state-of-the-art senior care center recently opened on the first floor of PHA's new 72-unit Conswiller B. Pratt Apartments for Seniors, located within PHA's newest affordable development, Greater Grays Ferry Estates. A second facility has opened at the recently renovated Germantown House.
- **Pre-Apprenticeship, Certified Nursing Assistant, Medical Billing and Pharmacy Technician Training Programs.** Since the inception of these programs, almost 1,700 residents have graduated and found careers in the building trades, the health care industry and other fields.
- **Computer Training.** The Philadelphia Housing Authority's continues to increase residents' access to technology to (1) increase academic performance of youth and adults, to (2) increase the employability skills of adults and working age youth, to (3) increase computer technology skills among all demographic groups, and to (4) increase health and nutrition information for groups of all ages.

PHA has 18 computer laboratories at various stages of the development cycle, with formal standardization at both conventional and community-based sites to provide technology programming, and computer assisted instruction. In addition to the comprehensive laboratories, PHA provides web based basic education software, accessible through the Internet, which participants can use to improve skills in targeted occupations.

PHA facilitates handicapped accessibility at its laboratories, and installs chairlifts, as necessary.

MTW Priority 4 Year 7 Objectives

- **Expansion of Quality of Life Program.** The objective of the program is to improve the quality of life for all PHA residents and the surrounding communities by creating an environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of all. The program incorporates resident responsibility training, lease enforcement, local code enforcement, public safety and community policing activities. In addition, PHA joined the Citizens Crime Commission anonymous tip line reward program and entered into a contract with the City of Philadelphia to begin Town Watch programs at several PHA developments.

- **Enhanced Tenant Responsibility Training.** As part of its local leased housing MTW program initiative, PHA now requires all Housing Choice Voucher program participants to participate in Tenant Responsibility Training at both the initial lease-up and at every recertification period. This effort will help improve residents' understanding of their roles and responsibilities as good neighbors and PHA program participants.
- **Security Enhancements to PHA Properties.** As noted in the Capital Improvement summary included in this Annual Plan, PHA has continued to implement security related capital improvements at a wide range of PHA properties, and especially at family high rises.
- **Required Landlord Training.** PHA has developed a program for landlords of the properties associated with the Housing Choice Voucher program, which includes training by professionals from the Institute of Real Estate Management (IREM), as well as training provided by PHA regarding local property management issues, city code compliance, lease enforcement, and community responsibilities.

MTW Priority 5 Year 7 Objectives

- **Implementation of Peoplesoft's 8.9 CRM technology** to create tracking databases such as complaint tracking, incident tracking, MTW client tracking, investigations tracking and risk management tracking.
- **Continued implementation of enhanced Interactive Voice Response and CTI systems** in order to improve responsiveness to customer and public inquiries. These systems went live in MTW Year 6.
- **Streamline Rent Calculation System.** PHA has developed and started a program to streamline the rent calculation system for both public housing and voucher participants. PHA has made the new system simpler to administer and understand while giving residents an incentive for work and education.
- **Revise Procurement Policies.** PHA has a revised procurement policy approved by HUD. The new system simplifies the procurement process, while ensuring an appropriate level of internal control and external competition. The plan includes enhanced criteria for qualification and selection of developers for redevelopment projects and the policy for subsidiaries. PHA has moved forward with implementation of the revised policies and the supply chain management initiative.

Factors Affecting Financial Condition

Laws, Regulations and Federal Examinations. PHA is subject to a number of laws and regulations. Material portions of PHA's grant revenue and other financial resources are contingent on PHA's compliance with such laws and regulations. PHA is subject to examinations made by federal and state authorities who determine compliance with terms, conditions, laws and regulations governing other grants awarded to PHA in the current and prior years. The current status of such examinations are monitored by HUD, PHA's cognizant agency. Management of PHA is not aware of any noncompliance with such laws and regulations that could result in a material disallowance of costs or withholding of future revenue.

PHA is a party to various legal actions arising in the normal course of business. It is the opinion of management that the ultimate disposition of these matters will not have a material adverse effect on PHA's financial position or results of operations.

Cash Management Policies and Practices. HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance for the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by PHA or with an unaffiliated bank or trust company for the account of PHA.

It is PHA's policy to maintain collateralization in accordance with the requirements of both HUD and the Commonwealth of Pennsylvania. The three credit risk categories are defined as follows:

- 1) Insured or collateralized with securities held by the authority or by its agent (correspondent bank or Federal Reserve Bank) in the authority's name.
- 2) Collateralized with securities held by the pledging financial institution, trust department, or agent in the authority's name.
- 3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the authority's name.

Risk Management. Prior to April 1, 1999 PHA was self-insured for personal injury claims. Asserted and unasserted claims are accrued based on PHA's experience and advice of an independent claims manager. Although management believes that adequate accruals have been established, the ultimate liability that may result from asserted and unasserted claims could differ materially from estimated amounts. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage.

Pension and Other Post-employment Benefits. PHA contributes to the Philadelphia Housing Authority Retirement Income Plan (the Plan). The Plan is a single-employer plan, which issues separate financial statements. The following table provides information concerning covered employees and benefit provisions for the Plan.¹

Covered employees	Permanent employees of PHA except those enrolled in PHA Defined Contribution Pension Plan.
Current annual covered payroll	\$64,801,439
Normal retirement date	65th birthday
Normal retirement benefit	2.5% of Average Earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25% of Average Earnings multiplied by years of service in excess of 25 years.
Death benefit	The Plan contains provisions for the payment of benefits to surviving spouses of employees.

The financial statements of the Plan are prepared on the accrual basis of accounting. Contributions and benefit payments are recognized when earned and incurred, respectively. Plan investments are listed at fair value as determined by quoted market prices. Short-term investments are reported at cost, which approximates fair value.

Actuarially determined contributions are required to provide sufficient assets to pay benefits when due and are determined using the entry age normal method. Under this method, the actuarial present value of projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings of service of the individual between entry age and assumed exit age. The portion of actuarial present value allocated to each valuation is called the normal cost. The significant actuarial assumptions used to compute the actuarial determined contributions are as follows:

- a) A rate of return on the investments of 7.5% per year;
- b) Projected salary increase of 5% per year;
- c) No post-retirement benefit increase.

PHA's current funding practice is to contribute 5.5% of total payroll to the Plan. Employees are currently required to contribute 5.5% of total salary to the Plan. The

¹ This is a brief summary of Plan benefits and is not intended to replace or supplement the Plan in any manner. The information contained herein is not a part of the Plan and, moreover, does not constitute a summary plan description or a part of any contract of employment.

funding policy is subject to change but is determined by collective bargaining agreements for represented employees and by employment policies for non-represented employees.

Capital Assets. Purchased land, buildings and equipment are valued at cost when historical records are available. When no historical records are available, estimated historical cost is used. When property is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations. Donated property is recorded at estimated fair value when received. Ancillary charges necessary in preparing an asset for use are capitalized. The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation commences on modernization and development additions in the initial year of utilization.

Contributions by Federal Agencies. HUD contributes an operating subsidy for the Public Housing Program, reflected in the operating budget under the Annual Contributions Contract W-55. Operating subsidy contributions, including capital contributions, for the year ended March 31, 2007 were \$331,012,724 and are included in operating subsidies in the combined statement of revenues, expenses and changes in equity.

HUD contributions for Section 8 Programs under Annual Contributions Contract p-4601 are included in intergovernmental revenues in the combined statement of revenues, expenses and changes in equity as follows:

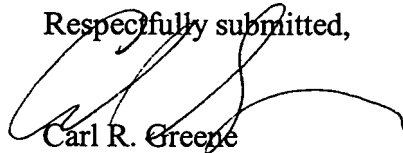
Housing Choice Vouchers	\$147,778,444
Mainstream	336,163
Moderate Rehabilitation	2,179,003
New Construction	1,205,884
Single Room Occupancy	<u>1,489,526</u>
Total	<u>\$152,989,020</u>

Contributed capital represents the cumulative amount of annual contributions made available by HUD with respect to all federally-aided projects under annual contributions contracts. Annual contributions contracts provide that HUD shall have the right to audit records of public housing authorities. Accordingly, final determination of PHA's financing and contribution status for the annual contribution contracts is the responsibility of HUD based upon financial reports submitted by PHA.

PHA received approximately 87% of its fiscal 2007 revenues from HUD. If, in the future, the amount of revenues received from HUD falls below critical levels, PHA's operating reserves could be adversely affected.

In closing, we would like to express our appreciation to the PHA Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Philadelphia Housing Authority's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Carl R. Greene', written over the typed name.

Carl R. Greene
Executive Director

PHILADELPHIA HOUSING AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Philadelphia Housing Authority ("PHA"), we offer readers of the PHA's financial statements this narrative overview and analysis of the financial activities of the PHA for the fiscal year ended March 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through xvi of this report, as well as the financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Philadelphia Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$809.9 million (*net assets*). Of this amount, \$300 million are *unrestricted net assets*, which includes \$181.5 of notes and mortgages receivable from PHA's discretely presented component units. The remaining unrestricted net assets of \$118.5 may be used to meet PHA's ongoing obligations to clients and creditors.
- PHA's total FY 2007 net assets increased by \$7.6 million over FY 2006, equivalent to a 1.0% increase.
- PHA's operating income in the proprietary funds for FY 2007 was \$325.5 million, \$9.3 million more than operating expenses.
- PHA's debt outstanding of \$141.4 million as of March 31, 2007 increased \$4.1 million from that amount outstanding as of March 31, 2006.
- Other long-term liabilities decreased by \$4.7 million to a total of \$5.2 million as of March 31, 2007.

Overview of the Financial Statements

This discussion and analyses are intended to serve as an introduction to the Philadelphia Housing Authority's basic financial statements. The PHA's basic financial statements comprise three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The *agency-wide financial statements* are designed to provide readers with a broad overview of PHA's finances, in a manner similar to a private-sector business. The *statement of net assets* presents information on all of PHA's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of PHA is improving or deteriorating. The *statement of activities* presents information showing how PHA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus,

revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., authorized but uncollected grant revenue and earned but unused vacation leave).

The agency-wide financial statements include not only PHA itself (known as the *primary government*), but also legally separate non-profit agencies for which PHA is financially accountable, as described in the accompanying notes to the financial statements.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The agency-wide financial statements and accompanying notes can be found on pages 3 through 37 of this report.

The remaining statements that support the agency-wide financial statements are the *fund financial statements*. 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 Philadelphia Housing Authority, like other public housing authorities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of PHA's funds are considered to be *Enterprise Funds*. Normally, an enterprise fund is used to report any activity for which a fee is charged to external users for goods or services. In accordance with Accounting Principles Generally Accepted in the United States of America ("GAAP"), enterprise funds may also be used by all governmental entities, such as PHA, that were using traditional not-for-profit accounting as of the date of adoption of Governmental Accounting Standards Board ("GASB") Statement No. 34 (June 1999), even if their activities do not otherwise meet the criteria for using an enterprise fund. In practice, enterprise funds frequently are used to account for activities whose costs are only partially funded by fees and charges. Enterprise funds are considered useful in such instances because they focus attention on the cost of providing services, and they serve to highlight the portion of that cost being borne by taxpayers, which in the case of PHA take the form of federal grant contributions.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Fund financial statements and required supplementary information can be found beginning on page 39 of this report.

Agency-wide Financial Analysis

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of an agency's financial position. In the case of the Philadelphia Housing Authority, assets exceed liabilities by \$809.9 million at the close of the most recent fiscal year. The combined net assets of PHA increased by \$7.6 million, or 1.0%, from March 31, 2006 to March 31, 2007. The following table shows a summary of changes from the prior year amounts.

Philadelphia Housing Authority Net Assets as of March 31 (In millions of dollars)

	<u>2007</u>	<u>2006</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Assets</u>				
Cash & Investments	\$ 125.2	\$ 114.1	\$ 11.1	9.7%
Accounts Receivable	3.9	2.5	1.4	56.0%
Due from Other Governments	24.7	30.5	(5.8)	(19.0%)
Other Current Assets	3.2	3.3	(0.1)	(3.0%)
Total Current Assets	157.0	150.4	6.6	4.4%
Net Program Loans Receivable	181.5	166.9	14.6	8.8%
Capital Assets	593.5	614.1	(20.6)	(3.4%)
Other Assets	19.3	8.2	11.1	135.4%
Total Assets	\$ 951.3	\$ 939.6	\$ 11.7	1.3%
<u>Liabilities</u>				
Accounts Payable	\$ 15.2	\$ 7.9	\$ 7.3	92.4%
Other Current Liabilities	35.4	29.8	5.6	18.8%
Total Current Liabilities	50.6	37.7	12.9	34.2%
Noncurrent Liabilities	90.8	99.6	(8.8)	(8.8%)
Total Liabilities	141.4	137.3	4.1	3.0%
<u>Net Assets</u>				
Invested in Capital Assets	507.5	526.8	(19.3)	(3.7%)
Restricted	2.4	2.4	0.0	0.0%
Unrestricted	300.0	273.1	26.9	9.9%
Total Net Assets	809.9	802.3	7.6	1.0%
Total Liabilities and Net Assets	\$ 951.3	\$ 939.6	\$ 11.7	1.3%

Statement of Activities. The Statement of Activities shows the sources of PHA's changes in net assets as they arise through its various programs and functions. A condensed Statement of Activities comparing fiscal year 2007 with fiscal year 2006 is shown in the table below.

Philadelphia Housing Authority
Statement of Activities as of March 31
(In millions of dollars)

	<u>2007</u>	<u>2006</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenue</u>				
Program Revenue:				
Charges for Services	18.9	16.9	2.0	11.8%
Federal & Other Revenues	325.7	337.8	(12.1)	(3.6%)
General Revenue:				
Disposal of Fixed Assets	1.1	(12.3)	13.4	(108.9%)
Investment Income & Other	18.7	11.7	7.0	59.8%
Total Revenue	<u>364.4</u>	<u>354.1</u>	<u>10.3</u>	<u>2.9%</u>
<u>Expenses</u>				
Direct	237.0	253.9	(16.9)	(6.7%)
Administrative	81.5	83.0	(1.5)	(1.8%)
Total Expenses (Excluding Deprec.)	318.5	336.9	(18.4)	(5.5%)
Depreciation	49.7	48.9	0.8	1.6%
Total Expenses (Including Deprec.)	368.2	385.8	(17.6)	(4.6%)
Prior year adjustments	1.8	0.5	1.3	260.0%
Capital contributed to component units	9.6	14.9	(5.3)	(35.6%)
Increase/(Decrease) in Net Assets	<u>7.6</u>	<u>(16.3)</u>	<u>23.9</u>	<u>146.6%</u>

Federal and Other Revenues include the annual operating subsidies and capital grants made available by the U.S. Department of Housing and Urban Development ("HUD"), along with grants received from other Federal sources and the Commonwealth of Pennsylvania. PHA also generated \$7.9 million in unrestricted investment income, which was primarily used to partially offset its administrative expenses.

Direct expenses amounted to \$237 million, representing a year-to-year decrease of \$16.9 million, or 6.7%. The year-to-year change in depreciation increased \$.8 million (1.6%).

Long-term Debt and Other Long-term Liabilities. Long-term debt and other long-term liabilities as of March 31, 2007, compared with March 31, 2006, are depicted in the following schedule.

**Philadelphia Housing Authority
Long-term Debt and Other Long-term Liabilities
(In millions of dollars)**

	<u>2007</u>	<u>2006</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Long-term Debt	\$ 80.4	\$ 84.0	\$ (3.6)	(4.3%)
Self-Insurance Liability	5.2	5.7	(0.5)	(8.8%)
Other	5.2	9.9	(4.7)	(47.5%)
Total	\$ 90.8	\$ 99.6	\$ (8.8)	(8.8%)

Total bonds and notes payable decreased \$3.6 million.

Prior to April 1, 1999 the Philadelphia Housing Authority was self-insured for personal injury claims. Asserted and unasserted claims are accrued based on PHA's experience and advice of an independent claims manager. Although management believes that adequate accruals have been established, the ultimate liability that may result from asserted and unasserted claims could differ materially from estimated amounts. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage.

Request for Information

This financial report is designed to provide a general overview of the Philadelphia Housing Authority's finances for all those with an interest in the agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Dianne Rosenthal, Assistant Executive Director, 2012 Chestnut Street, Philadelphia, PA 19103.

Report of Independent Certified Public Accountants

Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office
Office of Public Housing
Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107

We have audited the accompanying financial statements of Philadelphia Housing Authority (“PHA”) as of and for the year ended March 31, 2007, which collectively comprise PHA’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of PHA’s management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain of the component units whose statements reflect \$413 million or 36% of the assets, \$150 million or 17% of net assets and \$17 million or 5% of revenues of PHA. These statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of the other auditors.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of PHA’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of PHA as of March 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued in the Single Audit Section of this report, our report dated September 18, 2007 on our consideration of PHA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. This supplementary information is the responsibility of PHA's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit such information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise PHA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplementary information as required by U.S. Office of Housing and Urban Development and the City of Philadelphia is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



September 18, 2007

PHILADELPHIA HOUSING AUTHORITY

STATEMENT OF NET ASSETS

MARCH 31, 2007

ASSETS

	<u>Primary Government</u>	<u>Component Units</u>
Current assets:		
Cash	\$102,791,537	\$5,329,035
Investments	14,397,600	-
Receivables, net:		
Tenants	484,662	146,489
Due from other governments	24,658,193	1,381,302
Other receivables	3,437,981	195,052
Other current assets	<u>3,226,729</u>	<u>1,103,229</u>
Total current assets	<u>148,996,702</u>	<u>8,155,107</u>
Noncurrent assets:		
Mortgages receivable	181,462,984	-
Restricted cash and investments	7,969,774	10,727,045
Capital assets, net of depreciation	593,483,093	332,404,094
Other assets	<u>19,345,268</u>	<u>3,058,288</u>
Total noncurrent assets	<u>802,261,119</u>	<u>346,189,427</u>
TOTAL ASSETS	<u><u>\$951,257,821</u></u>	<u><u>\$354,344,534</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 15,167,480	\$ 19,449,705
Due to other governments	794,100	2,716,585
Compensated absences	4,330,343	-
Trust and deposits	766,065	436,596
Deferred credits and other liabilities	23,896,549	12,317,933
Current portion of long-term debt	<u>5,611,040</u>	<u>2,685,000</u>
Total current liabilities	<u>50,565,577</u>	<u>37,605,819</u>
Noncurrent liabilities:		
Compensated absences	2,859,942	-
Long-term debt	80,426,896	226,051,130
Other long-term liabilities	<u>7,478,471</u>	<u>6,795,840</u>
Total noncurrent liabilities	<u>90,765,309</u>	<u>232,846,970</u>
TOTAL LIABILITIES	<u>141,330,886</u>	<u>270,452,789</u>
Net assets:		
Invested in capital assets	507,497,794	103,667,964
Restricted	2,394,240	-
Unrestricted	<u>300,034,901</u>	<u>(19,776,219)</u>
Total net assets	<u>809,926,935</u>	<u>83,891,745</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$951,257,821</u></u>	<u><u>\$354,344,534</u></u>

