

**WORCESTER HOUSING AUTHORITY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

# WORCESTER HOUSING AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners  
Worcester Housing Authority

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Worcester Housing Authority, as of March 31, 2019, and for the year 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*

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Worcester Housing Authority, as of March 31, 2019, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Notes 2 and 15 to the financial statements, the Authority adopted a new accounting pronouncement, Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information presented on pages 41 through 45, as listed in the table of contents, 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Worcester Housing Authority's basic financial statements. The supplementary information on pages 46 through 65, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information presented on pages 46 through 65 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 supplementary information presented on pages 46 through 65 and the Schedule of Expenditures of Federal Awards is 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 December 11, 2019 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 solely 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 effectiveness of the Worcester Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Worcester Housing Authority's internal control over financial reporting and compliance.

*Marcum LLP*

Boston, Massachusetts  
December 11, 2019

# **WORCESTER HOUSING AUTHORITY**

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

**MARCH 31, 2019**

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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 2019, the Authority's net position decreased by (\$18.9) million due to the adoption of GASB 75 (\$11.4 million) and results from operations (\$7.5 million). 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 \$18.18 million and (\$733,856) for 2018 and 2019, respectively.
- Revenues increased by \$4,084,330 or 6.48% during 2019, and were \$63.01 million and \$67.09 million for 2018 and 2019, respectively.
- During 2019, total expenses for the Authority's programs increased by \$5.68 million or 8.24% over the previous year. Total expenses were \$68.9 million and \$74.6 million for 2018 and 2019, 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:"

# WORCESTER HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS

MARCH 31, 2019

### AUTHORITY-WIDE STATEMENTS

#### Summaries of Net Positions

The following table reflects the condensed Balance Sheet compared to prior year. The Authority is engaged only in Business-Type Activities.

#### SUMMARIES OF NET POSITION March 31, 2019 and 2018

	2019	2018	Change	% Change
Current Assets	\$ 22,520,072	\$ 21,604,594	\$ 915,478	4.24%
Capital Assets	45,666,183	51,309,740	(5,643,557)	-11.00%
Other Noncurrent Assets	<u>1,650,668</u>	<u>1,289,533</u>	<u>361,135</u>	28.01%
Total Assets	<u>69,836,923</u>	<u>74,203,867</u>	<u>(4,366,944)</u>	-5.89%
Deferred Outflows of Resources	<u>10,195,079</u>	<u>9,251,515</u>	<u>943,564</u>	10.20%
Current Liabilities	5,205,919	5,633,640	(427,721)	-7.59%
Noncurrent Liabilities	<u>69,922,059</u>	<u>56,738,253</u>	<u>13,183,806</u>	23.24%
Total Liabilities	<u>75,127,978</u>	<u>62,371,893</u>	<u>12,756,085</u>	20.45%
Deferred Inflows of Resources	<u>5,637,880</u>	<u>2,898,813</u>	<u>2,739,067</u>	94.49%
Net Investment in Capital Assets	40,815,495	46,050,171	(5,234,676)	-11.37%
Restricted	236,619	876,581	(639,962)	-73.01%
Unrestricted (Deficit)	<u>(41,785,970)</u>	<u>(28,742,076)</u>	<u>(13,043,894)</u>	45.38%
Total Net Position	<u>\$ (733,856)</u>	<u>\$ 18,184,676</u>	<u>\$ (18,918,532)</u>	-104.04%

#### Major Factors Affecting the Statement of Net Position

During 2019, Current and Other Noncurrent Assets increased by \$1,276,613, while Current Liabilities decreased by (\$427,721). The Current and Other Noncurrent Assets are comprised primarily of cash, investments and accounts receivable. The unrestricted and restricted cash increased \$1.87 million, due to improved net income from operations excluding depreciation and unfunded pension and post-employment benefit costs. Accounts Receivable from HUD and other government funding sources decreased from the prior year by (\$498,088) and a reduction of net tenant A/R and other miscellaneous A/R of (\$75,474). This net of cash increases and A/R decreases of \$1.29 million represent approximately 99% of the increase in current/non-current assets.

# WORCESTER HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS

**MARCH 31, 2019**

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Current Liabilities were slightly lower in 2019 than in the prior year, primarily due to WHA's accounts payable declining by approximately (\$325,000) from last year, as well as a decrease in accrued liabilities. The payable to other government remained consistent from FY18 to FY19 at \$38,000. All other categories in current liabilities such as compensated absences (accrued vacation and sick time) are consistent from 2018 to 2019.

While Capital assets decreased overall due to a net change of (\$5,643,557) due to depreciation expense of \$9,128,242 partially offset by \$2,265,809 in capital additions from State and Federal Modernization projects in 2019. Furniture and equipment for the year reflects a net change of \$7,724. In 2019 WHA continued its leasing program for its vehicles; in 2019, approximately two thirds (or 40) of WHA's total fleet of 60 vehicles had been retired/sold and new leases were entered into. The adoption of GASB 75 caused the OPEB liability to increase from approximately \$10 million in 2018 to \$20 million in 2019. The net pension liability increased by \$3.3 million in 2019. We did see a reduction in our long-term notes for the ESCO, but this was offset by an increase of \$810,267 in long-term operating notes due on the previously mentioned vehicle leasing program. While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position, as presented below, also provides a clearer picture of the changes in financial well-being.



# WORCESTER HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS

MARCH 31, 2019

### SUMMARIES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the years ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
<b>Revenue</b>				
Operating Revenues	\$ 64,458,292	\$ 60,946,911	\$ 3,511,381	5.76%
Non-operating Revenues	<u>2,640,891</u>	<u>2,067,942</u>	<u>572,949</u>	27.71%
Total Revenues	<u>67,099,183</u>	<u>63,014,853</u>	<u>4,084,330</u>	6.48%
<b>Expenses</b>				
Housing assistance payments	29,677,227	27,605,133	2,072,094	7.51%
Administration	13,427,354	13,064,606	362,748	2.78%
Repair and maintenance	11,677,791	10,350,109	1,327,682	12.83%
Depreciation expense	9,128,242	8,413,323	714,919	8.50%
Utilities	7,493,621	6,913,958	579,663	8.38%
Insurance expense	1,048,355	948,175	100,180	10.57%
Other general expenses	1,038,486	412,009	626,477	152.05%
Protective services	493,714	559,333	(65,619)	-11.73%
Tenant services	426,898	445,097	(18,199)	-4.09%
Interest expense	<u>227,168</u>	<u>244,262</u>	<u>(17,094)</u>	-7.00%
Total Expenses	<u>74,638,856</u>	<u>68,956,005</u>	<u>5,682,851</u>	8.24%
Change in Net Position	(7,539,673)	(5,941,152)	(1,598,521)	26.91%
Net Position - Beginning of Year	<u>18,184,676</u>	<u>24,125,828</u>	<u>(5,941,152)</u>	-24.63%
Prior Period Adjustments	<u>(11,378,859)</u>	<u>--</u>	<u>(11,378,859)</u>	-
Net Position - End of Year	<u>\$ (733,856)</u>	<u>\$ 18,184,676</u>	<u>\$ (18,918,532)</u>	-104.04%

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

In total for the year, revenues increased \$4,084,330 from fiscal year 2018 to 2019. Tenant revenue increased in 2019 by \$467,343, or 4.2%. Federal Operating Subsidy was funded at a 94.4% proration during the FY2018 and 97.77% proration during FY2019. Capital grants spending increased during 2019 by approximately 5.5%. The housing choice voucher program continued to grow during FY 2019 with both HAP revenue and expenses increasing by over \$2.1 million, respectively. Other income went up due to increased fraud collection on Section 8, additional cellular antenna rental, and additional solar net metering credits. We continue to receive utility rebates consistent with the prior year. Interest income increased 300% during the year due to an increase in available cash for most of the year, invested in interest bearing sweep accounts at improved interest rates. In FY 2018, interest earned was \$98,741 and in FY 2019, interest earned was \$295,379.

# WORCESTER HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS

MARCH 31, 2019

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Overall, total expenses for FY 2019 increased 8.24%.

Utility costs increased by 8.38%. The continuing trend of rising costs in water and sewer were not offset by favorable new contracts for gas and electricity. We continue to benefit from the energy consumption savings from our ESCO program and the earning of solar credits, which is reflected in our other income, as discussed above.

The Authority's Section 8 program's payments to landlords increased 7.51% due to cost increases in rental payments and the successful effort to fully lease up all our potential vouchers for FY 2019. The financial statements in 2019 also include the revenue and related HAP voucher expense of our portability program of \$1,237,579.

Administrative expenses increased slightly by 2.78% in 2019. Administrative salaries increased 7% overall due to new positions, new hires (with higher starting salaries, in some cases) and a 2% cost of living increase with a rise in related benefits. Offsetting savings resulted from certain Administrative expense line items delivering reductions in 2019, compared to 2018. The Authority continues to have GASB 75 (Post retirement benefits) annual cost of \$1,195,492 and the annual update of the pension liability for GASB 67/68 in fiscal year 2019 affected our employee benefits costs agency-wide.

Repairs and maintenance increased by 12.83% or \$1,327,682. The increase in spending year over year was planned and budgeted for during fiscal year 2019, with actual spending for maintenance materials up 20% and contracts costs increased by 23.3%; extraordinary maintenance projects also increased by \$1,220,900; a 45% increase from the prior year.

Our protective services decreased by (11.73%) due to the implementation of security cameras and related equipment.

Insurances increased by 10.57%, due to premium increases on property insurance, due to claims for tenant fires and due to premium increases on workmen's compensation attributable to adverse claims history.

Other general expenses increased during FY2019 by 152% due mostly to a significant effort to clean up Accounts Receivable at year-end with write-offs of bad debt – tenants. The collection losses of tenant bad debt were \$120,243 in FY 2019 as compared to \$56,600 in FY 2018.

# WORCESTER HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS

MARCH 31, 2019

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

As of year-end 2019, the Authority had \$45.67 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of (\$5.64 million), or (11.00%) from the end of prior year 2018.

#### CAPITAL ASSET ANALYSIS March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 2,265,587	\$ 2,265,587	\$ --	0.00%
Buildings	235,413,801	230,470,828	4,942,973	2.14%
Furniture and equipment	3,758,504	3,750,780	7,724	0.21%
Construction in progress	<u>6,089,734</u>	<u>8,629,240</u>	<u>(2,539,506)</u>	-29.43%
Total capital assets	247,527,626	245,116,435	2,411,191	0.98%
Accumulated depreciation	<u>(201,861,443)</u>	<u>(193,806,695)</u>	<u>(8,054,748)</u>	4.16%
Capital assets, net of accumulated depreciation	<u>\$ 45,666,183</u>	<u>\$ 51,309,740</u>	<u>\$ (5,643,557)</u>	-11.00%

This year's major additions related to modernizing the Authority's Federal and State housing developments. There was an increase of equipment due to the leasing vehicle program that started in 2018 and was increased by 20 replaced vehicles in FY 2019.

# WORCESTER HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS

MARCH 31, 2019

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### Debt Outstanding

As of year-end, the Authority had \$4.85 million in debt (bonds, notes, etc.) outstanding. The Authority had completed ESCO projects in 2011 that resulted in the beginning of debt service payments in that year. WHA made principal payments of \$956,980 and interest payments of \$190,253 during FY 2019. The debt service payment of \$1,000,913 will be paid in FY 2020, excluding interest. The balance due as of March 31, 2019 is \$3,708,864. The balance of \$1,141,824 is the amount due for the Vehicle Capital Lease program that the WHA began in FY 2018.

