

GUYDER HURLEY



WORCESTER HOUSING AUTHORITY Worcester, Massachusetts

FINANCIAL STATEMENTS

March 31, 2015 and 2014



ASSURANCE // ACCOUNTING // TAX // ADVISORY

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INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners
Worcester Housing Authority
Worcester, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Worcester Housing Authority, Worcester, MA, as of March 31, 2015 and 2014, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Worcester Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Worcester Housing Authority, as of March 31, 2015 and 2014, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Required Supplementary Information

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

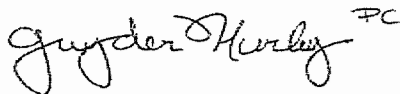
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Worcester Housing Authority's basic financial statements. The supplemental information presented on pages 22 through 38, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information presented on pages 22 through 38 and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information presented on pages 22 through 38 and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have issued our report dated October 1, 2015 on our consideration of the Worcester Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.



Quincy, Massachusetts
October 1, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

WORCESTER HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2015

The Worcester Housing Authority (the Authority) Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position and (d) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- During 2015, the Authority's net position decreased by (\$3.3) million or (5%). Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position. Total net position was \$65.9 million and \$62.5 million for 2014 and 2015, respectively.
- Revenues decreased by \$138k or .27% during 2015, and were \$51.1 million and \$50.96 million for 2014 and 2015, respectively.
- During 2015, total expenses of the Authority's programs increased by \$682k. Total expenses were \$53.6 million and \$54.3 million for 2014 and 2015, respectively.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)," "Basic Financial Statements," and "Other Required Supplementary Information:"

MD&A

~ Management's Discussion
and Analysis ~

Basic Financial Statements

~ Authority-wide Financial Statements ~
~ Notes to Financial Statements ~

Other Required Supplementary Information

~ Required Supplementary Information ~
(other than the MD&A)

WORCESTER HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS March 31, 2015

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like where all business type activities are consolidated into columns, which add up to a total for the entire Authority.

The balance sheet is prepared using the accrual basis of accounting and provides information relating to all financial and capital resources for the Authority as of the reporting date and related debts and other liabilities. The balance sheet is presented in a format where assets equal liabilities plus net assets. Assets and liabilities are presented in order of liquidity and are classified as "Current" (For accounting purposes, the term current assets is used to designate cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business), and "Non-current."

Net position (formerly net assets) represents the cumulative effect of revenue and expenses. It is also the difference between assets and liabilities. Net position is reported in three broad categories:

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

Restricted Net Position: This component of Net Position consists of restricted assets, which are assets that have constraints placed on them by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the requirements of "Net Position Invested in Capital Assets," or "Restricted Net Position."

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income; Operating Expenses, such as administrative, utilities, maintenance and depreciation; and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position," which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities and capital and related financing activities.

WORCESTER HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2015

The Authority's Funds

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

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

Low Rent Public Housing – (Asset Management Projects (AMPS)) – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income.

Public Housing Capital Fund – HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the Low Rent Public Housing Program. A portion of these funds may also be used to support operations and to make improvements in the management and operation of the Authority.

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

FSS helps eligible individuals acquire the skills and experience needed to obtain work that pays a living wage, and also offers them an opportunity to save towards home-ownership. The Authority works with welfare agencies, schools, businesses, and other local partners to help FSS participants access services including but not limited to; child care, transportation, education and training, and home-ownership counseling.

Section 8 Moderate Rehabilitation – The moderate rehabilitation program provides project-based rental assistance for low income families. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments (HAP) contract between an owner and the Authority. Under the contract, the owner receives a subsidy equal to the difference between an approved contract rent and the tenant's share of the rent determined under HUD Section 8 regulations.

Resident Opportunities and Self Sufficiency (ROSS) – ROSS links public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient. Grants are received from HUD pursuant to a detailed application submitted by the Authority.

WORCESTER HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2015

Central Office Cost Center (COCC) – This program tracks common overhead expenses incurred by the Authority. To offset these common expenses, the COCC receives monthly a property management, bookkeeping and asset management fee from the AMPs. Additionally the COCC receives from the Section 8 Housing Choice Voucher Program and from the State programs a monthly property management and bookkeeping fee.

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

State Consolidated and State Chapter 705 Housing – Under these programs, the Authority owns, operates and maintains rental housing acquired with grants from Massachusetts Department of Housing & Community Development (DHCD). Dwelling units are leased to low income tenants at rates based on their ability to pay. Operations are supported by DHCD via operating grants.

State Chapter 689 Housing – Under this program, the Authority owns operates and maintains rental housing acquired with grants from DHCD. The building is generally rented to a non-profit corporation who provides health and human resource needs to mentally disabled individuals.

Massachusetts Rental Voucher Program (MRVP) – DHCD provides grants to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority subsidizes the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a contract amount.

State Modernization Program – DHCD provides grant funds to authorities with State Consolidated units based on the Authority's application and determination of need. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the State Consolidated Housing Program.

A Better Life (ABL) – This program helps residents become self-sufficient by offering interested applicants a faster means to secure an apartment for their family compared to the standard waiting time for a public housing apartment. In return, the applicant agrees to do those things necessary to provide their family with a better life and move toward self-sufficiency and out of public housing.

WORCESTER HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2015

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

STATEMENTS OF NET POSITION March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Current Assets	\$ 17,227,441	\$ 13,381,295	\$ 3,846,146	28.74%
Capital Assets	65,506,268	69,913,272	(4,407,004)	-6.30%
Other Noncurrent Assets	<u>508,445</u>	<u>473,963</u>	<u>34,482</u>	7.28%
Total Assets	<u>83,242,154</u>	<u>83,768,530</u>	<u>(526,376)</u>	-0.63%
Current Liabilities	7,168,752	4,635,576	2,533,176	54.65%
Noncurrent Liabilities	<u>13,555,821</u>	<u>13,281,425</u>	<u>274,396</u>	2.07%
Total Liabilities	<u>20,724,573</u>	<u>17,917,001</u>	<u>2,807,572</u>	15.67%
Net Invested in Capital Assets	58,214,214	61,821,516	(3,607,302)	-5.84%
Restricted	1,583,176	1,723,380	(140,204)	-8.14%
Unrestricted (Deficit)	<u>2,720,191</u>	<u>2,306,633</u>	<u>413,558</u>	17.93%
Total Net Position	<u>\$ 62,517,581</u>	<u>\$ 65,851,529</u>	<u>\$ (3,333,948)</u>	-5.06%

For more detailed information see page 1 for the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

During 2015, current and other assets were increased by \$3,880,628 and current liabilities were increased by \$2,533,176. The current and other assets are primarily cash, investments and accounts receivable. The increase in cash, both restricted and unrestricted, explains the significant increase in current assets.

The significant increase in cash is due to decreased spending from operations, increased grant funding for large capital projects, and an increase in operating revenue and subsidy. The increase in current liabilities is due mostly to the increase in accrued liabilities and accounts payable at the end of the year for insurance, utilities, and modernization costs. The WHA was also over funded in its State conventional housing program by \$740,000 (part of the accounts payable to government at year end). All other categories in current liabilities are consistent from 2014 to 2015.

Capital assets decreased overall due to depreciation expense of \$9,774,034 in 2015. There were over \$5 million in capital additions from State and Federal Modernization projects. The purchases of equipment exceeded disposals, showing an increase of equipment for the year of \$168,000. While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted

WORCESTER HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Net Position, as presented below, provides a clearer change in financial well-being.

Statement of Revenues, Expenses and Changes in Net Position

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Revenue				
Non-operating Revenues	\$ 39,138,857	\$ 39,555,472	\$ (416,615)	-1.05%
Operating Revenues	<u>11,819,632</u>	<u>11,541,283</u>	<u>278,349</u>	2.41%
Total Revenues	<u>50,958,489</u>	<u>51,096,755</u>	<u>(138,266)</u>	-0.27%
Expenses				
Housing assistance payments	16,309,748	15,839,121	470,627	2.97%
Administration	10,675,093	10,303,907	371,186	3.60%
Repair and maintenance	8,817,206	9,187,608	(370,402)	-4.03%
Depreciation expense	9,774,034	9,249,078	524,956	5.68%
Utilities	6,424,890	6,350,993	73,897	1.16%
Tenant services	119,683	146,506	(26,823)	-18.31%
Insurance expense	721,880	926,857	(204,977)	-22.12%
Other general expenses	603,369	663,323	(59,954)	-9.04%
Protective services	499,005	447,721	51,284	11.45%
Interest expense	<u>347,529</u>	<u>494,828</u>	<u>(147,299)</u>	-29.77%
Total Expenses	<u>54,292,437</u>	<u>53,609,942</u>	<u>682,495</u>	1.27%
Change in Net Position	(3,333,948)	(2,513,187)	(820,761)	32.66%
Net Position - Beginning of Year	<u>65,851,529</u>	<u>68,364,716</u>	<u>(2,513,187)</u>	-3.68%
Net Position - End of Year	<u>\$ 62,517,581</u>	<u>\$ 65,851,529</u>	<u>\$ (3,333,948)</u>	-5.06%

Major Factors affecting the Statement of Revenue, Expenses and Changes in Net Position

Tenant revenue was constant in 2015 and only went up 1% from 2014. Federal Operating Subsidy was funded at an 88% proration during the FY 2015, compared to 86% in 2014. Capital grants spending increased on the federal side by 76% during 2015 as the authority worked on several capital projects. The last quarter of the FY the Section 8 program increased by 1,154 new vouchers and their related HAP dollars of \$1.6 million. Other income went up due to increased fraud collection on Section 8 and antenna rentals. We continue to receive utility rebates, but significantly lower than prior years. We also received a large insurance settlement from two fires. Interest income increased 20% due to an increase in available cash invested in interest bearing sweep accounts.

WORCESTER HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2015

Utility costs increased by 1%. Rising costs in water and sewer were mostly offset by reductions in contracted rates for gas and electricity that represented a significant cost savings, while the savings from our ESCO energy savings program continue to deliver consumption savings. The Authority's Section 8 program's payments to landlords increased due to the new allocation of vouchers (1,154) in the last quarter of our FY 2015, representing an 11% increase from 2014 to 2015. The financial statements in 2015 also include the revenue and related HAP expense of our portability program of \$1,240,633.