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2007

	<u>Primary Government</u>	<u>Component Units</u>
Operating revenue:		
Tenant revenue	\$ 18,894,632	\$ 7,513,101
Operating subsidies	305,197,524	4,347,411
Other	6,519,201	836,813
	<u>330,611,357</u>	<u>12,697,325</u>
Total operating revenue		
Operating expenses:		
Administrative	81,477,433	5,305,777
Tenant services	4,624,944	486,087
Utilities	29,903,028	2,400,288
Maintenance	65,129,020	3,303,879
Protective services	7,166,224	155,782
General	24,044,225	2,025,311
Housing assistance payments	106,210,994	-
Depreciation and amortization	49,702,360	11,616,174
	<u>368,258,228</u>	<u>25,293,298</u>
Total operating expenses		
Operating loss	<u>(37,646,871)</u>	<u>(12,595,973)</u>
Nonoperating revenue (expenses):		
Interest and investment earnings, net of capitalized interest of \$439,043	13,824,385	678,608
Gain on the sale of capitalized assets	1,047,323	-
Impairment loss	-	(40,474,709)
Interest expense, net of capitalized interest of \$4,121,726	(1,570,039)	(2,942,101)
	<u>13,301,669</u>	<u>(42,738,202)</u>
Net nonoperating revenue		
Loss before capital grants	(24,345,202)	(55,334,175)
Capital grants	<u>20,478,401</u>	<u>-</u>
Change in net assets	<u>(3,866,801)</u>	<u>(55,334,175)</u>
Net assets at beginning of year:		
As previously reported	802,325,342	125,094,361
Prior period adjustments	1,828,375	189,334
As restated	<u>804,153,717</u>	<u>125,283,695</u>
Capital contributed	<u>9,640,019</u>	<u>13,942,225</u>
Net assets at end of year	<u>\$809,926,935</u>	<u>\$83,891,745</u>

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2007

	<u>Primary Government</u>	<u>Component Units</u>
Cash flows from operating activities:		
Receipts from residents and others	\$ 18,025,623	\$ 7,418,478
Payments to landlords	(106,210,994)	-
Payments to suppliers	(127,555,364)	(27,143,361)
Payments to and on behalf of employees for compensation and benefits	(96,143,986)	(3,460,099)
Other receipts	<u>10,846,202</u>	<u>23,813,730</u>
Net cash provided by (used in) operating activities	<u>(301,038,519)</u>	<u>628,748</u>
Cash flows from noncapital financing activities:		
Operating subsidies received	<u>312,136,600</u>	<u>3,783,870</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(27,665,459)	(31,942,175)
Proceeds from debt	21,505,708	12,260,762
Debt principal payments	(22,749,634)	(2,915,286)
Proceeds from capital contributions	9,640,021	13,942,225
Interest payment on debt	(1,570,039)	42,457
Financing costs paid	-	(61,348)
Capital subsidies	<u>20,478,401</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(361,002)</u>	<u>(8,673,365)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	12,359,590	2,412,325
Deposits to replacement reserve	-	(2,024,570)
Investment in joint venture	(628,972)	-
Additions to notes receivable	(13,328,649)	-
Interest income	<u>14,218,762</u>	<u>710,967</u>
Net cash provided by investing activities	<u>12,620,731</u>	<u>1,098,722</u>
Net increase (decrease) in cash	23,357,810	(3,162,025)
Cash - beginning of year	<u>79,433,727</u>	<u>8,491,060</u>
Cash - end of year	<u><u>\$102,791,537</u></u>	<u><u>\$ 5,329,035</u></u>

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2007

	Primary Government	Component Units
Cash flows from operating activities:		
Receipts from residents and others	\$ 18,025,623	\$ 7,418,478
Payments to landlords	(106,210,994)	-
Payments to suppliers	(127,555,364)	(27,143,361)
Payments to and on behalf of employees for compensation and benefits	(96,143,986)	(3,460,099)
Other receipts	10,846,202	23,813,730
Net cash provided by (used in) operating activities	(301,038,519)	628,748
Cash flows from noncapital financing activities:		
Operating subsidies received	312,136,600	3,783,870
Cash flows from capital and related financing activities:		
Purchase of capital assets	(27,665,459)	(31,942,175)
Proceeds from debt	21,505,708	12,260,762
Interest payments on bonds	(22,749,634)	(2,915,286)
Proceeds from capital contributions	9,640,021	13,942,225
Interest payment on debt	(1,570,039)	42,457
Financing costs paid	-	(61,348)
Capital subsidies	20,478,401	-
Net cash used in capital and related financing activities	(361,002)	(8,673,365)
Cash flows from investing activities:		
Proceeds from sale of investments	12,359,590	2,412,325
Deposits to replacement reserve	-	(2,024,570)
Investment in joint venture	(628,972)	-
Additions to notes receivable	(13,328,649)	-
Interest income	14,218,762	710,967
Net cash provided by investing activities	12,620,731	1,098,722
Net increase (decrease) in cash	23,357,810	(3,162,025)
Cash - beginning of year	79,433,727	8,491,060
Cash - end of year	\$102,791,537	\$ 5,329,035

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS - CONTINUED
YEAR ENDED MARCH 31, 2007

	Primary Government	Component Units
Reconciliation of excess of current expenditures over revenues to net cash provided by (used in) operating activities:		
Loss before capital subsidies	(\$ 37,646,871)	(\$12,595,973)
Adjustments to reconcile excess (deficiency) of total revenues over (under) total expenses to net cash used in operating activities:		
Depreciation	49,702,360	11,616,174
Bad debts	(497,751)	-
(Increase) decrease in assets:		
Tenant accounts receivable	198,215	(51,936)
Accounts receivable - subsidy	3,366,518	-
Accounts receivable - general	1,336,375	22,432,941
Increase in prepaid expenses	(11,010,508)	87,934
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	8,437,389	(7,701,391)
Payable to special limited partner	67,963	-
Deferred revenue and other credits	(3,258,675)	(10,767,876)
Government revenues reported in noncapital financing activities	(311,733,534)	(2,391,125)
Net cash provided by (used in) operating activities	(\$301,038,519)	\$ 628,748

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
COMPONENT UNITS
COMBINING STATEMENTS OF NET ASSETS
MARCH 31, 2007

	Richard Allen Phase III, L.P.	Cambridge Plaza, L.P.	Cambridge Plaza II, L.P.	Cambridge III L.P.	Suffolk Manor L.P.	Mill Creek Phase I LP	Blackwell Homes Phase II, L.P.	Lucien E. Blackwell Homes Phase III, L.P.	Mt. Olivet L.P.
ASSETS									
Current Assets:									
Cash	878,899	249,123	730,272	724,982	320,337	140,294	9,875	1,239	357,242
Investments	-	-	-	-	-	-	-	-	-
Restricted cash and investments	995,815	127,935	386,459	111,933	294,152	273,428	1,027,588	-	529,702
Receivables, net	53,291	7,450	6,466	16,798	43,914	63,418	30,473	-	166,760
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other assets	150,280	74,895	64,709	11,016	113,469	-	33,777	-	70,304
Total current assets	2,078,285	459,403	1,187,906	864,729	771,872	477,140	1,101,713	1,239	1,124,008
NONCURRENT ASSETS									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	29,142,010	6,482,554	8,339,549	8,359,004	21,746,592	16,715,980	16,663,835	13,585,934	14,083,925
Other assets	-	-	39,099	54,668	111,570	77,098	90,357	-	243,229
Total noncurrent assets	29,142,010	6,482,554	8,378,648	8,413,672	21,858,162	16,793,078	16,754,192	13,585,934	14,327,154
TOTAL ASSETS	31,220,295	6,941,957	9,566,554	9,278,401	22,630,034	17,270,218	17,855,905	13,587,173	15,451,162
LIABILITIES AND NET ASSETS									
Current liabilities:									
Accounts payable	834,146	733,684	738,071	365,617	2,195,409	712,716	814,604	4,506,940	1,468,678
Due to other governments	-	158,971	441,667	234,764	-	221,164	205,373	-	195,402
Due to other funds	-	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	17,214	3,153	4,158	3,960	14,906	8,217	6,831	-	19,218
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Deferred credits and other liabilities	267,115	87,547	-	611,907	(1)	1,314,867	1,432,714	-	-
Total current liabilities	1,118,475	983,355	1,183,896	1,216,248	2,210,314	2,256,964	2,459,522	4,506,940	1,683,298
NONCURRENT LIABILITIES									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	27,438,335	2,579,029	3,593,093	3,041,325	10,453,027	6,103,752	4,145,345	2,828,271	9,616,165
Other liabilities	1,126,371	15,455	8,108	10,200	15,455	15,540	3,333	-	15,000
Total noncurrent liabilities	28,564,706	2,594,484	3,601,201	3,051,525	10,468,482	6,119,292	4,148,678	2,828,271	9,631,165
TOTAL LIABILITIES	29,683,181	3,577,839	4,785,097	4,267,773	12,678,796	8,376,256	6,608,200	7,335,211	11,314,463
NET ASSETS:									
Invested in capital accounts	1,703,675	3,903,525	4,746,456	5,317,679	11,293,565	10,612,228	12,518,490	10,757,663	4,467,760
Restricted	(166,561)	(539,407)	35,001	(307,051)	(1,342,327)	(1,718,266)	(1,270,785)	(4,505,701)	(331,061)
Unrestricted	1,537,114	3,364,118	4,781,457	5,010,628	9,951,238	8,893,962	11,247,705	6,251,962	4,136,699
TOTAL NET ASSETS	31,220,295	6,941,957	9,566,554	9,278,401	22,630,034	17,270,218	17,855,905	13,587,173	15,451,162

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY
COMPONENT UNITS
COMBINING STATEMENTS OF NET ASSETS
MARCH 31, 2007**

	Germtown House, L.P.	Uni-Penn Housing v/a M.L.K. Plaza IV	Tasker I, L.P.	Tasker II, L.P.	Ridge Avenue Housing, L.P.	Raymond Rosen Assoc T/A 8 Diamonds Townhouses	Southwark Plaza Limited Partnership	Spring Garden Housing Limited Partnership	St. Ignatious Senior Housing I L.P.	St Anthony's Senior Residences Associates, L.P.
ASSETS										
Current Assets:										
Cash	387,811	134,642	131,114	-	35,443	205,337	79,005	54,191	395,880	32,929
Investments	-	16,960	850,849	2,628,472	132,602	1,280,272	954,253	46,877	304,745	169,527
Restricted cash and investments	42,741	42,599	234,464	143,072	21,001	3,079	43,060	4,221	280,277	13,458
Receivables, net										
Due from other governments										
Due from other funds										
Other assets	52,014	19,939	197,497	108,965	-	54,087	62,709	33,556	10,506	6,295
Total current assets	482,566	214,140	1,413,924	2,880,509	189,046	1,542,775	1,139,027	138,845	991,408	222,209
NONCURRENT ASSETS										
Mortgage receivable										
Capital assets, net of depreciation	18,774,638	8,959,097	42,854,498	31,303,547	22,021,760	19,715,896	4,747,130	12,035,423	7,464,755	4,561,266
Other assets	99,459	49,737	1,071,355	559,217	356,546	78,672	93,877	26,875	12,400	12,722
Total noncurrent assets	18,874,097	9,008,834	43,925,853	31,862,764	22,378,306	19,794,568	4,841,007	12,062,298	7,477,155	4,573,988
TOTAL ASSETS	19,356,663	9,222,974	45,339,777	34,743,273	22,567,352	21,337,343	5,980,034	12,201,143	8,468,563	4,796,197
LIABILITIES AND NET ASSETS										
Current liabilities:										
Accounts payable	944,514	469,257	373,686	599,386	103,855	363,290	275,941	1,846,466	404,247	77,335
Due to other governments	5,218	-	78,331	768,660	61,346	292,648	-	-	-	-
Due to other funds										
Compensated absences										
Trust and deposits	11,631	5,637	24,014	18,147	41,195	69,290	83,199	13,039	32,020	12,582
Bonds, notes and loans payable	-	-	1,375,000	1,310,000	-	-	-	-	-	-
Deferred credits and other liabilities	1,766,179	-	3,077,801	2,991,113	57,136	19,857	237,300	70,991	208,494	2,312
Total current liabilities	2,727,542	474,894	4,928,832	5,687,306	263,532	745,085	596,440	1,930,496	644,761	92,229
NONCURRENT LIABILITIES										
Compensated absences										
Bonds, notes and loans payable	7,981,634	3,737,981	31,625,000	19,690,000	18,187,838	15,968,970	38,682,801	7,031,317	2,495,608	1,650,000
Other liabilities	1,667	-	10,417	10,125	2,213,443	605,000	-	479,716	2,339	-
Total noncurrent liabilities	7,983,301	3,737,981	31,635,417	19,700,125	20,401,281	16,573,970	38,682,801	7,511,033	2,497,947	1,650,000
TOTAL LIABILITIES	10,710,843	4,212,875	36,564,249	25,387,431	20,664,813	17,319,055	39,279,241	9,441,529	3,142,708	1,742,229
NET ASSETS:										
Invested in capital accounts	10,793,004	5,222,116	9,854,498	10,303,547	3,833,922	3,746,926	(33,935,671)	5,004,106	4,969,147	2,911,266
Restricted	(2,147,184)	(211,017)	(1,078,970)	(947,705)	(1,931,383)	271,362	636,464	(2,244,492)	356,708	142,702
Unrestricted	8,645,820	5,010,099	8,775,528	9,355,842	1,902,539	4,018,288	(33,299,207)	2,739,614	5,325,855	3,033,968
TOTAL NET ASSETS	19,356,663	9,222,974	45,339,777	34,743,273	22,567,352	21,337,343	5,980,034	12,201,143	8,468,563	4,796,197

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
COMPONENT UNITS
COMBINING STATEMENTS OF NET ASSETS
MARCH 31, 2007

	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Newman North, L.P.	TENANT SUPPORT SERVICES INC	TOTAL
ASSETS					
Current Assets:					
Cash	8,706	31,125	3,734	416,855	5,329,035
Investments	-	-	-	-	-
Restricted cash and investments	230,047	300,456	64,973	-	10,727,045
Receivables, net	3,133	23,653	44,458	435,057	1,722,843
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Other assets	9,366	10,645	14,823	4,377	1,103,229
Total current assets	251,252	365,879	127,988	856,289	18,882,152
NONCURRENT ASSETS					
Mortgage receivable	-	-	-	-	-
Capital assets, net of depreciation	6,801,404	8,903,097	9,103,099	39,101	332,404,094
Other assets	8,668	72,739	-	-	3,058,288
Total noncurrent assets	6,810,072	8,975,836	9,103,099	39,101	335,462,382
TOTAL ASSETS	7,061,324	9,341,715	9,231,087	895,390	354,344,534
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	699,902	640,913	249,656	31,392	19,449,705
Due to other governments	-	-	-	53,041	2,716,585
Due to other funds	-	-	-	-	-
Compensated absences	-	-	-	-	-
Trust and deposits	12,625	12,380	23,180	-	436,596
Bonds, notes and loans payable	-	-	-	-	2,685,000
Deferred credits and other liabilities	82,722	1,095	29,558	59,226	12,317,933
Total current liabilities	795,249	654,388	302,394	143,659	37,605,819
NONCURRENT LIABILITIES					
Compensated absences	2,440,589	3,213,383	3,547,667	-	226,051,130
Bonds, notes and loans payable	152,987	1,465,932	644,752	-	6,795,840
Other liabilities	2,593,576	4,679,315	4,192,419	-	232,846,970
Total noncurrent liabilities	3,388,825	5,333,703	4,494,813	143,659	270,452,789
TOTAL LIABILITIES	4,360,815	5,689,714	5,555,432	39,101	103,667,964
NET ASSETS:					
Invested in capital accounts	(688,316)	(1,681,702)	(819,158)	712,630	(19,776,219)
Restricted	3,672,499	4,008,012	4,736,274	751,731	83,891,745
TOTAL NET ASSETS	7,061,324	9,341,715	9,231,087	895,390	354,344,534

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
COMPONENT UNITS
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2007

	Richard Allen Phase III, L.P.	Cambridge Plaza, L.P.	Cambridge Plaza II, L.P.	Cambridge III L.P.	Suffolk Manor L.P.	Mill Creek L.P.	Lucien E. L.P.	Lucien E. L.P.	Mt. Olivet L.P.
Operating revenue:	-	-	-	-	-	-	-	-	-
Total tenant revenue	510,886	129,422	131,163	156,207	406,881	305,970	170,232	-	521,057
Operating subsidies	280,072	95,017	6,682	-	554,215	-	-	-	458,425
Other income	-	-	-	-	-	980	-	-	26,563
Total operating revenue	790,958	224,439	137,845	156,207	961,096	306,950	170,232	-	1,006,045
Operating expenses:									
Administrative	484,570	124,581	102,870	107,262	442,919	145,318	172,067	-	266,163
Tenant services	-	-	-	-	-	-	-	-	-
Utilities	133,280	21,654	22,409	25,881	322,386	39,901	45,455	-	359,765
Maintenance	73,422	47,130	22,936	8,594	129,817	46,258	4,339	-	225,439
Protective services	-	-	-	-	-	-	-	-	-
General	126,461	51,724	41,146	20,163	98,780	63,318	3,963	-	86,612
Housing assistance programs	-	-	-	-	-	-	-	-	-
Depreciation and amortization	839,858	224,597	330,462	288,078	622,186	579,344	530,194	-	464,144
Interfund sources/uses	-	(40,950)	(1,079,253)	(677,349)	(48,750)	(610,018)	(2,642,601)	(6,251,962)	-
Total operating expenses	1,657,991	428,736	(559,430)	(227,371)	1,567,338	264,121	(1,886,583)	(6,251,962)	1,402,123
Operating income (loss)	(866,633)	(204,297)	697,275	383,578	(606,242)	42,829	2,056,815	6,251,962	(396,078)
Nonoperating revenue and (expenses):									
Interest and investment earnings	51,958	15,345	45,908	11,061	27,501	18,058	113,348	-	37,876
Impairment Loss	-	-	-	-	-	-	-	-	-
Interest expense	27,416	140,814	183,688	152,626	500,292	322,699	17,558	-	335,368
Net nonoperating revenue and (expenses)	24,542	(125,469)	(137,780)	(141,565)	(472,791)	(304,641)	95,790	-	(297,492)
Income (loss) before capital subsidies	(842,091)	(329,766)	559,495	242,013	(1,079,033)	(261,812)	2,152,605	6,251,962	(693,570)
Capital subsidies	-	-	-	-	-	-	-	-	-
Change in net assets	(842,091)	(329,766)	559,495	242,013	(1,079,033)	(261,812)	2,152,605	6,251,962	(693,570)
Total net assets a beginning of year:									
As previously reported	2,379,205	3,693,884	4,221,962	4,768,615	11,030,271	9,155,774	9,095,100	-	4,830,269
Prior period and equity transfer adjustments	-	-	-	-	-	-	-	-	-
	2,379,205	3,693,884	4,221,962	4,768,615	11,030,271	9,155,774	9,095,100	-	4,830,269
Total net assets at end of year	1,537,114	3,364,118	4,781,457	5,010,628	9,951,238	8,893,962	11,247,705	6,251,962	4,136,699

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
COMPONENT UNITS
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2007