### LONG TERM DEBT ANALYSIS

March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Long term debt	\$ 4,850,688	\$ 5,259,569	\$ (408,881)	-7.77%

### 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 indices based on current wage rates in construction
- Local economic trends, including inflation rates, recession aftermath and unemployment, which can impact 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.

# WORCESTER HOUSING AUTHORITY

## STATEMENT OF NET POSITION

MARCH 31, 2019

### ASSETS

#### Current Assets

Cash and cash equivalents	\$ 19,077,035
Restricted cash and cash equivalents	1,134,908
Accounts receivable, net	1,464,653
Prepaid expenses and other current assets	843,476
<b>Total Current Assets</b>	<u>22,520,072</u>

#### Noncurrent Assets

Restricted cash and cash equivalents	1,650,668
Capital assets, non-depreciable	8,355,321
Capital assets, net of accumulated depreciation	37,310,862
<b>Total Noncurrent Assets</b>	<u>47,316,851</u>

#### TOTAL ASSETS

69,836,923

### DEFERRED OUTFLOWS OF RESOURCES

10,195,079

### LIABILITIES

#### Current Liabilities

Accounts payable	286,514
Accounts payable, other government	38,575
Accrued wages and current portion of compensated absences	711,624
Current portion of long term debt	1,269,009
Other current liabilities	44,903
Other accrued expenses	1,494,416
Unearned revenue	472,714
Tenant security deposits	888,164
<b>Total Current Liabilities</b>	<u>5,205,919</u>

#### Noncurrent Liabilities

Long term debt, net of current portion	3,581,679
Accrued compensated absences, net of current portion	167,635
Tenant self-sufficiency escrows	1,660,519
Net pension liability	44,395,430
OPEB liability	20,116,796
<b>Total Noncurrent Liabilities</b>	<u>69,922,059</u>

#### TOTAL LIABILITIES

75,127,978

### DEFERRED INFLOWS OF RESOURCES

5,637,880

### NET POSITION

Net investment in capital assets	40,815,495
Restricted:	
Housing assistance payments	236,619
Unrestricted (deficit)	<u>(41,785,970)</u>

#### TOTAL NET POSITION

\$ (733,856)

# WORCESTER HOUSING AUTHORITY

## STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED MARCH 31, 2019

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### OPERATING REVENUE

HUD grants	\$ 44,442,216
Tenant rental income	11,607,241
Other government grants and contributions	4,758,176
Other revenue	<u>3,650,659</u>
<b>Total Operating Revenue</b>	<u>64,458,292</u>

### OPERATING EXPENSES

Housing assistance payments	29,677,227
Administration	13,427,354
Repair and maintenance	11,677,791
Depreciation expense	9,128,242
Utilities	7,493,621
Insurance expense	1,048,355
Other general expenses	1,038,486
Protective services	493,714
Tenant services	<u>426,898</u>
<b>Total Operating Expenses</b>	<u>74,411,688</u>

**Operating Loss** (9,953,396)

### NONOPERATING REVENUE (EXPENSES)

Interest and investment revenue	295,379
Interest expense	<u>(227,168)</u>
<b>Total Nonoperating Revenue</b>	<u>68,211</u>

**Loss before Capital Grants** (9,885,185)

### CAPITAL GRANTS

Other government capital grants	937,933
HUD capital grants	<u>1,407,579</u>
<b>Total Capital Grants</b>	<u>2,345,512</u>

**Change in Net Position** (7,539,673)

**Net Position, Beginning of Year, As Restated** 6,805,817

**Net Position, End of Year** \$ (733,856)

# WORCESTER HOUSING AUTHORITY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

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### CASH FLOWS FROM OPERATING ACTIVITIES

HUD grants	\$ 44,556,818
Other government grants	5,146,794
Receipts from tenants	11,710,866
Other operating receipts	3,547,772
Payments to employees	(16,520,580)
Payments to suppliers	<u>(45,085,174)</u>

Net cash provided by operating activities 3,356,496

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Other government capital grants	1,085,458
HUD capital grants	1,251,733
Interest expense	(227,168)
Payments on long term debt	(1,219,148)
Acquisitions of capital assets	<u>(2,674,418)</u>

Net cash used in capital and related financing activities (1,783,543)

### CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	295,379
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Net cash provided by investing activities 295,379

**Net increase in cash and cash equivalents**

1,868,332

**Cash and cash equivalents, beginning of year**

19,994,279

**Cash and cash equivalents, end of year**

\$ 21,862,611

**WORCESTER HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**Reconciliation of operating loss to net cash provided by operating activities:**

Operating Loss	\$ (9,953,396)
Adjustments:	
Depreciation	9,128,242
Change in assets and liabilities:	
(Increase) decrease in accounts receivable, tenants	(27,598)
(Increase) decrease in accounts receivable, other	103,072
(Increase) decrease in accounts receivable, HUD	79,422
(Increase) decrease in accounts receivable, other government	426,987
(Increase) decrease in prepaid expenses and other current assets	18,157
(Decrease) increase in accounts payable	(364,997)
(Decrease) increase in accounts payable, other government	(48)
(Decrease) increase in compensated absences and accrued wages	32,566
(Decrease) increase in net pension, OPEB liabilities and deferred inflow/outflows of resources	3,838,706
(Decrease) increase in accrued expenses and other current liabilities	27,070
(Decrease) increase in tenant security deposits	51,015
(Decrease) increase in unearned operating revenue	<u>(2,702)</u>

**Net cash provided by operating activities** \$ 3,356,496

**Cash and restricted cash per statement of net position**

Cash and cash equivalents	\$ 19,077,035
Restricted cash - current	1,134,908
Restricted cash - noncurrent	<u>1,650,668</u>
<b>Total cash and restricted cash per statement of net position</b>	<u>\$ 21,862,611</u>

**Supplemental Disclosure of Cash Flow Information:**

Capital asset addition funded by capital leases	<u>\$ 810,267</u>
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# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### 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:

#### Federal 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.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 1 – ORGANIZATION (CONTINUED)

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.

#### State/Local and Other Programs

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 a monthly property management and bookkeeping fee. The State Housing Programs of the Authority are excluded from this method of cost allocation; therefore, overhead expenses are allocated directly to these 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.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 1 – ORGANIZATION (CONTINUED)

A Better Life (ABL) – This program helps residents of public housing achieve economic self-sufficiency and build their capacity to transition from subsidized housing to private sector housing. Interested applicants are incentivized by a faster means to secure an apartment for their family compared to the standard waiting time for a public housing apartment. In return, participants are required to work or further their education while being provided with case management and a broad array of support services.

Regional Capital Assistance Team (RCAT) – DHCD has contracted with the Authority to administer the RCAT program for certain Local Housing Authorities on their behalf. The objectives of the RCAT program are to increase the technical capacity available for smaller housing authorities and to facilitate collaboration across housing authorities in order to achieve economies of scale. DHCD provides funds to the Authority for providing the RCAT services in accordance with the terms of the RCAT services contract.

### Component Unit

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 one component unit.

Building Futures, Inc. (The Corporation) – A 501(c) 3 non-profit corporation established under the general laws of the Commonwealth of Massachusetts. The Corporation aims to transform the lives of public housing or rent subsidized residents with no-cost to affordable programs that provide educational, training and employment skills necessary to achieve social and economic self-sufficiency. The Board of Directors of the Corporation is substantively the same as the housing authority's board and financial benefit or burden to the Housing Authority.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***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 utilizing the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows.

The Authority's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB). The Authority follows GASB as applied to governmental entities.

The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenses 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 expenses are recorded as a liability until earned.

#### **New Accounting Standards Adopted**

During 2019, the Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*; addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental employers. The provisions of this Statement are effective for periods beginning after June 15, 2017. The adoption of this accounting standard resulted in a net increase in the liability for Other Postemployment Benefits other than Pensions of \$11,378,859. Refer to Notes 12 and 15.

Also during 2019, the Authority adopted the following accounting standards that did not impact the Authority's financial statements.

#### **GASB**

<b>Statement Number</b>	<b>Name</b>
81	Irrevocable Split-Interest Agreements
82	Pension Issues
85	Omnibus 2017
86	Certain Debt Extinguishment Issues

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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.

#### *CASH AND CASH EQUIVALENTS*

The Authority considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

#### *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.

#### *CAPITAL ASSETS*

Capital assets include property, furniture, equipment and machinery with initial, individual costs that equal or exceed \$2,500 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 acquisition value at the time of acquisition. Major outlays for capital assets and improvements are capitalized as projects are 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, 2019

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *IMPAIRMENT OF CAPITAL ASSETS*

Governmental Accounting Standards Board's, 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. The Authority did not recognize any impairments of capital assets in fiscal year 2019.

#### *COMPENSATED ABSENCES*

The Authority's policy allows employees between 5 days and 30 days of vacation leave depending on longevity. Sick leave is provided to all employees at the rate of 7.5 to 12 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, 2019 aggregated \$614,774.

#### *OPERATING REVENUES AND EXPENSES*

Operating revenue includes operating grants and subsidies, 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.

#### *NON-OPERATING REVENUES AND EXPENSE*

The Authority's nonoperating revenues relate primarily to capital grants provided by HUD and the Commonwealth of Massachusetts and interest income. For reporting purposes, capital grant revenue is recognized when expenditures are incurred, and advance receipts are initially recorded as unearned revenue. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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.

#### *PENSIONS*

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement system and additions/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the retirement system.

#### *OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)*

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Authority and are accounted for in accordance with the requirements of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

#### *DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES*

Deferred outflows of resources are the consumption of net position by the Authority that is applicable to a future reporting period. Deferred inflows of resources are the acquisition of net position by the Authority that is applicable to a future reporting period. These consist of the deferral of the recognition of revenues and expenses until the future period to which the outflows and inflows are related. The Authority's deferred outflows and inflows of resources are either related to pension (See Note 11) or related to OPEB (See Note 12). The following is a summary of deferred outflows and inflows of resources at March 31, 2019:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Related to Pensions	\$ 10,195,079	\$ 3,773,948
Related to OPEB	--	1,863,932
Total	<u>\$ 10,195,079</u>	<u>\$ 5,637,880</u>

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *APPLICATION OF RESOURCES*

The Authority would first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

#### *SUBSEQUENT EVENTS*

Management has evaluated subsequent events through December 11, 2019, which is the date these financial statements were available to be issued. Except as reported below, there are no subsequent events requiring recognition or disclosure into these financial statements.

In October 2019, the Authority awarded a contract with Ameresco Inc. and Bank of America, to finance energy conservation measures at 15 of its federal public housing developments via a tax-exempt lease purchase agreement. The estimated total cost of the energy conservation measures is \$12.3 million.

In July 2019, Building Futures Inc., entered into a purchase and sale agreement for a property in the City of Worcester in the amount of \$3.9 million. This was financed with a \$3.12 million first mortgage and a down payment of \$780,000.

### NOTE 3 – NET POSITION

Net position is reported in three categories:

Net Investment in Capital Assets consists of all capital assets, reduced by accumulated depreciation, the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. At March 31, 2019, net investment in capital assets was \$40,815,495.

Restricted Net Position consists of restricted assets, when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. At March 31, 2019, restrictions of \$236,619, represent the net position restricted by HUD related to the Housing Choice Voucher Program to be used for future HAP payments.

Unrestricted Net Position represents the difference between the Authority's assets and deferred outflows less the sum of liabilities and deferred inflows, other than net position invested in capital assets and restricted net position as identified in the preceding paragraphs. At March 31, 2019, unrestricted net position was a deficit of \$41,785,970.



# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 4 – CASH AND CASH EQUIVALENTS

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, by U.S. Government obligations that have a fair 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

At times, the Authority's balances may exceed the Federal insurance limits; however, the Authority has not experienced any losses with respect to its bank balance in excess of government provided insurance. In addition, balances are fully collateralized through agreements with the financial institutions. Management believes that no significant risk exists with respect to cash balances as of March 31, 2019.