Tenant services decreased (18%) due to the reduction of both a State transitional program and resident program coordinator funds. Administrative expenses increased 6% in 2015, due to cost of living increases (3%) and related benefits and due to the addition of staff to process and administer new programs and the additional Section 8 vouchers. The Authority continues to have a GASB 45 annual cost of \$1,058,288 which affects our employee benefits costs agency-wide.

Repairs and maintenance decreased by (3%). The Authority experienced a slowdown in non-capital projects due to on-going reduced subsidy funding and utilized capital grants judiciously while rebuilding reserves. Our protective services increased by 11%; insurances decreased by (22%), due to premium rebates and a significant reduction in workmen's compensation expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end 2015, the Authority had \$65.5 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, disposals, and depreciation) of \$4.4 million, or (6.3%) from the end of last year 2014.

CAPITAL ASSETS AT YEAR-END

CAPITAL ASSET ANALYSIS

March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 2,265,587	\$ 2,265,587	\$ -	0.00%
Buildings	219,845,967	215,845,577	4,000,390	1.85%
Furniture and equipment	4,198,040	4,029,961	168,079	4.17%
Construction in progress	<u>8,490,004</u>	<u>7,167,052</u>	<u>1,322,952</u>	18.46%
Total capital assets	234,799,598	229,308,177	5,491,421	2.39%
Accumulated depreciation	<u>(169,293,330)</u>	<u>(159,394,905)</u>	<u>(9,898,425)</u>	6.21%
Capital assets, net of accumulated depreciation	<u>\$ 65,506,268</u>	<u>\$ 69,913,272</u>	<u>\$ (4,407,004)</u>	-6.30%

This year's major additions related to modernizing the Authority's Federal and State housing developments. There was an increase of equipment with new purchases which included a maintenance truck, other maintenance equipment, computers, office equipment and furnishings.

WORCESTER HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Debt Outstanding

As of year-end, the Authority had \$7.29 million in debt (bonds, notes, etc.) outstanding. The Authority has completed ESCO projects that resulted in the beginning of debt service payments in FY 2011. We paid principal payments of \$799,704 and interest payments of \$ 347,529 during FY 2015. The only debt service in the future will be related to the Federal ESCO project. The Authority will incur annual debt service payments of \$836,418 in FY 2016.

LONG TERM DEBT ANALYSIS
March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Long term debt	<u>\$ 7,292,052</u>	<u>\$ 8,091,756</u>	<u>\$ (799,704)</u>	-10%

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Labor and Industries dictate rates based on current rates in construction which can affect maintenance wage rates
- Local inflationary, residual impact from the recent recession, and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Peter Fifield, Deputy Director of Finance of the Worcester Housing Authority at (508) 635-3110. Specific requests may be submitted to the Worcester Housing Authority at 40 Belmont Street, Worcester, MA 01605.

BASIC FINANCIAL STATEMENTS

WORCESTER HOUSING AUTHORITY

STATEMENTS OF NET POSITION

March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash and cash equivalents - Note 4	\$ 13,057,392	\$ 9,594,910
Restricted cash and cash equivalents - Notes 4 & 5	2,260,140	2,413,542
Accounts receivable, net - Note 6	942,949	578,289
Prepaid expenses and other current assets	966,960	794,554
Total Current Assets	<u>17,227,441</u>	<u>13,381,295</u>
Noncurrent Assets:		
Restricted cash and cash equivalents - Notes 4 & 5	508,445	473,963
Capital assets, net of accumulated depreciation - Note 7	<u>65,506,268</u>	<u>69,913,272</u>
Total Noncurrent Assets	<u>66,014,713</u>	<u>70,387,235</u>
Total Assets	<u>83,242,154</u>	<u>83,768,530</u>
LIABILITIES		
Current Liabilities:		
Current portion of long term debt - Note 9	836,418	799,705
Accounts payable	1,110,622	142,224
Accounts payable, HUD	33,970	23,533
Accounts payable, other government	744,727	409,501
Accrued wages and current portion of compensated absences	830,872	780,292
Other current liabilities	2,157	2,187
Other accrued expenses	1,635,259	1,475,038
Unearned revenue	1,301,117	343,539
Tenant security deposits	<u>673,610</u>	<u>659,557</u>
Total Current Liabilities	<u>7,168,752</u>	<u>4,635,576</u>
Noncurrent Liabilities:		
Long term debt, net of current portion - Note 9	6,455,634	7,292,051
Accrued compensated absences, net of current portion - Note 8	262,932	245,448
Other noncurrent liabilities - Note 8	509,003	473,963
OPEB liability - Notes 8 & 12	<u>6,328,252</u>	<u>5,269,963</u>
Total Noncurrent Liabilities	<u>13,555,821</u>	<u>13,281,425</u>
Total Liabilities	<u>20,724,573</u>	<u>17,917,001</u>
NET POSITION		
Net investment in capital assets	58,214,214	61,821,516
Restricted - Note 3	1,583,176	1,723,380
Unrestricted (deficit)	<u>2,720,191</u>	<u>2,306,633</u>
Total Net Position	<u>\$ 62,517,581</u>	<u>\$ 65,851,529</u>

WORCESTER HOUSING AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Tenant rental income	\$ 10,145,260	\$ 10,029,794
Other revenue	<u>1,674,372</u>	<u>1,511,489</u>
Total Operating Revenues	<u>11,819,632</u>	<u>11,541,283</u>
OPERATING EXPENSES		
Housing assistance payments	16,309,748	15,839,121
Administration	10,675,093	10,303,907
Depreciation expense	9,774,034	9,249,078
Repair and maintenance	8,817,206	9,187,608
Utilities	6,424,890	6,350,993
Insurance expense	721,880	926,857
Other general expenses	603,369	663,323
Protective services	499,005	447,721
Tenant services	<u>119,683</u>	<u>146,506</u>
Total Operating Expenses	<u>53,944,908</u>	<u>53,115,114</u>
Operating Loss	<u>(42,125,276)</u>	<u>(41,573,831)</u>
NONOPERATING REVENUES (EXPENSES)		
HUD grants and contributions	28,544,329	28,149,723
Other government grants and contributions	4,792,919	4,660,630
Interest and investment revenue	65,401	54,160
Interest expense	<u>(347,529)</u>	<u>(494,828)</u>
Total Nonoperating Revenues	<u>33,055,120</u>	<u>32,369,685</u>
Loss before Capital Contributions and Transfers	<u>(9,070,156)</u>	<u>(9,204,146)</u>
CAPITAL CONTRIBUTIONS & TRANSFERS		
HUD capital grants and contributions	3,234,107	1,827,575
Other government capital grants and contributions	<u>2,502,101</u>	<u>4,863,384</u>
Total Capital Contributions and Transfers	<u>5,736,208</u>	<u>6,690,959</u>
Change in Net Position	(3,333,948)	(2,513,187)
Net Position - Beginning of Year	<u>65,851,529</u>	<u>68,364,716</u>
Net Position - End of Year	<u>\$ 62,517,581</u>	<u>\$ 65,851,529</u>

WORCESTER HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
For the years ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tenants	\$ 10,264,590	\$ 10,060,720
Other operating receipts	1,684,751	1,201,468
Payments to employees	(13,878,882)	(14,272,531)
Payments to suppliers	<u>(28,077,087)</u>	<u>(27,806,613)</u>
Net cash used in operating activities	<u>(30,006,628)</u>	<u>(30,816,956)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
HUD grants	29,254,166	28,237,983
Other government grants	<u>5,167,461</u>	<u>5,911,684</u>
Net cash provided by noncapital financing activities	<u>34,421,627</u>	<u>34,149,667</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Other government capital grants	2,360,242	4,791,328
HUD capital grants	3,017,183	1,843,562
Interest expense	(347,529)	(494,828)
Payments on long term debt	(799,704)	(4,268,016)
Acquisitions of capital assets	<u>(5,367,030)</u>	<u>(3,275,629)</u>
Net cash used in capital and related financing activities	<u>(1,136,838)</u>	<u>(1,403,583)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	<u>65,401</u>	<u>54,160</u>
Net cash provided by investing activities	<u>65,401</u>	<u>54,160</u>
Net increase in cash and cash equivalents	3,343,562	1,983,288
Cash and cash equivalents at beginning of year	<u>12,482,415</u>	<u>10,499,127</u>
Cash and cash equivalents at end of year	<u>\$ 15,825,977</u>	<u>\$ 12,482,415</u>

WORCESTER HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS – (Continued)
For the years ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (42,125,276)	\$ (41,573,831)
Adjustments:		
Depreciation	9,774,034	9,249,078
Change in assets and liabilities:		
(Increase) decrease in accounts receivable, tenants	10,914	(38,160)
(Increase) decrease in accounts receivable, other	151,851	(175,979)
(Increase) decrease in prepaid expenses and other current assets	(172,406)	16,228
(Decrease) increase in accounts payable	968,398	9,667
(Decrease) increase in accounts payable, other government	2	96
(Decrease) increase in compensated absences and accrued wages	68,064	(80,847)
(Decrease) increase in OPEB liability	1,058,289	986,445
(Decrease) increase in accrued expenses and other current liabilities	195,231	705,584
(Decrease) increase in tenant security deposits	14,053	55,336
(Decrease) increase in deferred operating revenue	<u>50,218</u>	<u>29,427</u>
Net cash used in operating activities	<u>\$ (30,006,628)</u>	<u>\$ (30,816,956)</u>

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 1 – ORGANIZATION

The Worcester Housing Authority (the Authority) was incorporated under the laws of the Commonwealth of Massachusetts. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate income families and elderly individuals.

The Authority maintains its accounting records by program and operates the following programs:

Low Rent Public Housing – (Asset Management Projects (AMPS)) – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income.

Public Housing Capital Fund – HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the Low Rent Public Housing Program. A portion of these funds may also be used to support operations and to make improvements in the management and operation of the Authority.