	German- town House, L.P.	Uni-Penn v/a M.L.K.	Tasker I, L.P.	Tasker II, L.P.	Ridge Avenue Housing, L.P.	Raymond Townhouses	Southwark Partnership	Spring Garden Partnership	St. Ignatious L.P.	St. Anthony's Associates, L.P.
Operating revenue:										
Total tenant revenue	57,760	130,541	1,322,371	505,163	376,371	349,501	761,386	530,007	271,175	118,820
Operating subsidies	-	-	-	-	437,400	-	1,522,800	-	126,895	141,324
Other income	390	-	7,462	2,532	28,898	511,001	-	-	26,854	-
Total operating revenue	58,150	130,541	1,329,833	507,695	842,669	860,502	2,284,186	530,007	424,924	260,144
Operating expenses:										
Administrative	32,300	147,555	511,052	146,901	676,734	187,922	777,744	188,430	131,982	113,356
Tenant services	-	-	-	-	-	49,978	-	-	25,406	-
Utilities	-	14,300	171,083	85,594	95,326	137,797	443,297	70,613	101,605	41,457
Maintenance	-	25,949	424,857	171,052	314,953	219,140	904,247	214,894	121,088	69,993
Protective services	-	-	-	-	-	-	140,406	-	-	-
General	171,158	23,478	203,212	11,935	141,577	97,788	397,023	177,412	29,006	45,703
Housing assistance programs	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	180,228	198,419	1,400,878	1,034,941	719,224	1,025,712	1,452,729	363,327	335,354	244,082
Interfund sources/uses	2,768,087	(2,153,466)	-	(2,243,900)	-	-	(205,300)	-	-	-
Total operating expenses	3,151,773	(1,743,765)	2,711,082	(793,477)	1,947,814	1,718,337	3,910,146	1,014,676	744,441	514,591
Operating income (loss)	(3,093,623)	1,874,306	(1,381,249)	1,301,172	(1,105,145)	(857,835)	(1,625,960)	(484,669)	(319,517)	(254,447)
Nonoperating revenue and (expenses):										
Interest and investment earnings	72,636	12,692	73,153	117,973	1,110	17,044	51,326	659	1,934	5,281
Impairment Loss	-	-	-	-	-	-	(40,474,709)	-	-	-
Interest expense	105,203	140,574	34,525	21,000	17,744	79,845	-	378,880	62,684	11,128
Net nonoperating revenue and (expenses)	(32,567)	(127,882)	38,628	96,973	(16,634)	(62,801)	(40,423,383)	(378,221)	(60,750)	(5,847)
Income (loss) before capital subsidies	(3,126,190)	1,746,424	(1,342,621)	1,398,145	(1,121,779)	(920,636)	(42,049,343)	(862,890)	(380,267)	(260,294)
Capital subsidies										
Change in net assets	(3,126,190)	1,746,424	(1,342,621)	1,398,145	(1,121,779)	(920,636)	(42,049,343)	(862,890)	(380,267)	(260,294)
Total net assets a beginning of year:										
As previously reported	11,772,010	3,263,675	10,118,149	7,957,697	3,024,318	4,938,924	8,750,136	3,622,504	5,706,122	3,314,262
Prior period and equity transfer adjustments	11,772,010	3,263,675	10,118,149	7,957,697	3,024,318	4,938,924	8,750,136	3,622,504	5,706,122	3,314,262
Total net assets at end of year	8,645,820	5,010,099	8,775,528	9,355,842	1,902,539	4,018,288	(33,299,207)	2,759,614	5,325,855	3,053,968

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY

COMPONENT UNITS

COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2007

	Jni-Penn Housin Partnership I	Uni-Penn Partnership II	Newman North, L.P.	TENANT SUPPORT SERVICES INC.	TOTAL
Operating revenue:					
Total tenant revenue	117,729	282,490	357,969	-	7,513,101
Operating subsidies	158,760	-	-	565,821	4,347,411
Other income	-	14,851	23,955	193,327	836,813
Total operating revenue	276,489	297,341	381,924	759,148	12,697,325
Operating expenses:					
Administrative	139,489	126,962	137,734	141,866	5,305,777
Tenant services	-	-	-	410,703	486,087
Utilities	17,586	28,197	222,702	-	2,400,288
Maintenance	78,203	82,813	118,755	-	3,303,879
Protective services	696	-	14,680	-	155,782
General	23,419	27,417	44,620	139,396	2,025,311
Housing assistance programs					
Depreciation and amortization	215,142	266,095	286,248	14,932	11,616,174
Interfund sources/uses	-	(1,526)	(755,237)	-	(13,942,225)
Total operating expenses	474,535	529,958	69,502	706,897	11,351,073
Operating income (loss)	(198,046)	(232,617)	312,422	52,251	1,346,252
Nonoperating revenue and (expenses):					
Interest and investment earnings	861	2,884	-	-	678,608
Impairment Loss					(40,474,709)
Interest expense	150,878	128,104	131,075	-	2,942,101
Net nonoperating revenue and (expenses)	(150,017)	(125,220)	(131,075)	-	(42,738,202)
Income (loss) before capital subsidies	(348,063)	(357,837)	181,347	52,251	(41,391,950)
Capital subsidies					
Change in net assets	(348,063)	(357,837)	181,347	52,251	(41,391,950)
Total net assets a beginning of year:					
As previously reported	4,020,562	4,365,849	4,554,927	510,146	125,094,361
Prior period and equity transfer adjustments	-	-	-	189,334	189,334
	4,020,562	4,365,849	4,554,927	699,480	125,283,695
Total net assets at end of year	3,672,499	4,008,012	4,736,274	751,731	83,891,745

The accompanying notes are an integral part of this statement.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Philadelphia Housing Authority (“PHA”) was incorporated in Pennsylvania in 1937 as a municipal authority. PHA develops, acquires, leases and operates affordable housing for city residents with limited incomes. PHA operates under rules and regulations prescribed by the U.S. Department of Housing and Urban Development (“HUD”) and other federal agencies.

To meet the funding requirements of operating deficits that would otherwise result from the essential services that PHA provides, PHA receives subsidies, primarily from HUD, in the form of annual grants for operating assistance, contributions for capital and reimbursement of expenditures incurred for certain federal housing programs, and/or debt service payments. Subsidies are established through budgetary procedures, which establish amounts to be funded by the grantor agencies.

Basis of Accounting

PHA’s financial statements are prepared in accordance with Government Accounting Standards Board (“GASB”) Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Government*. GASB Statement No. 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting, and requires the presentation of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. GASB Statement No. 34 also requires PHA to include Management’s Discussion and Analysis as part of the required supplementary information.

PHA’s primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenditures occur and/or PHA has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

PHA has elected to apply all Financial Accounting Standards Board (“FASB”) statements and interpretations issued after November 30, 1989, except for those that conflict with GASB pronouncements.

Reporting Entity and Reclassifications

The accompanying financial statements present the activities of PHA and its component units, entities for which PHA is financially accountable. The component units described in Note 13 as *discrete component units* are displayed in a separate column in the financial statements to emphasize their legal separateness from PHA. The component units described in Note 13 as *blended component units* are so intertwined with PHA that they are, in substance, one and the same. Accordingly, they are blended in the financial statements with PHA.

In 2007 PHA has reclassified certain component units from blended to discrete to conform to GASB Statement No. 14, *“The Financial Reporting Entity,”* as amended.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Both blended and discrete component units are reported on a three-month time lag.

In addition to the component units, the financial statements of the PHA include Low-Income Public Housing and Whitman Park and Brown Street Homeownership Turnkey III Programs under Annual Contributions Contract W-55, Section 8 Housing Assistance Programs under Annual Contributions Contract P-4601, New Construction Programs under HUD Housing Assistance Payments Contracts PA26-8023-025, Development and Modernization programs, various HUD grants in support of the public housing objective and resident affairs programs.

Federal Programs

Grant programs are subject to financial and compliance audits by the grantors or their representatives. Management believes PHA's potential future liability for disallowances resulting from these audits will not have an adverse impact on the financial statements of PHA.

PHA received approximately 74% of its fiscal 2007 operating subsidies from HUD under the Low-Rent Housing and Section 8 Programs. Descriptions of the primary PHA programs are:

Low-Rent Housing Program

This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contribution Contract W-55. Operating subsidy contributions for the year ended March 31, 2007 were \$91,784,306 and are included in operating subsidies in the combined statement of revenues, expenses and changes in net assets.

Section 8 Programs

The Section 8 Programs - Housing Choice Voucher Programs - include Moving to Work, New Construction, Moderate Rehabilitation, Rental Vouchers, and Single Room Occupancy programs. These programs were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons. HUD contributions for Section 8 programs under Annual Contributions Contract P-4601 are included in operating subsidies in the combined statement of revenues, expenses and changes in net assets as follows:

Moving to Work	\$142,608,748
Housing Choice Voucher	5,505,859
Moderate Rehabilitation	2,179,003
Single Room Occupancy	1,489,526
	\$151,783,136

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Moving-to-Work Program

The Moving-to-Work (MTW) Demonstration Program is focused on helping families achieve self-sufficiency and on improving and increasing the stock of quality affordable housing throughout the City. It will furnish convenient and comprehensive services to families to assist them in reaching their full potential, with an emphasis on education, job training and placement, self-sufficiency, and preparation for homeownership. In addition, MTW will promote the revitalization of neighborhoods where MTW and MTW-eligible families live.

New Construction and Substantial Rehabilitation Programs

The Section 8 New Construction and Substantial Rehabilitation programs allow for construction of low-income housing units to be subsidized for a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied.

Moderate Rehabilitation Program

This program provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for-profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and then HUD subsidizes rents, once the units are occupied, in such amounts sufficient to cover the developer's debt service payments on the financing.

Housing Choice and Vouchers Program

This program allows for existing privately-owned housing units to be used for low-income housing. This program assists low-income families and persons to find and lease a house or apartment. After inspecting the unit, PHA assists the resident in negotiating a lease under HUD rules and regulations for the program. The resident pays a share of the rent according to HUD guidelines, and the remainder is subsidized by PHA through HUD funding.

PHA earns a fee for administering the annual contributions from HUD. This fund accounts for the revenues and expenses associated with providing administrative services.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition to the above primary programs, PHA administers the following:

- Resident Affairs Programs
- Day Care Program
- Senior Program
- Headstart Programs
- Summer Food Program
- Congregate Housing Services Program
- Summer Youth Program – “Youth Works”
- Drug Elimination Programs
- Adult Literacy Program
- Homeownership Opportunity for People Everywhere (HOPE VI)

Budgets

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor required for financial statement presentation.

Investments

Investments are stated at fair value. Income from investments is recognized on the accrual basis.

Land, Buildings and Equipment

Purchased land, buildings and equipment are valued at cost when historical records are available. When no historical records are available, estimated historical cost is used. When property is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any resulting gain or loss is included in operations.

The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation of building improvements commences in the year following completion.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building improvements	15 years
Roofs	10 years
Heavy Equipment	7 years
Automobiles	5 years
Equipment	5 years
Computer Equipment	3 years

Compensated Absences

A liability is recorded for compensated absences attributable to services already rendered and not contingent on a specific event outside the control of PHA and its employees, as employees earn the right to the benefits. Compensated absences that relate to future services or that are contingent on a specific event outside the control of PHA and its employees are accounted for in the period in which such services are rendered or in which such events take place.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) CASH AND INVESTMENTS

PHA's investment policies comply with HUD and Commonwealth of Pennsylvania guidelines. These policies restrict PHA's investments to obligations of the U.S. Treasury, U.S. Government agencies, and their instrumentalities. All investments are held in secured custody accounts in the name of PHA. All investments are publicly traded and the fair value was based on published quoted values. Accrued interest receivable on investments was \$181,984 at March 31, 2007 and is included in accounts receivable.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(2) CASH AND INVESTMENTS - Continued

It is PHA's policy to maintain collateralization in accordance with the requirements of both HUD and the Commonwealth of Pennsylvania.

HUD defines three credit risk categories as follows:

- (1) Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve Bank) in the entity's name.
- (2) Collateralized with securities held by the pledging financial institution, trust department or agent in the entity's name.
- (3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the entity's name.

At March 31, 2007 cash and investments, all of which were in risk category #1, consisted of the following:

Primary Government

	<u>Credit Risk Category</u>	<u>Fair</u>	<u>Carrying</u>
	<u>1</u>	<u>Value</u>	<u>Amount</u>
Demand deposits	\$ 64,877,604	\$ 64,877,604	\$ 64,877,604
Money market funds	45,854,917	45,854,917	45,854,917
U.S. government and agency securities	<u>14,397,600</u>	<u>14,397,600</u>	14,397,600
Total	<u>\$125,130,121</u>	<u>\$125,130,121</u>	
Petty cash			<u>28,790</u>
Total cash and investments			<u>\$125,158,911</u>

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(2) CASH AND INVESTMENTS – Continued

Discrete Component Units

	<u>Credit Risk Category</u> 1	<u>Fair Value</u>	<u>Carrying Amount</u>
Demand deposits	\$ 5,329,035	\$ 5,329,035	\$ 5,329,035
Money market funds	10,727,045	10,727,045	10,727,045
Total	16,056,080	16,056,080	
Total cash and investments			16,056,080

Reconciliation of detail to statement of net assets

	<u>Primary Government</u>	<u>Discrete Component Units</u>
Cash - unrestricted	\$102,791,537	\$ 5,329,035
Investments - unrestricted	14,397,600	-
Cash and investments - restricted	7,969,774	10,727,045
	125,158,911	16,056,080

Restricted cash and investments at March 31, 2007 pertain to the following:

Cash:

Resident security deposits	\$766,065	\$ 363,407
Component unit debt service escrow	-	5,795,939
	766,065	6,159,346

Investments:

Deposits under Low-Rent Housing Homeownership Program	1,319,180	-
Bond reserves	2,989,163	-
Affordability reserves for Tasker I & II	2,895,366	-
Component unit debt service escrow	-	4,567,699
	7,969,774	10,727,045

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(3) RECEIVABLES

Tenant receivables are presented net of an allowance for doubtful accounts of \$719,000. The allowance reflects management's best estimate of probable losses inherent in the receivable balance, and is determined based on known troubled accounts, historical experience and economic conditions. Management performs ongoing evaluations of the tenants' financial circumstances and has evaluated the collectibility of the receivables. Actual results could differ from the estimates used.

(4) OTHER ASSETS

	Primary Government	Discrete Component Units
<u>Current</u>		
Prepaid insurance	\$ 33,388	\$ -
Materials and supplies, net	3,193,341	1,103,229
	\$3,226,729	\$1,103,229
<u>Noncurrent</u>		
Turnkey homes held for resale	\$ 192,232	\$ -
Capitalized interest, net of interest income of \$1,873,075	16,695,592	-
Other	2,457,444	3,058,288
	\$19,345,268	\$3,058,288

PHA capitalizes interest in connection with long-term construction projects. These projects are financed through several bond indentures as described in Note 7. Interest capitalization will cease when construction is completed.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(5) CAPITAL ASSETS

Capital assets are summarized as follows:

	<u>Balance March 31, 2006</u>	<u>Capital Acquisitions</u>	<u>Sales or Other Dispositions</u>	<u>Balance March 31, 2007</u>
<u>Primary Government</u>				
Land	\$ 25,318,820	\$ -	(\$ 223,334)	\$ 25,095,486
Buildings and improvements	1,164,374,269	12,240,702	-	1,176,614,971
Equipment – dwelling	21,926	380,133	-	402,059
Equipment – administration	26,498,458	68,166	(1,523,819)	25,042,805
Construction in progress	63,798,585	31,313,544	(14,635,429)	80,476,700
	<u>1,280,012,058</u>	<u>44,002,545</u>	<u>(16,382,582)</u>	<u>1,307,632,021</u>
Less accumulated depreciation	<u>(665,926,094)</u>	<u>(49,702,360)</u>	<u>1,479,526</u>	<u>(714,148,928)</u>
	<u>\$ 614,085,964</u>	<u>(\$5,699,815)</u>	<u>(\$14,903,056)</u>	<u>\$593,483,093</u>
<u>Discrete Component Units</u>				
Land	\$ 8,122,204	\$ -	(\$ 4,624,720)	\$ 3,497,484
Buildings and improvements	320,024,018	4,117,343	-	324,141,361
Leasehold improvements	12,406,110	2,730,611	-	15,136,721
Equipment – dwelling	3,951,773	-	(63,893)	3,887,880
Equipment – administration	87,542	13,364	-	100,906
Construction in progress	37,700,501	13,585,934	(37,700,501)	13,585,934
	<u>382,292,148</u>	<u>20,447,252</u>	<u>(42,389,114)</u>	<u>360,350,286</u>
Less accumulated depreciation	<u>(27,352,875)</u>	<u>(11,616,174)</u>	<u>11,022,857</u>	<u>(27,946,192)</u>
	<u>\$354,939,273</u>	<u>\$ 8,831,078</u>	<u>(\$31,366,257)</u>	<u>\$332,404,094</u>

(6) MORTGAGES RECEIVABLE

Mortgages receivable are summarized as follows:

Non-interest-bearing note due from The Philadelphia
Redevelopment Authority (“RDA”) \$ 34,059,453

Amounts due from PHA component units, at interest
rates ranging from 1% to 5.46% 147,403,531

\$181,462,984

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(6) MORTGAGES RECEIVABLE - Continued

The amount due from RDA is in connection with the rehabilitation of the rental housing project “*The Courtyard Apartments at Riverview*”, which is owned by Southwark Plaza Limited Partnership, a component unit of PHA. The loan resulted from a HUD grant to PHA, which PHA subsequently provided to the project to repay tax-exempt mortgage notes issued by RDA. Repayment is due upon final settlement with RDA.

The amounts due from the component units represent advances of various HUD grants under the Moving to Work Program, Hope VI Program and other capital fund programs. The offsetting liability of the discrete component units is included in long-term debt. All balances net to zero with the exception of \$1,747,238 in advances made to component units between December 31, 2006 and March 31, 2007.

