

**HOUSING AUTHORITY OF THE CITY OF ANSONIA**

**FINANCIAL STATEMENTS  
AND  
REPORTS OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
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FOR THE YEAR ENDED DECEMBER 31, 2014**

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CERTIFIED PUBLIC ACCOUNTANTS

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### ***Independent Auditor's Report***

Board of Commissioners  
Housing Authority of the City of Ansonia

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Ansonia, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Ansonia'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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the City of Ansonia, as of December 31, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the supplementary information, such as management's discussion and analysis on pages 1 through 7 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 sufficient evidence to express an opinion or provide any assurance.

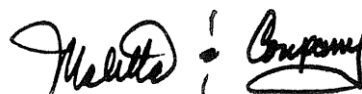
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Ansonia's basic financial statements. The Statutory Basis Financial Statements, required by the CT Department of Economic and Community Development, the Financial Data Schedules required by *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development and the Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statutory Basis Financial Statements, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards is the responsibility of management and was 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 Statutory Basis Financial Statements, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 05, 2015 on our consideration of the Housing Authority of the City of Ansonia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Housing Authority of the City of Ansonia's internal control over financial reporting and compliance.



Maletta & Company  
Certified Public Accountants

Bristol, Connecticut  
June 05, 2015

**ANSONIA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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Management's analysis of the Authority's annual financial report is for the Fiscal Year Ended December 31, 2014 and consists of a discussion of its financial performance. This analysis was designed to provide an overview of the Authority's financial activity and assist in identifying individual issues and concerns.

Management's Discussion and Analysis should be read in conjunction with the Authority's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Authority's Net Position decreased by \$276,563 during fiscal year 2014 (FY2014). Net Positions were \$8,305,678 and \$8,029,115 for 2013 and 2014, respectively. Total revenues and expenditures both decreased, by 7% and 6%, respectively. This resulted in a loss before capital contributions of \$709,425. Capital contributions from HUD's Capital Fund Program (CFP) and City bonding for redevelopment of Riverside Apartments totaled \$432,862, partially offsetting the loss.
- Total revenue (operating and non-operating) decreased by \$577,339 during FY2014. Revenues were \$7,827,947 for 2014 and \$8,405,286 for 2013.
- Total expenses (operating and non-operating) for all programs decreased by \$511,936. Total expenses were \$8,537,372 for 2014 and \$9,049,308 for 2013. The Section 8 Housing Choice Voucher (HCV) program saw a decrease in landlord Housing Assistance Payments (HAP) of \$434,586 as compared to 2013. The bargaining unit negotiations were finalized in late 2013, resulting in a significant decrease to health insurance costs; general expenses decreased by \$76,564 versus 2013. Ongoing redevelopment of Riverside Apartments did not substantially affect agency costs (increases in administrative and maintenance costs of 8% and 11%, respectively, were offset by decreases in tenant services and utilities of 29% and 11%, respectively). In aggregate, all operating and non-operating expenses outside of HAP and general expenses increased by \$786 during 2014.

**THE FINANCIAL STATEMENTS**

The Authority's Financial Statements present information using Generally Accepted Accounting Principles (GAAP) similar to those used by private entities (Enterprise Fund).

The Statement of Net Position (Balance Sheet) consists of all the Authority's assets and liabilities, and provides information about the amounts invested in assets and the obligations to Authority's creditors. It also provides a basis to assess the Authority's liquidity and financial flexibility. In addition, increases and decreases in net position may provide a useful indicator of the Authority's financial health.

The Statement of Revenues, Expenses and Changes in Net Position accounts for the current year's revenues, expenses and changes in net position, and depicts the operating activity during the year.

The Statement of Cash Flow provides information concerning the Authority's sources and uses of funds during the reporting period. It also reflects net changes in cash as a result of operations.

**ANSONIA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**FINANCIAL ANALYSIS OF THE AUTHORITY**

A summary of the Authority's Net Position is presented in Table I. The Statement of Revenues, Expenses and Changes in Net Position (TABLE II) provides additional detail on the changes in financial position.

The negative change in Net Position of \$276,563 was the result of an agency-wide operating loss of \$711,688, a non-operating gain of \$2,263 and capital contributions of \$432,862.

Depreciation expense for the year was \$502,123, a 1% increase over the prior fiscal year (\$497,114). Depreciation is recognized on open Capital Fund Program grant purchases. Prior to FY2012, depreciation was not recognized until each grant was closed.

Management costs (administrative, tenant services, maintenance, insurance and general), utility expenses, and Housing Assistance Payments represent three of the largest items in the Housing Authority's budget. Management costs totaled \$1,938,002. HAP totaled \$5,672,673 and utility expenses amounted to \$424,574.

Tenant Revenues (dwelling rents / miscellaneous charges) and subsidies/grants represent the two major operating revenue funding sources. Tenant Revenues totaled \$634,927 and subsidies/grants, primarily from the Federal Government, amounted to \$7,129,086. Other and Interest Income totaled \$63,934.