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

FSS helps eligible individuals acquire the skills and experience needed to obtain work that pays a living wage, and also offers them an opportunity to save towards home-ownership. The Authority works with welfare agencies, schools, businesses, and other local partners to help FSS participants access services including but not limited to; child care, transportation, education and training, and home-ownership counseling.

Section 8 Moderate Rehabilitation – The moderate rehabilitation program provides project-based rental assistance for low income families. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments (HAP) contract between an owner and the Authority. Under the contract, the owner receives a subsidy equal to the difference between an approved contract rent and the tenant's share of the rent determined under HUD Section 8 regulations.

Resident Opportunities and Self Sufficiency (ROSS) – ROSS links public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient. Grants are received from HUD pursuant to a detailed application submitted by the Authority.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 1 – ORGANIZATION – (Continued)

Central Office Cost Center (COCC) – This program tracks common overhead expenses incurred by the Authority. To offset these common expenses, the COCC receives monthly a property management, bookkeeping and asset management fee from the AMPs. Additionally the COCC receives from the Section 8 Housing Choice Voucher Program and from the State programs a monthly property management and bookkeeping fee.

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

State Consolidated and State Chapter 705 Housing – Under these programs, the Authority owns, operates and maintains rental housing acquired with grants from Massachusetts Department of Housing & Community Development (DHCD). Dwelling units are leased to low income tenants at rates based on their ability to pay. Operations are supported by DHCD via operating grants.

State Chapter 689 Housing – Under this program, the Authority owns operates and maintains rental housing acquired with grants from DHCD. The building is generally rented to a non-profit corporation who provides health and human resource needs to mentally disabled individuals.

Massachusetts Rental Voucher Program (MRVP) – DHCD provides grants to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority subsidizes the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a contract amount.

State Modernization Program – DHCD provides grant funds to authorities with State Consolidated units based on the Authority's application and determination of need. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the State Consolidated Housing Program.

A Better Life (ABL) – This program helps residents become self-sufficient by offering interested applicants a faster means to secure an apartment for their family compared to the standard waiting time for a public housing apartment. In return, the applicant agrees to do those things necessary to provide their family with a better life and move toward self-sufficiency and out of public housing.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Authority's financial statements include the accounts of all of the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based on the aforementioned criteria, the Authority has no component units.

B. Basis of Presentation and Accounting

The Authority is a special-purpose government entity engaged only in business-type activities and, as such, the financial statements are presented as a single enterprise fund.

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34") and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* ("GASB 63"). GASB 34 and GASB 63 require 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 Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. GASB 34 requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information. GASB 63 requires the Authority to report deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Grants received in advance of expenditures are recorded as a liability until earned.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. Actual amounts could differ from those estimates.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions and other debt securities that are readily convertible into cash and purchased with original maturities of three months or less. Also included in cash equivalents are non-negotiable certificates of deposits, recorded at cost in accordance with GASB 31.

D. Accounts Receivable

Accounts receivable from tenants are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts receivable. Accounts receivable from tenants are written off with board approval when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Allowances for other non-tenant receivables are reviewed annually. See Note 6 for details of accounts receivable and allowances at year end.

E. Capital Assets

Capital assets include property, furniture, equipment and machinery with initial, individual costs that equal or exceed \$500 and estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land and Building Improvements	10-15 years
Furniture, Equipment and Machinery	3-7 years

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. Compensated Absences

The Authority's policy allows employees between 5 days and 25 days of vacation leave depending on longevity. Sick leave is provided to all employees at the rate of 7.5 to 15 days per year depending on employment status. Employees are permitted to accumulate and carry over an unlimited number of sick days to the next fiscal year. An employee may carry over no more than the total number of days of vacation leave to which the employee is annually entitled into the next vacation year. Personal time is provided to all employees at the rate of 2 to 4 days per year depending on employment status. Employees may carry forward to the next fiscal year 1 personal day. Upon retirement, employees will be reimbursed for all unused vacation, personal and up to 60 days of sick leave. Upon separation from the Authority for any other reason, employees will be reimbursed for all unused vacation and personal time only. Total accrued compensated absences at March 31, 2015 and 2014 aggregated \$806,609 and \$789,245, respectively.

G. Operating Revenues and Expenses

GASB 34 paragraph 102 requires governments to establish a policy that defines operating revenues and expenses. The Authority uses the criteria prescribed in GASB 9 paragraphs 17 and 18 for cash flows to determine operating revenues and expenses. Operating revenue includes rental income, management services provided and all other revenue relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities. Operating expenses include wages, housing assistance payments, utilities, maintenance, depreciation of capital assets, administrative expenses and all other expenses relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities.

H. Reclassifications

Certain amounts for the year ended March 31, 2014 have been reclassified to conform with the presentation of the March 31, 2015 amounts. The reclassifications have no effect on the net income for the year ended March 31, 2014.

NOTE 3 – NET POSITION: RESTRICTED

At March 31, 2015 and 2014, restrictions of \$1,583,176 and \$1,723,380, respectively, represent the net position restricted by HUD related to the Housing Choice Voucher Program to be used for future HAP payments.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 4 – CASH AND INVESTMENT DEPOSITS

GASB standards require that cash and investment deposits with financial institutions be classified into one of the following four categories:

Category A – Insured

Category B – Collateralized, with securities held by the entity or by its agent in the entity's name.

Category C – Collateralized, with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category D – Non-collateralized (Includes any bank balance collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name.)

The Authority has adopted HUD's Investment Regulation PIH 1996-33 as its investment policy. HUD regulations require that all HUD deposits in financial institutions and investments be fully insured or collateralized, (category A, B or C) by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. The policy also requires that investments not have a maturity period longer than three years.

Custodial Credit Risk – Cash Deposits

In the case of cash deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk, except ensuring that it follows the HUD regulations for federal deposits as detailed in a prior paragraph. At March 31, 2015, the Authority's cash deposits of \$15,825,977 were fully insured or collateralized.

The Authority notes that in accordance with GASB 40, the disclosures for all types of cash deposits with a financial institution, whether categorized as cash and cash equivalents or as investments are the same and have been reported and disclosed accordingly in the previous section of the note.

NOTE 5 – RESTRICTIONS ON CASH, CASH EQUIVALENTS AND INVESTMENTS

The current restricted cash and cash equivalents balance consists of funds in the Housing Choice Voucher Program restricted by HUD for future HAP payments and funds held in escrow as tenant security deposits. The non-current restricted cash and cash equivalents balance consists of fund held in escrow for participants in the Federal Family Self Sufficiency Program. These amounts support either a corresponding liability or restricted net position. At March 31, 2015 and 2014, restricted cash was categorized as follows:

<u>Category of Restriction</u>	<u>2015</u>	<u>2014</u>
HAP Reserves	\$ 1,583,176	\$ 1,746,913
FSS Escrow	508,445	481,035
Tenant Security Deposits	<u>676,964</u>	<u>659,557</u>
Total	<u>\$ 2,768,585</u>	<u>\$ 2,887,505</u>

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS **March 31, 2015 and 2014**

NOTE 6 – ACCOUNTS RECEIVABLE

The following is a detail listing of receivables for the Authority including the applicable allowances for uncollectible accounts at March 31, 2015 and 2014.

<u>Category of Receivable</u>	<u>2015</u>	<u>2014</u>
HUD	\$ 538,420	\$ 211,363
Other Government	320,964	120,596
PHA Projects	2,258	2,003
Miscellaneous	39,109	191,215
Tenants	<u>117,958</u>	<u>135,298</u>
Gross Receivables	1,018,709	660,475
Allowance - Tenants	<u>(75,760)</u>	<u>(82,186)</u>
Net Receivables	<u>\$ 942,949</u>	<u>\$ 578,289</u>

NOTE 7 – CAPITAL ASSETS

The following is a summary of changes in capital assets and related accumulated depreciation.

	<u>3/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>3/31/2015</u>
Capital assets not being depreciated				
Land	\$ 2,265,587	\$ -	\$ -	\$ 2,265,587
Construction in Progress	<u>7,268,878</u>	<u>5,112,072</u>	<u>(3,890,946)</u>	<u>8,490,004</u>
Total capital assets not being depreciated	<u>9,534,465</u>	<u>5,112,072</u>	<u>(3,890,946)</u>	<u>10,755,591</u>
Other Capital Assets				
Buildings	215,955,021	3,890,946	-	219,845,967
Furniture, equipment & machinery	<u>3,946,361</u>	<u>254,958</u>	<u>(3,279)</u>	<u>4,198,040</u>
Total other capital assets	<u>219,901,382</u>	<u>4,145,904</u>	<u>(3,279)</u>	<u>224,044,007</u>
Less accumulated depreciation				
Buildings	156,066,656	9,470,510	-	165,537,166
Furniture, equipment & machinery	<u>3,455,919</u>	<u>303,524</u>	<u>(3,279)</u>	<u>3,756,164</u>
Total accumulated depreciation	<u>159,522,575</u>	<u>9,774,034</u>	<u>(3,279)</u>	<u>169,293,330</u>
Capital Assets Net	<u>\$ 69,913,272</u>	<u>\$ (516,058)</u>	<u>\$ (3,890,946)</u>	<u>\$ 65,506,268</u>
Depreciation expense was charged to:				
Low Rent		<u>\$ 5,063,870</u>		
Housing Choice Voucher		<u>\$ 21,043</u>		
State/Local		<u>\$ 4,614,734</u>		
COCC		<u>\$ 74,387</u>		

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 8 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended March 31, 2015 is as follows:

	<u>3/31/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amount due within one year</u>	<u>3/31/2015</u>
Compensated Absences	\$ 789,245	\$ 873,021	\$ (855,657)	\$ (543,677)	\$ 262,932
FSS Escrow	473,963	71,290	(39,908)	-	505,345
OPEB Liability	<u>5,269,963</u>	<u>1,604,478</u>	<u>(546,189)</u>	<u>-</u>	<u>6,328,252</u>
Total	<u>\$ 6,533,171</u>	<u>\$ 2,548,789</u>	<u>\$ (1,441,754)</u>	<u>\$ (543,677)</u>	<u>\$ 7,096,529</u>

NOTE 9 – LONG TERM DEBT

Long term debt activity for the year ended March 31, 2015 is as follows:

	<u>3/31/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amount due within one year</u>	<u>3/31/2015</u>
Capital Lease	<u>\$ 8,091,756</u>	<u>\$ -</u>	<u>\$ (799,704)</u>	<u>\$ (836,418)</u>	<u>\$ 6,455,634</u>

In November of 2009, the Authority entered into a lease agreement, with the approval of HUD, with Bank of America, NA Leasing to purchase energy efficient equipment through a capital lease agreement to be installed in several federal housing developments. The Authority has pledged future revenues as collateral and the lessor retains a security interest in the equipment being leased. Interest in all of the equipment subject to the lease will be conveyed to the Authority upon full payment of the lease. The Authority may not sublease the equipment. The lease is being paid in monthly installments of principal and interest, of \$95,603, over a period of twelve years and at an effective interest rate of 4.60% per annum. The lease term expire in September of 2022. Interest expense incurred on the lease for the years ended March 31, 2015 and 2014 was \$347,529 and \$382,630, respectively.