The repayment schedule is as follows:

Year ending March 31,

2008	\$ -
2009	-
2010	-
2011	-
2012	-
2013 – 2017	-
2018 – 2022	-
2023 – 2027	-
2028 – 2032	-
2033 – 2038	35,682,801
2039 – 2044	92,971,766
2045 – 2049	8,214,181
2050 – 2055	6,880,901
2056 – 2060	10,734,216
2061 – 2065	26,979,119
	\$181,462,984

(7) DEFERRED CREDITS AND OTHER LIABILITIES

Deferred credits and other liabilities at March 31, 2007, consisted of the following:

	Primary Government	Discrete Component Units
Deferred revenues	\$ 5,180,548	\$ 84,866
Other accrued expenses	18,716,001	6,870,316
Development fee payable	-	5,362,751
	\$23,896,549	\$12,317,933

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(8) LONG-TERM DEBT

Long-term debt represents borrowings of PHA to fund various projects, and the blending of the borrowings of component units as described in Note 12. Salient terms of the arrangements are as follows:

<u>Borrower/Description</u>	<u>Due Third Parties</u>	<u>Due PHA</u>
<u>PHA and Blended Component Units</u>		
Tasker Capital Fund Revenue Bonds, Series A of 2002; insured by Financial Security Assurance, Inc.; interest payable each June 1 and December 1, at rates ranging from 1.75% to 5.5%; annual principal payments due each December 1 through 2021	\$ 72,754,259	
Tasker II Capital Fund Revenue Bonds, Series D of 2003; insured by Financial Security Assurance, Inc.; interest payable each June 1 and December 1 at 4.75%; annual principal payments due 2017 through 2022	11,000,000	
Unsecured revolving credit agreement with a financial institution; maximum borrowing – \$15,000,000; interest at LIBOR plus 1.5%; due in 2008	2,231,040	
Escheated unclaimed funds	52,637	
	<u>\$86,037,936</u>	
<u>Discrete Component Units</u>		
RDA Bonds related to the <i>Tasker I</i> project; interest at 1%. principal due in 2042	\$27,900,000	
Series C RDA Bonds related to the <i>Tasker II</i> project; interest at .1%; principal due in 2043	17,270,000	
Mortgage notes for the <i>Spring Garden</i> Housing property; interest ranging from nil to 6.55%; due in 2015 and 2045	2,179,534	
Non-interest-bearing mortgage note to RDA; collateralized by a mortgage on the <i>Spring Garden</i> property consisting of 97 low-income units; due in 2045	1,861,700	
Non-interest bearing note to RDA to rehabilitate <i>The Courtyard Apartments at Riverview</i> housing project; due upon final settlement of the project	34,059,453	
Non-interest-bearing mortgage note to RDA to develop <i>Southwark Plaza</i> ; due in 2030	3,000,000	

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(8) LONG-TERM DEBT – Continued

	<u>Due Third Parties</u>	<u>Due PHA</u>
Non-interest bearing mortgage note to RDA; collateralized by cash collateral and a mortgage on the <i>St. Anthony's Senior Residences</i> property consisting of 53 senior rental units; due in annual installments from 2030 through 2039	1,650,000	
6.09% Federal Home Loan Bank Affordable Housing Mortgage; due in 2032	188,400	
0.5% mortgage note collateralized by the <i>Eight Diamonds</i> property (consisting of 152 low-income housing rental units); due in 2040		\$ 15,968,970
Mortgage note collateralized by the <i>Spring Garden</i> property (consisting of 97 low-income housing rental units); interest at the Applicable Federal Rate; due in 2040		2,939,083
0.1% mortgage note collateralized by the <i>Richard Allen</i> property; due in 2041		27,438,335
Mortgage notes for the development of <i>Suffolk Manor</i> property Interest ranges from 5.05% to 5.23%; due in 2041 and 2042		10,453,027
Non-interest-bearing note to rehabilitate the housing project <i>The Courtyard at Riverview</i> ; due in 2037		1,623,348
5.46% mortgage notes for the development of <i>Cambridge Plaza I</i> ; due in 2042		2,579,029
0.1% mortgage note for the development of <i>Tasker I, L.P.</i> ; due in 2042		5,100,000
5.12% mortgage note for the development of <i>Mt. Olivet, L.P.</i> ; due in 2055		6,492,641
6.09% mortgage note for the development of <i>Uni-Penn Housing Partnership I</i> ; due in 2041		2,252,189
5.23% mortgage note for the development of <i>Cambridge Plaza II, LP</i> ; due in 2058		3,593,093
4.79% mortgage note for the development of LEB III; principal and interest due in 2061		2,828,271
Non-interest-bearing note for the development of Germantown House due in 2059		2,293,722
Unsecured note payable due TCB at a rate of 6.545%; all principal and interest due March 17, 2031	51,000	

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(8) LONG-TERM DEBT – Continued

	<u>Due Third Parties</u>	<u>Due PHA</u>
5.25% mortgage note for <i>Mill Creek I</i>		\$ 1,396,749
Non-interest-bearing note to <i>PHFA</i> ; due in 2042	\$ 718,000	
0.01% mortgage note for the development of <i>Mt. Olivet, L.P.</i> ; due in 2058		3,123,524
Mortgage note for the development of <i>Mill Creek I</i> ; interest at prime plus 2%, due in 2050		4,707,003
0.01% mortgage note for <i>Ridge Avenue Housing</i> ; due in 2041		18,187,838
5.23% mortgage note for <i>Cambridge III</i> ; due in 2059		3,041,325
5.23% mortgage note for <i>Uni-Penn II</i> ; due in 2042		2,495,383
0.01% mortgage note for the development of <i>Tasker II</i> ; due in 2043		3,730,000
Non-interest-bearing note for the development of <i>Angela Court</i>	967,853	
5.43% mortgage note for the development of <i>Angela Court</i>	315,000	
5.43% RDA note	350,000	
Non-interest-bearing note	500,755	
5.2% mortgage note for the development of <i>Angela Court</i> ; due in 2044		362,000
2.2% mortgage note for the development of <i>Lucien E. Blackwell Homes Phase II</i> ; due in 2060		4,145,345
4.52% mortgage note for the development of <i>Germantown House</i> ; due in 2061		5,687,912
4.83% mortgage note for the development of <i>Neumann North</i> ; due 2060	1,795,721	1,751,946
4.52% mortgage note for the development of <i>Uni-Penn Housing a/k/a Martin Luther King Plaza</i> ; due in 2047		3,737,981
	<u>92,807,416</u>	<u>135,928,714</u>
Total debt for discrete component units	<u>\$228,736,130</u>	

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(8) LONG-TERM DEBT - Continued

The Tasker Capital Fund Revenue Bonds, Series A and the RDA Bonds related to the Tasker I project (“Bonds”), are limited obligations of PHA and were issued on a parity basis pursuant to Trust Indentures (“indentures”) dated July 1, 2002 between PHA and Wachovia Bank, N.A., as Trustee (“Trustee”), to provide funds for the indicated projects and other PHA projects. Repayment of the bonds is secured by a security interest in a portion of PHA’s Capital Fund Allocations (“grants”) from HUD. Such grants are subject to the availability of appropriations, and are to be paid directly by HUD to the Trustee.

Bonds maturing after 2012 are subject to optional redemption at prices stated in the indentures. In addition, \$15.9 million of bonds maturing in 2020 and 2021 are subject to mandatory redemption at face value plus accrued interest.

Under the indentures, PHA is required to maintain a debt service fund equal to the annual debt service requirements.

The amortization schedule for the long-term debt of PHA and its component units is set forth below:

Year Ending March 31,	Primary Government			Component Units		
	Principal	Interest	Debt Service Requirement	Principal	Interest	Debt Service Requirement
2008	\$ 5,611,040	\$ 4,033,058	\$ 9,644,098	\$ 2,685,000	\$ 1,960,758	\$ 4,645,758
2009	3,495,000	3,921,518	7,416,518	2,765,000	1,883,452	4,648,452
2010	3,665,000	3,746,768	7,411,768	2,860,000	1,792,766	4,652,766
2011	3,860,000	3,554,356	7,414,356	2,955,000	1,692,506	4,647,506
2012	4,055,000	3,359,832	7,414,832	3,070,000	1,581,424	4,651,424
2013 – 2017	23,075,000	13,999,794	37,074,794	17,625,000	5,807,942	23,432,942
2018 – 2022	38,275,000	6,788,928	45,063,928	13,705,000	1,847,764	15,552,764
2023 – 2027	2,457,637	114,238	2,571,875	-	-	-
2028 – 2032	-	-	-	4,889,400	-	4,889,400
2033 – 2038	-	-	-	36,533,556	-	36,533,556
2039 – 2044	-	-	-	90,252,624	-	90,252,624
2045 – 2049	-	-	-	16,642,050	-	16,642,050
2050 – 2055	-	-	-	6,492,641	-	6,492,641
2056 – 2060	-	-	-	19,744,676	-	19,744,676
2061 – 2065	-	-	-	8,516,183	-	8,516,183
	<u>84,493,677</u>	<u>\$39,518,492</u>	<u>\$124,012,169</u>	<u>228,736,130</u>	<u>\$16,566,612</u>	<u>\$245,302,742</u>
Less current portion	<u>5,611,040</u>			<u>2,685,000</u>		
	<u>78,882,637</u>			<u>\$226,051,130</u>		
Premium on Series A bonds	<u>1,544,259</u>					
	<u>\$80,426,896</u>					

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(8) LONG-TERM DEBT - Continued

Long-term debt is summarized as follows:

	<u>Balance at March 31, 2006</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at March 31, 2007</u>
Primary Government				
Bonds	(\$85,553,903)	\$ -	\$ 3,291,266	(\$ 82,262,637)
Other notes	-	(21,505,708)	19,274,668	(2,231,040)
Plus premium on Series A bonds	(1,727,959)	-	183,700	(1,544,259)
	<u>(\$87,281,862)</u>	<u>(\$21,505,708)</u>	<u>\$22,749,634</u>	<u>(\$86,037,936)</u>
Discrete Component Units				
Bonds	(\$ 47,795,000)	\$ -	\$ 2,625,000	(\$ 45,170,000)
Notes due to PHA	(124,304,573)	(11,914,427)	290,286	(135,928,714)
Other notes	(47,291,081)	(346,335)	-	(47,637,416)
	<u>(\$219,390,654)</u>	<u>(\$12,260,762)</u>	<u>\$ 2,915,286</u>	<u>(\$228,736,130)</u>

(9) OTHER LONG-TERM LIABILITIES

Other long-term liabilities at March 31, 2007 consisted of the following:

	<u>Primary Government</u>	<u>Discrete Component Units</u>
Estimated liability for self insured claims	\$5,210,786	\$ -
Health trust escow	1,761,359	-
Escheat payable	506,326	-
Development fee payable	-	4,706,300
Other accrued liabilities	-	2,089,540
	<u>\$7,478,471</u>	<u>\$6,795,840</u>

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(10) EMPLOYEES' RETIREMENT PLAN

Plan Description

PHA contributes to the Philadelphia Housing Authority Retirement Income Plan. The Plan is a single-employer plan which issues separate financial statements. Employees are required to contribute 5.5% of total salary to the Plan on a pre-tax basis. The following table provides information concerning covered employees and benefit provisions for the Plan.

Covered employees	All permanent employees of PHA
Current annual covered payroll	\$64,801,439
Normal retirement date	65 th birthday
Normal retirement benefit	2.5% of average earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25% of average earnings multiplied by years of service in excess of 25 years
Death benefit	The Plan contains provisions for the payment of benefits to surviving spouses of employees.

Actuarially Determined Contribution Requirements and Contributions Made

Actuarially determined contributions are required to provide sufficient assets to pay benefits when due and are determined using the entry age normal method. Under this method, the actuarial present value of projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of service of the individual between entry age and assumed exit age. The portion of actuarial present value allocated to each valuation is called the normal cost. The significant actuarial assumptions used to compute the actuarial determined contributions are as follows:

- a) a rate of return on the investments of 7.5% per year
- b) projected salary increase of 5.5% per year
- c) no post-retirement benefit increase

PHA's funding policy is to contribute 5.5% of total payroll to the Plan. Employees are required by collective bargaining agreements to contribute 5.5% of total salary to the Plan. The funding policy is determined by collective bargaining agreements and employment policies.

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funding Excess (Deficiency) (a-b)	Funding Ratio (a/b)	Covered Payroll (c)	Ratio of Funding Excess to Covered Payroll [(a-b)/c]
11/01/02	\$182,056,877	\$205,197,363	\$(23,140,486)	89%	\$67,924,741	(34%)
11/01/03	191,375,788	213,342,359	(21,966,571)	90%	70,442,599	(31%)
11/01/04	195,151,751	227,044,436	(31,892,685)	86%	71,998,084	(44%)
11/01/05	200,176,636	238,402,516	(38,225,880)	84%	69,677,849	(55%)
11/01/06	208,627,822	255,538,644	(46,910,822)	82%	64,801,439	(72%)

At October 31, 2006, the Plan's assets were comprised of investments in the following percentages: 49% equity, 50% fixed income and 1% cash.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(11) LEASE COMMITMENTS

PHA has entered into various noncancellable operating leases, primarily for office space and equipment. Future minimum payments under these leases are as follows:

<u>Year ending March 31</u>	
2008	\$2,386,946
2009	1,628,004
2010	1,153,559
2011	575,108
2012	469,199
2013 - 2017	<u>59,240</u>
	<u>\$6,272,056</u>

Total rent expense for the year ended March 31, 2007 was \$2,818,950.

(12) CONTINGENCIES

PHA is subject to examination by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to PHA in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries.

PHA is a party to various legal actions arising in the normal course of business. Accruals for anticipated losses are recorded at the time judgments are rendered or liability appears likely. It is the opinion of management that the amounts accrued represent a reasonable provision for any anticipated losses, and the ultimate disposition of these matters will not have a materially adverse effect on PHA's financial position or changes in net assets.

(13) COMPONENT UNITS

Blended Component Units

Philadelphia Housing Authority Homeownership Corp.

The Philadelphia Housing Authority Homeownership Corp. ("PHAHC"), a nonprofit corporation, was formed January 14, 2004, with the purpose of developing and selling affordable housing units to low-income families. Additionally, the PHAHC was created to provide financial counseling and other counseling services to purchasers and to facilitate and coordinate the sale and conveyance of the housing units.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(13) COMPONENT UNITS – Continued

Philadelphia Housing Authority Development Corporation

The Philadelphia Housing Authority Development Corporation (“PHADC”) was created in May of 1997 as a Pennsylvania non-profit corporation to undertake development activities on behalf of PHA. PHADC is an affiliate of PHA. The Board of Directors and the Officers of PHADC are comprised of employees of PHA. PHADC has the power and authority to undertake development activities pursuant to agreement with PHA. In exchange for providing development services to PHA and certain Limited Partnerships, which own several of PHA tax credit sites, PHADC is paid a development fee in accordance with certain State and Federal guidelines. To date, PHADC has developed in excess of fifteen public housing rental and homeownership sites on behalf of PHA.

Philadelphia Asset and Property Management Corp. (PAPMC)

PAPMC is a nonprofit corporation formed by PHA in 2004 to provide asset and property management services to PHA component units.

Selected financial data for these blended component units is as follows:

As of and for the year ended as indicated:

	<u>PHADC</u> <u>3/31/07</u>	<u>PAPMC</u> <u>12/31/06</u>	<u>PHAHC</u> <u>3/31/07</u>	<u>Total</u>
Assets	\$69,404,645	\$ 95,721	\$185,519	\$69,685,885
Liabilities	<u>2,260,952</u>	<u>335,454</u>	<u>185,519</u>	<u>2,781,925</u>
	<u>67,143,693</u>	<u>(239,733)</u>	<u>-</u>	<u>66,903,960</u>
Revenue	6,985,064	721,791	29,570	7,736,425
Expenses	<u>(248,727)</u>	<u>(903,124)</u>	<u>(29,570)</u>	<u>1,181,421</u>
Change in net assets	<u>\$6,736,337</u>	<u>(\$181,333)</u>	<u>\$ -</u>	<u>\$6,555,004</u>

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(13) COMPONENT UNITS - Continued

Discrete Component Units:

<u>Entity</u>	<u>Number of Housing Units</u>
Tenant Support Services, Inc.	N/A
Cambridge Plaza Limited Partnership	44
Raymond Rosen Associates, Limited Partnership	152
Richard Allen Phase III, Limited Partnership	178
St. Anthony's Residences Associates, Limited Partnership	53
Southwark Plaza, Limited Partnership	470
Spring Garden Housing, Limited Partnership	97
Suffolk Manor Apartments, Limited Partnership	137
Tasker I, Limited Partnership	245
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Cambridge Plaza II, Limited Partnership	40
Mt. Olivet, Limited Partnership	161
Uni-Penn Housing Partnership I	49
Uni Penn Housing Partnership II	46
Mill Creek Phase I, Limited Partnership	80
Ridge Avenue Housing, Limited Partnership	135
Cambridge III, Limited Partnership	40
St. Ignatius Senior Housing, Limited Partnership	67
Lucien E. Blackwell Homes Phase II, Limited Partnership	80
Germantown House, Limited Partnership	133
Uni Penn Housing Partnership IV	42
Neuman North, Limited Partnership	42
Marshall Shepard Village, Limited Partnership	N/A
Ludlow Scattered Sites Phase III, Limited Partnership	N/A
Lucien E. Blackwell Homes Phase III, Limited Partnership	50

In most instances, the entities have entered into agreements with PHA to provide various services for the projects. In addition, management and/or development fees are paid to PHADC for services rendered over the life of the project.

The individual entities have issued bonds or other debt to fund projects, including amounts owed to RDA, and PHA as mortgagees, as disclosed in Note 7.

PHA Tenant Support Services, Inc. ("TSSI")

TSSI, a not-for-profit corporation, is a program of, and was established by, PHA to promote the welfare of public housing residents and recipients of housing assistance under Section 8 of the National Housing Act.

PHILADELPHIA HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2007

(13) COMPONENT UNITS - Continued

Cambridge Plaza Limited Partnership (“Cambridge”)

Cambridge was formed as a limited partnership in 2001 to acquire and develop 44 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing tax credits.

The project is being funded by \$4.5 million of investor capital, and \$4.6 million of loans from PHA. PHADC is entitled to a development fee of \$413,000, of which \$248,000 will be recontributed to the project. Additionally, PHA has agreed to pay approximately \$2.8 million of project costs to be funded by Hope VI and Moving to Work Grants. PHA will provide Operating Subsidies for medium income families, and will manage the property and receive no fee for its services.

PHA, as owner of the land, has entered into a ninety-nine year ground lease with the partnership at an annual rental of \$1, and has the option to purchase the property from Cambridge at a value and under circumstances as stipulated in a Purchase Option Agreement.

Raymond Rosen Associates, LP (“Raymond Rosen”)

Raymond Rosen was formed as a limited partnership in 2000 to acquire, construct and operate a 152-unit apartment complex. The project has qualified for federal tax credits, and accordingly is required to comply with various requirements including unit eligibility and rent computations. The project will be financed by \$8.3 million of investor capital, a \$15.8 million first mortgage from PHA, a \$12.5 million second mortgage from the Pennsylvania Housing Finance Agency (“PHFA”), and a construction loan of \$5.9 million with a third-party lender.

The partnership has entered into a 99-year ground lease with PHA at a rental of \$1 per year. A development fee of \$1 million and management fees at 6% of rental income are to be paid to an entity affiliated to the general partner.

Richard Allen Phase III, Limited Partnership (“Richard Allen”)

Richard Allen was formed as a limited partnership in 2001 to develop and operate a 178-unit rental project. The project is being financed by \$16.4 million of RDA bonds and a mortgage from PHA for up to \$23.8 million.

The partnership has entered into a ninety-nine year ground lease with the RDA at a base rent of \$10 per year.

St. Anthony’s Senior Residences Associates, LP (“St. Anthony”)

St. Anthony’s was formed as a limited partnership in 1998 to construct and operate a 53-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or moderate-income individuals or families. The project was financed by \$1.65 million of mortgages from the RDA, and \$5.1 million of investor capital.

A development fee of \$430,000 and a management fee of 8% of monthly rental collections were paid to the general partner or entities affiliated to the general partner. St. Anthony’s has entered into a contract with PHA for operating subsidy payments through 2041.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(13) COMPONENT UNITS - Continued

Southwark Plaza, LP (“Southwark”)

Southwark was formed as a limited partnership to acquire the *Courtyard Apartments at Riverview* rental property from PHA in 1997 through the RDA. The project was financed by \$18.9 million of investor capital, first and second mortgage loans of \$35.7 from PHA and a \$3 million third mortgage from RDA.

The partnership has entered into a development agreement with the general and certain limited partners (collectively, the Developer) for rehabilitation of the property. A development fee of \$5.1 million is to be paid to the Developer. The partnership has also agreed to pay the managing general partner a management fee of \$50,000 per year adjusted annually for inflation.

Spring Garden Housing, Limited Partnership (“Spring Garden”)

Spring Garden was formed as a limited partnership in 1998 to develop and operate a 97-unit rental housing project. Additionally, the buildings have been designated as “certified historic structures” by the National Park Service, and, as such, will qualify for federal tax credits. The partnership has entered into an operating agreement with PHA to provide monthly subsidies, as well as a ninety-nine year ground lease, under which the partnership will pay rent of \$1 per year plus taxes, utilities and other operating expenses.

The partnership has entered into development and management agreements with entities affiliated with the general partner. The agreements provide for the payment of a development fee of \$1.2 million and an ongoing management fee of 6% of gross rentals for operating and administrative services. Additionally, an annual, non-cumulative incentive management fee of 10% of gross rentals is to be paid for day-to-day administrative services.

Suffolk Manor Apartments, Limited Partnership (“Suffolk”)

Suffolk was formed as a limited partnership in 2001 to acquire and rehabilitate 138 rental units. PHA, through a corporate not-for-profit affiliate, is the general partner. The partnership has qualified for federal housing credits. The project is being financed by a \$5.3 million mortgage from PHA.

The Partnership has entered into a ninety-nine year ground lease with PHA at a base rent of \$1 per year.

Tasker I, Limited Partnership (“Tasker I”)

Tasker I was formed as a limited partnership in 2002 to acquire and rehabilitate the 245 public housing rental units – *Tasker Homes Phase I*. PHA, through a corporate not-for-profit affiliate, is the general partner. The project was acquired from RDA pursuant to an Installment Sale Agreement dated December 30, 2002 and has qualified for federal low-income housing tax credits.

The Project is being funded by \$15.4 million of investor capital, \$33 million of tax-exempt bonds issued by RDA, and a \$9.9 million mortgage loan from PHA. PHA will provide operating subsidies for the project.