**TABLE I  
Combined Statement of Net Position**

	2014	2013	Dollar Change	% Change
Current Assets	\$ 2,188,047	\$ 2,605,172	\$ (417,125)	(16%)
Non-current Assets	<u>\$ 6,547,087</u>	<u>\$ 6,058,564</u>	<u>\$ 488,523</u>	8%
Total Assets	<u>\$ 8,735,134</u>	<u>\$ 8,663,736</u>	<u>\$ 71,398</u>	1%
Current Liabilities	\$ 541,011	\$ 217,381	\$ 323,630	149%
Noncurrent Liabilities	<u>\$ 165,008</u>	<u>\$ 140,677</u>	<u>\$ 24,331</u>	17%
Total Liabilities	<u>\$ 706,019</u>	<u>\$ 358,058</u>	<u>\$ 347,961</u>	97%
Invested in Capital				
Assets (net of Related Debt)	\$ 6,547,087	\$ 6,055,283	\$ 491,804	8%
Unrestricted Net Assets	\$ 1,478,081	\$ 1,957,586	\$ (479,505)	(24%)
Restricted Net Assets	<u>\$ 3,947</u>	<u>\$ 292,809</u>	<u>\$ (288,862)</u>	(98%)
Total Net Position	<u>\$ 8,029,115</u>	<u>\$ 8,305,678</u>	<u>\$ (276,563)</u>	(3%)
Total Liabilities & Net Position	<u>\$ 8,735,134</u>	<u>\$ 8,663,736</u>	<u>\$ 71,398</u>	1%

**ANSONIA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**TABLE II  
Combined Statement of Revenues and Expenses and Changes in Net Position**

	2014	2013	Dollar Change	% Change
Tenant Revenue	\$ 634,927	\$ 588,449	\$ 46,478	8%
Subsidy & Grant Funding	\$ 7,129,086	\$ 7,577,779	\$ (448,693)	(6%)
Other Income (includes interest)	<u>\$ 63,934</u>	<u>\$ 239,058</u>	<u>\$ (175,124)</u>	(73%)
Total Revenue	\$ 7,827,947	\$ 8,405,286	\$ (577,339)	(7%)
Administration	\$ 1,126,559	\$ 1,038,196	\$ 88,363	8%
Tenant & Protective Services	\$ 161,928	\$ 234,528	\$ (72,600)	(30%)
Utilities	\$ 424,574	\$ 477,108	\$ (52,534)	(11%)
Maintenance	\$ 412,940	\$ 372,322	\$ 40,618	11%
Insurance Premiums	\$ 96,001	\$ 101,836	\$ (5,835)	(6%)
General Expense	\$ 140,574	\$ 217,138	\$ (76,564)	(35%)
Housing Assistance Payments	\$ 5,672,673	\$ 6,107,259	\$ (434,586)	(7%)
Extraordinary Maintenance	\$ 0	\$ 3,807	\$ (3,807)	(100%)
Disposal of Fixed Assets	\$ 0	\$ 0	\$ 0	0%
Depreciation	<u>\$ 502,123</u>	<u>\$ 497,114</u>	<u>\$ 5,009</u>	1%
Total Expenses	<u>\$ 8,537,372</u>	<u>\$ 9,049,308</u>	<u>\$ (511,936)</u>	(6%)
Net Income (Loss) Before Capital Contributions	\$ (709,425)	\$ (644,022)	\$ (65,403)	(10%)
Capital Contributions	<u>\$ 432,862</u>	<u>\$ 1,541,649</u>	<u>\$ (1,108,787)</u>	(72%)
Change in Net Position	\$ (276,563)	\$ 897,627	\$ (1,174,190)	(131%)
Beginning Net Position	\$ 8,305,678	\$ 7,408,051	\$ 897,627	12%
Prior Year Adjustments	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	0%
Ending Net Position	<u><u>\$ 8,029,115</u></u>	<u><u>\$ 8,305,678</u></u>	<u><u>\$ (276,563)</u></u>	(3%)

**REVENUE**

Tenant Revenue – Tenant Revenue represents rent and other charges paid by the occupants of the Authority's apartments. The Authority collected \$634,927 during the most recent year. The Authority has maintained a lease up rate in the high 90's (%) as required by the individual providers of subsidies/grants.

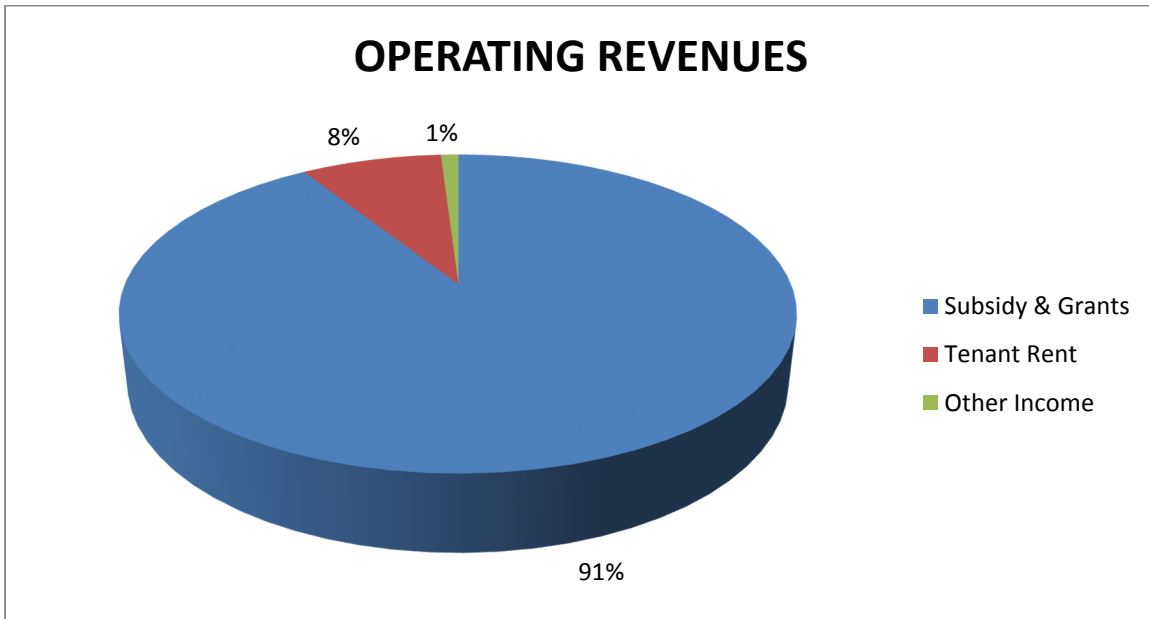
Program Grants / Subsidies – Subsidy and Grant Revenues for the year were \$7,129,086. Most grants/subsidies are Federally-funded.