Amortization of assets under capital lease is included in depreciation expense. The costs of these assets under capital lease are included on the Balance Sheet as Capital Assets and were \$10,218,919 at March 31, 2015 and 2014. Accumulated amortization of the leased assets at March 31, 2015 and 2014 was \$2,038,112 and \$1,527,166, respectively. The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of March 31, 2015, are as follows:

<u>Year</u>	
2016	\$ 1,147,233
2017	1,147,233
2018	1,147,233
2019	1,147,233
2020	1,147,233
2021-2025	<u>2,868,083</u>
Total minimum lease payments	8,604,248
Less: Amount representing interest	<u>1,312,196</u>
Present value of net minimum lease payments	7,292,052
Less: Current maturities of capital lease obligations	<u>836,418</u>
Long-term capital lease obligations	<u>\$ 6,455,634</u>

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 10 – REAL ESTATE TAXES

Property owned by the Authority is exempt from both federal and local real estate taxes. State funded scattered site units make payments in lieu of real estate taxes equal to $\frac{1}{2}$ of the Municipality's tax rate plus \$100 multiplied by the number of available bedrooms. State funded family properties make payments in lieu of real estate taxes equal to \$3 per unit per month. The payment in lieu of taxes for the years ended March 31, 2015 and 2014 aggregated \$5,982 and \$5,980, respectively.

NOTE 11 – WORCESTER RETIREMENT SYSTEM (WRS) and OTHER PLANS

A. Plan Description and Membership

The Authority provides pension benefits to certain employees through the WRS, a cost-sharing, multiple-employer public employee retirement system regulated by the Public Employee Retirement Administration Commission (PERAC). The plan is a defined benefit plan. Participation is mandatory for all full time employees of the Authority. The retirement plan is a pooled risk type of plan. Under this type of plan, funding is determined based on all employees covered for all employing units. The funding liabilities are shared by each employing unit pro-rata based on the number of employees in the employing unit. Since the Authority's share of pension liability is not based on their employees, pension expense is determined by the total required payment to be made to the retirement plan for the year. The WRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to WRS, City Hall Room 103; 455 Main Street, Worcester, MA 01608 or by calling (508) 799-1062.

B. Significant Plan Provisions and Requirements

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

C. Funding Policy

Depending on their employment date, active Plan members must contribute either 5%, 7%, 8%, or 9% of their gross regular compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. These deductions earn interest at a rate determined by PERAC that vests based upon years of service. Member employers are required to contribute the remaining amounts necessary to finance benefits, except for certain cost-of-living adjustments (COLAs) granted before July 1, 1998, which are reimbursed by the Commonwealth. The current and two preceding years' apportionment of the annual pension cost between the employers required the Authority to contribute approximately 4.5% of the total.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 11 – WORCESTER RETIREMENT SYSTEM (WRS) and OTHER PLANS – (Continued)

D. Annual Pension Cost

The Authority's required and actual contributions to WRS for the years ended March 31, 2015 and 2014 were \$3,176,229 and \$3,333,308, respectively. Employee contributions for the same periods were \$824,217 and \$802,359, respectively.

The Authority also provides to employees a separate deferred compensation plan in accordance with IRC §457. The plan is open to all employees. Employee contributions for 2015 and 2014 were \$112,135 and \$143,911, respectively. There were no employer contributions.

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The Authority provides comprehensive medical insurance, both with and without Medicare coordination, and life insurance to its employees who meet certain eligibility requirements. Employees are eligible for postretirement benefits if he/she has reached the age of 55 as an active employee and completed 10 years of service.

All active employees who retire from the Authority and meet the eligibility criteria will receive these benefits. The duration of these benefits is for the employee's lifetime. Under this cost sharing plan, these benefits cover 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for both individuals and family members (percentages represent the employees' portion).

The face value of each life insurance policy is \$5,000. Life insurance benefits do not apply to family members, this benefit covers 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for individuals.

Currently, there are 155 active employees and 74 retired employees enrolled in the plan.

B. Funding Policy

The Authority is not required by law or contractual agreement to provide funding for the Plan other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. For the fiscal years ended March 31, 2015 and 2014, the Authority paid \$546,189 and \$553,937, respectively, on behalf of the Plan.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS – (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

The Authority's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount that was actuarially determined by using the Actuarial Cost Method (one of the actuarial cost methods in accordance with the parameters of GASB Statement No. 45). Under this method, the normal cost and actuarial accrued liability are both based on an accrual of projected benefits over the period for which benefits are accrued. The normal cost is the actuarial present value of one year's benefit accrual on this basis. The actuarial accrued liability is the actuarial present value of the projected benefit time the ratio of past service to total service. Under this method, the Actuarial Gains (losses), are calculated each year and amortized over the minimum and maximum periods allowed by law from the year of such gains or losses. All employees who are plan participants on a valuation date are included in the actuarial valuation. The following table shows the elements of the Authority's annual OPEB cost for the year, the amount actually paid on behalf of the Plan, and changes in the Authority's net OPEB obligation to the Plan for the fiscal years ended March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 1,396,979	\$ 1,370,850
Amortization of Actuarial (Gains)/Losses	289,159	236,380
Interest on Net OPEB obligation	209,307	171,340
Adjustment to ARC	<u>(290,967)</u>	<u>(238,188)</u>
Annual OPEB expense	1,604,478	1,540,382
Contributions made	<u>(546,189)</u>	<u>(553,937)</u>
Increase in net OPEB obligation	1,058,289	986,445
Net OPEB obligation - beginning of year	<u>5,269,963</u>	<u>4,283,518</u>
Net OPEB obligation - end of year	<u>\$ 6,328,252</u>	<u>\$ 5,269,963</u>

D. Funding Status and Funding Progress

As of April 1, 2013, the most recent actuarial valuation date, the Plan was 0.0% funded. The actuarial accrued liability for benefits was \$16,314,154 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,314,154. The covered payroll (annual payroll of active employees covered by the Plan) was \$9,483,349, and the ratio of the UAAL to the covered payroll was 172.0%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information, presents the results of OPEB valuations as of April 1, 2008 and multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS – (Continued)

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

<i>Valuation Date:</i>	April 1, 2013
<i>Discount Rate:</i>	4.0% per annum (assuming no prefunding)
<i>Mortality Rates:</i>	RP-2000 Combined Healthy Mortality Table
<i>Withdrawal Rates:</i>	Plan participants are expected to withdraw from the plan at a decreasing rate, based on years of service, from 15.0% at 1 year of service to 0% at 30 years of service.
<i>Retirement Rates:</i>	Plan participants are expected to retire at an increasing rate based on age and gender. Males are expected to retire at a rate of 2% for those aged 55 years, to 100% for those aged 70 years. Females are expected to retire at a rate of 5.5% for those aged 55 years, to 100% for those aged 70 years.
<i>General Inflation Assumption:</i>	2.5% per annum
<i>Annual Compensation Increases:</i>	3.0% per annum
<i>Actuarial Value of Assets:</i>	Market Value
<i>Amortization of UAAL:</i>	Amortized as level dollar amount over 30 years at transition.
<i>Remaining Amortization Period:</i>	25 years at April 1, 2013
<i>Health Care Cost Trend Rate:</i>	Covered medical expenses are assumed to increase at a decreasing rate, from 9% in 2010 to 5% in 2015.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS – (Continued)

F. Effect of Changes in Assumptions

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase to \$19,696,341 or by 20.7% and the corresponding Normal Cost would increase to \$859,911 or by 35.0%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Actuarial Accrued Liability would decrease to \$13,631,803 or by 16.4% and the corresponding Normal Cost would decrease to \$471,627 or by 25.9%.

NOTE 13 – RISK MANAGEMENT

Litigation

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the Authority.

Grants

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE 14 – IMPAIRMENT OF CAPITAL ASSETS

Government Accounting Standards Boards “Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries” requires certain note disclosures regarding impairments of capital assets. For the year ended December 31, 2013, there were no permanent impairments experienced by the Authority that required material adjustments to the Statement of Net Position.

NOTE 15 – ECONOMIC DEPENDENCY

The Authority’s state and federal programs are economically dependent on grants and annual contributions from DHCD and HUD, respectively. These programs operate at a loss prior to receiving these grants and contributions.