PHA, as owner of the land, has entered into a ninety-nine year ground lease with the RDA at an annual rental of \$10. RDA has agreed to transfer its leasehold interest in the property to Tasker I in accordance with the terms of the Installment Sale Agreement.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(13) COMPONENT UNITS - Continued

Tasker II Limited Partnership (“Tasker”)

Tasker was formed as a limited partnership in 2003 to develop 184 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing credits.

The project is being financed by \$21 million of RDA bonds, a mortgage from PHA for \$21 million and investor capital of \$12.6 million. PHA will provide operating subsidies to the project.

Cambridge Plaza II Limited Partnership (“Cambridge II”)

Cambridge II was formed as a limited partnership in 2003 to develop 40 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing credits.

The project is being financed by \$6 million of investor capital and a loan from PHA for up to \$3.6 million. PHADC is entitled to a Development Fee of \$743,708, which will be deemed earned upon completion of construction. PHA will provide operating subsidies to the project.

Mt. Olivet Limited Partnership (“Mt. Olivet”)

Mt. Olivet was formed as a limited partnership in 2003 to develop 161 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing credits.

The project is being financed by \$7.165 million of investor capital and two loans from PHA, the (*Southside Mortgage Note*) and the (*Northside Mortgage Note*) for up to \$6,492,641 and \$3,250,000, respectively. PHA will provide operating subsidies to the project.

Uni-Penn Housing Partnership I (“Uni-Penn I”)

Uni-Penn I was formed as a limited partnership in 2000 to construct and operate a 49-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or moderate-income individuals or families. The project was financed by \$2.3 million of mortgages from PHA and \$5.3 million of investor capital. From the date of initial occupancy, a management fee payable on a monthly basis.

Uni Penn Housing Partnership II (“Uni-Penn II”)

Uni-Penn II was formed as a limited partnership in 2002 to construct and operate a 46-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or very low-income persons. The project was financed by a first mortgage commitment of \$2,495,384 from PHA, a second mortgage commitment of \$718,000 from the Pennsylvania Housing Finance Agency (PHFA) and \$5,343,000 of investor capital. A management fee, equal to six percent (6%) of gross collected rental revenue, may be earned annually by the property manager.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(13) COMPONENT UNITS - Continued

Mill Creek Phase I, Limited Partnership (Mill Creek)

Mill Creek was formed as a limited partnership in 2003 to construct and operate an 80-unit rental housing project, part of the Lucien E. Blackwell Homes development. PHA, through a corporate not-for-profit affiliate, is the general partner. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low-income persons. The project was financed by a mortgage commitment of \$6,103,653 from PHA and \$12,766,360 of investor capital. PHA will provide operating subsidies to the project.

Ridge Avenue Housing, Limited Partnership (Schuylkill Falls)

Schuylkill Falls was formed as a limited partnership in 1999 to construct and operate a 135-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or very low-income persons. The project was financed by a mortgage commitment of \$18,230,759 from PHA and \$5,610,000 of investor capital. A management fee, equal to six percent (6%) of gross collected rental revenue, may be earned annually by the property manager.

Cambridge III, Limited Partnership (Cambridge III)

Cambridge III was formed as a limited partnership in 2003 to construct and operate a 40-unit rental housing project, part of the Cambridge Plaza development. PHA, through a corporate not-for-profit affiliate, is the general partner. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low-income persons. The project is being financed by a mortgage commitment of \$3,041,325 from PHA and \$6,314,248 of investor capital. PHA will provide operating subsidies to the project.

St. Ignatius Senior Housing, Limited Partnership (Angela Court)

Angela Court was formed as a limited partnership in 2001 to construct and operate a 67-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low-income persons. The project was financed by a mortgage loan commitment of \$362,000 from PHA, a loan commitment of \$1,000,000 from the Pennsylvania Housing Finance Agency (PHFA), a loan commitment of \$500,000 from the Pennsylvania Department of Health, a loan commitment of \$350,000 from the Philadelphia Redevelopment Authority and \$5,700,000 of investor capital. A management fee, equal to 6.6% of gross collected rental revenue, may be earned annually by the property manager.

Lucien E. Blackwell Homes Phase II, L.P. (LEBII)

Lucien E. Blackwell Homes Phase II, L.P. was formed as a limited partnership in July 14, 2004, to develop 80 residential units. PHA, through a corporate not-for-profit affiliate, is the general partner. This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The partnership expects to generate an aggregate of \$15,639,880 of federal low-income housing tax credits based on PHFA awards, which were available beginning in January 2006, for use by its partners pro-rated over a ten-year period.

PHILADELPHIA HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2007

(13) COMPONENT UNITS - Continued

Germantown House, L.P. (Germantown)

Germantown House, L.P. was formed as a limited partnership in November 12, 2004, to develop a 133-unit apartment project. PHA, through a corporate not-for-profit affiliate, is the general partner. This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low income housing tax credits as provided for in Section 42 of the Internal Revenue Code. Subject to certain compliance requirements, the partnership expects to generate an aggregate of \$11,925,470 of federal low-income housing tax credits, which were available in January 2007 for use by its partners pro-rated over a ten-year period.

The project is being financed by equity contributions by the Limited Partner amounting to \$11,772,000 to be provided in eight installments pending satisfaction of certain benchmarks as well as two (2) construction period notes from PHA, which will be converted into two (2) permanent mortgage notes totaling \$8,187,912.

Uni-Penn Housing Partnership IV, L.P. (Uni-Penn IV)

Uni-Penn Housing Partnership IV was formed as a limited partnership in June 28, 2002, to develop 42 units. In July 2004, PHA became the General Partner of the Limited Partnership. This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low income housing tax credits as provided for in Section 42 of the Internal Revenue Code. Subject to certain compliance requirements, the partnership expects to generate an aggregate of \$5,994,120 of federal low-income housing tax credits, which were available in January 2006 for use by its partners pro-rated over a ten-year period.

The project is being financed by equity contributions by the Limited Partner amounting to \$5,334,000 to be provided in eight installments pending satisfaction of certain benchmarks as well as a mortgage note from PHA amounting to \$3,320,420, a Bridge Note not exceeding \$479,700 and a grant in the amount of \$330,000.

Neumann North, L.P. (Neumann North)

Neumann North, L.P. was formed as a limited partnership in October 7, 2002 to develop 67 senior housing residential units, including space to be leased for use as an Adult Day Care Center. This project was completed in December 2005.

This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. Subject to certain compliance requirements, the partnership expects to generate an aggregate of \$6,433,250 of federal low-income housing tax credits, which were available in January 2006 for use by its partners pro-rated over a ten-year period.

The project is being financed by equity contributions as well as three mortgage notes. The equity contribution by the General Partner amounts to \$250,000 and the Limited Partner's contribution amounts to \$5,475,000. The combined mortgage notes as of December 31, 2005 from PHA, the Mellon Bank Community Development Corporation and the Redevelopment Authority of the City of Philadelphia amounted to \$3,533,052 of which the PHA note is \$2 million.

PHILADELPHIA HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

(13) COMPONENT UNITS - Continued

Marshall Shepard Village, L.P.

Marshall Shepard Village was formed as a limited partnership in 2007 to develop and construct 16 buildings to be located on land which in the aggregate will contain 80 dwelling units upon completion of construction. The project is being financed by means of construction loan proceeds from the issuance and sale of tax-exempt bonds in the amount of \$12,600,000. These tax-exempt bonds are Pennsylvania Housing Finance Agency Multifamily Development Bonds, Issue 2007-1.

Ludlow Scattered Sites III, L.P.

Ludlow Scattered Sites III, L.P. was formed as a limited partnership in 2007 to develop and construct 21 buildings to be located on land which in the aggregate will contain 75 dwelling units upon completion of construction. The project is being financed by a first mortgage loan in the amount of up to \$6,050,000 made by PHA. The mortgage will bear interest at 1% per annum, compounded annually. The first mortgage loan will mature in 45 years. The partnership will also receive a bridge loan in the amount of up to \$2,756,153 made by the PHA. The loan will bear interest at the long-term applicable federal rate.

Complete financial statements of the individual component units can be obtained directly from the Philadelphia Housing Authority, Finance Department, 2012 Chestnut Street, Philadelphia, PA 19103.

(14) IMPAIRMENT OF LONG-LIVED ASSETS

During fiscal 2007, a PHA component unit incurred a \$40.5 million charge related to the write-down of a low-income rental housing project. The component unit's review of the property for impairment resulted in the determination that the ongoing cash flow deficits and projected future cash flow deficits indicated that the carrying value of the property was not recoverable over its remaining useful life. The recoverability was measured by a comparison of the carrying amount of the rental property to the projected future net undiscounted cash flows expected to be generated by the ongoing rental operations and from the eventual disposition of the real estate.

In accordance with Statement of Financial Accounting Standards No. 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*," PHA and its component units review their rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference.

(15) PRIOR PERIOD ADJUSTMENT

Net assets at April 1, 2006 have been restated to correct certain errors in prior year financial statements, resulting in an increase in net assets of \$1,828,375 for the Primary Government and \$189,334 for component units.

HUD SUPPLEMENTARY INFORMATION

Philadelphia Housing Authority
Combining Statement of Net Assets
As of March 31, 2007

	Low Rent Public Housing Program	State and Local Grants	Section 8 Housing Choice Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
ASSETS								
Current Assets:								
Cash		660,180	12,181,467	-	-	-	-	-
Investments	13,233,748	-	5,334,690	-	-	-	-	-
Restricted cash and investments	9,062,910	-	-	-	-	-	-	-
Receivables, net	4,980,611	-	-	-	-	-	-	-
Due from other governments	644,639	595,627	298,112	-	-	-	-	-
Due from other funds	3,587,648	-	188,303	-	-	168,555	61,373	-
Other assets	4,380,622	12,324	-	86,316	377,212	195,983	-	11,991
Total current assets	3,218,378	1,268,131	18,002,572	86,316	377,212	364,538	61,373	11,991
NONCURRENT ASSETS								
Mortgage receivable	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	318,598,143	1,039,836	1,192	-	-	-	-	-
Other assets	192,842	-	-	-	-	-	-	-
Total noncurrent assets	318,790,985	1,039,836	1,192	-	-	-	-	-
TOTAL ASSETS	357,899,541	2,307,967	18,003,764	86,316	377,212	364,538	61,373	11,991
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	6,459,646	2,073	-	-	-	-	-	-
Due to other governments	560,729	-	-	-	-	-	-	-
Due to other funds	375,469	578,791	15,894,191	-	-	-	27,515	-
Compensated absences	3,693,822	-	62,238	-	-	-	-	-
Trust and deposits	766,065	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Deferred credits and other liabilities	15,125,170	152,234	36,997	3,756	2,445	-	-	-
Total current liabilities	26,980,701	733,098	15,993,426	3,756	2,445	-	27,515	-
NONCURRENT LIABILITIES								
Compensated absences	2,462,414	-	41,492	-	-	-	-	-
Bonds, notes and loans payable	52,637	-	-	-	-	-	-	-
Other liabilities	7,478,471	-	-	-	-	-	-	-
Total noncurrent liabilities	9,993,522	-	41,492	-	-	-	-	-
TOTAL LIABILITIES	36,974,223	733,098	16,034,918	3,756	2,445	-	27,515	-
NET ASSETS:								
Invested in capital accounts	318,598,143	1,039,836	1,192	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted	2,327,175	535,033	1,967,654	82,560	374,767	364,538	33,858	11,991
TOTAL NET ASSETS	320,925,318	1,574,869	1,968,846	82,560	374,767	364,538	33,858	11,991
TOTAL LIABILITIES AND NET ASSETS	357,899,541	2,307,967	18,003,764	86,316	377,212	364,538	61,373	11,991

Philadelphia Housing Authority
 Combining Statement of Net Assets
 As of March 31, 2007

	Section 8 Modern Rehab Prg No. 6	Section 8 Modern Rehab Prg No. 7	Section 8 Modern Rehab Prg No. 8	Section 8 Modern Rehab Prg No. 9	Section 8 Modern Rehab Prg No. 10	Section 8 Modern Rehab Prg Admin Fees	Total Section 8 Modern Rehab Prg	Section 8 single room Occupancy Program
ASSETS								
Current Assets:								
Cash	-	-	-	-	-	2,445,209	2,445,209	-
Investments	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	693	693	-
Due from other governments	-	-	-	-	-	-	-	1,448
Due from other funds	53,217	95,892	114,766	253,953	23,554	-	229,928	1,071,790
Other assets	-	-	-	-	-	-	-	-
Total current assets	53,217	95,892	114,766	253,953	23,554	2,445,902	3,886,714	1,073,238
NONCURRENT ASSETS								
Mortgage receivable	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	53,217	95,892	114,766	253,953	23,554	2,445,902	3,886,714	1,073,238
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	2,328,071	2,355,596	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Deferred credits and other liabilities	20,515	14,034	25,745	28,703	7,008	-	102,206	121,449
Total current liabilities	20,515	14,034	25,745	28,703	7,008	2,328,071	2,457,792	121,449
NONCURRENT LIABILITIES								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	20,515	14,034	25,745	28,703	7,008	2,328,071	2,457,792	121,449
NET ASSETS:								
Invested in capital accounts	-	-	-	-	-	-	-	-
Restricted	32,702	81,858	89,021	225,250	16,546	117,831	1,430,922	951,789
Unrestricted	32,702	81,858	89,021	225,250	16,546	117,831	1,430,922	951,789
TOTAL NET ASSETS	65,404	163,716	178,042	450,500	33,092	235,662	2,861,844	1,903,578
TOTAL LIABILITIES AND NET ASSETS								
	53,217	95,892	114,766	253,953	23,554	2,445,902	3,886,714	1,073,238

Philadelphia Housing Authority
Combining Statement of Net Assets
As of March 31, 2007

	Supportive Housing Programs	Section 8 New Construction Programs	Special Programs for the Aging	Child Care and Development Grants	Congregate Housing Program	Head Start Program	Summer Feeding Program	Development Program
ASSETS								
Current Assets:								
Cash	-	-	-	-	850	-	-	-
Investments	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	-	-	-
Due from other governments	1,181	200,678	-	-	52,160	-	-	79,563
Due from other funds	-	-	14,757	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total current assets	1,181	200,678	14,757	-	52,689	850	-	79,563
NONCURRENT ASSETS								
Mortgage receivable	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	-	343	-	26,315,702
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	343	-	26,315,702
TOTAL ASSETS	1,181	200,678	14,757	-	52,689	1,193	-	26,395,265
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	-	-	-	-	5,203	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	1,181	111,360	-	-	41,726	-	-	42,153
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Deferred credits and other liabilities	-	-	14,757	-	5,760	-	-	37,410
Total current liabilities	1,181	111,360	14,757	-	52,689	-	-	79,563
NONCURRENT LIABILITIES								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	1,181	111,360	14,757	-	52,689	-	-	79,563
NET ASSETS:								
Invested in capital accounts	-	-	-	-	-	343	-	26,315,702
Restricted	-	89,318	-	-	-	-	-	850
Unrestricted	-	89,318	-	-	-	1,193	-	26,315,702
TOTAL NET ASSETS	1,181	200,678	14,757	-	52,689	1,193	-	26,395,265

Philadelphia Housing Authority
Combining Statement of Net Assets
As of March 31, 2007

(CFP) (MTW)

(ROSS)

(HOPE VI)

Revitalization
of Severely
Distressed Areas
Program

Resident
Opportunity and
Self-Sufficiency
Program

Capital
fund
Program

Comprehensive
Grant
Program

Moving to
Work
Programs

LONG TERM
NOTES
RECEIVABLE

DEBT
SERVICE
FUND

General
Purpose
Bonds

ASSETS										
Current Assets:										
Cash	-	-	-	14,661,978	-	-	-	72,715	-	-
Investments	-	-	-	-	-	-	-	-	2,761,518	227,645
Restricted cash and investments	-	-	-	-	-	-	-	-	12,359	875
Receivables, net	-	-	-	14,339	-	-	2,337,793	-	-	-
Due from other governments	4,093,902	256,710	5,555,044	79,502	-	-	-	-	207,659	-
Due from other funds	393,304	8,366	1,121,235	15,443,978	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total current assets	4,487,206	265,096	6,676,279	30,199,797	-	-	2,337,793	3,054,251	-	228,520

NONCURRENT ASSETS

Mortgage receivable	-	-	-	-	-	-	181,462,984	-	-	641,756
Capital assets, net of depreciation	37,736,336	17,796	145,108,136	31,614,974	503,427	-	-	31,905,452	-	1,589,692
Other assets	-	-	-	-	-	-	2,456,834	-	15,105,900	-
Total noncurrent assets	37,736,336	17,796	145,108,136	31,614,974	503,427	-	183,919,818	47,011,352	15,105,900	2,231,448
TOTAL ASSETS	42,223,542	282,892	151,784,415	61,814,771	503,427	-	186,257,611	50,065,603	17,167	2,459,968

LIABILITIES AND NET ASSETS

Current liabilities:										
Accounts payable	1,311,009	10,014	2,157,271	1,981,508	-	-	3,026,591	122,600	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-
Due to other funds	1,218,651	83,048	2,512,170	81,301	-	-	64,500	230,336	-	68,817
Compensated absences	-	-	-	534,053	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	1,874,095	172,034	1,468,139	2,905,384	-	-	1,443	3,380,000	-	179,167
Deferred credits and other liabilities	4,403,755	265,096	6,137,580	5,502,246	-	-	3,092,534	5,247,721	-	247,984
Total current liabilities	4,403,755	265,096	6,137,580	5,502,246	-	-	3,092,534	5,247,721	-	247,984

NONCURRENT LIABILITIES

Compensated absences	-	-	-	356,036	-	-	-	69,374,259	-	11,000,000
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	69,374,259	11,000,000
Other liabilities	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	356,036	-	-	-	69,374,259	69,374,259	11,000,000
TOTAL LIABILITIES	4,403,755	265,096	6,137,580	5,858,282	-	-	3,092,534	74,621,980	74,621,980	11,247,984

NET ASSETS:

Invested in capital accounts	37,736,336	17,796	145,108,136	31,614,974	503,427	-	-	(40,849,807)	-	(10,358,244)
Restricted	83,451	-	538,699	24,341,515	-	-	183,165,077	16,292,430	-	1,570,228
Unrestricted	37,819,787	17,796	145,646,835	55,956,489	503,427	-	183,165,077	(24,556,377)	-	(8,788,016)
TOTAL NET ASSETS	42,223,542	282,892	151,784,415	61,814,771	503,427	-	186,257,611	50,065,603	17,167	2,459,968

TOTAL LIABILITIES AND NET ASSETS

Philadelphia Housing Authority
 Combining Statement of Net Assets
 As of March 31, 2007

	Blended Component Units	Total PHA Programs
ASSETS		
Current Assets:		
Cash	59,534,861	102,791,537
Investments	-	14,397,600
Restricted cash and investments	-	7,969,774
Receivables, net	18,206	3,922,643
Due from other governments	10,124,467	24,658,193
Due from other funds	-	23,659,280
Other assets	8,351	3,226,729
Total current assets	69,685,885	180,625,756
NONCURRENT ASSETS		
Mortgage receivable	-	181,462,984
Capital assets, net of depreciation	-	593,483,093
Other assets	-	19,345,268
Total noncurrent assets	-	794,291,345
TOTAL ASSETS	69,685,885	974,917,101
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	91,565	15,167,480
Due to other governments	233,371	794,100
Due to other funds	-	23,659,280
Compensated absences	40,430	4,330,343
Trust and deposits	-	766,065
Bonds, notes and loans payable	2,231,040	5,611,040
Deferred credits and other liabilities	185,519	23,896,549
Total current liabilities	2,781,925	74,224,857
NONCURRENT LIABILITIES		
Compensated absences	-	2,859,942
Bonds, notes and loans payable	-	80,426,896
Other liabilities	-	7,478,471
Total noncurrent liabilities	-	90,765,309
TOTAL LIABILITIES	2,781,925	164,990,166
NET ASSETS:		
Invested in capital accounts	(2,231,040)	507,497,794
Restricted	2,394,240	2,394,240
Unrestricted	66,740,760	300,034,901
TOTAL NET ASSETS	66,903,960	809,926,935
TOTAL LIABILITIES AND NET ASSETS	69,685,885	974,917,101