Federal Low Income Program	\$ 1,092,184
Housing Choice Voucher Program	\$ 5,887,211
Capital Fund Program	\$ 68,821
ROSS Grant	\$ 73,364
Resident Services Coordinator Grant	<u>\$ 7,506</u>
Total	\$ 7,129,086

Other Income – The Authority receives funding from various sources which may or may not provide a steady flow of funds in future years.

**ANSONIA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**EXPENDITURES**

The Ansonia Housing Authority experienced a decrease in total expenses for the current year of \$511,936.

**Administrative** – Administrative costs exclude all maintenance, utilities, tenant service costs, landlord payments, insurance and general expenses. Such costs include administrative payroll, legal, auditing, training, the cost of supplies, telephone, etc. During the year, administrative costs increased over the prior year by 8% or \$88,363.

**Maintenance** – All costs to maintain the owned and/or managed housing units of the Authority fall into this category. It consists of maintenance payroll, supplies and contracts. As part of a preventative maintenance effort, contract costs rose, resulting in increased maintenance costs of \$40,618, or 11%, versus the prior year.

**Insurance Premiums** – All insurance costs (property, auto, liability, worker's compensation, public official's liability, fidelity bonding, lead based paint, etc.). Insurance costs decreased by \$5,835 (6%) from the prior year.

**General Expense** – General expenses include collection losses, compensated absences, payment-in-lieu-of- taxes (PILOT) to the City of Ansonia, etc. For the first time in many years, PILOT expenses were accrued for the Federal Low Rent program as relatively stable tenant revenues outpaced decreasing energy costs. Due to improved rent collections, resulting in less write offs of vacated tenant receivables, along with a decrease in administrative fees paid on HCV portable vouchers, total general expenses decreased by \$76,564 from the prior year.



**ANSONIA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

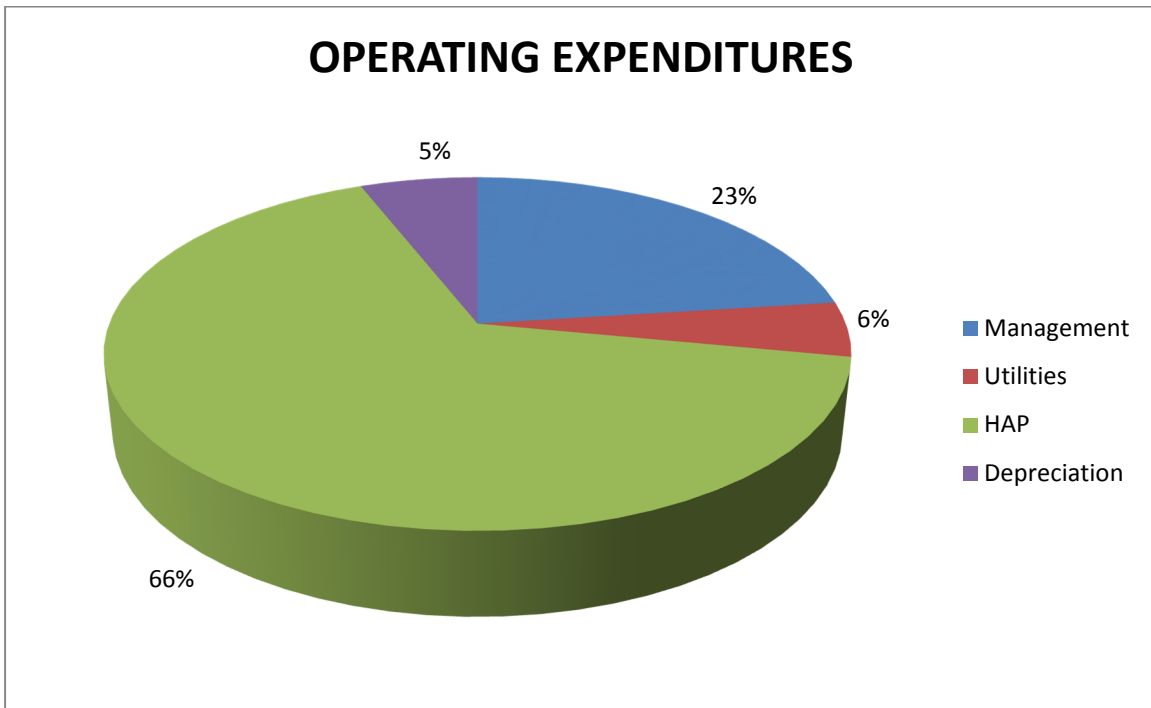
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**Housing Assistance Payments** – HAP consists of rental payments to owners of private property on behalf of low income households for which the Authority has an agreement with both the private landlord and the low income residents. The payment to the landlord is the difference between his/her contract rent and the tenant portion (30% of adjusted income) subsidized by the Authority. For FY2014, the Agency experienced a drop in utilization of 400+ unit months. This, along with a decline in per-unit-month HAP cost of \$15 led to a decrease in HAP expense of \$434,586 versus the prior year.

**Depreciation Expense** – The capitalization of costs are spread over their useful life; the estimated current year expense is recorded as depreciation.

**Tenant and Protective Services** – Costs include all expenses incurred in providing security and social services to the residents. Costs in this category vary year to year based on the availability of grant and operating funding.

**Utilities** – Utilities expense for the Authority decreased by \$52,534 (11%) due to falling energy rates and a more mild winter than the previous.