### NOTE 5 – RESTRICTED CASH AND CASH EQUIVALENTS

The Authority's current restricted cash balance consists of funds restricted for future HAP payments. The non-current portion consists of funds held in escrow for tenants enrolled in the FSS program or other self-sufficiency programs and funds held in escrow for tenant security deposits. These amounts support either a corresponding liability or restricted net position. At March 31, 2019, restricted cash was categorized as follows:

<u>Category of Restriction</u>	<u>Amount</u>
Housing assistance payments	\$ 236,619
Tenant self-sufficiency escrows	1,660,793
Tenant security deposits	<u>888,164</u>
Total	<u>\$ 2,785,576</u>

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

### NOTE 6 – ACCOUNTS RECEIVABLE

The following is a listing of receivables for the Authority including the applicable allowances for uncollectible accounts at March 31, 2019.

Category of Receivable	Amount
HUD	\$ 725,624
Other Government	608,760
PHA Projects	15,622
Miscellaneous	69,369
Tenants	<u>226,752</u>
Gross Receivables	1,646,127
Allowance - Tenants	<u>(181,474)</u>
Accounts Receivable, Net	<u><u>\$ 1,464,653</u></u>

### NOTE 7 – CAPITAL ASSETS

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

	April 01, 2018	Increases	Decreases	March 31, 2019
Capital assets not being depreciated				
Land	\$ 2,265,587	\$ --	\$ --	\$ 2,265,587
Construction in Progress	<u>8,629,240</u>	<u>2,408,243</u>	<u>(4,947,749)</u>	<u>6,089,734</u>
Total capital assets not being depreciated	<u>10,894,827</u>	<u>2,408,243</u>	<u>(4,947,749)</u>	<u>8,355,321</u>
Other Capital Assets				
Buildings & improvements	220,251,910	4,942,973	--	225,194,883
Assets under capital lease	10,859,162	810,267	--	11,669,429
Furniture, equipment & machinery	<u>3,110,536</u>	<u>270,951</u>	<u>(1,073,494)</u>	<u>2,307,993</u>
Total other capital assets	<u>234,221,608</u>	<u>6,024,191</u>	<u>(1,073,494)</u>	<u>239,172,305</u>
Less accumulated depreciation				
Buildings & improvements	188,291,197	8,131,027	--	196,422,224
Assets under capital lease	3,095,184	769,500	--	3,864,684
Furniture, equipment & machinery	<u>2,420,309</u>	<u>227,715</u>	<u>(1,073,489)</u>	<u>1,574,535</u>
Total accumulated depreciation	<u>193,806,690</u>	<u>9,128,242</u>	<u>(1,073,489)</u>	<u>201,861,443</u>
Capital Assets Net	<u><u>\$ 51,309,745</u></u>	<u><u>\$ (695,808)</u></u>	<u><u>\$ (4,947,754)</u></u>	<u><u>\$ 45,666,183</u></u>
Depreciation expense was charged to:				
Federal Public Housing		<u>\$ 4,410,906</u>		
Housing Choice Voucher		<u>\$ 95,747</u>		
State/Local Programs		<u>\$ 4,448,847</u>		
COCC		<u>\$ 172,742</u>		

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

### NOTE 8 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended March 31, 2019 is as follows:

	April 01, 2018	Additions	Reductions	March 31, 2019	Amount due within one year
Compensated Absences	\$ 628,397	\$ 758,614	\$ (772,237)	\$ 614,774	\$ 447,139
Tenant self-sufficiency escrows	1,289,454	772,221	(401,156)	1,660,519	--
Net pension liability	41,043,591	7,774,287	(4,422,448)	44,395,430	--
OPEB Liability	21,425,432	1,565,322	(2,873,958)	20,116,796	--
Total	\$ 64,386,874	\$ 10,870,444	\$ (8,469,799)	\$ 66,787,519	\$ 447,139

### NOTE 9 – CAPITAL LEASE OBLIGATIONS

Long term debt activity for the year ended March 31, 2019 is as follows:

	April 1, 2018	Additions	Reductions	March 31, 2019	Amount due within one year
Energy performance contract	\$ 4,665,842	\$ --	\$ (956,978)	\$ 3,708,864	\$ 1,000,914
Vehicle capital leases	593,727	810,267	(262,170)	1,141,824	268,095
Total	\$ 5,259,569	\$ 810,267	\$(1,219,148)	\$ 4,850,688	\$ 1,269,009

#### Energy Performance Contract (EPC) Capital Lease

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 expires in September of 2022. Interest expense incurred on the lease for the year ended March 31, 2019 was \$190,253.

Amortization of assets under capital lease is included in depreciation expense. The costs of these assets under capital lease are included on the Statement of Net Position as Capital Assets and were \$10,218,919 at March 31, 2019. Accumulated amortization of the leased assets at March 31, 2019 was \$3,570,950.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 9 – CAPITAL LEASE OBLIGATIONS (CONTINUED)

#### Vehicle Capital Leases

During fiscal year 2018, the Authority entered into a master lease agreement with Merchant's Automotive Group, Inc. to lease their fleet of vehicles and in fiscal year 2018, the Authority began leasing twenty vehicles. In fiscal year 2019, the Authority started leasing another twenty vehicles. The leases are being paid in monthly installments of principal and interest of approximately \$28,870. The implied interest rate (approximately 4.50%) is based on the five-year swap rate, at time of lease, plus an interest adder. The expected lease term for each vehicle is five years; however, the Authority has the option to cancel the lease after one year.

The costs of these assets under capital lease are included on the Statement of Net Position as Capital Assets and were \$1,450,236 at March 31, 2019. Accumulated amortization of the leased assets at March 31, 2019 was \$293,734.

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of March 31, 2019, are as follows:

<u>Year</u>	
2020	\$ 1,449,614
2021	1,449,174
2022	1,433,524
2023	884,904
2024	<u>77,113</u>
Total minimum lease payments	5,294,329
Less: Amount representing interest	<u>(443,641)</u>
Present value of net minimum lease payments	4,850,688
Less: Current maturities of capital lease obligations	<u>(1,269,009)</u>
Long-term capital lease obligations	<u>\$ 3,581,679</u>

### NOTE 10 – REAL ESTATE TAXES

The Authority's property is exempt from local real estate taxes. The Authority's federally funded properties are not required to make a payment in lieu of taxes. State funded scattered site units make payments in lieu of real estate taxes equal to ½ 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 year ended March 31, 2019 aggregated \$5,947.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 11 – COST-SHARING DEFINED BENEFIT PENSION PLAN

#### *PLAN DESCRIPTION*

The Authority provides pension benefits to certain employees through the Worcester Retirement System (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.

#### *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 death benefits exist for beneficiaries of employees who die in active service.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 11 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *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 7.376% of the total. The Authority's required and actual contributions to WRS for the year ended March 31, 2019 were \$3,621,610. Employee contributions for the same period were \$1,018,086.

#### *PENSION LIABILITIES*

At March 31, 2019, the Authority reported a liability of \$44,395,430 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**WORCESTER HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 11 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)**

***PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES***

For the year ended March 31, 2019, the Authority recognized pension expense of \$6,838,012. The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. At March 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ --	\$ 709,682
Changes of assumptions	5,268,025	--
Net difference between projected and actual earnings on pension plan investments	3,527,927	--
Changes in proportion and differences between contributions and proportionate share of contributions	1,399,127	3,064,266
 Total	 <b>\$ 10,195,079</b>	 <b>\$ 3,773,948</b>

These amounts will be recognized as expense, or as a reduction of expense, as follows:

<b><u>Measurement period ending December 31,</u></b>	<b><u>Deferred Outflows (Inflows) of Resources</u></b>
2019	\$ 2,738,857
2020	1,470,651
2021	580,302
2022	1,462,263
2023	169,058
Total	<b>\$ 6,421,131</b>

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 11 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *ACTUARIAL METHODS & ASSUMPTIONS*

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal Cost Method
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Discount rate	6.90%
Inflation	2.50% for the next year and 3.0% per year thereafter
Salary increases	3.5% for the next year and 4.0% thereafter
Mortality rates	Pre-retirement rates are based on the RP-2014 Employee Mortality Table projected generationally with Scale MP-2017. Healthy retiree rates are based on the RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with scale MP-2017. Disabled retiree rates are based on the RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017.



# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 11 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *ACTUARIAL METHODS & ASSUMPTIONS (CONTINUED)*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Expected Rate of Return</u>
Domestic Equity	6.16%
International developed markets equity	6.69%
International emerging markets equity	9.47%
Core fixed income	1.89%
High-yield fixed income	4.00%
Real estate	4.58%
Commodities	4.77%
Hedge fund, global tactical asset allocation, risk parity	3.68%
Private equity	10.00%

#### *DISCOUNT RATE*

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**WORCESTER HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

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**NOTE 11 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)**

***SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE***

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<b>1% Decrease <u>5.90%</u></b>	<b>Current Discount <u>6.90%</u></b>	<b>1% Increase <u>7.90%</u></b>
Net pension liability	<u>\$ 57,199,998</u>	<u>\$ 44,395,430</u>	<u>\$ 33,609,552</u>

***PENSION PLAN FIDUCIARY NET POSITION***

Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS financial report.

***PAYABLES TO THE PENSION PLAN***

As of March 31, 2019, the Authority had no outstanding payables to WRS.

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

***PLAN DESCRIPTION AND BENEFITS PROVIDED***

The Authority’s defined benefit OPEB plan provides OPEB for all permanent full-time employees of the Authority. The OPEB plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

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.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

#### *PLAN DESCRIPTION AND BENEFITS PROVIDED (CONTINUED)*

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, the Authority covers 80% of premiums for Medical for those who retire on or after 10/1/2009 (85% for those who retired after 7/1/1994 but before 10/1/2009, and 90% 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, the Authority covers 80% of premiums for Medical for those who retire on or after 10/1/2009 (85% for those who retired after 7/1/1994 but before 10/1/2009, and 90% for all others) for individuals.

#### *PLAN MEMBERSHIP*

At March 31, 2019, there are 122 active employees and 171 retired employees enrolled in the plan.

#### *TOTAL OPEB LIABILITY*

The Authority's total OPEB liability of \$20,116,796 was measured as of March 31, 2019 and was determined by an actuarial valuation as of March 31, 2019.

#### *ACTUARIAL METHODS AND ASSUMPTIONS*

The total OPEB liability was determined by an actuarial valuation as of March 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date: Actuarially Determined Contribution was calculated as of April 1, 2018.

Actuarial Cost Method: Individual Entry Age Normal

Investment Rate of Return: 6.50%, net of OPEB plan investment, including inflation

Municipal Bond Rate: 3.29% as of March 31, 2019 (Source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)

Discount Rate: 3.25%, net of OPEB plan investment expense, including inflation.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

#### *ACTUARIAL METHODS AND ASSUMPTIONS*

Inflation: 2.75 % as of March 31, 2019 and for future periods

Salary Increase: 3.00% annually as of March 31, 2019 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: RP 2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females.

Post-Retirement Mortality: RP 2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females.

Disabled Mortality: RP 2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2012 for males and females.

Mortality Experience Study: The mortality assumptions reflect PERAC's recent experience analysis published in 2014 (based on the years 2006-2011), updated to reflect data through January 1, 2015 for post-retirement mortality, and professional judgement. As such, mortality assumptions reflect observed current mortality as well as expected mortality improvements.