Handwritten notes:
 = less
 \$60M = 40

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the year ended March 31, 2007

	Low rent Public Housing Program	State and Local Grants	Section 8 Housing Choice Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
Operating revenue:								
Total tenant revenue	18,759,722	-	-	-	-	-	-	-
Operating subsidies	91,794,306	715,300	5,505,859	293,056	535,759	409,828	77,676	-
Other income	1,083,551	45,513	223,538	-	-	-	-	-
Total operating revenue	111,637,579	760,813	5,729,397	293,056	535,759	409,828	77,676	-
Operating expenses:								
Administrative	36,666,363	257,400	652,705	28,092	54,454	43,552	7,704	-
Tenant services	867,585	191,860	-	-	-	-	-	-
Utilities	29,894,363	-	-	-	-	-	-	-
Maintenance	48,230,326	(774,112)	-	-	-	-	-	-
Protective services	5,104,142	46,351	-	-	-	-	-	-
General	23,342,399	5,254	23,523	361	700	560	99	-
Housing assistance programs	38,847,063	30,507	4,659,010	263,293	478,262	363,629	69,559	(59)
Depreciation and amortization	(23,963,708)	1,019,736	8,072	-	-	-	-	-
Interfund sources/uses	158,988,533	776,996	6,119,378	291,746	533,416	407,741	77,362	(59)
Total operating expenses	(47,350,954)	(16,183)	(389,981)	1,310	2,343	1,887	314	59
Operating income (loss)	1,085,633	26,162	(306,185)	1,310	2,343	1,887	314	59
Nonoperating revenue and (expenses):								
Interest and investment earnings	1,053,559	-	64,221	-	-	-	-	-
Gain and (Loss) on the sale of fixed assets	-	-	19,575	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-
Net nonoperating revenue and (expenses)	2,139,192	26,162	83,796	-	-	-	-	-
Income (loss) before capital subsidies	(45,211,762)	9,979	(306,185)	1,310	2,343	1,887	314	59
Capital subsidies	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Change in net assets	(45,211,762)	9,979	(306,185)	1,310	2,343	1,887	314	59
Total net assets a beginning of year:	318,461,196	1,564,890	2,286,531	82,997	370,396	362,651	33,431	11,932
As previously reported	-	-	-	-	-	-	-	-
Prior period and equity transfer adjustments	47,675,886	-	(11,500)	(1,747)	2,028	-	113	-
Total net assets at end of year	320,925,320	1,574,869	1,968,846	82,560	374,767	364,538	33,858	11,991

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the year ended March 31, 2007

	Section 8 Modern Rehab Prg No. 6	Section 8 Modern Rehab Prg No. 7	Section 8 Modern Rehab Prg No. 8	Section 8 Modern Rehab Prg No. 9	Section 8 Modern Rehab Prg No. 10	Section 8 Modern Rehab Prg Admin Fees	Total Section 8 Modern rehab Prg	Section 8 Single room Occupancy	Supportive Housing Programs
Operating revenue:									
Total tenant revenue	46,079	157,024	252,024	348,384	59,373	-	2,179,003	1,489,526	114,582
Operating subsidies	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
Total operating revenue	46,079	157,024	252,024	348,384	59,373	-	2,179,003	1,489,526	114,582
Operating expenses:									
Administrative	3,826	13,469	19,234	57,651	5,765	-	233,747	245,487	102,198
Tenant services	-	-	-	-	-	-	-	-	12,233
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-
General	(7)	173	247	742	74	-	2,949	3,157	151
Housing assistance programs	42,020	142,819	231,731	287,504	53,285	-	1,932,043	1,230,287	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interfund sources/uses	-	-	-	-	-	-	-	-	-
Total operating expenses	45,839	156,461	251,212	345,897	59,124	-	2,168,739	1,478,931	114,582
Operating income (loss)	240	563	812	2,487	249	-	10,264	10,595	-
Nonoperating revenue and (expenses):									
Interest and investment earnings	-	-	-	-	-	106,435	106,435	-	-
Gain and (Loss) on the sale of fixed assets	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-
Net nonoperating revenue and (expenses)	-	-	-	-	-	106,435	106,435	-	-
Income (loss) before capital subsidies	240	563	812	2,487	249	106,435	116,699	10,595	-
Capital subsidies	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Change in net assets	240	563	812	2,487	249	106,435	116,699	10,595	-
Total net assets a beginning of year:									
As previously reported	32,462	81,295	86,209	222,774	16,184	11,396	1,313,727	933,532	-
Prior period and equity transfer adjustments	-	-	-	(11)	113	-	496	7,662	-
Total net assets at end of year	32,702	81,858	89,021	225,250	16,546	117,831	1,430,922	951,789	-

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the year ended March 31, 2007

	Section 8 New construction Programs	Special Programs for the Aging	Child Care and Development Grants	congregate Housing Program	Head Start Program	Summer Feeding Program	Development Program	Revitalization of severely Distressed Areas Program	Resident Opportunity and Self-Sufficiency Program
Operating revenue:									
Total tenant revenue	1,205,884	-	-	98,102	(15,813)	124,410	-	15,577,534	1,182,156
Operating subsidies	-	-	-	3,734	21,519	154,286	-	-	-
Other income	-	-	-	-	-	-	-	-	-
Total operating revenue	1,205,884	-	-	101,836	5,706	278,696	-	15,577,534	1,182,156
Operating expenses:									
Administrative	44,863	-	-	1,419	4,857	1,968	-	3,951,050	1,096,782
Tenant services	-	-	-	98,910	-	276,728	-	1,477,546	(13,541)
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	1,493	-	-	-	7,570,973	95,388
Protective services	-	-	-	-	-	-	-	-	-
General	577	-	-	14	-	-	-	50	3,635
Housing assistance programs	1,158,489	-	-	-	-	-	-	-	-
Depreciation and amortization	-	79	-	-	588	-	829,894	937,645	10,505
Interfund sources/Uses	-	-	-	-	-	-	-	2,070,869	-
Total operating expenses	1,203,929	79	-	101,836	5,445	278,696	829,894	16,008,133	1,182,769
Operating income (loss)	1,955	(79)	-	-	261	-	(829,894)	(430,599)	(10,613)
Nonoperating revenue and (expenses):									
Interest and investment earnings	-	-	-	-	-	-	-	-	-
Gain and (Loss) on the sale of fixed assets	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-
Net nonoperating revenue and (expenses)	-	-	-	-	-	-	-	-	-
Income (loss) before capital subsidies	1,955	(79)	-	-	261	-	(829,894)	(430,599)	(10,613)
Capital subsidies	-	-	-	-	-	-	-	1,274,011	-
Transfers									
Change in net assets	1,955	(79)	-	-	261	-	(829,894)	843,412	(10,613)
Total net assets a beginning of year:	87,363	79	-	-	932	-	27,145,596	36,976,375	28,409
As previously reported	-	-	-	-	-	-	-	-	-
Prior period and equity transfer adjustments	-	-	-	-	-	-	-	-	-
Total net assets at end of year	89,318	-	-	-	1,193	-	26,315,702	37,819,787	17,796

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the year ended March 31, 2007

	Capital Fund Program	Comprehensive Grant Program	Moving to Work Programs	Long-Term Notes Receivable	Debt Service Fund	General Purpose Bond Proceeds	Blended Component Units	Total PHA Programs
Operating revenue:								
Total tenant revenue	42,617,927	-	142,608,748	-	-	-	134,910	18,894,632
Operating subsidies	-	-	-	-	-	-	-	305,197,524
Other income	-	-	-	-	-	-	4,987,060	6,519,201
Total operating revenue	42,617,927	-	142,608,748	-	-	-	5,121,970	330,611,357
Operating expenses:								
Administrative	13,371,217	-	22,257,941	-	1,871,437	-	918,099	81,477,433
Tenant services	55,974	-	1,657,077	-	572	-	-	4,624,944
Utilities	-	-	8,665	-	-	-	-	29,903,028
Maintenance	2,636,997	-	3,637,339	2,914,140	702,913	113,563	-	65,129,020
Protective services	-	-	2,015,731	-	-	-	-	7,166,224
General	284,948	-	273,791	(197)	-	-	103,974	24,044,225
Housing assistance programs	-	-	97,231,165	-	-	-	-	106,210,984
Depreciation and amortization	6,405,399	13,425	836,525	-	1,782,658	-	-	49,702,360
Interfund sources/uses	25,638,474	-	14,374,151	(13,866,594)	(6,904,609)	(529,001)	(8,255,416)	(9,640,020)
Total operating expenses	48,393,009	13,425	142,292,395	(10,952,651)	(2,747,029)	(415,438)	(7,233,343)	358,618,208
Operating income (loss)	(5,775,082)	(13,425)	316,353	10,952,651	2,747,029	415,438	12,355,313	(28,006,851)
Nonoperating revenue and (expenses):								
Interest and investment earnings	-	-	1,444,775	3,340,477	4,873,696	268,531	2,614,455	13,824,385
Gain and (Loss) on the sale of fixed assets	-	-	(25,811)	-	-	-	-	1,047,323
Interest expense	1,410,691	-	-	-	-	-	159,348	(1,570,039)
Extraordinary items	-	-	-	-	-	-	-	-
Net nonoperating revenue and (expenses)	1,410,691	-	1,418,964	3,340,477	4,873,696	268,531	2,455,107	13,301,669
Income (loss) before capital subsidies	(7,185,773)	(13,425)	1,735,317	14,293,128	7,620,725	683,969	14,810,420	(14,705,182)
Capital subsidies	19,204,390	-	-	-	-	-	-	20,478,401
Transfers	-	-	-	-	-	-	-	-
Change in net assets	12,018,617	(13,425)	1,735,317	14,293,128	7,620,725	683,969	14,810,420	5,773,220
Total net assets a beginning of year	181,304,003	516,852	54,221,172	167,040,232	(32,177,102)	(9,471,985)	52,093,540	802,325,342
As previously reported	(47,675,886)	-	-	1,831,717	-	-	-	1,828,375
Prior period and equity transfer adjustments	-	-	-	-	-	-	-	-
Total net assets at end of year	145,646,734	503,427	55,956,489	183,165,077	(24,556,377)	(9,788,016)	66,903,960	809,926,937

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Line Item #	Account Description	Low Rent 14.850a	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10
	ASSETS:													
	CURRENT ASSETS:													
	Cash:													
111	Cash - unrestricted	13,233,748	660,180	12,181,467										
112	Cash - restricted - modernization and development													
113	Cash - other restricted													
114	Cash - tenant security deposits	766,065												
115	Cash - restricted for payment of current liability													
100	Total cash	13,999,813	660,180	12,181,467										
	Accounts and notes receivables:													
121	Accounts receivable - PHA projects	1,899,006												
122	Accounts receivable - HUD other projects	1,688,642		188,303			168,555	61,373						
124	Accounts receivable - other government	15,425	595,450											
125	Accounts receivable - miscellaneous			294,095										
126	Accounts receivable - tenants - dwelling rents	1,203,207												
126.1	Allowance for doubtful accounts - dwelling rents	(719,284)												
126.2	Allowance for doubtful accounts - other													
127	Notes, loans & mortgages receivable - current													
128	Fraud recovery													
128.1	Allowance for doubtful accounts - fraud	145,291	177	4,017										
129	Accrued interest receivable	4,232,287	595,627	486,415			168,555	61,373						
120	Total receivables, net of allowances for doubtful accounts													
	Current Investments													
131	Investments - unrestricted	9,062,910		5,334,690										
132	Investments - restricted	4,214,546												
135	Investments - restricted for payment of current liability													
142	Prepaid expenses and other assets	33,388												
143	Inventories	3,538,878												
143.1	Allowance for obsolete inventories	(353,888)												
144	Interprogram - due from	4,380,622	12,324		86,316	377,212	195,983		11,991	53,217	95,892	114,766	253,953	23,554
145	Assets held for sale													
146	Amounts to be provided													
150	TOTAL CURRENT ASSETS	39,108,556	1,268,131	18,002,572	86,316	377,212	364,538	61,373	11,991	53,217	95,892	114,766	253,953	23,554

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007

FINANCIAL DATA SCHEDULE

Line Item #	Account Description	Low Rent 14 850s	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10
	NONCURRENT ASSETS:													
	Fixed assets:													
161	Land	25,095,486												
162	Buildings	952,382,271	1,100,000											
163	Furniture, equipment & machinery - dwellings	316,706												
164	Furniture, equipment & machinery - administration			596,516										
165	Leasehold improvements	23,623,089	37,668											
168	Infrastructure													
166	Accumulated depreciation	(682,819,409)	(92,832)	(595,324)										
167	Construction in progress													
160	Total fixed assets, net of accumulated depreciation	318,598,143	1,039,836	1,192										
	Other Non Current Assets													
171	Notes, loans & mortgages receivable - non current													
172	Notes, loans & mortgages receivable - non current - past due													
173	Grants Receivable - non current													
174	Other assets	192,232												
175	Undistributed Debits													
176	Investment in joint ventures	610												
180	TOTAL NONCURRENT ASSETS	318,790,985	1,039,836	1,192										
190	TOTAL ASSETS	357,899,541	2,307,967	18,003,764	86,316	377,212	364,538	61,373	11,991	53,217	95,892	114,766	255,953	23,554
	LIABILITIES AND EQUITY:													
	LIABILITIES:													
	Current Liabilities													
311	Bank overdraft													
312	Accounts payable ≤ 90 days	4,086,930	2,073											
313	Accounts payable > 90 days past due													
321	Accrued wage/payroll taxes payable	2,372,716												
322	Accrued compensated absences - current portion	3,693,622		62,238										
324	Accrued contingency liability													
325	Accrued interest payable													
331	Accounts payable - HUD PHA programs	439,553												
332	Accounts Payable - PHA Projects	121,176												
333	Accounts payable - other government	766,065												
341	Tenant security deposits	4,505,629	10,841		3,756	2,445								
342	Deferred revenues													
343	Current portion of Long-Term debt - capital projects/mortgage revenue bonds	10,429,971												
344	Current portion of Long-Term debt - operating borrowings	189,570	141,393	36,997										
345	Other current liabilities	375,469	578,791	15,894,191										
346	Accrued liabilities - other													
347	Inter-program - due to							27,515						
348	Loan Liability - current													
310	TOTAL CURRENT LIABILITIES	26,980,701	733,098	15,993,426	3,756	2,445		27,515		20,515	14,034	25,745	28,703	7,008

PHILADELPHIA HOUSING AUTHORITY

MARCH 31, 2007

FINANCIAL DATA SCHEDULE

Line Item #	Account Description	Low Rent 14 850a	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10
351	Non Current Liabilities													
352	Long-term debt, net of current- capital projects/ mortgage revenue bonds	52,637												
353	Long-term debt, net of current- operating borrowings													
354	Noncurrent liabilities- other	7,478,471												
355	Accrued Compensated Absences - non current	2,462,414		41,492										
355	Loan Liability - non current			41,492										
350	TOTAL NONCURRENT LIABILITIES	9,993,522		41,492										
300	TOTAL LIABILITIES	36,974,223	733,098	16,034,918	3,756	2,445		27,515		20,515	14,034	25,745	28,703	7,008
	EQUITY:													
501	Investment in general fixed assets													
	Contributed Capital:													
502	Project notes (HUD)													
503	Long-term debt - HUD guaranteed													
504	Net HUD PHA contributions													
505	Other HUD contributions													
507	Other contributions													
508	Total contributed capital													
508.1	Invested in Capital Assets, Net of Related Debt	318,598,143	1,039,836	1,192										
	Reserved fund balance:													
509	Reserved for operating activities													
510	Reserved for capital activities													
511	Total reserved fund balance													
511.1	Restricted Net Assets													
512	Undesignated fund balance/retained earnings													
512.1	Unrestricted Net Assets	2,327,175	535,033	1,967,654	82,560	374,767	364,538	33,858	11,991	32,702	81,858	89,021	225,250	16,546
513	TOTAL EQUITY/NET ASSETS	320,925,318	1,574,869	1,968,846	82,560	374,767	364,538	33,858	11,991	32,702	81,858	89,021	225,250	16,546
600	TOTAL LIABILITIES and EQUITY/NET ASSETS	357,899,541	2,307,967	18,003,764	86,316	377,212	364,538	61,373	11,991	53,217	95,892	114,766	253,953	23,554
	Proof of concept													

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Line Item #	Account Description	MOD REHAB ADMIN FEES	TOTAL MOD REHAB	MR-SRO	SUPP HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS
ASSETS:														
CURRENT ASSETS:														
Cash:														
111	Cash - unrestricted													
112	Cash - restricted - modernization and development	2,445,209	2,445,209						529	850				
113	Cash - other restricted													
114	Cash - tenant security deposits													
115	Cash - restricted for payment of current liability													
100	Total cash	2,445,209	2,445,209						529	850				
Accounts and notes receivables:														
121	Accounts receivable - PHA projects													
122	Accounts receivable - HUD other projects												83,451	
124	Accounts receivable - other government		229,928	1,448	1,181	200,678			52,160			79,563	4,010,451	256,710
125	Accounts receivable - miscellaneous													
126	Accounts receivable- tenants - dwelling rents													
126.1	Allowance for doubtful accounts - dwelling rents													
126.2	Allowance for doubtful accounts - other													
127	Notes, loans & mortgages receivable - current													
128	Fraud recovery													
128.1	Allowance for doubtful accounts - fraud	693	693											
129	Accrued interest receivable	693	693											
120	Total receivables, net of allowances for doubtful accounts	693	230,621	1,448	1,181	200,678			52,160			79,563	4,093,902	256,710
Current investments														
131	Investments - unrestricted													
132	Investments - restricted													
135	Investments -restricted for payment of current liability													
142	Prepaid expenses and other assets													
143	Inventories													
143.1	Allowance for obsolete inventories													
144	Interprogram - due from		1,212,884	1,071,790										
145	Assets held for sale													
146	Amounts to be provided													
150	TOTAL CURRENT ASSETS	2,445,902	3,888,714	1,073,238	1,181	200,678	14,757		52,689	850		79,563	4,487,206	265,096