**ANSONIA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**TABLE III  
Capital Assets – Total Authority**

	Beginning	Additions	Deductions	Ending
Non-depreciable Assets				
Land	\$ 204,428	\$ -	\$ -	\$ 204,428
Depreciable Assets				
Building & Improvements	13,476,323	65,914	-	13,542,237
Equipment	1,362,551	7,172	-	1,369,723
Construction in Progress	<u>1,689,583</u>	<u>920,841</u>	-	<u>2,610,424</u>
Total	16,732,885	993,927	-	17,726,812
Accumulated Depreciation	<u>(10,677,602)</u>	(502,123)	-	<u>(11,179,725)</u>
Net Book Value	<u>\$ 6,055,283</u>			<u>\$ 6,547,087</u>

As of December 31, 2014, the Authority had \$6,547,087 invested in a broad range of capital assets, including land, buildings, furniture, equipment and construction in progress. This represents a net increase of \$491,804 from last year. The increase was primarily attributable to ongoing Riverside Apartments redevelopment activities, including abatement and demolition, which were funded through City of Ansonia bonds funds.

**THE AUTHORITY'S PROGRAMS**

**Conventional Public Housing** – Under the Conventional Public Housing Program or Low Income Public Housing (LIPH), the Authority rents units to low income households. These units are operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy and capital funds to enable the Authority to provide a rent that is based on 30% of adjusted household income.

**Housing Choice Voucher Program** – Under this program the Authority administers contracts with independent landlords of private property. The Authority assists participants by providing subsidy toward the payment of rent. The subsidy is called a Housing Assistance Payment (HAP) and is made to private sector landlords on behalf of the low income participants. The participant's share is limited to 30% of adjusted household income for the first year of tenancy. The program is administered under a separate Annual Contributions Contract (ACC) with HUD.

**State and Local Fund** – This fund includes an assisted housing program administered by the State of Connecticut's Department of Housing (DOH) through CHFA. Under this program, housing is provided to elderly residents at a minimum rent (base rent) unless 30% of a family's household income results in the family's ability to pay a higher rent, commonly called "excess of base". The rental structure should be sufficient to operate the project as well as servicing the debt. No subsidies are provided to the Authority by the State of Connecticut or DECD.

**Business Activities** – This fund represents non-HUD and non-State resources developed from a variety of activities.

**Capital Fund Program** – HUD provides funds on an annual basis to the Authority for the primary purpose of upgrading and modernizing the Conventional Public Housing units and systems. In prior years (2010 and 2011), the agency received additional capital funds based on the American Recovery & Reinvestment Act (ARRA).

**ANSONIA HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS**

Significant economic factors affecting the Authority are:

1. Operating subsidy for the Conventional Housing Program was funded at 88.79% of the Authority's eligibility. This represents a reduction in funding of approximately \$138,000.
2. Housing Choice Voucher (HCV) subsidies are not tied to a specific number of units. Instead, the HCV program is a fund-based program; i.e., housing agencies can issue Housing Assistance Payments (HAP) up to the maximum budget authority, regardless of the number of units served. As a result, the Authority must carefully monitor its performance in relation to the number of vouchers that would normally be issued. Based on the limited number of rental units within the City, participants are frequently unsuccessful in locating available properties within the required timeframe.
3. As of September 30, 2013, the AHA no longer administers the Milford Redevelopment and Housing Partnership Housing Choice Voucher Program.
4. The CY2011 crime rate per 100,000 people in Ansonia was 179. For CY2012, the crime rate had increased to 183 per 100,000 people. By comparison, the U.S. city average crime rates were 260 and 257, respectively, for the same years. Crime rates in the City of Ansonia are considered low based on the national crime index.
5. The June 2014 unemployment rate for the City of Ansonia was 7.1%, down from 10.0% as of July 2013. By comparison, the State of Connecticut's June 2014 unemployment rate was 6.5%, down from 8.4% as of July 2013.
6. The 2012 median household income for Ansonia was \$52,115, a decrease of less than 1% from \$52,375 a year earlier. Comparatively, the 2012 median household income for the State of Connecticut was \$67,276 or 2% more than the \$65,753 average of 2011. Additionally, the 2012 percentage of Ansonia and Connecticut residents "living in poverty" was 13.9% and 11.2%, respectively.
7. The 2012 median residential house or condo value in Ansonia was \$232,284 (the State of Connecticut's median house or condo value for 2012 was \$267,800). The percent of homes built pre-1950 was 50% for Ansonia as compared to 31% for pre-1950 homes throughout the entire State of Connecticut. During 2012, four single-family new home building permits were secured.

NOTE: The most recent statistics available regarding nos. 4, 5, 6 and 7 above were taken from the most recent data profile for Ansonia, CT at [www.city-data.com/city/Ansonia-Connecticut.html](http://www.city-data.com/city/Ansonia-Connecticut.html).

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is issued to provide users with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional information, contact the Executive Director at 36 Main Street, Ansonia, CT 06401, by telephone 203-736-8888, or by fax at 203-736-8833.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2014**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents - Unrestricted	\$ 1,393,799
Cash and Cash Equivalents - Restricted	98,930
Accounts Receivable	
Tenants, net of Allowances	5,354
Other	23,070
Investments	616,216
Prepaid Expenses	50,678
<b>Total Current Assets</b>	<b>2,188,047</b>

**Noncurrent Assets**

Capital Assets, net of A/D	
Nondepreciable	2,814,852
Depreciable	3,732,235
<b>Total Noncurrent Assets</b>	<b>6,547,087</b>