Healthcare Trend: It is assumed that healthcare costs will increase at a rate of 5.0% per annum

Withdrawal Rates: Plan participants are expected to withdraw from the plan at a decreasing rate, based on years of service and age, from 27.0% at age 20 and 0-4 years of service to 3.50% at age 60 and 10+ years of service.

Retirement Rates: Plan participants are expected to retire at an increasing rate based on age and gender. Males are expected to retire at a rate of 1% for those aged 50 years, to 100% for those aged 70 years. Females are expected to retire at a rate of 1.5% for those aged 50 years, to 100% for those aged 70 years.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

### NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

#### *CHANGES IN THE TOTAL OPEB LIABILITY*

<b>Balance at beginning of year</b>	\$ 21,425,432
<b>Changes for the year:</b>	
Service cost	851,637
Interest	713,685
Changes of benefit terms	-
Difference between expected and actual experience	(1,323,044)
Changes of Assumptions	(910,715)
Benefit payments	(640,199)
Net Changes	<u>(1,308,636)</u>
<b>Balance at end of year</b>	<u>\$ 20,116,796</u>

#### *SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE*

The following table presents the Plan's total OPEB liability, calculated using the discount rate of 3.25% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.25%) or 1 percentage-point higher (4.25%) than the current rate.

	1% Decrease <u>2.25%</u>	Current Discount <u>3.25%</u>	1% Increase <u>4.25%</u>
Total OPEB liability	<u>\$ 23,567,115</u>	<u>\$ 20,116,796</u>	<u>\$ 17,379,460</u>

#### *SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE TREND RATE*

The following table presents the net other postemployment benefit liability, calculated the healthcare trend rate if it was 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1% Decrease <u>4.00%</u>	Current Trend <u>5.00%</u>	1% Increase <u>6.00%</u>
Total OPEB liability	<u>\$ 17,112,469</u>	<u>\$ 20,116,796</u>	<u>\$ 23,996,400</u>

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

#### *OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB*

For the year ended March 31, 2019, the Authority recognized OPEB expenses of \$1,195,495. At March 31, 2019, the Authority reported deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,103,997
Changes of assumptions	<u>759,935</u>
Total	<u>\$ 1,863,932</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b><u>Year</u></b>	<b>Deferred Outflows (Inflows) of Resources</b>
2020	\$ (369,827)
2021	(369,827)
2022	(369,827)
2023	(369,827)
2024	(369,827)
Thereafter	<u>(14,797)</u>
Total	<u>\$ (1,863,932)</u>

### NOTE 13 – OTHER RETIREMENT PLANS

The Authority provides to employees a separate deferred compensation plan in accordance with IRC §457. The plan is open to all employees. Employee contributions for 2019 were \$131,007. There were no employer contributions.

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 14 – 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 15 – RESTATEMENT OF BEGINNING NET POSITION

Prior period adjustments are the net effect of changes resulting from the adoption of a new accounting standard, GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. GASB 75 requires the OPEB liability to be reported on the face of the financial statements rather than in the accompanying notes, as previously required by GASB 45. In addition, the net OPEB obligation previously stated by GASB 45 has been removed. As a result, the Authority has restated the net position as of April 1, 2018 to comply with the adoption requirements of GASB 75 as follows:

Beginning Net Position - April 1, 2018	\$	18,184,676
Removal of net OPEB Obligation under GASB 45		10,046,573
Addition of OPEB Liability for adoption of GASB 75		<u>(21,425,432)</u>
Beginning Net Position - Restated	\$	<u>6,805,817</u>

# WORCESTER HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

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### NOTE 17 – BLENDED COMPONENT UNIT

As disclosed in Note 1, the Authority has one blended component unit; Building Futures, Inc., the financial statements of which are included in the basic financial statements. Condensed financial information as of and for the year ended March 31<sup>st</sup> is as follows:

#### Condensed Summary of Net Position

##### Assets

Current	\$ 27,608
Total Assets	<u>27,608</u>

##### Liabilities

Current	<u>1,926</u>
Total Liabilities	<u>1,926</u>

##### Net Position

Unrestricted	<u>25,682</u>
Total Net Position	<u>\$ 25,682</u>

#### Condensed Summary of Revenues, Expenses and Changes in Net Position

##### Operating Revenues

Other Revenue	\$ 151,949
Total Operating Revenues	<u>151,949</u>

##### Operating Expenses

Other Operating	<u>218,443</u>
Total Operating Expenses	<u>218,443</u>

Operating Loss	<u>(66,494)</u>
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##### Non-operating Revenues

Interest Income	26
Total Non-operating Revenues	<u>26</u>

Change in Net Position	(66,468)
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Beginning Net Position	<u>92,150</u>
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Ending Net Position	<u>\$ 25,682</u>
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#### Condensed Summary of Cash Flows

##### Net Cash Provided by (Used In):

Operating Activities	\$ (64,568)
Investing	<u>26</u>

Net Change in Cash	(64,542)
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Cash and cash equivalents at beginning of year	<u>92,150</u>
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Cash and cash equivalents at end of year	<u>\$ 27,608</u>
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# WORCESTER HOUSING AUTHORITY

## SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

### LAST FISCAL YEAR

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Measurement Period Ending March 31,	<u>2019</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 851,637
Interest	713,685
Changes of benefit terms	--
Difference between expected and actual experience	(1,323,044)
Changes of Assumptions	(910,715)
Benefit payments	(640,199)
Net Change in Total Pension Liability	<u>(1,308,636)</u>
<b>Total OPEB Liability - Beginning</b>	<u>21,425,432</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 20,116,796</u>
<b>Covered Payroll</b>	\$ 11,095,621
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	181%

The Schedule is intended to present information for 10 years; additional years will be displayed as they become available.

*See Notes to Required Supplementary Information*

# WORCESTER HOUSING AUTHORITY

## SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY WORCESTER RETIREMENT SYSTEM

### LAST FOUR FISCAL YEARS

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Measurement period ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	7.376%	8.049%	8.231%	7.933%
Proportionate share of the net pension liability	\$ 44,395,430	\$ 41,043,591	\$ 41,890,557	\$ 38,799,015
Covered-employee payroll	\$ 10,266,264	\$ 10,488,880	\$ 10,090,096	\$ 9,988,160
Proportionate share of the net pension liability as a percentage of covered payroll	432.4%	391.3%	415.2%	388.5%
Plan fiduciary net position as a percentage of the total pension liability	60.040%	65.130%	62.200%	62.000%

The Schedule is intended to present information for 10 years; additional years will be displayed as they become available.

*See Notes to Required Supplementary Information*

**WORCESTER HOUSING AUTHORITY**

**SCHEDULE OF PENSION CONTRIBUTIONS  
WORCESTER RETIREMENT SYSTEM**

**LAST FOUR FISCAL YEARS**

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<b>Measurement period ending December 31,</b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contribution	\$ 3,621,610	\$ 3,717,671	\$ 3,655,659	\$ 3,387,794
Contributions in relation to the contractually required contribution	<u>3,621,610</u>	<u>3,717,671</u>	<u>3,655,659</u>	<u>3,387,794</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 10,266,264	\$ 10,488,880	\$ 10,090,096	\$ 9,988,160
Contributions as a percentage of covered payroll	35.28%	35.44%	36.23%	33.92%

The Schedule is intended to present information for 10 years; additional years will be displayed as they become available.

*See Notes to Required Supplementary Information*

# WORCESTER HOUSING AUTHORITY

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION MARCH 31, 2019

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### NOTE 1 – OTHER POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

#### *DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION*

The Schedule of Changes in the Total OPEB Liability and Related Ratios details the Plan's other postemployment benefit liability and the covered employee payroll. It demonstrates the Plan's total liability and the Plan's liability as a percentage of covered payroll.

#### *10-YEAR TREND INFORMATION*

The Schedule of Changes in the Total OPEB Liability and Related Ratios is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

#### *CHANGES IN ASSUMPTIONS*

Effective March 31, 2019

- Discount rate is 3.25%, previously 3.50%
- The method for developing expected medical claims has been updated.
- The expected long-term medical trend for Medicare Supplement plans has been updated to 4.50%

#### *CHANGES IN BENEFIT TERMS*

There were no changes in benefit terms from the prior measurement report.

### NOTE 2 – PENSION PLAN SCHEDULES

#### *DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION*

The Schedule of the Proportionate Share of the Net Pension Liability presents multi-year trend information on the Authority's share of the Net Pension Liability and related ratios.

The Schedule of Contributions presents multiyear trend information for the Authority's required and actual contributions relating to the pension plan.

#### *10-YEAR TREND INFORMATION*

The Schedules of the Proportionate Share of the Net Pension Liability and the Schedule of Contributions are intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

#### *CHANGES IN BENEFIT TERMS*

There were no changes in benefit terms from the prior measurement report.

**WORCESTER HOUSING AUTHORITY**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
MARCH 31, 2019**

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**NOTE 2 – PENSION PLAN SCHEDULES**

*CHANGES IN ASSUMPTIONS*

The Investment return assumption was decreased from 7.0% to 6.9% effective in the January 1, 2019 actuarial valuation.

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008
111	Cash - Unrestricted	2,636,629	258,221	301,330	640,532	33,819	1,641,107
113	Cash - Other Restricted	268,515	14,821	495	-	7,083	-
114	Cash - Tenant Security Deposits	281,230	14,334	42,751	44,772	53,209	176
100	Total Cash	3,186,374	287,376	344,576	685,304	94,111	1,641,283
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	620,813	-	-	-	-	-
124	Accounts Receivable - Other Government	-	-	-	289	-	-
125	Accounts Receivable - Miscellaneous	3	-	16	66	543	-
126	Accounts Receivable - Tenants	37,033	-	2,966	12,342	6,541	2,005
126.1	Allowance for Doubtful Accounts -Tenants	(24,012)	-	(2,611)	(10,596)	(5,755)	(1,939)
126.2	Allowance for Doubtful Accounts - Other	(16,208)	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	32,416	-	-	-	-	-
128	Fraud Recovery	22,177	-	627	949	2,182	-
128.1	Allowance for Doubtful Accounts - Fraud	(22,177)	-	(627)	(949)	(2,182)	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	650,045	-	371	2,101	1,329	66
142	Prepaid Expenses and Other Assets	23,671	374	739	1,879	4,286	2,486
143	Inventories	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Inter Program Due From	-	-	-	-	-	-
150	Total Current Assets	3,860,090	287,750	345,686	689,284	99,726	1,643,835
161	Land	-	32,500	128,500	30,200	196,424	175,000
162	Buildings	40,197,425	4,025,849	6,701,442	6,593,839	12,391,680	11,035,835
164	Furniture, Equipment & Machinery - Administration	1,220,311	-	4,369	18,165	47,334	240,584
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	(32,761,786)	(2,946,826)	(5,881,329)	(6,363,583)	(10,948,789)	(10,443,061)
167	Construction in Progress	1,341,965	-	-	109,164	112,646	-
160	Total Capital Assets, Net of Accumulated Depreciation	9,997,915	1,111,523	952,982	387,785	1,799,295	1,008,358
180	Total Non-Current Assets	9,997,915	1,111,523	952,982	387,785	1,799,295	1,008,358
200	Deferred Outflow of Resources	1,303,631	109,085	181,604	226,063	264,356	187,690
290	Total Assets and Deferred Outflow of Resources	15,161,636	1,508,358	1,480,272	1,303,132	2,163,377	2,839,883
311	Bank Overdraft	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	27,821	-	-	-	-	-