PHILADELPHIA HOUSING AUTHORITY

MARCH 31, 2007

FINANCIAL DATA SCHEDULE

Line Item #	Account Description	MOD REHAB ADMIN FEES	TOTAL MOD REHAB	MR-SRO	SUPP HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS
NONCURRENT ASSETS:														
Fixed assets:														
161	Land													
162	Buildings								33,195,738				37,630,800	
163	Furniture, equipment & machinery - dwellings													1,552
164	Furniture, equipment & machinery - administration							39,095						56,256
165	Leasehold improvements						23,182	3,525						
168	Infrastructure													
166	Accumulated depreciation						(23,182)	(3,525)		(38,752)		(6,880,036)	(3,185,772)	(40,012)
167	Construction in progress												3,291,308	
160	Total fixed assets, net of accumulated depreciation									343		26,315,702	37,736,336	17,796
Other Non Current Assets														
171	Notes, loans & mortgages receivable - non current													
172	Notes, loans & mortgages receivable - non current - past due													
173	Grants Receivable - non current													
174	Other assets													
175	Undistributed Debits													
176	Investment in joint ventures													
180	TOTAL NONCURRENT ASSETS													
190	TOTAL ASSETS	2,445,902	3,888,714	1,073,238	1,181	200,678	14,757	-	52,689	1,193	-	26,315,702	37,736,336	17,796
LIABILITIES AND EQUITY:														
LIABILITIES:														
Current Liabilities														
311	Bank overdraft													
312	Accounts payable < 90 days													
313	Accounts payable > 90 days past due												1,311,009	10,014
321	Accrued wage/payroll taxes payable								5,203					
322	Accrued compensated absences - current portion													
324	Accrued contingency liability													
325	Accrued interest payable													
331	Accounts payable - HUD PHA programs													
332	Accounts Payable - PHA Projects													
333	Accounts payable - other government													
341	Tenant security deposits												319,357	
342	Deferred revenues		102,206				14,757							
343	Current portion of Long-Term debt - capital projects/mortgage revenue bonds													
344	Current portion of Long-Term debt - operating borrowings								5,760				1,460,877	172,034
345	Other current liabilities												37,410	93,861
346	Accrued liabilities - other												42,153	83,048
347	Inter-program - due to	2,328,071	2,355,586		1,181	111,360			41,726					
348	Loan Liability - current													
310	TOTAL CURRENT LIABILITIES	2,328,071	2,457,792	121,449	1,181	111,360	14,757	-	52,689	-	-	79,563	4,403,755	265,096

PHILADELPHIA HOUSING AUTHORITY

MARCH 31, 2007

FINANCIAL DATA SCHEDULE

Line Item #	Account Description	MOD REHAB ADMIN FEES	TOTAL MOD REHAB	MR -SRO	SUPP HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS
351	Non Current Liabilities													
352	Long-term debt, net of current- capital projects/ mortgage revenue bonds													
353	Long-term debt, net of current- operating borrowings													
354	Noncurrent liabilities- other													
355	Accrued Compensated Absences - non current													
355	Loan Liability - non current													
350	TOTAL NONCURRENT LIABILITIES													
300	TOTAL LIABILITIES	2,328,071	2,457,792	121,449	1,181	111,360	14,757	-	52,689	-	-	79,563	4,403,755	265,096
501	EQUITY:													
501	Investment in general fixed assets													
502	Contributed Capital:													
502	Project notes (HUD)													
503	Long-term debt - HUD guaranteed													
504	Net HUD PHA contributions													
505	Other HUD contributions													
507	Other contributions													
508	Total contributed capital													
508.1	Invested in Capital Assets, Net of Related Debt									343		26,315,702	37,736,336	17,796
509	Reserved fund balance:													
510	Reserved for operating activities													
511	Reserved for capital activities													
511.1	Total reserved fund balance													
511.1	Restricted Net Assets													
512	Undesignated fund balance/retained earnings													
512.1	Unrestricted Net Assets	117,831	1,430,922	951,789	89,318				850				83,461	
513	TOTAL EQUITY/NET ASSETS	117,831	1,430,922	951,789	-	89,318	-	-	-	1,193	-	26,315,702	37,819,787	17,796
600	TOTAL LIABILITIES and EQUITY/NET ASSETS	2,445,902	3,888,714	1,073,238	1,181	200,678	14,757	-	52,689	1,193	-	26,395,265	42,223,542	282,892
	Proof of concept													

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Line Item #	Account Description	CFP	CGP	MTW	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	TOTAL BUSINESS ACTIVITIES	COMPONENT UNITS	TOTAL
	ASSETS:									
	CURRENT ASSETS:									
	Cash:									
111	Cash - unrestricted			14,661,978		72,715		72,715	64,863,896	108,120,572
112	Cash - restricted - modernization and development								1,412,949	1,412,949
113	Cash - other restricted								2,661,293	2,661,293
114	Cash - tenant security deposits								363,407	363,407
115	Cash - restricted for payment of current liability								1,129,472	1,129,472
100	Total cash			14,661,978		72,715		72,715	71,023,242	115,045,983
	Accounts and notes receivables:									
121	Accounts receivable - PHA projects	538,699		79,502		207,659		2,545,452	250,468	5,396,578
122	Accounts receivable - HUD other projects	5,016,345			2,337,793					11,725,409
124	Accounts receivable - other government									610,875
125	Accounts receivable - miscellaneous									1,675,397
126	Accounts receivable - tenants - dwelling rents								1,381,302	1,675,397
126.1	Allowance for doubtful accounts - dwelling rents								147,228	1,350,435
126.2	Allowance for doubtful accounts - other									(719,284)
127	Notes, loans & mortgages receivable - current									
128	Fraud recovery									
128.1	Allowance for doubtful accounts - fraud									
129	Accrued interest receivable			14,339			875	13,234	17,467	195,218
120	Total receivables, net of allowances for doubtful accounts	5,555,044		93,841	2,337,793	220,018	875	2,558,686	1,796,465	20,234,628
	Current Investments									
131	Investments - unrestricted									
132	Investments - restricted									14,397,600
135	Investments - restricted for payment of current liability					2,761,518	227,645	2,989,163	4,567,699	11,771,408
142	Prepaid expenses and other assets									
143	Inventories								1,111,580	1,144,968
143.1	Allowance for obsolete inventories									3,538,878
144	Interprogram - due from	1,121,235		15,443,978						(353,888)
145	Assets held for sale									
146	Amounts to be provided									23,659,280
150	TOTAL CURRENT ASSETS	6,676,279		30,199,797	2,337,793	3,054,251	228,520	5,620,564	78,498,986	189,438,857

PHILADELPHIA HOUSING AUTHORITY

MARCH 31, 2007

FINANCIAL DATA SCHEDULE

Line Item #	Account Description	CFP	CGP	MTW	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	TOTAL BUSINESS ACTIVITIES	COMPONENT UNITS	TOTAL
NONCURRENT ASSETS:										
Fixed assets:										
161	Land									
162	Buildings			18,425,682		26,840,409		26,840,409	3,497,484	28,592,970
163	Furniture, equipment & machinery - dwellings	106,503,082	536,989	38,531					324,141,361	1,500,756,332
164	Furniture, equipment & machinery - administration	45,270		485,556					3,887,880	4,289,939
165	Leasehold improvements	182,918							100,906	25,143,711
168	Infrastructure								15,136,721	15,136,721
166	Accumulated depreciation	(13,303,101)	(33,562)	(2,075,179)		(5,058,242)		(5,058,242)	(27,946,192)	(742,095,120)
167	Construction in progress	51,679,967		14,740,384		10,123,285	641,756	10,765,041	13,585,934	94,062,634
160	Total fixed assets, net of accumulated depreciation	145,108,136	503,427	31,614,974		31,905,452	641,756	32,547,208	332,404,094	925,887,187
Other Non Current Assets										
171	Notes, loans & mortgages receivable - non current				181,462,984			181,462,984		181,462,984
172	Notes, loans & mortgages receivable - non current - past due									
173	Grants Receivable - non current					15,105,900	1,589,692	16,695,592	3,058,288	19,946,112
174	Other assets				2,456,834			2,456,834		2,457,444
175	Undistributed Debits									
176	Investment in joint ventures									
180	TOTAL NONCURRENT ASSETS	145,108,136	503,427	31,614,974	183,919,818	47,011,352	2,231,448	233,162,618	335,462,382	1,129,753,727
190	TOTAL ASSETS	151,784,415	503,427	61,814,771	186,257,611	50,065,603	2,459,968	238,783,182	413,961,368	1,319,192,584
LIABILITIES AND EQUITY:										
LIABILITIES:										
Current Liabilities										
311	Bank overdraft									
312	Accounts payable < 90 days	2,157,271		1,981,508	3,026,591	122,600		3,149,191	2,645	20,391,972
313	Accounts payable > 90 days past due								7,693,976	2,214,807
321	Accrued wage/payroll taxes payable								2,209,604	2,404,805
322	Accrued compensated absences - current portion								32,089	4,330,343
324	Accrued contingency liability			534,053					40,430	
325	Accrued interest payable									9,602,956
331	Accounts payable - HUD PHA programs									
332	Accounts Payable - PHA Projects								2,949,956	3,389,509
333	Accounts payable - other government									121,176
341	Tenant security deposits								436,596	1,202,661
342	Deferred revenues								84,866	5,265,416
343	Current portion of Long-Term debt - capital projects/mortgage revenue bonds	106,311							2,685,000	6,065,000
344	Current portion of Long-Term debt - operating borrowings					3,380,000		3,380,000		
345	Other current liabilities			55,998	1,443			1,443	6,274,302	18,925,862
346	Accrued liabilities - other	525,477		2,849,386	1,514,785			1,693,952	781,533	6,660,453
347	Inter-program - due to	836,351		81,301	64,500	230,336	68,817	363,653		23,659,280
348	Loan Liability - current	2,512,170							2,231,040	2,231,040
310	TOTAL CURRENT LIABILITIES	6,137,580		5,502,246	3,092,534	5,247,721	247,984	8,588,239	35,024,993	106,467,923

PHILADELPHIA HOUSING AUTHORITY

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FINANCIAL DATA SCHEDULE

Line Item #	Account Description	CGP	CGP	MTW	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	TOTAL BUSINESS ACTIVITIES	COMPONENT UNITS	TOTAL
	Non Current Liabilities									
351	Long-term debt, net of current- capital projects/ mortgage revenue bonds					69,374,259	11,000,000	80,374,259	226,051,130	306,478,026
352	Long-term debt, net of current- operating borrowings									
353	Noncurrent liabilities- other								2,089,540	9,568,011
354	Accrued Compensated Absences - non current			356,036						2,859,942
355	Loan Liability - non current									
350	TOTAL NONCURRENT LIABILITIES			356,036		69,374,259	11,000,000	80,374,259	228,140,670	318,905,979
300	TOTAL LIABILITIES	6,137,580		5,838,282	3,092,534	74,621,980	11,247,984	88,962,498	263,165,663	425,373,904
	EQUITY:									
501	Investment in general fixed assets									
	Contributed Capital:									
502	Project notes (HUD)									
503	Long-term debt - HUD guaranteed									
504	Net HUD PHA contributions									
505	Other HUD contributions									
507	Other contributions									
508	Total contributed capital									
508.1	Invested in Capital Assets, Net of Related Debt	145,108,136	503,427	31,614,974		(40,848,807)	(10,358,244)	(51,207,051)	87,850,990	597,579,824
	Reserved fund balance:									
509	Reserved for operating activities									
510	Reserved for capital activities									
511	Total reserved fund balance									
511.1	Restricted Net Assets								2,394,240	2,394,240
512	Undesignated fund balance/retained earnings									
512.1	Unrestricted Net Assets	538,699		24,341,515	183,165,077	16,292,430	1,570,228	201,027,735	60,550,475	293,844,616
513	TOTAL EQUITY/NET ASSETS	145,646,835	503,427	55,956,489	183,165,077	(24,556,377)	(8,788,016)	149,820,684	150,795,705	893,818,680
600	TOTAL LIABILITIES and EQUITY/NET ASSETS	151,784,415	503,427	61,814,771	186,257,611	50,065,603	2,459,968	238,783,182	413,961,368	1,319,192,584
	Proof of concept									

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Account Description	Low Rent 14.850a	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
REVENUE:														
703 Net tenant rental revenue	18,570,528	-	-	-	-	-	-	-	-	-	-	-	-	-
704 Tenant revenue - other	189,194	-	-	-	-	-	-	-	-	-	-	-	-	-
705 Total tenant revenue	18,759,722	-	-	-	-	-	-	-	-	-	-	-	-	-
706 HUD PHA operating grants	91,794,306		5,505,859	293,056	533,759	409,628	77,676	46,079	157,024	252,024	348,384	59,373		
706.1 Capital Grants		715,300	64,221											
708 Other government grants	1,085,633	26,162												106,435
711 Investment income - unrestricted														
712 Mortgage interest income														
713 Proceeds from disposition of assets held for sale														
713.1 Cost of sale of assets														
714 Fraud recovery	68,663		22,697											
715 Other revenue	1,014,888	45,513	200,841											
716 Gain or loss on the sale of fixed assets	1053559		19575											
720 Investment income - restricted														
700 TOTAL REVENUE	113,776,771	786,975	5,813,193	293,056	533,759	409,628	77,676	46,079	157,024	252,024	348,384	59,373	106,435	
EXPENSES:														
Administrative														
911 Administrative salaries	16,155,972	25,535	448,029	19,432	37,667	30,127	5,329	2,647	9,317	13,305	39,879	3,988		
912 Auditing fees	173,600													
913 Outside management fees			1,117											
914 Compensated absences	(1,528,143)		203,881	8,660	16,786	13,426	2,375	1,179	4,152	5,929	17,772	1,777		
915 Employee benefit contributions- administrative	6,936,907	4,173	(322)		1	(1)								
916 Other operating- administrative	14,928,027	227,692												
Subtotal	36,666,363	257,400	652,705	28,092	54,454	43,552	7,704	3,826	13,469	19,234	57,651	5,765		
Tenant services														
921 Tenant services - salaries		150,313												
922 Relocation costs														
923 Employee benefit contributions- tenant services		18,289												
924 Tenant services - other	867,585	23,258												
Subtotal	867,585	191,860												

PHILADELPHIA HOUSING AUTHORITY
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FINANCIAL DATA SCHEDULE

Account Description	Low Rent 14.850a	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
Utilities														
931 Water	9,863,302													
932 Electricity	6,918,038													
933 Gas	11,358,745													
934 Fuel	364,216													
935 Labor	843,514													
937 Employee benefit contributions- utilities	387,537													
938 Other utilities expense	159,011													
Subtotal	29,894,363													
Ordinary maintenance & operation														
941 Ordinary maintenance and operations - labor	25,303,638	41,018												
942 Ordinary maintenance and operations - materials & other	5,579,908	1,960												
943 Ordinary maintenance and operations - contract costs	5,406,570													
945 Employee benefit contributions- ordinary maintenance	11,374,202	5,183												
Subtotal	47,664,318	48,161												
Protective services														
951 Protective services - labor	1,501,484	40,475												
952 Protective services- other contract costs	2,911,285													
953 Protective services - other	13,184													
955 Employee benefit contributions- protective services	678,189	5,876												
Subtotal	5,104,142	46,351												
General expenses														
961 Insurance premiums	15,480,929	5,254	4,728	361	700	560	99		49	173	247	742	74	
962 Other General Expenses	6,035,552		4,679						(56)					
963 Payments in lieu of taxes														
964 Bad debt - tenant rents	497,751													
965 Bad debt- mortgages														
966 Bad debt - other			14,116											
967 Interest expense	1,328,367													
968 Severance expense	23,342,399	5,254	23,523	361	700	560	99		(7)	173	247	742	74	
Subtotal	143,539,170	549,026	676,228	28,453	55,154	44,112	7,803		3,819	13,642	19,481	58,393	5,839	
969 TOTAL OPERATING EXPENSES														

PHILADELPHIA HOUSING AUTHORITY

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FINANCIAL DATA SCHEDULE

Account Description	Low Rent 14.850a	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
970 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES														
971 Extraordinary maintenance	(29,762,399)	237,949	5,136,965	264,603	480,605	365,516	69,873	-	42,260	143,382	232,543	289,991	53,534	106,435
972 Casualty losses - non-capitalized	566,008	(822,273)												
973 Housing assistance payments			4,659,010	263,293	478,262	365,629	69,559	(59)	42,020	142,819	231,731	287,504	53,285	
974 Depreciation expense	38,847,063	30,507	8,072											
975 Fraud losses														
976 Capital outlays- governmental funds														
977 Debt principal payment- governmental funds														
978 Dwelling units rent expense														
900 TOTAL EXPENSES	182,952,241	(242,740)	5,343,310	291,746	533,416	407,741	77,362	(59)	45,839	156,461	251,212	345,897	59,124	-
OTHER FINANCING SOURCES (USES)														
1001 Operating transfers in	25,240,887													
1002 Operating transfers out		(1,019,736)	(776,068)											
1003 Operating transfers from/to primary government														
1004 Operating transfers from/to component units	(1,277,179)													
1005 Proceeds from notes, loans and bonds														
1006 Proceeds from property sales														
1007 Extraordinary items (net gain/loss)														
1008 Special items (net gain/loss)														
1010 TOTAL OTHER FINANCING SOURCES (USES)	23,963,708	(1,019,736)	(776,068)											
1000 EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPEN	(45,211,762)	9,979	(306,185)	1,310	2,343	1,887	314	59	240	563	812	2,487	249	106,435

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Account Description	TOTAL MOD REHAB	MR-SRO	SUPPORTIVE HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP
REVENUE:													
703 Net tenant rental revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
704 Tenant revenue - other	-	-	-	-	-	-	-	-	-	-	-	-	-
705 Total tenant revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
706 HUD PHA operating grants	2,179,003	1,489,526	114,582	1,205,884	-	-	98,102	-	-	-	15,577,534	1,182,156	42,617,927
706 1 Capital Grants	-	-	-	-	-	-	-	(15,813)	124,410	-	1,274,011	-	19,204,390
708 Other government grants	106,435	-	-	-	-	-	-	-	-	-	-	-	-
711 Investment income - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
712 Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
713 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
713 1 Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
714 Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-
715 Other revenue	-	-	-	-	-	-	3,734	21,519	154,286	-	-	-	-
716 Gain or loss on the sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
720 Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
700 TOTAL REVENUE	2,285,438	1,489,526	114,582	1,205,884	-	-	101,836	5,706	278,696	-	16,851,545	1,182,156	61,822,317
EXPENSES:													
Administrative													
911 Administrative salaries	161,691	169,812	-	31,033	-	-	-	-	-	-	-	-	-
912 Auditing fees	-	-	-	-	-	-	-	-	-	-	-	-	-
913 Outside management fees	-	-	-	-	-	-	-	-	-	-	-	-	-
914 Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-
915 Employee benefit contributions- administrative	72,056	75,677	102,198	13,830	-	-	-	-	1,968	-	374,124	61,929	4,362,010
916 Other operating- administrative	-	(2)	(2)	-	-	-	-	-	1,968	-	2,313,196	600,188	988,559
Subtotal	233,747	245,487	102,198	44,863	-	-	1,419	4,857	1,968	-	3,951,030	1,096,782	13,371,217
Tenant services													
921 Tenant services - salaries	-	-	13,302	-	-	-	21,128	-	63,964	-	47,557	(21,176)	49,463
922 Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-	-
923 Employee benefit contributions- tenant services	-	-	(1,069)	-	-	-	533	-	-	-	-	-	-
924 Tenant services - other	-	-	-	-	-	-	77,249	-	212,764	-	1,429,989	7,635	6,511
Subtotal	-	-	12,233	-	-	-	98,910	-	276,728	-	1,477,546	(13,541)	55,974

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Account Description	TOTAL MOD REHAB	MR -SRO	SUPPORTIVE HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP
Utilities													
931 Water	-												
932 Electricity	-												
933 Gas	-												
934 Fuel	-												
935 Labor	-												
937 Employee benefit contributions- utilities	-												
938 Other utilities expense	-												
Subtotal													
Ordinary maintenance & operation													
941 Ordinary maintenance and operations - labor	-												
942 Ordinary maintenance and operations - materials & other	-						1,493					384	3,500
943 Ordinary maintenance and operations - contract costs	-												
945 Employee benefit contributions- ordinary maintenance	-												
Subtotal							1,493					384	3,500
Protective services													
951 Protective services - labor	-												
952 Protective services- other contract costs	-												
953 Protective services - other	-												
955 Employee benefit contributions- protective services	-												
Subtotal													
General expenses													
961 Insurance premiums	3,005	3,157	151	577			14				50	3,635	284,948
962 Other General Expenses	(56)												
963 Payments in lieu of taxes	-												
964 Bad debt - tenant remis	-												
965 Bad debt- mortgages	-												
966 Bad debt - other	-												
967 Interest expense	-												1,410,691
968 Severance expense	-												
Subtotal	2,949	3,157	151	577			14				50	3,635	1,695,639
TOTAL OPERATING EXPENSES	236,696	248,644	114,582	45,440			101,836	4,857	278,696		5,428,646	1,087,260	15,126,330