**Total Assets**

**8,735,134**

**DEFERRED OUTFLOWS OF RESOURCES**

**Total Deferred Outflows of Resources**

-

**LIABILITIES**

**Current Liabilities**

Accounts Payable - Vendors and Contractors	457,187
Accounts Payable - Other	13,046
Tenant Security Deposits Payable	8,869
FSS Escrows	8,456
Accrued Wages and Related Liabilities	24,277
Accrued Compensated Absences	4,925
Accrued PILOT	19,125
Unearned Revenue	5,126
<b>Total Current Liabilities</b>	<b>541,011</b>

**Noncurrent Liabilities**

Accrued Compensated Absences	44,321
FSS Escrows	73,480
OPEB Liability	47,207
<b>Total Noncurrent Liabilities</b>	<b>165,008</b>

**Total Liabilities**

**706,019**

**DEFERRED INFLOWS OF RESOURCES**

**Total Deferred Inflows of Resources**

-

**NET POSITION**

Net Investment in Capital Assets	6,547,087
Restricted for:	
Housing Assistance Payments	548
Modernization and Development	3,399
Unrestricted	1,478,081
<b>Total Net Position</b>	<b>\$ 8,029,115</b>

*The accompanying notes are an integral part of the financial statements.*

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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<b>OPERATING REVENUE</b>	
Rental Revenue	\$ 634,927
HUD Operating Grants	7,121,580
Fees for Other Services	30,036
Other Government Grants	7,506
Other Income	31,635
Total Operating Revenue	<u>7,825,684</u>
<b>OPERATING EXPENSES</b>	
Administrative	1,126,559
Utilities	424,574
Ordinary Maintenance and Operations	412,940
Tenant and Protective Services	161,928
Insurance Premiums	96,001
General	140,574
Housing Assistance Payments	5,672,673
Depreciation	502,123
Total Operating Expenses	<u>8,537,372</u>
<b>Operating Income (Loss)</b>	<b>(711,688)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	2,263
Proceeds from Sale of Capital Assets	-
Nonroutine Maintenance and Replacement	-
Total Nonoperating Revenues (Expenses)	<u>2,263</u>
<b>Income (Loss) before Capital Contributions</b>	<b>(709,425)</b>
Capital Contributions	<u>432,862</u>
<b>Change in Net Position</b>	<b>(276,563)</b>
<b>Net Position, Beginning of Year</b>	<u>8,305,678</u>
<b>Net Position, End of Year</b>	<u><u>\$ 8,029,115</u></u>

*The accompanying notes are an integral  
part of the financial statements.*

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash Received from Operations	\$ 677,303
HUD Operating Grants	7,121,580
Housing Assistance Payments	(6,067,225)
Payments to Vendors and Suppliers	(1,191,900)
Payments for Employee Wages	(827,620)
Other Receipts (Payments)	19,027
Net Cash Provided by (Used in) Operating Activities	<u>(268,835)</u>

**CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES:**

Purchases of Property and Equipment	(599,375)
Capital Grants Received	540,171
Net Cash Provided by (Used in) Capital Related Financing Activities	<u>(59,204)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Net Proceeds from (Deposits to) Investments	88,731
Interest Income	2,263
Net Cash Provided by (Used in) Investing Activities	<u>90,994</u>

**Net Increase (Decrease) in Cash** (237,045)

**Cash at the Beginning of the Year** 1,729,774

**Cash at the End of the Year** \$ 1,492,729

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

**Operating Income (Loss)** \$ (711,688)

Adjustments to Reconcile Change in Net Cash  
Provided by Operating Activities:

Depreciation Expense	502,123
Nonroutine Maintenance	-

Change in Operating Assets and Liabilities:

Decrease (Increase) in Receivables	(12,504)
Decrease (Increase) in Prepaid Expenses	(175)
Increase (Decrease) in Accounts Payable	(86,050)
Increase (Decrease) in Other Liabilities	39,459

Net Cash Provided by (Used in) Operating Activities \$ (268,835)

**Noncash Capital and Financing Activities**

Financing of Capital Assets through Payables \$ 394,552

*The accompanying notes are an integral  
part of the financial statements.*

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies of the Housing Authority of the City of Ansonia (the Authority) is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Reporting Entity**

The Authority was created pursuant to Section 8-40 of the Connecticut General Statutes. The Authority has contracted with the Federal Government, acting through the Department of Housing and Urban Development (HUD), for financial assistance of Housing Choice Vouchers and Federal Operating Subsidy pursuant to the United States Housing Act of 1937, as amended. The Authority has also contracted the State of Connecticut Department of Community Development (DECD) and Department of Housing (DOH) for financial assistance for elderly rental projects in the form of capital grants pursuant to Section 8-70 of the Connecticut General Statutes. As such, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The Authority's combined financial statements include the accounts of all the Authority's operations. The criteria for including organizations as component units within the reporting entity, as set forth in 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

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority's Board of Commissioner or the component unit provides services entirely to the Authority. These component units' funds are blended into those of the Authority's by appropriate activity type to compose the primary government presentation. Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending.

Based on the aforementioned criteria, the Authority is not a component unit of the city, nor does it include any component units.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

The Authority's funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation are included on the Statement of Net Position.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Operating Revenue includes rental income, operating grants, management services income and all other revenue relating to the provision of safe, decent, and affordable housing that do not result from transactions defined as capital related financing, non-capital and related financing, or investing activities. Operating expenses include wages, housing assistance payments, utilities, maintenance, depreciation, and all other expenses relating to the provision of safe, decent, and affordable housing that do not result from transactions defined as capital related financing, non-capital and related financing, or investing activities.

In addition, the Authority receives capital grants from HUD to be used for various purposes connected with the planning, modernization, and expansion of housing facilities and equipment. Receipts used for non-capitalizable costs are reported as operating revenue and receipts used for capitalization costs are reported as capital contributions.