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	43,068	3,243	8,295	6,069	12,395	8,340
333	Accounts Payable - Other Government	-	-	-	-	-	-
341	Tenant Security Deposits	281,230	14,334	42,751	44,772	53,209	176
342	Unearned Revenue	40,744	2,109	5,545	4,771	5,631	25,901
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	417,480	40,037	70,064	20,018	90,082	54,142
345	Other Current Liabilities	3,986	-	-	-	-	-
346	Accrued Liabilities - Other	587,425	8,733	21,148	19,127	50,067	24,016
347	Inter Program - Due To	-	-	-	-	-	-
310	Total Current Liabilities	1,401,754	68,456	147,803	94,757	211,384	112,575
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	656,014	164,833	228,957	43,569	293,792	201,011
353	Non-current Liabilities - Other	268,426	14,816	496	-	7,081	-
354	Accrued Compensated Absences - Non Current	21,853	770	3,527	3,598	2,278	1,895
357	Accrued Pension and OPEB Liabilities	8,346,277	636,203	1,080,336	1,305,575	1,730,986	1,216,900
350	Total Non-Current Liabilities	9,292,570	816,622	1,313,316	1,352,742	2,034,137	1,419,806
300	Total Liabilities	10,694,324	885,078	1,461,119	1,447,499	2,245,521	1,532,381
400	Deferred Inflow of Resources	751,338	39,203	78,577	116,284	136,208	111,615
508.4	Net Investment in Capital Assets	8,924,421	906,653	653,961	324,198	1,415,421	753,205
511.4	Restricted Net Position	-	-	-	-	-	-
512.4	Unrestricted Net Position	(5,208,447)	(322,576)	(713,385)	(584,849)	(1,633,773)	442,682
513	Total Equity - Net Assets / Position	3,715,974	584,077	(59,424)	(260,651)	(218,352)	1,195,887
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	15,161,636	1,508,358	1,480,272	1,303,132	2,163,377	2,839,883
70300	Net Tenant Rental Revenue	2,468,325	181,850	438,593	433,736	579,590	780,084
70400	Tenant Revenue - Other	28,657	1,990	3,350	4,150	3,700	320
70500	Total Tenant Revenue	2,496,982	183,840	441,943	437,886	583,290	780,404
70600	HUD PHA Operating Grants	4,746,349	204,330	419,761	579,761	534,929	714,336
70610	Capital Grants	438,628	-	-	109,164	23,037	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008
70800	Other Government Grants	-	-	-	-	36,311	39,136
71100	Investment Income - Unrestricted	24,812	4,988	8,459	6,919	5,518	24,711
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	845,646	5,389	85,926	88,437	84,386	514,413
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-
70000	<b>Total Revenue</b>	<b>8,552,417</b>	<b>398,547</b>	<b>956,089</b>	<b>1,222,167</b>	<b>1,267,471</b>	<b>2,073,000</b>
91100	Administrative Salaries	485,339	34,535	84,023	82,035	110,275	97,177
91200	Auditing Fees	1,894	179	433	476	633	712
91300	Management Fee	1,092,701	50,069	121,228	131,051	174,410	199,697
91310	Book-keeping Fee	47,513	4,470	10,823	11,700	15,570	17,828
91400	Advertising and Marketing	257	23	55	61	81	92
91500	Employee Benefit contributions - Administrative	354,273	25,239	61,945	126,100	103,605	81,818
91600	Office Expenses	46,767	2,152	5,470	10,241	20,150	10,789
91700	Legal Expense	30,465	2,868	6,939	7,503	9,986	11,430
91800	Travel	3,799	207	461	441	810	652
91900	Other	29,916	1,360	2,741	2,927	3,733	3,861
91000	<b>Total Operating - Administrative</b>	<b>2,092,924</b>	<b>121,102</b>	<b>294,118</b>	<b>372,535</b>	<b>439,253</b>	<b>424,056</b>
92000	Asset Management Fee	31,740	6,000	14,520	15,840	21,120	23,880
92100	Tenant Services - Salaries	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
92400	Tenant Services - Other	2,356	395	828	2,264	2,534	1,989
92500	<b>Total Tenant Services</b>	<b>2,356</b>	<b>395</b>	<b>828</b>	<b>2,264</b>	<b>2,534</b>	<b>1,989</b>
93100	Water	724,688	22,970	50,961	59,864	65,450	63,635
93200	Electricity	1,131,697	40,670	130,869	161,273	166,281	419,004
93300	Gas	399,760	27,841	58,784	60,617	57,556	24,172
93000	<b>Total Utilities</b>	<b>2,256,145</b>	<b>91,481</b>	<b>240,614</b>	<b>281,754</b>	<b>289,287</b>	<b>506,811</b>
94100	Ordinary Maintenance and Operations - Labor	879,465	49,492	116,324	51,406	183,093	136,620
94200	Ordinary Maintenance and Operations - Materials and Other	348,102	6,899	24,746	34,770	41,724	64,297
94300	Ordinary Maintenance and Operations Contracts	675,016	50,665	185,759	162,146	191,476	194,744
94500	Employee Benefit Contributions - Ordinary Maintenance	611,088	37,771	89,391	105,207	180,813	121,460
94000	<b>Total Maintenance</b>	<b>2,513,671</b>	<b>144,827</b>	<b>416,220</b>	<b>353,529</b>	<b>597,106</b>	<b>517,121</b>
95200	Protective Services - Other Contract Costs	216,957	-	1,015	45,091	149,995	-
95300	Protective Services - Other	-	-	-	-	-	-
95000	<b>Total Protective Services</b>	<b>216,957</b>	<b>-</b>	<b>1,015</b>	<b>45,091</b>	<b>149,995</b>	<b>-</b>

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# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000001	MA012000002	MA012000003	MA012000005	MA012000006	MA012000008
96140	All Other Insurance	131,045	19,911	52,401	29,893	55,632	48,653
96100	Total insurance Premiums	131,045	19,911	52,401	29,893	55,632	48,653
96200	Other General Expenses	22,315	2,186	4,550	3,369	6,264	5,289
96210	Compensated Absences	43,387	(653)	885	(3,658)	(1,133)	(1,303)
96300	Payments in Lieu of Taxes	-	-	-	-	-	-
96400	Bad debt - Tenant Rents	40,444	222	(836)	10,439	12,467	2,721
96000	Total Other General Expenses	106,146	1,755	4,599	10,150	17,598	6,707
96720	Interest on Notes Payable (Short and Long Term)	76,876	7,767	13,730	4,222	17,676	8,233
96700	Total Interest Expense and Amortization Cost	76,876	7,767	13,730	4,222	17,676	8,233
96900	Total Operating Expenses	7,427,860	393,238	1,038,045	1,115,278	1,590,201	1,537,450
97000	Excess of Operating Revenue over Operating Expenses	1,124,557	5,309	(81,956)	106,889	(322,730)	535,550
97100	Extraordinary Maintenance	163,363	8,552	37,758	17,103	63,347	68,586
97200	Casualty Losses - Non-capitalized	6,425	130	-	606	756	514
97300	Housing Assistance Payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation Expense	1,383,194	166,271	104,955	26,338	330,062	219,730
90000	Total Expenses	8,980,842	568,191	1,180,758	1,159,325	1,984,366	1,826,280
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(428,425)	(169,644)	(224,669)	62,842	(716,895)	246,720
11020	Required Annual Debt Principal Payments	353,126	-	66,989	19,140	86,128	38,279
11030	Beginning Equity	3,949,321	828,899	327,526	(152,904)	805,926	1,177,094
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	195,078	(75,178)	(162,281)	(170,589)	(307,383)	(227,927)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-
11190	Unit Months Available	6,348	600	1,452	1,572	2,100	2,388
11210	Number of Unit Months Leased	6,324	596	1,444	1,561	2,075	2,377
11620	Building Purchases	438,628	-	-	109,164	23,037	-

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000011	MA012000012	MA012000013	MA012000017	MA012000018	MA012000019
111	Cash - Unrestricted	556,587	557,313	2,630,381	129,877	1,474,913	247,625
113	Cash - Other Restricted	13,352	-	-	7,852	-	-
114	Cash - Tenant Security Deposits	31,273	50,833	4,823	11,872	2,184	14,512
100	Total Cash	601,212	608,146	2,635,204	149,601	1,477,097	262,137
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-
124	Accounts Receivable - Other Government	-	-	985	-	424	-
125	Accounts Receivable - Miscellaneous	-	-	102	330	8	-
126	Accounts Receivable - Tenants	141	3,169	6,330	586	327	1,514
126.1	Allowance for Doubtful Accounts - Tenants	(60)	(2,133)	(5,606)	(293)	(283)	(757)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	(455)	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	910	-	-
128	Fraud Recovery	-	5,526	5,191	321	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	(5,526)	(5,191)	(321)	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	81	1,036	1,811	1,078	476	757
142	Prepaid Expenses and Other Assets	549	2,784	8,488	372	2,105	187
143	Inventories	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Inter Program Due From	-	-	-	-	-	-
150	Total Current Assets	601,842	611,966	2,645,503	151,051	1,479,678	263,081
161	Land	28,000	87,500	235,606	32,200	237,974	131,038
162	Buildings	4,512,325	12,554,026	26,799,474	1,851,171	18,554,098	2,378,945
164	Furniture, Equipment & Machinery - Administration	-	175,466	255,217	-	153,071	21,430
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	(3,749,539)	(11,509,618)	(24,149,200)	(1,512,010)	(16,042,389)	(1,687,514)
167	Construction in Progress	321,671	146,816	175,939	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	1,112,457	1,454,190	3,317,036	371,361	2,902,754	843,899
180	Total Non-Current Assets	1,112,457	1,454,190	3,317,036	371,361	2,902,754	843,899
200	Deferred Outflow of Resources	209,084	258,434	438,253	41,251	244,597	73,579
290	Total Assets and Deferred Outflow of Resources	1,923,383	2,324,590	6,400,792	563,663	4,627,029	1,180,559
311	Bank Overdraft	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	-	-	-	-	-	-

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000011	MA012000012	MA012000013	MA012000017	MA012000018	MA012000019
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	6,080	8,401	24,274	5,308	13,566	3,271
333	Accounts Payable - Other Government	-	-	-	-	-	-
341	Tenant Security Deposits	31,273	50,833	4,823	11,872	2,184	14,512
342	Unearned Revenue	3,038	10,251	44,803	1,760	10,863	3,222
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	30,027	40,037	153,969	1,001	194,539	-
345	Other Current Liabilities	-	-	-	-	-	-
346	Accrued Liabilities - Other	25,852	26,627	78,399	16,041	32,850	4,671
347	Inter Program - Due To	-	-	-	-	-	-
310	Total Current Liabilities	96,270	136,149	306,268	35,982	254,002	25,676
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	93,370	147,991	530,895	4,246	730,119	-
353	Non-current Liabilities - Other	13,347	-	-	7,848	-	-
354	Accrued Compensated Absences - Non Current	1,997	1,923	13,547	2,396	5,657	701
357	Accrued Pension and OPEB Liabilities	1,182,575	1,625,682	2,955,713	342,554	1,509,603	433,601
350	Total Non-Current Liabilities	1,291,289	1,775,596	3,500,155	357,044	2,245,379	434,302
300	Total Liabilities	1,387,559	1,911,745	3,806,423	393,026	2,499,381	459,978
400	Deferred Inflow of Resources	68,935	138,962	280,264	50,694	128,742	29,238
508.4	Net Investment in Capital Assets	989,060	1,266,162	2,632,172	366,114	1,978,096	843,899
511.4	Restricted Net Position	-	-	-	-	-	-
512.4	Unrestricted Net Position	(522,171)	(992,279)	(318,067)	(246,171)	20,810	(152,556)
513	Total Equity - Net Assets / Position	466,889	273,883	2,314,105	119,943	1,998,906	691,343
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	1,923,383	2,324,590	6,400,792	563,663	4,627,029	1,180,559
70300	Net Tenant Rental Revenue	278,606	638,098	1,539,184	56,711	699,448	162,800
70400	Tenant Revenue - Other	60	3,524	11,308	3,090	5,920	-
70500	Total Tenant Revenue	278,666	641,622	1,550,492	59,801	705,368	162,800
70600	HUD PHA Operating Grants	393,601	716,961	1,649,642	190,837	1,107,029	146,822
70610	Capital Grants	317,241	17,475	169,116	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-