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Account Description	TOTAL MOD REHAB	MR-SRO	SUPPORTIVE HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP
970 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	2,048,742	1,240,882	-	1,160,444	-	-	-	849	-	-	11,422,899	94,896	46,695,987
971 Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
972 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-
973 Housing assistance payments	1,932,043	1,230,287	-	1,158,489	-	-	-	588	-	-	7,570,973	95,004	2,633,497
974 Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	-
975 Fraud losses	-	-	-	-	79	-	-	-	-	829,894	937,645	10,505	6,405,399
976 Capital outlays- governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-
977 Debt principal payment- governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-
978 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-
900 TOTAL EXPENSES	2,168,739	1,478,931	114,582	1,209,929	79	-	101,836	5,445	278,696	829,894	13,937,264	1,192,769	24,165,226
OTHER FINANCING SOURCES (USES)													
1001 Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
1002 Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
1003 Operating transfers from/to government	-	-	-	-	-	-	-	-	-	-	-	-	-
1004 Operating transfers from/to component units	-	-	-	-	-	-	-	-	-	-	(2,070,869)	-	(25,638,474)
1005 Proceeds from notes, loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
1006 Proceeds from property sales	-	-	-	-	-	-	-	-	-	-	-	-	-
1007 Extraordinary items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
1008 Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
1010 TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	(2,070,869)	-	(25,638,474)
1000 EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL	116,699	10,595	-	1,955	(79)	-	-	261	-	(829,894)	843,412	(10,613)	12,018,617

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Account Description	CGP	MTW	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	BUS ACTIVITIES	COMPONENT UNITS	TOTAL
REVENUE:								
703 Net tenant rental revenue	-	-	-	-	-	-	7,500,702	26,071,230
704 Tenant revenue - other	-	-	-	-	-	-	147,309	336,503
705 Total tenant revenue	-	-	-	-	-	-	7,648,011	26,407,733
706 HUD PHA operating grants	-	142,608,748	-	-	-	-	3,822,900	308,196,527
706 1 Capital Grants	-	-	-	-	-	-	-	20,478,401
708 Other government grants	-	-	-	-	-	-	524,511	1,348,408
711 Investment income - unrestricted	-	1,444,775	-	4,873,696	268,531	5,142,227	13,951	7,883,404
712 Mortgage interest income	-	-	3,340,477	-	-	3,340,477	3,311,471	6,651,948
713 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-
713 1 Cost of sale of assets	-	-	-	-	-	-	-	-
714 Fraud recovery	-	-	-	-	-	-	-	-
715 Other revenue	-	-	-	-	-	-	-	91,360
716 Gain or loss on the sale of fixed assets	-	(25,811)	-	-	-	-	5,823,873	7,264,654
720 Investment income - restricted	-	-	-	-	-	-	-	1,047,323
700 TOTAL REVENUE	-	144,027,712	3,340,477	4,873,696	268,531	8,482,704	21,144,717	379,369,738
EXPENSES:								
Administrative								
911 Administrative salaries	-	8,953,435	-	704,983	-	704,983	2,277,719	38,647,252
912 Auditing fees	-	43,400	-	-	-	-	999,624	1,216,624
913 Outside management fees	-	-	-	-	-	-	803,508	803,508
914 Compensated absences	-	(121,102)	-	-	-	-	-	(1,648,128)
915 Employee benefit contributions- administrative	-	667,245	-	238,287	-	238,287	383,069	13,393,188
916 Other operating- administrative	-	12,714,963	-	728,167	-	728,167	1,759,956	34,370,866
Subtotal	-	22,257,941	-	1,671,437	-	1,671,437	6,223,876	86,783,310
Tenant services								
921 Tenant services - salaries	-	1,550,918	-	572	-	572	199,937	1,978,386
922 Relocation costs	-	-	-	-	-	-	-	97,592
923 Employee benefit contributions- tenant services	-	-	-	-	-	-	-	17,753
924 Tenant services - other	-	106,159	-	-	-	-	286,150	3,017,300
Subtotal	-	1,657,077	-	572	-	572	486,087	5,111,031

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Account Description	COP	MTW	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	BUS ACTIVITIES	COMPONENT UNITS	TOTAL
Utilities								
931 Water							430,845	10,294,147
932 Electricity		8,665					304,562	7,231,265
933 Gas							193,210	11,551,955
934 Fuel								364,216
935 Labor								843,514
937 Employee benefit contributions- utilities								387,537
938 Other utilities expense							1,471,671	1,630,682
Subtotal		8,665					2,400,288	32,303,316
Ordinary maintenance & operation								
941 Ordinary maintenance and operations - labor		166,011					1,369,911	26,880,578
942 Ordinary maintenance and operations - materials & other		14,350					1,591,695	7,193,290
943 Ordinary maintenance and operations - contract costs		71,041					342,273	5,819,884
945 Employee benefit contributions- ordinary maintenance		26,504						11,405,889
Subtotal		277,906					3,303,879	51,299,641
Protective services								
951 Protective services - labor		1,681,543						3,223,502
952 Protective services- other contract costs		204,151					14,680	3,130,116
953 Protective services - other							141,102	154,286
955 Employee benefit contributions- protective services		130,037						814,102
Subtotal		2,015,731					155,782	7,322,006
General expenses								
961 Insurance premiums		119,973					1,526,066	17,147,539
962 Other General Expenses		153,818	(197)			(197)	488,810	6,967,354
963 Payments in lieu of taxes								
964 Bad debt - tenant rents								
965 Bad debt- mortgages							114,409	612,160
966 Bad debt - other								
967 Interest expense								14,116
968 Severance expense							3,101,449	4,512,140
Subtotal		273,791	(197)			(197)	5,230,734	30,581,676
TOTAL OPERATING EXPENSES		26,491,111	(197)	1,672,009		1,671,812	17,800,646	215,072,792

PHILADELPHIA HOUSING AUTHORITY
MARCH 31, 2007
FINANCIAL DATA SCHEDULE

Account Description	CGP	MTW	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	BUS ACTIVITIES	COMPONENT UNITS	TOTAL
970 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES								
971 Extraordinary maintenance		117,536,601	3,340,674	3,201,687	268,531	6,810,892	3,344,071	164,296,966
972 Casualty losses - non-capitalized		3,359,433	2,914,140	702,913	113,563	3,730,616	-	17,133,258
973 Housing assistance payments		97,231,165						106,210,994
974 Depreciation expense	13,425	836,525		1,782,638		1,782,638	11,616,174	61,318,534
975 Fraud losses								-
976 Capital outlays- governmental funds								-
977 Debt principal payment- governmental funds								-
978 Dwelling units rent expense								-
900 TOTAL EXPENSES	13,425	127,918,234	2,913,943	4,157,580	113,563	7,185,086	29,416,820	398,063,766
OTHER FINANCING SOURCES (USES)								
1001 Operating transfers in		776,068						44,655,375
1002 Operating transfers out		(15,150,229)	11,204,810	6,904,609	529,001	18,638,420	-	(44,655,376)
1003 Operating transfers from/to primary government								-
1004 Operating transfers from/to component units			2,661,784			2,661,784	22,197,641	23,382,246
1005 Proceeds from notes, loans and bonds								-
1006 Proceeds from property sales								-
1007 Extraordinary items (net gain/loss)							(32,359)	(32,359)
1008 Special items (net gain/loss)							(40,474,709)	(40,474,709)
1010 TOTAL OTHER FINANCING SOURCES (USES)		(14,374,161)	13,866,594	6,904,609	529,001	21,300,204	(18,309,427)	(16,924,823)
1000 EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL	(13,425)	1,735,317	14,293,128	7,620,725	683,969	22,597,822	(26,581,530)	(33,618,831)

SINGLE AUDIT SECTION

PHILADELPHIA HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2007

<u>CFDA Number</u>	<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>Pass Thru Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
10.558	Child Care Food Program		\$ 124,410
<u>U.S. Department of Housing and Urban Development</u>			
14.170	Congregate Housing Service Program	N/A	98,102
14.182	New Construction Section 8 Program	N/A	1,205,884
14.235	Supportive Housing Program	N/A	114,582
14.249	Section 8 Single Room Occupancy Program	N/A	1,489,526
14.850a	Low Rent Public Housing	N/A	91,794,306
14.855	Moving to Work Program	N/A	142,608,748
14.856	Section 8 Moderate Rehabilitation	N/A	2,179,003
14.857	Section 8 Housing Choice Vouchers	N/A	5,505,859
14.866	Revitalization of Severely Distressed Public Housing	N/A	16,851,545
14.870	Resident Opportunity & Self-Sufficiency	N/A	1,182,156
14.872	Capital Fund Program	N/A	61,822,317
<u>Health and Human Services</u>			
93.044	Special Programs for the Aging	N/A	-
93.575	Child Care and Development Grant	N/A	699,487
93.600	Head Start	N/A	-
			<u>\$325,675,925</u>

This schedule is prepared on the accrual basis of accounting.

**PHILADELPHIA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2007**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weakness(es)?	No
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in Accordance with Section 510(a) of Circular A-133?	No
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850a	Low Rent Public Housing
14.871	Section 8 Housing Choice Vouchers
14.866	Revitalization of Severely Distressed Public Housing
14.872	Capital Fund Program
14.855	Moving to Work Program
N/A	Bond Proceeds

**PHILADELPHIA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2007**

SECTION I – SUMMARY OF AUDITORS’ RESULTS - Continued

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no Financial Statement Findings for the current audit period.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no Federal Award Findings and Questioned Costs for the current period.

**PHILADELPHIA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2007**

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There are no open prior audit findings.

**Report on Internal Control over Financial Reporting and Compliance Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office
Office of Public Housing
Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Philadelphia Housing Authority (PHA) as of and for the year ended March 31, 2007, which collectively comprise PHA's basic financial statements and have issued our report thereon dated September 18, 2007. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered PHA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Sedane & Company LLC

September 18, 2007

Report of Independent Certified Public Accountants
on Compliance with Requirements Applicable to Each Major
Program and Internal Control over Compliance in Accordance
With OMB Circular A-133

Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office
Office of Public Housing
Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107

Compliance

We have audited the compliance of the Philadelphia Housing Authority (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2007. PHA's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of PHA's management. Our responsibility is to express an opinion on PHA's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 PHA'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. Our audit does not provide a legal determination on PHA's compliance with those requirements.

In our opinion, PHA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2007.

Internal Control over Compliance

The management of PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered PHA's internal control over compliance with the requirements that could have a direct and material effect on a major federal 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 in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



September 18, 2007

CITY OF PHILADELPHIA
SUPPLEMENTARY INFORMATION

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF NET ASSETS
MARCH 31, 2007

Current assets:	
Cash	
Unrestricted	
Restricted	\$ 108,121,000
Investments	6,925,000
Unrestricted	
Restricted	14,398,000
Rents receivable - net of allowance for uncollectables	11,771,000
Accounts receivable	631,000
Accrued interest receivable	19,408,000
Deferred charges and other assets	195,000
	<u>4,330,000</u>
Total current assets	<u>165,779,000</u>
Noncurrent Assets:	
Land, building and equipment - net of accumulated depreciation	925,887,000
Mortgage receivable	34,060,000
Other assets	22,404,000
Total noncurrent Assets	<u>982,351,000</u>
TOTAL ASSETS	<u><u>\$1,148,130,000</u></u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 12,882,000
Accrued liabilities	6,735,000
Accrued interest payable	9,603,000
Trust for deposit liabilities	1,203,000
Deferred credits and other liabilities	34,362,000
Bonds, notes and other loans	8,296,000
	<u>73,081,000</u>
Total current liabilities	<u>73,081,000</u>
Noncurrent liabilities:	
Long-term debt	168,803,000
Other long-term liabilities	12,427,000
Total Long-term Liabilities	<u>181,230,000</u>
TOTAL LIABILITIES	<u>254,311,000</u>
Net assets:	
Net investment in fixed assets	
Restricted	597,580,000
Unrestricted	2,394,000
Total net assets	<u>293,845,000</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$1,148,130,000</u></u>

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007

	<u>EXPENSES</u>	<u>TENANT REVENUE</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
FUNCTIONS/PROGRAMS					
Housing activities	<u>\$418,639,000</u>	<u>\$26,408,000</u>	<u>\$336,135,000</u>	<u>\$20,478,000</u>	(\$ 35,618,000)
Changes in net assets:					
Net assets - beginning					927,420,000
Prior period adjustment					<u>2,017,000</u>
Net assets - ending					<u>\$893,819,000</u>

MOVING TO WORK YEAR SEVEN REPORT
APPENDIX A

Philadelphia Housing Authority Rent Impact Analysis – May 2008

Pursuant to the Moving To Work (MTW) Agreement, the Philadelphia Housing Authority (PHA) conducted a rent impact analysis for the four-year period 2004 through 2007. The phase-in of rent simplification began in April 2003 for the Housing Choice Voucher program and in September 2004 for the Public Housing program. Low Income Housing Tax Credit sites managed by PAPMC, Moderate Rehab units and non-MTW vouchers are not subject to rent simplification and are not included in this analysis.

PHA's rent simplification program currently includes the following components:

- ◆ Implementation of a single working household deduction
- ◆ Modification of the definition of income to exclude the first \$500 of asset income as well as offsetting certain Medicare related insurance premium
- ◆ Utilization of a sliding scale of percentages based on family size to calculate Total Tenant Payment
- ◆ Establishment of a \$50 minimum rent after a ninety (90) day grace period
- ◆ Increase in Ceiling rents (PH only)
- ◆ Implementation of two year recertifications
- ◆ Establishment of a seven year participation limit (HCV only) with exclusions for seniors and persons with disabilities
- ◆ Requirement for development of a Family Economic Development Action Plan for applicable households (HCV only)

PHA prepared this rent impact analysis of public housing and HCV households using a "snapshot" of resident household data from PHA's computer system for the periods 2004, 2005, 2006 and 2007. The total public housing households included in the dataset numbered 12,552, compared to 16,296 in the HCV program. Note that the profile of PHA households was constantly changing during this period as a result of move-ins and move-outs. As discussed in PHA's Annual Reports, new move-ins from the waiting list are overwhelmingly "extremely low" income households. In contrast, households moving out are more likely to be higher income households who "graduate" from HCV and/or move on to homeownership and other housing opportunities.

The following is a summary of the results of the rent impact analysis.

Affordability

PHA's rent policies resulted in affordable household rents in both the public housing and HCV programs. The following chart shows average Total Tenant Payment (TTP) as a percentage of Gross Income. The chart excludes households earning less than \$2,000 annually, who are subject to a minimum rent payment after a 90-day grace period and, therefore, tend to pay a higher percentage of income for TTP. See analysis of this group below under "Minimum Rent Payers". Table 1 highlights the fact that for all other households, PHA residents pay 29% or less of gross income towards rent.

**Table 1:
Total Tenant Payment As Percentage of Gross Income by Quartiles**

	2004	2005	2006	2007
Public Housing Households				
<i>Average</i>	27%	26%	26%	29%
<i>Lowest Quartile</i>	25%	26%	26%	29%
<i>Median</i>	27%	27%	27%	27%
<i>Highest Quartile</i>	28%	28%	28%	28%
Housing Choice Voucher Households				
<i>Average</i>	27%	27%	27%	28%
<i>Lowest Quartile</i>	25%	26%	26%	26%
<i>Median</i>	27%	27%	27%	27%
<i>Highest Quartile</i>	28%	28%	28%	28%

Minimum Rent Payers

Under rent simplification, the number of households reporting either zero incomes or incomes less than \$2,000 has steadily declined from 2004 to 2007. The total number has decreased from 1,364 in 2004 to 778 in 2007. This group is required to pay a \$50 minimum rent.

Household Income

Under PHA's rent simplification program, gross household incomes increased for both public housing and HCV households; however, in looking at average household income, the rate of increase for HCV households was more than twice that of public housing households. As of 2007, median income for HCV households was 7.4% greater than that of public housing households. Table 2 shows households income by quartile for HCV and public housing.

Table 2: Household Incomes

	2004	2005	2006	2007	Change 04-06
Public Housing Households					
<i>Average</i>	11,504	12,727	12,392	12,679	10.2%
<i>Lowest Quartile</i>	6,500	7,068	7,068	7,277	12.0%
<i>Median</i>	7,868	8,713	8,736	8,960	13.9%
<i>Highest Quartile</i>	14,194	16,242	15,528	15,852	11.7%

	2004	2005	2006	2007	Change 04-06
Housing Choice Voucher Households					
<i>Average</i>	10,292	10,891	11,981	12,487	21.3%
<i>Lowest Quartile</i>	5,964	6,387	7,068	7,385	23.8%
<i>Median</i>	7,873	8,268	9,288	9,620	22.2%
<i>Highest Quartile</i>	13,143	14,084	15,491	16,119	22.6%

Employment Income

Under rent simplification, employment income increased for households with at least one wage earner. The total number of HCV households with at least one wage earner increased from 4,628 to 4,900 (30% of program participants) and the number of public housing households with a wage earner increased slightly from 3,405 to 3,475 (28% of participants). As shown in Table 3, the rate of increase in income from employment for wage earning households was significantly higher in the HCV program, i.e. median employment income increased by 21.6% for HCV wage earning households compared to an 12.2% increase in the public housing program. In absolute terms, however, median income for wage earning households was higher in the public housing program than in HCV.

Table 3: Employment Incomes for Households with Wage Earner(s)

	2004	2005	2006	2007	Change 04-06
Public Housing Households					
<i>Average</i>	17,755	19,556	19,073	19,476	9.7%
<i>Lowest Quartile</i>	8,736	10,178	10,075	10,400	19.0%
<i>Median</i>	15,371	17,680	16,671	17,252	12.2%
<i>Highest Quartile</i>	23,296	25,393	25,135	25,850	11.0%
Housing Choice Voucher Households					
<i>Average</i>	14,812	15,846	17,230	17,979	21.4%
<i>Lowest Quartile</i>	8,535	9,280	10,002	10,556	23.7%
<i>Median</i>	13,728	14,721	16,077	16,691	21.6%
<i>Highest Quartile</i>	20,240	21,302	22,966	24,000	18.6%

Non Wage Earning Households

Households without wage earners were the predominate group served by PHA. Based on the current population demographics as well as the characteristics of PHA's waiting list, this situation is unlikely to change or be measurably impacted by rent simplification in the foreseeable future. For example, the total number of HCV households with either SSI or SS income increased from 8,617 to 9,567 from 2004 to 2007. Public housing households in this group increased from 7,788 to 8,209.

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Philadelphia Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving To Work Year Seven Report

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

- (1) Abide by the terms of the statement; and
- (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
- (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Carl R. Greene

Signature

X

Title

Executive Director

Date

6/24/08

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 2nd	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: U.S. Department of Housing & Urban Development	7. Federal Program Name/Description: MTW Year Six Report SEVEN REPORT CFDA Number, if applicable: 14.870	
8. Federal Action Number, if known:	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): Not Applicable	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): <div style="text-align: right; margin-top: 20px;"> Signature:  Print Name: Carl R. Greene Title: Executive Director Telephone No.: 215-684-4174 Date: 6/24/08 </div>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.		
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

Philadelphia Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving to Work Year Seven Report

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

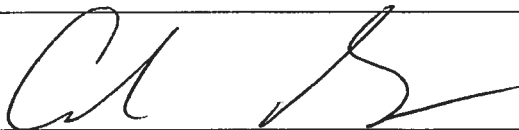
Name of Authorized Official

Carl R. Greene

Title

Executive Director

Signature



Date (mm/dd/yyyy)

6/24/08