WORCESTER HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 17 – SUBSEQUENT EVENTS

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through October 1, 2015 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

WORCESTER HOUSING AUTHORITY

**SCHEDULE OF FUNDING PROGRESS
For the period ended March 31, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
4/1/2008	\$ -	\$ 13,352,675	\$ 13,352,675	0%	\$ 8,808,465	151.6%
4/1/2009	\$ -	\$ 13,820,766	\$ 13,820,766	0%	\$ 9,073,000	152.3%
4/1/2010	\$ -	\$ 14,268,517	\$ 14,268,517	0%	\$ 9,345,000	152.7%
4/1/2011	\$ -	\$ 13,966,961	\$ 13,966,961	0%	\$ 8,479,754	164.7%
4/1/2012	\$ -	\$ 14,602,839	\$ 14,602,839	0%	\$ 8,734,147	167.2%
4/1/2013	\$ -	\$ 16,314,154	\$ 16,314,154	0%	\$ 9,483,349	172.0%
4/1/2014	\$ -	\$ 17,014,110	\$ 17,014,110	0%	\$ 9,079,423	187.4%

Schedule of Contributions

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Contributions	Increase in Net OPEB Obligation
March 31, 2015	\$ 1,604,478	34.0%	\$ 1,058,289
March 31, 2014	\$ 1,540,382	36.0%	\$ 986,445
March 31, 2013	\$ 1,363,822	33.7%	\$ 904,150
March 31, 2012	\$ 1,354,776	34.3%	\$ 889,480
March 31, 2011	\$ 1,244,326	33.0%	\$ 833,293
March 31, 2010	\$ 1,244,326	33.1%	\$ 832,261
March 31, 2009	\$ 1,244,326	33.8%	\$ 824,334

SUPPLEMENTAL INFORMATION

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008	MA012000011
111	Cash - Unrestricted	1,543,858	93,112	350,750	413,313	379,927	704,636	202,711
113	Cash - Other Restricted	106,980	16,617	-	-	-	-	-
114	Cash - Tenant Security Deposits	206,135	10,619	32,302	33,232	40,133	557	22,107
100	Total Cash	1,856,973	120,348	383,052	446,545	420,060	705,193	224,818
121	Accounts Receivable - PHA Projects	274	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	328,851	-	-	-	-	-	-
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	30,000	625	733	-	1,670	692	1,145
126	Accounts Receivable - Tenants	25,449	399	3,883	3,929	5,576	1,737	808
126.1	Allowance for Doubtful Accounts - Tenants	(24,760)	(135)	(3,087)	(2,303)	(6,475)	(1,448)	(862)
127	Notes, Loans, & Mortgages Receivable - Current	11,183	-	-	-	3,391	-	-
128	Fraud Recovery	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	370,997	889	1,529	1,626	4,162	981	1,091
142	Prepaid Expenses and Other Assets	54,816	2,532	5,731	9,501	16,606	11,946	5,255
143	Inventories	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-
144	Inter Program Due From	47,250	7,350	5,418	4,866	6,697	3,847	3,269
150	Total Current Assets	2,330,036	131,119	395,730	462,538	447,525	721,967	234,433
161	Land	-	32,500	128,500	30,200	196,424	175,000	28,000
162	Buildings	34,933,834	3,388,700	6,175,086	6,517,393	12,197,534	10,978,394	4,032,749
164	Furniture, Equipment & Machinery - Administration	2,437,536	-	7,620	40,180	56,822	273,862	2,211
166	Accumulated Depreciation	(29,490,720)	(2,281,743)	(5,472,432)	(6,289,855)	(9,641,257)	(9,790,832)	(3,283,383)
167	Construction in Progress	833,746	637,150	526,357	76,446	194,146	57,442	240,340
160	Total Capital Assets, Net of Accumulated Depreciation	8,714,396	1,776,607	1,365,131	374,364	3,003,669	1,693,866	1,019,917
180	Total Non-Current Assets	8,714,396	1,776,607	1,365,131	374,364	3,003,669	1,693,866	1,019,917
200	Deferred Outflow of Resources	-	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	11,044,432	1,907,726	1,760,861	836,902	3,451,194	2,415,833	1,254,350
312	Accounts Payable <= 90 Days	58,089	-	100	2,177	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	37,560	3,288	10,170	10,242	17,959	6,532	8,270
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008	MA012000011
333	Accounts Payable - Other Government	-	-	-	-	-	-	-
341	Tenant Security Deposits	207,350	10,619	32,302	33,232	40,133	557	22,107
342	Unearned Revenue	401,457	15,854	38,590	46,080	59,757	68,978	27,457
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	308,638	33,457	58,549	16,728	75,278	33,457	25,093
345	Other Current Liabilities	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	170,006	8,011	12,548	13,635	20,757	15,871	24,037
347	Inter Program - Due To	-	-	-	-	-	-	-
310	Total Current Liabilities	1,183,100	71,229	152,259	122,094	213,884	125,395	106,964
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,879,454	314,741	491,295	118,523	631,083	299,477	205,800
353	Non-current Liabilities - Other	106,980	16,617	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	29,249	1,811	3,121	5,796	5,671	5,842	4,618
357	Accrued Pension and OPEB Liabilities	859,950	76,612	101,295	132,891	185,819	130,491	122,020
350	Total Non-Current Liabilities	2,875,633	409,781	595,711	257,210	822,573	435,810	332,438
300	Total Liabilities	4,058,733	481,010	747,970	379,304	1,036,457	561,205	439,402
400	Deferred Inflow of Resources	-	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	6,526,304	1,428,408	815,286	239,113	2,297,308	1,360,931	789,024
511.4	Restricted Net Position	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	459,395	(1,692)	197,605	218,485	117,429	493,697	25,924
513	Total Equity - Net Assets / Position	6,985,699	1,426,716	1,012,891	457,598	2,414,737	1,854,628	814,948
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	11,044,432	1,907,726	1,760,861	836,902	3,451,194	2,415,833	1,254,350
70300	Net Tenant Rental Revenue	1,951,322	148,399	400,638	385,700	516,069	770,446	216,615
70400	Tenant Revenue - Other	66,786	1,280	4,489	4,931	4,410	7,360	(1,132)
70500	Total Tenant Revenue	2,018,108	149,679	405,127	390,631	520,479	777,806	215,483
70600	HUOD PHA Operating Grants	4,437,449	179,349	372,188	484,790	680,143	590,532	276,055
70610	Capital Grants	511,189	6,907	7,352	19,212	50,733	18,745	345
70800	Other Government Grants	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	5,570	1,039	1,767	1,543	1,196	5,118	689
71400	Fraud Recovery	-	-	-	-	-	-	-
71500	Other Revenue	534,145	4,933	9,888	13,856	96,764	141,462	2,722
70000	Total Revenue	7,506,461	341,907	796,322	910,032	1,349,315	1,533,663	495,294

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008	MA012000011
91100	Administrative Salaries	493,478	24,788	48,304	62,260	150,589	70,834	48,134
91200	Auditing Fees	1,650	146	358	394	518	584	168
91300	Management Fee	766,595	42,755	103,464	111,178	150,256	170,661	47,009
91310	Book-keeping Fee	46,470	4,448	10,763	11,565	15,630	17,753	4,890
91400	Advertising and Marketing	372	27	65	73	97	110	31
91500	Employee Benefit contributions - Administrative	370,123	32,818	54,106	61,955	87,897	56,492	62,161
91600	Office Expenses	41,660	1,413	4,224	7,398	12,634	6,314	892
91700	Legal Expense	44,297	1,815	7,150	10,773	25,317	23,595	3,575
91800	Travel	7,853	587	842	717	816	1,016	634
91900	Other	57,125	6,859	16,786	18,127	24,085	25,675	9,780
91000	Total Operating - Administrative	1,829,623	115,656	246,062	284,440	467,839	373,034	177,274
92000	Asset Management Fee	-	-	14,520	15,720	21,120	23,880	6,600
92400	Tenant Services - Other	5,442	736	530	1,780	1,476	1,612	-
92500	Total Tenant Services	5,442	736	530	1,780	1,476	1,612	-
93100	Water	566,158	24,366	46,867	52,608	78,491	49,123	72,935
93200	Electricity	649,382	33,251	64,797	82,605	119,614	284,816	7,134
93300	Gas	444,377	28,502	69,000	54,422	96,123	23,930	55,982
93000	Total Utilities	1,659,917	86,119	180,664	189,635	294,228	357,869	136,051
94100	Ordinary Maintenance and Operations - Labor	627,988	50,980	99,271	89,914	137,921	108,938	122,610
94200	Ordinary Maintenance and Operations - Materials and Other	347,188	7,809	15,851	29,333	48,774	41,995	29,163
94300	Ordinary Maintenance and Operations Contracts	814,442	34,927	103,252	109,230	154,914	104,701	85,680
94500	Employee Benefit Contributions - Ordinary Maintenance	424,765	37,631	62,009	71,012	100,688	64,730	71,242
94000	Total Maintenance	2,214,383	131,347	280,383	299,489	442,297	320,364	308,695
95100	Protective Services - Labor	-	-	-	-	128,361	-	-
95200	Protective Services - Other Contract Costs	215,405	203	-	38,241	3,262	-	-
95300	Protective Services - Other	10,385	919	2,252	2,481	-	3,676	1,057
95000	Total Protective Services	225,790	1,122	2,252	40,722	131,623	3,676	1,057
96140	All Other Insurance	130,179	8,868	19,227	22,310	38,745	31,893	13,145
96100	Total Insurance Premiums	130,179	8,868	19,227	22,310	38,745	31,893	13,145
96200	Other General Expenses	-	-	-	-	-	-	-
96210	Compensated Absences	10,572	-	1,618	-	1,409	231	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-
96400	Bad debt - Tenant Rents	31,566	(229)	4,024	3,085	7,347	4,926	(230)

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008	MA012000011
96000	Total Other General Expenses	42,138	(229)	5,642	3,085	8,756	5,157	(230)
96720	Interest on Notes Payable (Short and Long Term)	128,238	13,901	24,327	6,951	31,277	13,901	10,426
96700	Total Interest Expense and Amortization Cost	128,238	13,901	24,327	6,951	31,277	13,901	10,426
96900	Total Operating Expenses	6,235,710	357,520	773,607	864,132	1,437,361	1,131,386	653,018
97000	Excess of Operating Revenue over Operating Expenses	1,270,751	(15,613)	22,715	45,900	(88,046)	402,277	(157,724)
97100	Extraordinary Maintenance	579,649	1,433	2,299	5,480	14,666	1,693	820
97200	Casualty Losses - Non-capitalized	(309)	52	560	182	-	342	50
97300	Housing Assistance Payments	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-
97400	Depreciation Expense	1,332,147	120,723	105,822	77,560	419,588	305,367	110,192
90000	Total Expenses	8,147,197	479,728	882,288	947,354	1,871,615	1,438,788	764,080
10010	Operating Transfer In	639,725	-	-	-	-	-	-
10020	Operating transfer Out	(639,725)	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	500,000	50,000	100,000	-	150,000	-	200,000
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	(275,000)	-
10093	Transfers between Program and Project - In	500,000	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	1,000,000	50,000	100,000	-	150,000	(275,000)	200,000
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	359,264	(87,821)	14,034	(37,322)	(372,300)	(180,125)	(68,786)
11020	Required Annual Debt Principal Payments	295,092	31,988	55,979	15,994	71,974	31,988	23,991
11030	Beginning Equity	6,626,435	1,514,537	998,857	494,920	2,787,037	2,034,753	883,734
11190	Unit Months Available	6,348	600	1,452	1,584	2,112	2,388	660
11210	Number of Unit Months Leased	6,196	593	1,435	1,542	2,084	2,367	652
11270	Excess Cash	443,925	(46,512)	68,619	254,980	(58,235)	563,181	64,815
11620	Building Purchases	511,189	6,907	7,352	19,212	101,466	18,745	345