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**WORCESTER HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**

**MARCH 31, 2019**

<b>FDS Line Item</b>	<b>Description</b>	<b>MA012000011</b>	<b>MA012000012</b>	<b>MA012000013</b>	<b>MA012000017</b>	<b>MA012000018</b>	<b>MA012000019</b>
70800	Other Government Grants	5,697	33,487	-	-	-	-
71100	Investment Income - Unrestricted	3,419	5,484	25,684	4,897	16,735	4,984
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	12,516	344,064	523,569	1,880	49,432	10,702
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-
70000	<b>Total Revenue</b>	<b>1,011,140</b>	<b>1,759,093</b>	<b>3,918,503</b>	<b>257,415</b>	<b>1,878,564</b>	<b>325,308</b>
91100	Administrative Salaries	57,149	99,970	191,609	29,989	101,732	24,803
91200	Auditing Fees	197	594	1,542	97	698	179
91300	Management Fee	54,693	165,595	430,747	26,628	196,003	50,158
91310	Book-keeping Fee	4,883	14,783	38,453	2,378	17,497	4,478
91400	Advertising and Marketing	26	77	199	12	89	23
91500	Employee Benefit contributions - Administrative	51,555	93,377	182,457	29,327	95,860	11,384
91600	Office Expenses	2,469	13,593	23,792	913	14,504	5,579
91700	Legal Expense	3,131	9,477	24,657	1,526	11,219	2,872
91800	Travel	722	539	1,005	294	427	372
91900	Other	1,709	5,216	11,587	685	6,512	686
91000	<b>Total Operating - Administrative</b>	<b>176,534</b>	<b>403,221</b>	<b>906,048</b>	<b>91,849</b>	<b>444,541</b>	<b>100,534</b>
92000	Asset Management Fee	-	19,920	51,720	3,240	23,400	6,000
92100	Tenant Services - Salaries	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
92400	Tenant Services - Other	30	1,945	3,848	14	3,406	465
92500	<b>Total Tenant Services</b>	<b>30</b>	<b>1,945</b>	<b>3,848</b>	<b>14</b>	<b>3,406</b>	<b>465</b>
93100	Water	78,203	81,059	182,416	33,033	86,217	14,000
93200	Electricity	6,522	442,567	568,543	3,227	282,648	24,246
93300	Gas	60,015	23,355	117,332	-	36,326	12,837
93000	<b>Total Utilities</b>	<b>144,740</b>	<b>546,981</b>	<b>868,291</b>	<b>36,260</b>	<b>405,191</b>	<b>51,083</b>
94100	Ordinary Maintenance and Operations - Labor	69,800	143,134	328,674	70,689	125,871	72,322
94200	Ordinary Maintenance and Operations - Materials and Other	32,632	43,867	92,686	10,405	32,700	10,933
94300	Ordinary Maintenance and Operations Contracts	114,757	205,637	402,618	69,227	148,266	90,579
94500	Employee Benefit Contributions - Ordinary Maintenance	62,074	140,037	335,548	71,329	125,957	35,748
94000	<b>Total Maintenance</b>	<b>279,263</b>	<b>532,675</b>	<b>1,159,526</b>	<b>221,650</b>	<b>432,794</b>	<b>209,582</b>
95200	Protective Services - Other Contract Costs	-	23,741	30,330	-	11,047	-
95300	Protective Services - Other	-	-	-	-	-	-
95000	<b>Total Protective Services</b>	<b>-</b>	<b>23,741</b>	<b>30,330</b>	<b>-</b>	<b>11,047</b>	<b>-</b>

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000011	MA012000012	MA012000013	MA012000017	MA012000018	MA012000019
96140	All Other Insurance	29,024	41,369	100,045	25,999	40,986	9,074
96100	Total insurance Premiums	29,024	41,369	100,045	25,999	40,986	9,074
96200	Other General Expenses	2,053	4,617	12,743	546	8,982	1,033
96210	Compensated Absences	251	(8,719)	6,141	(517)	6,010	2,215
96300	Payments in Lieu of Taxes	-	-	-	-	-	-
96400	Bad debt - Tenant Rents	463	1,107	8,434	570	1,924	669
96000	Total Other General Expenses	2,767	(2,995)	27,318	599	16,916	3,917
96720	Interest on Notes Payable (Short and Long Term)	5,880	8,109	28,415	276	35,002	157
96700	Total Interest Expense and Amortization Cost	5,880	8,109	28,415	276	35,002	157
96900	Total Operating Expenses	638,238	1,574,966	3,175,541	379,887	1,413,283	380,812
97000	Excess of Operating Revenue over Operating Expenses	372,902	184,127	742,962	(122,472)	465,281	(55,504)
97100	Extraordinary Maintenance	18,080	69,601	115,211	46,111	40,500	19,189
97200	Casualty Losses - Non-capitalized	572	579	155	(1,409)	-	680
97300	Housing Assistance Payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation Expense	129,522	285,760	418,391	3,966	701,020	85,746
90000	Total Expenses	786,412	1,930,906	3,709,298	428,555	2,154,803	486,427
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	224,728	(171,813)	209,205	(171,140)	(276,239)	(161,119)
11020	Required Annual Debt Principal Payments	28,709	38,279	124,407	957	162,687	-
11030	Beginning Equity	333,918	710,340	3,832,712	393,654	2,555,804	921,632
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(91,757)	(264,644)	(1,727,812)	(102,571)	(280,659)	(69,170)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-
11190	Unit Months Available	660	1,980	5,160	324	2,340	600
11210	Number of Unit Months Leased	651	1,971	5,127	317	2,333	597
11620	Building Purchases	317,241	17,475	169,116	-	-	-

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# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000020	MA012000021	MA012000022	Total AMPs	Resident Opportunity and Supportive Services	Housing Choice Vouchers
111	Cash - Unrestricted	385,042	264,734	-	11,758,110	-	2,559,387
113	Cash - Other Restricted	60,557	-	-	372,675	-	1,047,796
114	Cash - Tenant Security Deposits	89,699	21,124	10,017	672,809	-	-
100	Total Cash	535,298	285,858	10,017	12,803,594	-	3,607,183
121	Accounts Receivable - PHA Projects	-	-	-	-	-	15,622
122	Accounts Receivable - HUD Other Projects	-	-	-	620,813	38,369	66,442
124	Accounts Receivable - Other Government	-	-	-	1,698	-	-
125	Accounts Receivable - Miscellaneous	-	610	-	1,678	-	-
126	Accounts Receivable - Tenants	8,120	2,628	3,501	87,203	-	-
126.1	Allowance for Doubtful Accounts - Tenants	(6,163)	(1,679)	(3,280)	(65,167)	-	-
126.2	Allowance for Doubtful Accounts - Other	(4,013)	-	-	(20,676)	-	-
127	Notes, Loans, & Mortgages Receivable - Current	8,026	-	-	41,352	-	-
128	Fraud Recovery	754	-	-	37,727	-	-
128.1	Allowance for Doubtful Accounts - Fraud	(754)	-	-	(37,727)	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	5,970	1,559	221	666,901	38,369	82,064
142	Prepaid Expenses and Other Assets	1,736	1,553	188	51,397	-	-
143	Inventories	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Inter Program Due From	-	-	-	-	-	-
150	Total Current Assets	543,004	288,970	10,426	13,521,892	38,369	3,689,247
161	Land	161,000	252,470	32,450	1,760,862	-	-
162	Buildings	5,520,000	4,674,945	857,869	158,648,923	-	751,380
164	Furniture, Equipment & Machinery - Administration	300,324	10,859	-	2,447,130	-	120,188
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	(4,469,960)	(3,267,571)	(732,698)	(136,465,873)	-	(376,992)
167	Construction in Progress	452,056	-	-	2,660,257	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	1,963,420	1,670,703	157,621	29,051,299	-	494,576
180	Total Non-Current Assets	1,963,420	1,670,703	157,621	29,051,299	-	494,576
200	Deferred Outflow of Resources	332,430	43,490	81,088	3,994,635	-	856,096
290	Total Assets and Deferred Outflow of Resources	2,838,854	2,003,163	249,135	46,567,826	38,369	5,039,919
311	Bank Overdraft	-	-	23,919	23,919	-	-
312	Accounts Payable <= 90 Days	-	-	-	27,821	-	22,019

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# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000020	MA012000021	MA012000022	Total AMPs	Resident Opportunity and Supportive Services	Housing Choice Vouchers
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	13,015	3,982	2,459	161,766	-	66,386
333	Accounts Payable - Other Government	-	-	-	-	-	-
341	Tenant Security Deposits	89,699	21,124	10,017	672,809	-	-
342	Unearned Revenue	10,582	4,958	1,311	175,489	-	34,184
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	21,331	-	-	1,132,727	-	4,300
345	Other Current Liabilities	-	-	-	3,986	-	-
346	Accrued Liabilities - Other	63,812	14,235	18,190	991,193	-	64,285
347	Inter Program - Due To	-	-	-	-	38,369	-
310	Total Current Liabilities	198,439	44,299	55,896	3,189,710	38,369	191,174
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	72,890	-	-	3,167,687	-	13,465
353	Non-current Liabilities - Other	60,538	-	-	372,552	-	811,177
354	Accrued Compensated Absences - Non Current	9,646	703	276	70,767	-	25,612
357	Accrued Pension and OPEB Liabilities	1,971,751	320,633	460,829	25,119,218	-	5,804,231
350	Total Non-Current Liabilities	2,114,825	321,336	461,105	28,730,224	-	6,654,485
300	Total Liabilities	2,313,264	365,635	517,001	31,919,934	38,369	6,845,659
400	Deferred Inflow of Resources	178,844	36,167	32,153	2,177,224	-	636,565
508.4	Net Investment in Capital Assets	1,869,199	1,670,703	157,621	24,750,885	-	476,811
511.4	Restricted Net Position	-	-	-	-	-	236,619
512.4	Unrestricted Net Position	(1,522,453)	(69,342)	(457,640)	(12,280,217)	-	(3,155,735)
513	Total Equity - Net Assets / Position	346,746	1,601,361	(300,019)	12,470,668	-	(2,442,305)
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	2,838,854	2,003,163	249,135	46,567,826	38,369	5,039,919
70300	Net Tenant Rental Revenue	791,086	225,291	154,884	9,428,286	-	-
70400	Tenant Revenue - Other	1,294	20	920	68,303	-	-
70500	Total Tenant Revenue	792,380	225,311	155,804	9,496,589	-	-
70600	HUD PHA Operating Grants	1,003,787	188,205	165,589	12,761,939	96,156	30,884,800
70610	Capital Grants	332,918	-	-	1,407,579	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	MA012000020	MA012000021	MA012000022	Total AMPs	Resident Opportunity and Supportive Services	Housing Choice Vouchers
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	40,548	-	8,839	164,018	-	-
71100	Investment Income - Unrestricted	16,791	8,246	8,148	169,795	-	46,628
71400	Fraud Recovery	-	-	-	-	-	204,874
71500	Other Revenue	34,759	14,505	16,403	2,632,027	-	1,648,429
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-
70000	Total Revenue	2,221,183	436,267	354,783	26,631,947	96,156	32,784,731
91100	Administrative Salaries	131,146	32,403	27,887	1,590,072	-	1,519,118
91200	Auditing Fees	723	236	157	8,750	-	6,450
91300	Management Fee	199,045	64,947	44,359	3,001,331	-	755,449
91310	Book-keeping Fee	17,768	5,797	3,960	217,901	-	322,702
91400	Advertising and Marketing	93	30	20	1,138	-	149
91500	Employee Benefit contributions - Administrative	127,959	18,213	37,920	1,401,032	-	1,139,527
91600	Office Expenses	21,291	5,746	2,656	186,112	-	253,405
91700	Legal Expense	11,389	3,719	2,539	139,720	-	32,290
91800	Travel	1,380	318	134	11,561	-	794
91900	Other	4,510	6,132	1,891	83,466	-	23,483
91000	Total Operating - Administrative	515,304	137,541	121,523	6,641,083	-	4,053,367
92000	Asset Management Fee	24,480	7,920	-	249,780	-	-
92100	Tenant Services - Salaries	-	-	-	-	59,228	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	36,928	-
92400	Tenant Services - Other	109	1,095	359	21,637	-	-
92500	Total Tenant Services	109	1,095	359	21,637	96,156	-
93100	Water	225,697	41,365	27,858	1,757,416	-	-
93200	Electricity	59,988	30,913	39,855	3,508,303	-	-
93300	Gas	142,365	15,404	30,375	1,066,739	-	-
93000	Total Utilities	428,050	87,682	98,088	6,332,458	-	-
94100	Ordinary Maintenance and Operations - Labor	170,833	70,772	35,503	2,503,998	-	-
94200	Ordinary Maintenance and Operations - Materials and Other	112,933	17,986	6,080	880,760	-	-
94300	Ordinary Maintenance and Operations Contracts	363,859	64,083	64,810	2,983,642	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	173,558	42,806	46,771	2,179,558	-	-
94000	Total Maintenance	821,183	195,647	153,164	8,547,958	-	-
95200	Protective Services - Other Contract Costs	14,891	-	-	493,067	-	-