The Authority has elected to report as a single enterprise proprietary fund and its primary operations consist of housing and grant programs as follows:

- The ***Housing Choice Voucher Program*** provides rental housing assistance to serve up to 732 housing units. The purpose of the program is to provide decent and affordable housing to low income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are owned, maintained and managed by private landlords.
- The ***Public Housing Program*** operates under HUD's Annual Contribution Contract and consists of the operations of low rent public housing properties totaling 168 units. The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents.
- The ***Capital Fund Program*** accounts for the capital and management improvement activities, primarily for the modernization and development of low-rent public housing units.
- The ***State/Local Programs*** consist of the operations of low rent public housing properties totaling 40 units of State Elderly Housing under contract with the State of Connecticut Department of Economic and Community Development.
- The ***Resident Opportunities and Self Sufficiency (ROSS) Grant*** provides public housing residents support services, resident empowerment activities and assistance in becoming economically self-sufficient.

The financial statements of the Authority are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The financial statements include:

1. A Management Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.
2. Financial statements prepared using full accrual accounting for all of the Authority's activities.



**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash and Cash Equivalents**

Cash and cash equivalents represent cash in checking accounts, money market funds or short-term investments with original maturities of three months or less.

**Investments**

The Authority has adopted HUD's Investment Regulation PIH 1996-33 on investments as its investment policy. The Authority also invests in external investment pools, which are subject to regulatory oversight by the State of Connecticut and CHFA.

**Accounts Receivable**

Management periodically assesses the collectability of its receivables and establishes an allowance for uncollectible accounts for all accounts it deems uncollectible. Currently, the allowance established for tenant receivables in its public housing programs is \$2,000.

**Capital Assets**

Land, buildings, and equipment are stated at cost and depreciated over their estimated useful lives. The capitalization threshold is \$1,000. Donated assets are recorded at estimated market value as of the date of the donation. Construction in progress costs are not depreciated until the corresponding projects are completed.

Depreciation has been provided over the following useful lives using the straight-line method of depreciation as follows:

Building and Improvements	10 to 40 years
Machinery and Equipment	5 to 15 years

**Capitalized Interest**

Interest costs are capitalized when incurred on debt where proceeds were used to finance the construction of assets.

**Leases**

The Authority's leases consist of leases of apartments to tenants reported as rental income and leases of office space and equipment reported as operating expenses. Substantially all of the Authority's carrying balance in depreciable Capital Assets is leased to tenants in the form of operating leases. All operating leases are for a term of one year and cancelable upon sufficient notice.

**Compensated Absences**

Employees accumulate vacation and sick days for subsequent use or payment upon termination. Compensated absences are accrued when incurred and reported as a liability until paid.

**Estimates**

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

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Use of Restricted Funds**

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**Equity Classifications**

Equity is classified as net position and displayed in three components in the Statement of Net Position.

**Net Investment in Capital Assets** consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Authority has no related debt.

**Restricted** consist of residual funding with constraints place on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations or other governments; or (2) law through constitutional provisions or enabling legislation. The Authority's restricted net position consists of unspent HCV HAP funding provided by HUD and certain other federal grants restricted as to purpose.

**Unrestricted** consist of all other residual funding that do not meet the definition of restricted or Net Investment in Capital Assets.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk for Deposits and Investments**

The Authority maintains cash with FDIC depository banks. Additional protection against loss is provided for deposits in excess of FDIC insurance under Chapter 656 of the Connecticut General Statutes. The Statutes require every qualified public depository to maintain segregated collateral equal to at least ten percent of the average of the public deposits. Such additional protection is limited to the segregated collateral available.

At times, these balances may exceed the Federal insurance limits; however, the Authority has not experienced any losses with respect to its bank balances in excess of government provided insurance. In addition, such balances are fully collateralized through agreements with the financial institution in the entity's name. Therefore, Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2014.

The breakdown of restrictions on deposits reported as of December 31, 2014 is as follows:

<b><u>Restrictions on Deposits</u></b>	
Family Self Sufficiency Escrows	\$ 81,936
Tenant Security Deposits	9,325
FEMA Grant - Modernization	3,399
Housing Assistance Payments	1,598
Payment of Current Liabilities	2,672
Total Restricted Cash	<u>\$ 98,930</u>

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONT'D)**

**Investments**

The Authority adheres to HUD's Investment Regulation PIH 1996-33 on investments by investing with CHFA and other state managed investments. This practice is followed to address various risks relating to the Authority's investments. Credit Risk is the risk that an insured or other counterparty to an investment will not fulfill its obligations. Custodial Credit Risk is the risk that the Authority will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In addition, policy limits the maturities on investments to be no longer than three years on federal investments to manage its exposure to the risk of loss in fair value on its fixed income securities. The Authority's Connecticut Short Term Investment Funds (STIF) are held in 2a7-like pools and are therefore not subject to interest rate or custodial credit risk. The pool sponsors maintain policies to address the remaining risks and as such require no further risk disclosure. The pooled investments are accounted for on an amortized cost basis which approximates fair value.

The Authority follows the provisions of GASB No. 31, "Accounting and Financial Reporting for Certain Investments in a Governmental Entity," which requires all publicly traded debt and equity securities to be recorded at fair market value generally determined on the basis of quoted market values. Purchases and sales of securities are reflected in a trade-date basis. Realized gains and losses on sales of securities are based on average cost.