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	MA012000012	MA012000013	MA012000017	MA012000018	MA012000019	MA012000020	MA012000021	MA012000022
111	Cash - Unrestricted	521,955	1,451,212	114,124	714,838	100,024	409,626	137,153	86,080
113	Cash - Other Restricted	-	-	-	-	-	6,334	-	-
114	Cash - Tenant Security Deposits	40,120	2,856	12,349	1,270	10,875	72,592	11,706	6,427
100	Total Cash	562,075	1,454,068	126,473	716,108	110,899	488,552	148,859	92,507
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	1,984
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	801	-	195	-	2	-	1,145
126	Accounts Receivable - Tenants	4,308	2,733	6,991	3,639	596	3,569	996	-
126.1	Allowance for Doubtful Accounts - Tenants	(2,921)	(1,697)	(4,692)	(3,369)	(298)	(4,922)	-	(264)
127	Notes, Loans, & Mortgages Receivable - Current	-	-	1,328	-	-	8,467	-	-
128	Fraud Recovery	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	1,387	1,837	3,627	465	298	7,116	996	2,865
142	Prepaid Expenses and Other Assets	14,325	28,298	1,503	10,752	1,884	12,730	5,559	2,011
143	Inventories	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-
144	Inter Program Due From	5,659	12,435	3,771	4,470	1,826	10,877	3,170	195
150	Total Current Assets	583,446	1,496,638	135,374	731,795	114,907	519,275	158,584	97,578
161	Land	87,500	235,606	32,200	237,974	131,038	161,000	252,470	32,450
162	Buildings	11,724,633	25,308,550	1,843,734	18,481,295	2,257,311	5,048,496	4,364,401	642,600
164	Furniture, Equipment & Machinery - Administration	313,100	126,173	-	44,658	-	29,495	15,173	1,861
166	Accumulated Depreciation	(10,459,408)	(22,413,877)	(1,444,608)	(13,030,471)	(1,358,948)	(3,346,068)	(2,616,389)	(556,068)
167	Construction in Progress	551,563	1,371,674	7,437	68,406	121,634	19,295	272,564	215,269
160	Total Capital Assets, Net of Accumulated Depreciation	2,217,388	4,628,126	438,763	5,801,862	1,151,035	1,912,218	2,288,219	336,112
180	Total Non-Current Assets	2,217,388	4,628,126	438,763	5,801,862	1,151,035	1,912,218	2,288,219	336,112
200	Deferred Outflow of Resources	-	-	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	2,800,834	6,124,764	574,137	6,533,657	1,265,942	2,431,493	2,446,803	433,690
312	Accounts Payable <= 90 Days	1,322	567	587	-	171	-	1,171	-
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
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FDS Line Item	Description	MA012000012	MA012000013	MA012000017	MA012000018	MA012000019	MA012000020	MA012000021	MA012000022
322	Accrued Compensated Absences - Current Portion	7,254	19,914	3,890	13,426	5,221	15,140	2,687	6,040
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	40,120	2,856	12,349	1,270	10,875	72,592	11,706	6,427
342	Unearned Revenue	60,322	162,385	16,408	81,797	9,073	99,821	14,766	7,151
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	33,457	108,734	836	142,191	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	18,162	44,695	8,567	16,771	6,774	43,547	4,403	4,345
347	Inter Program - Due To	-	-	-	-	-	-	-	-
310	Total Current Liabilities	160,637	339,151	42,637	255,455	32,114	231,100	34,733	23,963
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	297,899	931,097	7,993	1,278,272	-	-	-	-
353	Non-current Liabilities - Other	-	-	-	-	-	6,333	-	-
354	Accrued Compensated Absences - Non Current	4,040	10,031	1,043	14,653	4,765	9,082	2,197	3,427
357	Accrued Pension and OPEB Liabilities	160,025	342,776	30,191	132,858	35,916	108,647	31,115	34,312
350	Total Non-Current Liabilities	461,964	1,283,904	39,227	1,425,783	40,681	124,062	33,312	37,739
300	Total Liabilities	622,601	1,623,055	81,864	1,681,238	72,795	355,162	68,045	61,702
400	Deferred Inflow of Resources	-	-	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	1,886,033	3,588,294	429,933	4,381,399	1,151,035	1,912,218	2,288,219	336,112
511.4	Restricted Net Position	-	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	292,200	913,415	62,340	471,020	42,112	164,113	90,539	35,876
513	Total Equity - Net Assets / Position	2,178,233	4,501,709	492,273	4,852,419	1,193,147	2,076,331	2,378,758	371,988
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	2,800,834	6,124,764	574,137	6,533,657	1,265,942	2,431,493	2,446,803	433,690
70300	Net Tenant Rental Revenue	567,179	1,472,084	56,107	654,022	135,550	646,171	199,201	135,533
70400	Tenant Revenue - Other	4,267	9,793	(15,351)	6,960	35	(1,075)	40	1,400
70500	Total Tenant Revenue	571,446	1,481,877	40,756	660,982	135,585	645,096	199,241	136,933
70600	HUD PHA Operating Grants	631,861	1,453,876	130,260	918,122	117,849	855,678	138,428	135,177
70610	Capital Grants	49,161	1,739,895	157	11,964	4,867	14,928	392,712	2,219
70800	Other Government Grants	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	1,252	5,456	969	3,495	3,282	1,241	1,717	1,597

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
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FDS Line Item	Description	MA012000012	MA012000013	MA012000017	MA012000018	MA012000019	MA012000020	MA012000021	MA012000022
71400	Fraud Recovery	-	-	-	-	-	-	-	-
71500	Other Revenue	45,040	284,396	220	49,796	5,805	15,916	6,379	4,927
70000	Total Revenue	1,298,760	4,965,500	172,362	1,644,359	267,388	1,532,859	738,477	280,853
91100	Administrative Salaries	140,707	194,133	36,679	66,107	3,225	53,522	21,338	46,333
91200	Auditing Fees	489	1,270	73	577	146	599	197	131
91300	Management Fee	141,028	368,071	22,856	165,830	41,458	170,661	54,580	37,853
91310	Book-keeping Fee	14,670	38,288	2,378	17,250	4,313	17,753	5,678	3,938
91400	Advertising and Marketing	92	252	15	106	27	111	35	24
91500	Employee Benefit contributions - Administrative	78,983	130,351	13,348	71,729	20,662	103,065	12,022	25,069
91600	Office Expenses	8,830	15,203	183	14,088	3,903	12,884	3,810	1,663
91700	Legal Expense	33,963	27,957	770	6,688	385	22,377	2,720	3,218
91800	Travel	1,592	6,357	190	1,195	264	1,970	401	298
91900	Other	23,113	59,680	3,743	25,842	6,761	28,836	9,667	6,183
91000	Total Operating - Administrative	443,467	841,562	80,235	369,412	81,144	411,778	110,448	124,710
92000	Asset Management Fee	19,680	51,720	3,240	23,160	6,000	24,480	7,920	5,280
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	1,463	3,635	-	2,386	304	415	498	223
92500	Total Tenant Services	1,463	3,635	-	2,386	304	415	498	223
93100	Water	76,604	150,275	38,470	75,521	15,373	210,444	17,199	23,827
93200	Electricity	237,974	395,277	5,871	363,173	22,754	72,331	21,561	31,600
93300	Gas	37,983	126,610	-	41,630	13,812	163,389	21,038	32,033
93000	Total Utilities	352,561	672,162	44,341	480,324	51,939	446,164	59,798	87,460
94100	Ordinary Maintenance and Operations - Labor	120,618	223,083	21,394	107,259	42,005	162,172	14,923	39,976
94200	Ordinary Maintenance and Operations - Materials and Other	35,629	74,438	10,748	33,353	11,469	88,658	19,238	9,929
94300	Ordinary Maintenance and Operations Contracts	117,918	293,887	63,043	124,013	34,296	215,301	43,279	29,626
94500	Employee Benefit Contributions - Ordinary Maintenance	90,454	149,360	15,283	82,241	23,648	118,082	13,809	28,732
94000	Total Maintenance	364,619	740,768	110,468	346,866	111,418	584,213	91,249	108,263
95100	Protective Services - Labor	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	20,243	25,354	-	9,315	161	15,771	-	-
95300	Protective Services - Other	3,079	7,995	-	4,090	919	3,768	1,241	827
95000	Total Protective Services	23,322	33,349	-	13,405	1,080	19,539	1,241	827