*See Independent Auditors' Report*



# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

MARCH 31, 2019

FDS Line Item	Description	MA012000020	MA012000021	MA012000022	Total AMPs	Resident Opportunity and Supportive Services	Housing Choice Vouchers
95300	Protective Services - Other	-	-	-	-	-	-
95000	Total Protective Services	14,891	-	-	493,067	-	-
96140	All Other Insurance	38,614	12,329	24,341	659,316	-	78,927
96100	Total insurance Premiums	38,614	12,329	24,341	659,316	-	78,927
96200	Other General Expenses	4,241	1,396	931	80,515	-	42,817
96210	Compensated Absences	5,234	1,728	(3,139)	46,729	-	5,548
96300	Payments in Lieu of Taxes	-	-	-	-	-	-
96400	Bad debt - Tenant Rents	5,683	2,665	3,280	90,252	-	-
96000	Total Other General Expenses	15,158	5,789	1,072	217,496	-	48,365
96720	Interest on Notes Payable (Short and Long Term)	682	205	529	207,759	-	459
96700	Total Interest Expense and Amortization Cost	682	205	529	207,759	-	459
96900	Total Operating Expenses	1,858,471	448,208	399,076	23,370,554	96,156	4,181,118
97000	Excess of Operating Revenue over Operating Expenses	362,712	(11,941)	(44,293)	3,261,393	-	28,603,613
97100	Extraordinary Maintenance	112,130	11,501	60,438	851,470	-	-
97200	Casualty Losses - Non-capitalized	150	170	-	9,328	-	-
97300	Housing Assistance Payments	-	-	-	-	-	27,946,018
97350	HAP Portability-In	-	-	-	-	-	1,237,579
97400	Depreciation Expense	347,188	164,531	44,232	4,410,906	-	95,747
90000	Total Expenses	2,317,939	624,410	503,746	28,642,258	96,156	33,460,462
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(96,756)	(188,143)	(148,963)	(2,010,311)	-	(675,731)
11020	Required Annual Debt Principal Payments	-	-	-	918,701	-	-
11030	Beginning Equity	659,384	2,267,961	(80,567)	18,530,700	-	(537,656)
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(215,882)	(478,457)	(70,489)	(4,049,721)	-	(1,228,918)
11170	Administrative Fee Equity	-	-	-	-	-	(2,678,924)
11180	Housing Assistance Payments Equity	-	-	-	-	-	236,619
11190	Unit Months Available	2,386	780	528	29,218	-	43,692
11210	Number of Unit Months Leased	2,369	773	528	29,043	-	43,063
11620	Building Purchases	332,918	-	-	1,407,579	-	-

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

MARCH 31, 2019

FDS Line Item	Description	Section 8 Moderate Rehabilitation Program	PIH Family Self Sufficiency Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
111	Cash - Unrestricted	11,361	16,930	1,590,600	27,608	3,136,958	-	19,100,954
113	Cash - Other Restricted	-	-	476,941	-	-	-	1,897,412
114	Cash - Tenant Security Deposits	-	-	215,355	-	-	-	888,164
100	Total Cash	11,361	16,930	2,282,896	27,608	3,136,958	-	21,886,530
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	15,622
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	725,624
124	Accounts Receivable - Other Government	-	-	607,062	-	-	-	608,760
125	Accounts Receivable - Miscellaneous	-	-	67,691	-	-	-	69,369
126	Accounts Receivable - Tenants	-	-	48,257	-	-	-	135,460
126.1	Allowance for Doubtful Accounts -Tenants	-	-	(45,691)	-	-	-	(110,858)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(20,676)
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	41,352
128	Fraud Recovery	-	-	12,213	-	-	-	49,940
128.1	Allowance for Doubtful Accounts - Fraud	-	-	(12,213)	-	-	-	(49,940)
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-	677,319	-	-	-	1,464,653
142	Prepaid Expenses and Other Assets	-	-	14,355	-	105,422	-	171,174
143	Inventories	-	-	674,225	-	-	-	674,225
143.1	Allowance for Obsolete Inventories	-	-	(1,923)	-	-	-	(1,923)
144	Inter Program Due From	-	-	38,369	-	-	(38,369)	-
150	Total Current Assets	11,361	16,930	3,685,241	27,608	3,242,380	(38,369)	24,194,659
161	Land	-	-	504,725	-	-	-	2,265,587
162	Buildings	-	-	75,875,840	-	-	-	235,276,143
164	Furniture, Equipment & Machinery - Administration	-	-	384,112	-	807,074	-	3,758,504
165	Leasehold Improvements	-	-	-	-	137,658	-	137,658
166	Accumulated Depreciation	-	-	(64,663,146)	-	(355,432)	-	(201,861,443)
167	Construction in Progress	-	-	3,335,085	-	94,392	-	6,089,734
160	Total Capital Assets, Net of Accumulated Depreciation	-	-	15,436,616	-	683,692	-	45,666,183
180	Total Non-Current Assets	-	-	15,436,616	-	683,692	-	45,666,183
200	Deferred Outflow of Resources	29,723	-	856,531	-	4,458,094	-	10,195,079
290	Total Assets and Deferred Outflow of Resources	41,084	16,930	19,978,388	27,608	8,384,166	(38,369)	80,055,921
311	Bank Overdraft	-	-	-	-	-	-	23,919
312	Accounts Payable <= 90 Days	-	-	184,026	1,926	50,722	-	286,514
321	Accrued Wage/Payroll Taxes Payable	-	-	264,485	-	-	-	264,485
322	Accrued Compensated Absences - Current Portion	1,465	-	31,481	-	186,041	-	447,139
333	Accounts Payable - Other Government	-	-	38,575	-	-	-	38,575

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	Section 8 Moderate Rehabilitation Program	PIH Family Self Sufficiency Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
341	Tenant Security Deposits	-	-	215,355	-	-	-	888,164
342	Unearned Revenue	-	16,930	216,111	-	30,000	-	472,714
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	25,971	-	106,011	-	1,269,009
345	Other Current Liabilities	-	-	40,917	-	-	-	44,903
346	Accrued Liabilities - Other	-	-	209,384	-	229,554	-	1,494,416
347	Inter Program - Due To	-	-	-	-	-	(38,369)	-
310	Total Current Liabilities	1,465	16,930	1,226,305	1,926	602,328	(38,369)	5,229,838
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	90,085	-	310,442	-	3,581,679
353	Non-current Liabilities - Other	-	-	476,790	-	-	-	1,660,519
354	Accrued Compensated Absences - Non Current	1,848	-	7,904	-	61,504	-	167,635
357	Accrued Pension and OPEB Liabilities	184,513	-	5,742,847	-	27,661,417	-	64,512,226
350	Total Non-Current Liabilities	186,361	-	6,317,626	-	28,033,363	-	69,922,059
300	Total Liabilities	187,826	16,930	7,543,931	1,926	28,635,691	(38,369)	75,151,897
400	Deferred Inflow of Resources	14,586	-	447,030	-	2,362,475	-	5,637,880
508.4	Net Investment in Capital Assets	-	-	15,320,560	-	267,239	-	40,815,495
511.4	Restricted Net Position	-	-	-	-	-	-	236,619
512.4	Unrestricted Net Position	(161,328)	-	(3,333,133)	25,682	(22,881,239)	-	(41,785,970)
513	Total Equity - Net Assets / Position	(161,328)	-	11,987,427	25,682	(22,614,000)	-	(733,856)
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	41,084	16,930	19,978,388	27,608	8,384,166	(38,369)	80,055,921
70300	Net Tenant Rental Revenue	-	-	1,932,211	-	-	-	11,360,497
70400	Tenant Revenue - Other	-	-	178,441	-	-	-	246,744
70500	Total Tenant Revenue	-	-	2,110,652	-	-	-	11,607,241
70600	HUD PHA Operating Grants	398,770	300,551	-	-	-	-	44,442,216
70610	Capital Grants	-	-	-	-	-	-	1,407,579
70710	Management Fee	-	-	-	-	4,286,743	(4,286,743)	-
70720	Asset Management Fee	-	-	-	-	249,780	(249,780)	-
70730	Book Keeping Fee	-	-	-	-	603,823	(603,823)	-
70740	Front Line Service Fee	-	-	-	-	2,259,694	(2,259,694)	-
70700	Total Fee Revenue	-	-	-	-	7,400,040	(7,400,040)	-
70800	Other Government Grants	-	-	5,637,940	118,170	49,075	(273,094)	5,696,109
71100	Investment Income - Unrestricted	-	-	44,601	26	34,329	-	295,379
71400	Fraud Recovery	-	-	-	-	-	-	204,874
71500	Other Revenue	-	-	170,129	33,779	57,945	-	4,542,309
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	141,055	-	141,055
70000	Total Revenue	398,770	300,551	7,963,322	151,975	7,682,444	(7,673,134)	68,336,762