The Authority held the following investments at year end:

	<u>Cost</u>	<u>Fair Value</u>	<u>Maturity &lt;1yr</u>	<u>Program</u>
CT Short-Term Investment Fund	\$ 452,189	\$ 452,189	n/a	State Elderly
Certificates of Deposit	135,432	135,900	135,900	Federal Public Housing
Certificate of Deposit	28,086	28,127	28,127	State Elderly
Total Investments	<u>\$ 615,707</u>	<u>\$ 616,216</u>		

**NOTE 3 – ACCOUNTS RECEIVABLE – OTHER**

The breakdown of Accounts Receivable – Other is as follows:

	<u>Amount</u>	<u>Program</u>
Portability	\$ 10,905	Housing Choice Voucher
HUD Grants	8,412	Federal Public Housing
DOH Grant	3,753	State Elderly
	<u>\$ 23,070</u>	

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of Capital Assets as of December 31, 2014:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Nondepreciable Assets:				
Land	\$ 204,428	\$ -	\$ -	\$ 204,428
Construction in Progress	1,689,583	920,841	-	2,610,424
Depreciable Assets:				
Building and Improvements	13,476,323	65,914	-	13,542,237
Equipment	1,362,551	7,172		1,369,723
	<u>16,732,885</u>	<u>993,927</u>	<u>-</u>	<u>17,726,812</u>
Accumulated Depreciation	<u>(10,677,602)</u>	<u>(502,123)</u>		<u>(11,179,725)</u>
Net Book Value	<u>\$ 6,055,283</u>			<u>\$ 6,547,087</u>

**NOTE 5 – NONCURRENT LIABILITIES**

The following is a summary of Noncurrent Liabilities as of December 31, 2014:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 44,105	\$ 103,795	\$ (98,654)	\$ 49,246	\$ 4,925
FSS Escrows	47,349	40,547	(5,960)	81,936	8,456
OPEB Liability	54,470		(7,263)	47,207	-
	<u>\$ 145,924</u>	<u>\$ 144,342</u>	<u>\$ (111,877)</u>	178,389	<u>\$ 13,381</u>
			Less: Current Portion	<u>(13,381)</u>	
			Noncurrent Portion	<u>\$ 165,008</u>	

**NOTE 6 – LEASES**

The Authority leases two copiers, a mail machine, and office space. The office space lease is cancellable upon sufficient notice and the remaining leases are not material to the Authority's operations. Therefore, all leases are treated as operating leases. The minimum annual lease payments are as follows:

2015	\$ 44,269
2016	43,611
2017	42,675
2018	10,725
2019	-

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 7 – OTHER POST EMPLOYEE BENEFITS**

The Authority is obligated to provide Other Post-Employment Benefits (OPEB) under a collective bargaining agreement. This potential obligation is a single employer plan and is for health insurance benefits for employees who have served with the Authority for at least twenty-five years and are at least fifty-five at time of retirement. The Authority is required to pay 50% of the medical premiums for a maximum of ten years or until the employee reaches age 65 or becomes eligible for Medicare.

**Accrued Plan Liability**

The Authority has accrued the full estimated costs of the three currently vested employees based on the current cost of health insurance. There are no active members or former employees participating in the plan. This calculation was not done on an actuarial basis. As a result, no provision has been established for any currently vesting employees, as the Authority expects the probability of payment to remain extremely low.

The associated liability is as follows:

	Federal Public Housing	Housing Choice Voucher	State Elderly	Development	Total
Accrued for Active Employees (Beneficiaries)	\$ 40,398	\$ 3,631	\$ 1,816	\$ 1,362	\$ 47,207
Total Accrued for OPEB	<u>\$ 40,398</u>	<u>\$ 3,631</u>	<u>\$ 1,816</u>	<u>\$ 1,362</u>	<u>\$ 47,207</u>

**NOTE 8 – RETIREMENT PLAN**

**Plan Description:**

The Authority is a member of the Connecticut Municipal Employee's Retirement Fund (MERF), a multiple-employer public retirement system (MERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement benefits of participating municipalities. The plan is a multiple-employer defined benefit plan. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes MERF benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106 or by calling 860-702-3500.

**Funding Policy:**

Participation is mandatory for all full time employees of the Authority. Employees who have at least 5 years of longevity and have attained 55 years of age are eligible to receive retirement benefits. 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 its employees, pension expense is determined by the total required payment to be made to the retirement plan for the year. The Authority is required to contribute at an actuarially determined rate. The contribution requirements of the Authority are established and may be amended by the State Retirement Commission. Employees are required by State Statute to contribute 2.25% of earnings upon which Social Security tax is paid. The Authority is required by State Statute to contribute 11.98% of earnings. The total contribution is based on 14.23% of gross earnings.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 8 – RETIREMENT PLAN (CONT'D)**

**Annual Pension Cost:**

Total employer and employee contributions for the years ended December 31, 2014, 2013 and 2012 were \$116,174, \$109,792, and \$106,142, respectively.

**NOTE 9 – HOUSING CHOICE VOUCHERS NET POSITION SUMMARY**

A detailed breakdown of HCV Net Position is as follows:

	Unrestricted Net Position	Restricted Net Position	Total
Beginning Net Position	\$ 129,353	\$ 289,410	\$ 418,763
Revenues			
Annual Contributions	530,888	5,356,323	5,887,211
Investment Income	347	-	347
Fraud Recovery	-	-	-
Portability	28,947	-	28,947
Total Revenues	560,182	5,356,323	5,916,505
Expenses			
Operating	578,255	-	578,255
Housing Assistance Payments	27,488	5,645,185	5,672,673
Total Expenses	605,743	5,645,185	6,250,928
Change in Net Position	(45,561)	(288,862)	(334,423)
Ending Net Position	\$ 83,792	\$ 548	\$ 84,340

In addition, program reserves were available for HAP expenditures in HUD-held program reserves totaling \$700,736 as of December 31, 2014.

**NOTE 10 – HUD CAPITAL FUND PROGRAM**

The Authority is awarded federal capital grants from HUD. The grants are to be expended for modernization and replacement housing related to its federal public housing projects.