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
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FDS Line Item	Description	MA012000012	MA012000013	MA012000017	MA012000018	MA012000019	MA012000020	MA012000021	MA012000022
96140	All Other Insurance	32,738	70,173	5,867	33,789	6,726	37,255	10,869	6,643
96100	Total Insurance Premiums	32,738	70,173	5,867	33,789	6,726	37,255	10,869	6,643
96200	Other General Expenses	-	-	-	-	-	-	65,294	-
96210	Compensated Absences	-	-	-	-	-	-	-	3,077
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-
96400	Bad debt - Tenant Rents	243	10,652	2,513	3,212	873	18,245	1,993	395
96000	Total Other General Expenses	243	10,652	2,513	3,212	873	18,245	67,287	3,472
96720	Interest on Notes Payable (Short and Long Term)	13,901	45,179	348	59,080	-	-	-	-
96700	Total Interest Expense and Amortization Cost	13,901	45,179	348	59,080	-	-	-	-
96900	Total Operating Expenses	1,251,994	2,469,200	247,012	1,331,634	259,484	1,542,089	349,310	336,878
97000	Excess of Operating Revenue over Operating Expenses	46,766	2,496,300	(74,650)	312,725	7,904	(9,230)	389,167	(56,025)
97100	Extraordinary Maintenance	2,942	6,684	951	32,199	1,342	12,310	1,260	231
97200	Casualty Losses - Non-capitalized	(388)	914	35	-	-	(193)	130	(103)
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-
97400	Depreciation Expense	427,532	684,267	38,075	974,187	68,659	247,659	139,454	12,638
90000	Total Expenses	1,682,080	3,161,065	286,073	2,338,020	329,485	1,801,865	490,154	349,644
10091	Inter Project Excess Cash Transfer In	100,000	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	(550,000)	-	(275,000)	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	100,000	(550,000)	-	(275,000)	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(283,320)	1,254,435	(113,711)	(968,661)	(62,097)	(269,006)	248,323	(68,791)
11020	Required Annual Debt Principal Payments	31,988	103,962	798	135,950	-	-	-	-
11030	Beginning Equity	2,461,553	3,247,274	605,984	5,821,080	1,255,244	2,345,337	2,130,435	440,779
11190	Unit Months Available	1,992	5,172	324	2,340	600	2,448	792	528
11210	Number of Unit Months Leased	1,956	5,105	317	2,300	575	2,367	757	525
11270	Excess Cash	199,675	1,164,263	66,815	426,720	57,810	130,876	91,856	43,764
11620	Building Purchases	49,161	1,739,895	157	11,964	-	14,927	392,712	2,219

WORCESTER HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Section 8 Moderate Rehabilitation Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
111	Cash - Unrestricted	-	2,114,173	27,844	2,802,176	-	889,880	-	13,057,392
113	Cash - Other Restricted	-	1,961,690	-	-	-	-	-	2,091,621
114	Cash - Tenant Security Deposits	-	-	-	173,684	-	-	-	676,964
100	Total Cash	-	4,075,863	27,844	2,975,860	-	889,880	-	15,825,977
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	2,258
122	Accounts Receivable - HUD Other Projects	40,716	168,853	-	-	-	-	-	538,420
124	Accounts Receivable - Other Government	-	-	-	320,964	-	-	-	320,964
125	Accounts Receivable - Miscellaneous	-	-	-	2,101	-	-	-	39,109
126	Accounts Receivable - Tenants	-	-	-	14,719	-	-	-	79,332
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	(4,270)	-	-	-	(61,503)
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	24,369
128	Fraud Recovery	-	-	-	21,662	-	-	-	21,662
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	(21,662)	-	-	-	(21,662)
120	Total Receivables, Net of Allowances for Doubtful Accounts	40,716	168,853	-	333,514	-	-	-	942,949
142	Prepaid Expenses and Other Assets	-	10,846	333	50,161	-	118,272	-	363,061
143	Inventories	-	-	-	611,982	-	-	-	611,982
143.1	Allowance for Obsolete Inventories	-	-	-	(8,083)	-	-	-	(8,083)
144	Inter Program Due From	-	-	-	427,345	-	76,355	(624,800)	-
150	Total Current Assets	40,716	4,255,562	28,177	4,390,779	-	1,084,507	(624,800)	17,735,886
161	Land	-	-	-	504,725	-	-	-	2,265,587
162	Buildings	-	-	-	71,933,072	-	18,185	-	219,845,967
164	Furniture, Equipment & Machinery - Administration	-	230,417	-	297,448	-	321,484	-	4,198,040
166	Accumulated Depreciation	-	(131,579)	-	(47,417,127)	-	(268,565)	-	(169,293,330)
167	Construction in Progress	-	129,833	-	2,941,422	-	225,280	-	8,490,004
160	Total Capital Assets, Net of Accumulated Depreciation	-	228,671	-	28,259,540	-	296,384	-	65,506,268
180	Total Non-Current Assets	-	228,671	-	28,259,540	-	296,384	-	65,506,268
200	Deferred Outflow of Resources	-	-	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	40,716	4,484,233	28,177	32,650,319	-	1,380,891	(624,800)	83,242,154
312	Accounts Payable <= 90 Days	-	1,046,223	-	215	-	-	-	1,110,622

WORCESTER HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE

March 31, 2015

FDS Line Item	Description	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Section 8 Moderate Rehabilitation Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
321	Accrued Wage/Payroll Taxes Payable	-	-	-	287,195	-	-	-	287,195
322	Accrued Compensated Absences - Current Portion	-	40,678	1,193	32,545	-	301,668	-	543,677
331	Accounts Payable - HUD PHA Programs	-	29,096	4,874	-	-	-	-	33,970
333	Accounts Payable - Other Government	-	-	-	744,727	-	-	-	744,727
341	Tenant Security Deposits	-	-	-	169,115	-	-	-	673,610
342	Unearned Revenue	11,845	-	-	179,376	-	-	-	1,301,117
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	836,418
345	Other Current Liabilities	-	-	-	2,157	-	-	-	2,157
346	Accrued Liabilities - Other	-	-	-	1,212,049	-	11,081	-	1,635,259
347	Inter Program - Due To	28,871	76,355	-	343,428	-	176,146	(624,800)	-
310	Total Current Liabilities	40,716	1,192,352	6,067	2,970,807	-	488,895	(624,800)	7,168,752
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	6,455,634
353	Non-current Liabilities - Other	-	379,073	-	-	-	-	-	509,003
354	Accrued Compensated Absences - Non Current	-	-	-	25,812	-	131,774	-	262,932
357	Accrued Pension and OPEB Liabilities	-	503,345	26,383	714,564	-	2,597,042	-	6,328,252
350	Total Non-Current Liabilities	-	884,418	26,383	740,376	-	2,728,816	-	13,555,821
300	Total Liabilities	40,716	2,076,770	32,450	3,711,183	-	3,217,711	(624,800)	20,724,573
400	Deferred Inflow of Resources	-	-	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	-	228,671	-	28,259,541	-	296,385	-	58,214,214
511.4	Restricted Net Position	-	1,583,176	-	-	-	-	-	1,583,176
512.4	Unrestricted Net Position	-	593,616	(4,273)	679,595	-	(2,133,205)	-	2,720,191
513	Total Equity - Net Assets / Position	-	2,407,463	(4,273)	28,939,136	-	(1,836,820)	-	62,517,581
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	40,716	4,484,233	28,177	32,650,319	-	1,380,891	(624,800)	83,242,154
70300	Net Tenant Rental Revenue	-	-	-	1,796,031	-	-	-	10,051,067
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	94,193
70500	Total Tenant Revenue	-	-	-	1,796,031	-	-	-	10,145,260
70600	HUD PHA Operating Grants	165,861	16,976,711	-	-	-	-	-	28,544,329
70610	Capital Grants	-	-	403,721	-	-	-	-	3,234,107

WORCESTER HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Section 8 Moderate Rehabilitation Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
70710	Management Fee	-	-	-	-	-	3,321,061	(3,321,061)	-
70720	Asset Management Fee	-	-	-	-	-	223,320	(223,320)	-
70730	Book Keeping Fee	-	-	-	-	-	490,350	(490,350)	-
70740	Front Line Service Fee	-	-	-	-	-	1,811,006	(1,811,006)	-
70750	Other Fees	-	-	-	-	-	184,426	(184,426)	-
70700	Total Fee Revenue	-	-	-	-	-	6,030,163	(6,030,163)	-
70800	Other Government Grants	-	-	-	7,295,020	-	-	-	7,295,020
71100	Investment Income - Unrestricted	-	7,530	-	16,701	-	5,239	-	65,401
71400	Fraud Recovery	-	191,690	-	-	-	-	-	191,690
71500	Other Revenue	8,904	1,383,363	-	110,186	-	4,613	-	2,723,315
70000	Total Revenue	174,765	18,559,294	403,721	9,217,938	-	6,040,015	(6,030,163)	52,199,122
91100	Administrative Salaries	112,671	837,595	18,570	707,342	-	2,198,895	-	5,335,504
91200	Auditing Fees	-	4,450	750	4,800	-	2,700	-	20,000
91300	Management Fee	-	471,943	9,707	445,160	-	-	(3,321,065)	-
91310	Book-keeping Fee	-	202,935	3,465	68,168	-	-	(490,355)	-
91400	Advertising and Marketing	-	-	575	-	-	45,544	-	47,556
91500	Employee Benefit contributions - Administrative	61,884	530,787	17,256	433,102	-	1,702,029	-	3,925,839
91600	Office Expenses	-	-	-	-	-	431,656	-	566,755
91700	Legal Expense	-	91,774	-	24,322	-	3,035	(333,728)	3
91800	Travel	-	-	-	-	-	13,383	-	38,115
91900	Other	210	243,187	95	359,993	-	-	(184,426)	741,321
91000	Total Operating - Administrative	174,765	2,382,671	50,418	2,042,887	-	4,397,242	(4,329,574)	10,675,093
92000	Asset Management Fee	-	-	-	-	-	-	(223,320)	-
92100	Tenant Services - Salaries	-	64,891	-	-	-	-	-	64,891
92300	Employee Benefit Contributions - Tenant Services	-	34,003	-	-	-	-	-	34,003
92400	Tenant Services - Other	-	-	-	289	-	-	-	20,789
92500	Total Tenant Services	-	98,894	-	289	-	-	-	119,683
93100	Water	-	-	-	612,196	-	-	-	2,110,457
93200	Electricity	-	-	-	306,540	-	-	-	2,698,680
93300	Gas	-	-	-	406,922	-	-	-	1,615,753
93000	Total Utilities	-	-	-	1,325,658	-	-	-	6,424,890
94100	Ordinary Maintenance and Operations - Labor	-	-	-	415,497	-	810,831	-	3,195,380
94200	Ordinary Maintenance and Operations - Materials and	-	-	-	188,072	-	42,295	-	1,033,942