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	Section 8 Moderate Rehabilitation Program	PIH Family Self Sufficiency Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
91100	Administrative Salaries	24,439	-	835,860	99,180	2,481,415	-	6,550,084
91200	Auditing Fees	750	-	9,750	-	3,800	-	29,500
91300	Management Fee	10,730	-	519,233	-	-	(4,286,743)	-
91310	Book-keeping Fee	3,510	-	59,710	-	-	(603,823)	-
91400	Advertising and Marketing	-	-	1,452	-	5,950	-	8,689
91500	Employee Benefit contributions - Administrative	20,252	-	574,994	10,689	2,454,654	-	5,601,148
91600	Office Expenses	163	-	54,930	29,767	472,584	-	996,961
91700	Legal Expense	-	-	31,717	6,412	24,083	(203,725)	30,497
91800	Travel	-	-	4,193	-	22,137	-	38,685
91900	Other	-	-	42,340	19,110	3,391	-	171,790
91000	<b>Total Operating - Administrative</b>	<b>59,844</b>	<b>-</b>	<b>2,134,179</b>	<b>165,158</b>	<b>5,468,014</b>	<b>(5,094,291)</b>	<b>13,427,354</b>
92000	Asset Management Fee	-	-	-	-	-	(249,780)	-
92100	Tenant Services - Salaries	-	185,899	-	-	-	-	245,127
92300	Employee Benefit Contributions - Tenant Services	-	114,652	-	-	-	-	151,580
92400	Tenant Services - Other	-	-	970	7,380	204	-	30,191
92500	<b>Total Tenant Services</b>	<b>-</b>	<b>300,551</b>	<b>970</b>	<b>7,380</b>	<b>204</b>	<b>-</b>	<b>426,898</b>
93100	Water	-	-	382,025	-	-	-	2,139,441
93200	Electricity	-	-	415,160	-	-	-	3,923,463
93300	Gas	-	-	363,978	-	-	-	1,430,717
93000	<b>Total Utilities</b>	<b>-</b>	<b>-</b>	<b>1,161,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,493,621</b>
94100	Ordinary Maintenance and Operations - Labor	-	-	393,317	-	1,144,816	-	4,042,131
94200	Ordinary Maintenance and Operations - Materials and Other	-	-	190,921	-	64,041	-	1,135,722
94300	Ordinary Maintenance and Operations Contracts	-	-	617,934	-	33,060	(2,055,969)	1,578,667
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	388,346	-	1,132,467	-	3,700,371
94000	<b>Total Maintenance</b>	<b>-</b>	<b>-</b>	<b>1,590,518</b>	<b>-</b>	<b>2,374,384</b>	<b>(2,055,969)</b>	<b>10,456,891</b>
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	493,067
95300	Protective Services - Other	-	-	647	-	-	-	647
95000	<b>Total Protective Services</b>	<b>-</b>	<b>-</b>	<b>647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>493,714</b>
96140	All Other Insurance	837	-	95,681	-	213,594	-	1,048,355
96100	<b>Total insurance Premiums</b>	<b>837</b>	<b>-</b>	<b>95,681</b>	<b>-</b>	<b>213,594</b>	<b>-</b>	<b>1,048,355</b>
96200	Other General Expenses	-	-	607,774	45,905	-	-	777,011
96210	Compensated Absences	1,277	-	-	-	47,857	-	101,411
96300	Payments in Lieu of Taxes	-	-	5,947	-	-	-	5,947
96400	Bad debt - Tenant Rents	-	-	29,991	-	-	-	120,243
96000	<b>Total Other General Expenses</b>	<b>1,277</b>	<b>-</b>	<b>643,712</b>	<b>45,905</b>	<b>47,857</b>	<b>-</b>	<b>1,004,612</b>

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## SUPPLEMENTARY FINANCIAL DATA SCHEDULE

**MARCH 31, 2019**

FDS Line Item	Description	Section 8 Moderate Rehabilitation Program	PIH Family Self Sufficiency Program	State/Local	Component Unit - Blended	COCC	Eliminations	Total
96720	Interest on Notes Payable (Short and Long Term)	-	-	6,704	-	12,246	-	227,168
96700	Total Interest Expense and Amortization Cost	-	-	6,704	-	12,246	-	227,168
96900	Total Operating Expenses	61,958	300,551	5,633,574	218,443	8,116,299	(7,400,040)	34,578,613
97000	Excess of Operating Revenue over Operating Expenses	336,812	-	2,329,748	(66,468)	(433,855)	(273,094)	33,758,149
97100	Extraordinary Maintenance	-	-	446,930	-	195,594	(273,094)	1,220,900
97200	Casualty Losses - Non-capitalized	-	-	964	-	23,582	-	33,874
97300	Housing Assistance Payments	338,165	-	1,393,044	-	-	-	29,677,227
97350	HAP Portability-In	-	-	-	-	-	-	1,237,579
97400	Depreciation Expense	-	-	4,448,847	-	172,742	-	9,128,242
90000	Total Expenses	400,123	300,551	11,923,359	218,443	8,508,217	(7,673,134)	75,876,435
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(1,353)	-	(3,960,037)	(66,468)	(825,773)	-	(7,539,673)
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	918,701
11030	Beginning Equity	(137,217)	-	16,836,167	92,150	(16,599,468)	-	18,184,676
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(22,758)	-	(888,703)	-	(5,188,759)	-	(11,378,859)
11170	Administrative Fee Equity	-	-	-	-	-	-	(2,678,924)
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	236,619
11190	Unit Months Available	468	-	9,040	-	-	-	82,418
11210	Number of Unit Months Leased	468	-	8,974	-	-	-	81,548
11620	Building Purchases	-	-	-	-	-	-	1,407,579

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS

FOR THE YEAR ENDED MARCH 31, 2019

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<b>Project:</b>	<b>MA06P012501-15</b>
Modernization Funds Approved	\$ 3,202,316
Modernization Funds Expended	<u>3,202,316</u>
Excess of Modernization Funds Approved	<u>\$ -</u>
Modernization Funds Advanced	\$ 3,202,316
Modernization Funds Expended	<u>3,202,316</u>
Excess of Modernization Funds Advanced	<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.

*See Independent Auditors' Report*

# WORCESTER HOUSING AUTHORITY

## STATEMENT OF ACTUAL MODERNIZATION COSTS – UNCOMPLETED

### FOR THE YEAR ENDED MARCH 31, 2019

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<b>Project:</b>	<b>MA06P012501-16</b>	<b>MA01P012501-17</b>	<b>MA01P012501-18</b>
Modernization Funds Approved	\$ 3,580,539	\$ 3,654,955	\$ 5,669,453
Modernization Funds Expended	<u>3,429,495</u>	<u>1,619,138</u>	<u>749,860</u>
Excess of Modernization Funds Approved	<u>\$ 151,044</u>	<u>\$ 2,035,817</u>	<u>\$ 4,919,593</u>
Modernization Funds Advanced	\$ 3,429,495	\$ 1,619,138	\$ 129,047
Modernization Funds Expended	<u>3,429,495</u>	<u>1,619,138</u>	<u>749,860</u>
Excess of Modernization Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (620,813)</u>

*See Independent Auditors' Report*

**WORCESTER HOUSING AUTHORITY**

**STATEMENT AND CERTIFICATION OF ACTUAL GRANT COSTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

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<b>Grant:</b>	<b>FSS17MA0063</b>
Grant Funds Approved	\$ 339,298
Grant Funds Expended	<u>339,298</u>
Excess of Grant Funds Approved	<u>\$ -</u>
Grant Funds Advanced	\$ 339,298
Grant Funds Expended	<u>339,298</u>
Excess of Grant Funds Advanced	<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.

*See Independent Auditors' Report*



**WORCESTER HOUSING AUTHORITY**  
**STATEMENT OF ACTUAL GRANT COSTS - UNCOMPLETED**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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<b>Grant:</b>	<b>ROSS191240</b>	<b>MA012RPS044A015</b>	<b>FSS18MA2146</b>
Grant Funds Approved	\$ 478,500	\$ 240,000	\$ 339,298
Grant Funds Expended	<u>27,325</u>	<u>240,000</u>	<u>30,709</u>
Excess of Grant Funds Approved	<u>\$ 451,175</u>	<u>\$ -</u>	<u>\$ 308,589</u>
Grant Funds Advanced	\$ -	\$ 228,956	\$ 47,668
Grant Funds Expended	<u>27,325</u>	<u>240,000</u>	<u>30,709</u>
Excess of Grant Funds Advanced	<u>\$ (27,325)</u>	<u>\$ (11,044)</u>	<u>\$ 16,959</u>

*See Independent Auditors' Report*

**WORCESTER HOUSING AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED MARCH 31, 2019**

	<u>CFDA Number</u>	<u>Pass- Through Award Number</u>	<u>Amounts Provided to Sub-recipients</u>	<u>Federal Financial Assistance Expenditures</u>
<b>Department of Housing &amp; Urban Development (HUD)</b>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	--	\$ -	\$ 30,884,800
Total Housing Voucher Cluster			-	30,884,800
Section 8 Project-Based Cluster				
Lower Income Housing Assistance Program-Section 8 Moderate Rehabilitation	14.856	--	-	398,770
Total Section 8 Project-Based Cluster			-	398,770
Public and Indian Housing	14.850	--	-	11,989,000
Public Housing Capital Fund (CFP)	14.872	--	-	2,180,518
Resident Opportunity and Support Services	14.870	--	-	96,156
PIH Family Self Sufficiency Program	14.896	--	-	300,551
<b>Total Department of Housing &amp; Urban Development</b>			-	45,849,795
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 45,849,795

*See Notes to the Schedule of Expenditures of Federal Awards*

# WORCESTER HOUSING AUTHORITY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED MARCH 31, 2019

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### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Worcester Housing Authority, under programs of the federal government for the year ended March 31, 2019. The information in the schedule is presented in accordance with the requirements of the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Worcester Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of Worcester Housing Authority.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. For cost-reimbursement awards, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. For performance-based awards, expenditures reported represent amounts earned.

### NOTE 3 – INDIRECT COST RATE

The Worcester Housing Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' 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

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 year ended March 31, 2019, 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 December 11, 2019.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered 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 Worcester Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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.

*Marcum LLP*

Boston, Massachusetts  
December 11, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To The Board of Commissioners  
Worcester Housing Authority

***Report on Compliance for Each Major Federal Program***

We have audited the Worcester Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Worcester Housing Authority's major federal program for the year ended March 31, 2019. The Worcester Housing Authority's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the Worcester Housing Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 its major federal program. However, our audit does not provide a legal determination of the Worcester Housing Authority's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Worcester Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2019

### ***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 its 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 its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Marcum LLP*

Boston, Massachusetts  
December 11, 2019

**WORCESTER HOUSING AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***FINANCIAL STATEMENTS***

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

***FEDERAL AWARDS***

Internal control over the major federal program:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Type of auditors' report issued on compliance for the major federal program: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of the major federal program:

**CFDA #** **Name of Federal Program or Cluster**

14.871 Housing Choice Voucher Program

Dollar threshold used to distinguish between Type A and Type B programs: \$1,375,494

Auditee qualified as low-risk auditee?  Yes  No

**SECTION II - FINANCIAL STATEMENTS FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



**WORCESTER HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

***FINDING 2018-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING***

***CONDITION***

As part of our audit, we evaluated the Authority’s internal controls as they relate to financial reporting. As a result, we identified the following conditions that we believe are indicative of a significant deficiency in internal control:

- *FDS preparation and review* – As part of our audit procedures, we reconciled the Authority’s trial balances to the financial data schedule (FDS) and identified material variances between the two, requiring a reposting of the FDS from the trial balances.
- *Recording year-end and prior year adjustments* – Year-end and prior year audit adjustments were not accurately recorded in certain instances, which contributed to difficulty reconciling the FDS to the underlying accounting records.

***STATUS - CORRECTED***

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

To The Board of Commissioners  
Worcester Housing Authority

We have performed the procedure described in the second paragraph of this report, which was agreed to by the Worcester Housing Authority (the Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the audit reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of the Authority and REAC. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

<u>PROCEDURE</u>	<u>UFRS RULE INFORMATION</u>	<u>HARD COPY DOCUMENTS</u>	<u>FINDINGS</u>
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column in the agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance)*, by the Authority as of and for the year ended March 31, 2019 and have issued our reports thereon dated December 11, 2019. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Authority's supplementary information dated December 11, 2019, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package required by the OMB Uniform Guidance, which includes the auditors' reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This purpose of this report on applying the agreed-upon procedures is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

*Marcum LLP*

Boston, Massachusetts  
December 11, 2019