WORCESTER HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
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FDS Line Item	Description	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Section 8 Moderate Rehabilitation Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
	Other								
94300	Ordinary Maintenance and Operations Contracts	-	-	-	691,228	-	28,651	(1,477,269)	1,571,119
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	280,383	-	627,614	-	2,261,683
94000	Total Maintenance	-	-	-	1,575,180	-	1,509,391	(1,477,269)	8,062,124
95100	Protective Services - Labor	-	-	-	-	-	-	-	128,361
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	327,955
95300	Protective Services - Other	-	-	-	-	-	-	-	42,689
95000	Total Protective Services	-	-	-	-	-	-	-	499,005
96140	All Other Insurance	-	29,534	858	78,516	-	144,545	-	721,880
96100	Total insurance Premiums	-	29,534	858	78,516	-	144,545	-	721,880
96200	Other General Expenses	-	31,888	-	342,032	-	-	-	439,214
96210	Compensated Absences	-	2,572	-	40,095	-	-	-	59,574
96300	Payments in Lieu of Taxes	-	-	-	5,982	-	-	-	5,982
96400	Bad debt - Tenant Rents	-	-	-	8,712	-	-	-	97,327
96000	Total Other General Expenses	-	34,460	-	396,821	-	-	-	602,097
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	347,529
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	347,529
96900	Total Operating Expenses	174,765	2,545,559	51,276	5,419,351	-	6,051,178	(6,030,163)	27,452,301
97000	Excess of Operating Revenue over Operating Expenses	-	16,013,735	352,445	3,798,587	-	(11,163)	-	24,746,821
97100	Extraordinary Maintenance	-	-	-	91,123	-	-	-	755,082
97200	Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	1,272
97300	Housing Assistance Payments	-	14,827,153	354,703	1,127,892	-	-	-	16,309,748
97350	HAP Portability-In	-	1,240,633	-	-	-	-	-	1,240,633
97400	Depreciation Expense	-	21,043	-	4,614,734	-	74,387	-	9,774,034
90000	Total Expenses	174,765	18,634,388	405,979	11,253,100	-	6,125,565	(6,030,163)	55,533,070
10010	Operating Transfer In	-	-	-	-	-	-	(639,725)	-
10020	Operating transfer Out	-	-	-	-	-	-	639,725	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	(1,100,000)	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	1,100,000	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	(500,000)	-

WORCESTER HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
March 31, 2015

FDS Line Item	Description	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Section 8 Moderate Rehabilitation Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
10094	Transfers between Project and Program - Out	-	-	-	-	-	(500,000)	500,000	-
10100	Total Other financing Sources (Uses)	-	-	-	-	-	(500,000)	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-	(75,094)	(2,258)	(2,035,162)	-	(585,550)	-	(3,333,948)
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-	799,704
11030	Beginning Equity	-	2,482,557	(2,015)	30,915,942	58,356	(1,251,270)	-	65,851,529
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	58,356	(58,356)	-	-	-
11170	Administrative Fee Equity	-	824,287	-	-	-	-	-	824,287
11180	Housing Assistance Payments Equity	-	1,583,176	-	-	-	-	-	1,583,176
11190	Unit Months Available	-	29,262	-	-	-	-	-	58,602
11210	Number of Unit Months Leased	-	27,385	-	-	-	-	-	56,156
11270	Excess Cash	-	-	-	-	-	-	-	3,472,552
11620	Building Purchases	-	-	-	-	-	-	-	2,876,251

WORCESTER HOUSING AUTHORITY

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
For the year ended March 31, 2015

Project: MA06-	E012501-12	P012501-10	P012501-11
Modernization Funds Approved	\$ 179,685	\$ 3,847,198	\$ 3,338,956
Modernization Funds Expended	<u>179,685</u>	<u>3,847,198</u>	<u>3,338,956</u>
Excess of Modernization Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Modernization Funds Advanced	\$ 179,685	\$ 3,847,198	\$ 3,338,956
Modernization Funds Expended	<u>179,685</u>	<u>3,847,198</u>	<u>3,338,956</u>
Excess of Modernization Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Based on our review of the completed projects:

- 1) All work in connection with the projects is complete.
- 2) All liabilities have been incurred and discharged through payment.

WORCESTER HOUSING AUTHORITY

STATEMENT OF ACTUAL MODERNIZATION COSTS - UNCOMPLETED
For the year ended March 31, 2015

Project: MA06P012-	501-12	501-13	501-14
Modernization Funds Approved	\$ 3,271,253	\$ 3,082,548	\$ 3,198,625
Modernization Funds Expended	<u>3,104,274</u>	<u>1,451,107</u>	<u>1,120,755</u>
Excess of Modernization Funds Approved	<u>\$ 166,979</u>	<u>\$ 1,631,441</u>	<u>\$ 2,077,870</u>
Modernization Funds Advanced	\$ 3,019,355	\$ 1,261,909	\$ 1,092,389
Modernization Funds Expended	<u>3,104,274</u>	<u>1,451,107</u>	<u>1,120,755</u>
Excess of Modernization Funds Advanced	<u>\$ (84,919)</u>	<u>\$ (189,197)</u>	<u>\$ (28,366)</u>

WORCESTER HOUSING AUTHORITY

STATEMENT AND CERTIFICATION OF ACTUAL GRANT COSTS
For the year ended March 31, 2015

Grant: MA012-	RFS015A012	RFS107A013
Grant Funds Approved	\$ 68,000	\$ 68,000
Grant Funds Expended	<u>68,000</u>	<u>68,000</u>
Excess of Grant Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Grant Funds Advanced	\$ 68,000	\$ 68,000
Grant Funds Expended	<u>68,000</u>	<u>68,000</u>
Excess of Grant Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

Based on our review of the completed grant:

- 1) All work in connection with the grant is complete.
- 2) All liabilities have been incurred and discharged through payment.

WORCESTER HOUSING AUTHORITY

STATEMENT OF ACTUAL GRANT COSTS - UNCOMPLETED

For the year ended March 31, 2015

Grant: MA012-	RPS064A012	RPS068A009	FSH304A014
Grant Funds Approved	\$ 240,000	\$ 240,000	\$ 197,638
Grant Funds Expended	<u>68,983</u>	<u>233,722</u>	<u>60,798</u>
Excess of Grant Funds Approved	<u>\$ 171,017</u>	<u>\$ 6,278</u>	<u>\$ 136,840</u>
Grant Funds Advanced	\$ 92,976	\$ 210,107	\$ 31,550
Grant Funds Expended	<u>68,983</u>	<u>233,722</u>	<u>60,798</u>
Excess of Grant Funds Advanced	<u>\$ 23,993</u>	<u>\$ (23,615)</u>	<u>\$ (29,248)</u>

WORCESTER HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended March 31, 2015

	<u>Major Program</u>	<u>Direct Award</u>	<u>Pass Through Entity</u>	<u>CFDA Number</u>	<u>Federal Financial Assistance Received</u>	<u>Federal Financial Assistance Expenditures</u>
Department of Housing and Urban Development						
Low Rent Public Housing	Yes	Yes	N/A	14.850	\$ 10,176,366	\$ 10,176,366
Resident Opportunity and Support Services	No	Yes	N/A	14.870	165,861	165,861
Public Housing Capital Fund Program	Yes	Yes	N/A	14.872	4,055,777	4,055,777
Housing Choice Voucher Program	No	Yes	N/A	14.871	16,976,711	16,976,711
Section 8 Moderate Rehabilitation	No	Yes	N/A	14.856	403,721	403,721
Total Major Programs					<u>14,232,143</u>	<u>14,232,143</u>
Total Non-Major Programs					<u>17,546,293</u>	<u>17,546,293</u>
Total All Programs					<u>\$ 31,778,436</u>	<u>\$ 31,778,436</u>

WORCESTER HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

March 31, 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Worcester Housing Authority under programs of the federal government for year ended March 31, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Worcester Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Worcester Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To The Board of Commissioners
Worcester Housing Authority
Worcester, Massachusetts

We have audited, 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, the financial statements of the Worcester Housing Authority as of and for the years ended March 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Worcester Housing Authority's basic financial statements, and have issued our report thereon dated October 1, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Worcester Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Worcester Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Worcester Housing Authority's internal control.

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

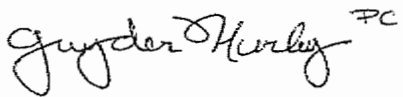
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Worcester Housing Authority'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*.

Purpose of this Report

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

A handwritten signature in black ink, reading "Guyder Hurley" with "PC" written as a superscript to the right.

Quincy, Massachusetts
October 1, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To The Board of Commissioners
Worcester Housing Authority
Worcester, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Worcester Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2015. The Worcester Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Worcester Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 the Worcester Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion

In our opinion, the Worcester Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2015.

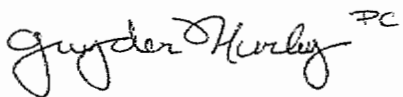
Report on Internal Control over Compliance

Management of the Worcester Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Worcester Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Worcester Housing Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, reading "Guyder Hurley" with "PC" written as a superscript to the right.

Quincy, Massachusetts
October 1, 2015

WORCESTER HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS March 31, 2015 and 2014

I. Summary of Audit Results

1. Type of report issued on the financial statements - Unmodified
2. The report on internal control over financial reporting did not disclose any material weaknesses.
3. The report on internal control over financial reporting did not disclose any significant deficiencies.
4. The report on compliance did not disclose instances of non-compliance material to the financial statements.
5. Type of report issued on compliance for major programs - Unmodified
6. The report on internal control over major programs did not disclose any material weaknesses.
7. The report on internal control over major programs did not disclose any significant deficiencies.
8. There are no audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a).
9. Major federal assistance programs are identified in the Schedule of Expenditures of Federal Awards. The dollar threshold to distinguish type A and type B programs was \$953,353.
10. The following programs were tested as major programs in accordance with OMB A-133:

CFDA Number

Low Rent Public Housing Program	14.850
Public Housing Capital Fund Program	14.872

11. The auditee qualified as a low-risk auditee.
12. The prior audit report did not disclose any findings or questioned costs.

II. Findings related to the Financial Statements which are required to be reported in accordance with GAGAS - NONE

III. Findings and Questioned Costs for Federal Awards which shall include Audit Findings as defined in paragraph 510(a) - NONE