The following grants are open as of December 31, 2014:

	<b>CT26-P015</b>			
	<b>501-11</b>	<b>501-12</b>	<b>501-13</b>	<b>501-14</b>
Funds Authorized	\$ 320,936	\$ 311,116	\$ 311,114	\$ 358,354
Funds Advanced	310,183	273,450	-	-
Less Project Expenditures	(317,135)	(274,910)	-	-
Excess(Deficiency) of Advances	\$ (6,952)	\$ (1,460)	\$ -	\$ -

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 10 – HUD CAPITAL FUND PROGRAM (CONT'D)**

The following grants are open as of December 31, 2014 (cont'd):

	<b>CT26-R015</b>			
	<b>501-11</b>	<b>501-12</b>	<b>501-13</b>	<b>501-14</b>
Funds Authorized	<u>\$ 39,622</u>	<u>\$ 38,409</u>	<u>\$ 38,409</u>	<u>\$ 44,241</u>
Funds Advanced	-	-	-	-
Less Project Expenditures	-	-	-	-
Excess(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 11 – HUD ROSS GRANTS**

The Authority was awarded ROSS Grants for supportive services to public housing residents. Grant expenditures were audited in accordance with program requirements.

The following completed grants have been fully expended, disbursed, all work completed and liabilities fully paid as of December 31, 2014:

	<b>CT015-RFS 182A-012</b>	<b>CT015-RPS 023A-011</b>
Funds Authorized	<u>\$ 69,000</u>	<u>\$ 240,000</u>
Funds Advanced	69,000	240,000
Less Project Expenditures	<u>(69,000)</u>	<u>(240,000)</u>
Excess(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>

The following grants are open as of December 31, 2014:

	<b>CT015-FSH 122A-014</b>
Funds Authorized	<u>\$ 95,920</u>
Funds Advanced	-
Less Project Expenditures	-
Excess(Deficiency) of Advances	<u>\$ -</u>

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE 12 – DATE OF MANAGEMENT’S REVIEW**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through June 05, 2015, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



Project Name J.J. O'Donnell ApartmentsProject # E-75Sponsor/Authority Name: Ansonia Housing AuthorityCHFA # 85001D**ADMINISTRATION FUND  
BALANCESHEET**As of: 12/31/2014**ASSETS**

1111	Cash-Checking	\$	39,560.00	
1113	Reserve Cash-Saving and Investments	\$	452,189.00	
1114	Restricted Cash-Security Deposits	\$	-	
1115	Restricted Cash-Special Deposits	\$	-	
1116	Restricted Cash-Sales Program	\$	-	
1117	Petty Cash Fund	\$	-	
1118	Change Fund	\$	-	
	<b>Total Cash</b>			\$ 491,749.00
1122	Tenants' Accounts Receivable	\$	-	
1123	Vacated Tenants' Accounts Receivable	\$	-	
	Total Tenants' Accounts Receivable	\$	-	
1123.1	Less: Allowance for Collection Loss	\$	-	
	Net Tenants' Accounts Receivable	\$	-	
1124.1	Unissued State Subsidy - Congregate	\$	-	
1124.2	Unissued State Subsidy - Congregate	\$	-	
1125	Housing Assistance Payments Receivable	\$	219.00	
1126.1	Rehabilitation Funds Receivable, No.	\$	-	
1126.2	Rehabilitation Funds Receivable, No.	\$	-	
1128	Accounts Receivable-ineligible program costs	\$	-	
1129	Sundry Accounts Receivable	\$	3,753.00	
1145	Accrued Interest Receivable	\$	-	
1155	Advances to Revolving Fund	\$	12,126.00	
1156	Advances for Travel	\$	-	
	<b>Total Accounts Receivable</b>			\$ 16,098.00
1211	Unexpired Insurance	\$	7,105.00	
1212	Anticipated Dividends	\$	-	
1269	General Stores	\$	-	
	<b>Total Deferred Charges and Prepayments</b>			\$ 7,105.00
1405	Development Cost	\$	726,230.00	
1430	Furniture and Equipment	\$	41,249.00	
1440	Capital Improvements - State Rehab. Grants/Loans	\$	1,085,063.00	
	<b>Total Fixed Assets</b>			\$ 1,852,542.00
1501	Payroll Clearance	\$	-	
1502	Insurance Claims Clearance	\$	-	
1503.1	Rehabilitation Program Expenditures, No.	\$	-	
1503.2	Rehabilitation Program Expenditures, No.	\$	-	
1504.1	Net Program Cost Congregate - Contract No.	\$	-	
1504.2	Net Program Cost Congregate - Contract No.	\$	-	
1505	Incomplete Contracts	\$	-	
1507	RAP Subsidy Payments - Elderly Program Only	\$	-	
1508	Resident Services Coordinator Expenses-Elderly Program Only	\$	7,506.00	
1509	DECD Rental Subsidy (Congregate Program)	\$	-	
	<b>Total Clearance</b>			\$ 7,506.00
	<b>TOTAL ASSETS</b>			\$ 2,375,000.00

Project Name: J.J. O'Donnell ApartmentsProject # E-75Sponsor/Authority Name: Ansonia Housing AuthorityCHFA # 85001D

**ADMINISTRATION FUND  
BALANCE SHEET**

**LIABILITIES**

2110	Administration Fund Creditors	\$ 6,987.00	
2111	Contract Awards	\$ -	
2112	Contract Retentions	\$ -	
2113	ALSA Escrow-DSS Tenants and DECD Tenants	\$ -	
2116	Tenants' Security Deposits	\$ -	
2117	Payroll Deductions	\$ -	
2119	Sundry Accounts Payable	\$ 1,816.00	
2120	Undistributed Proceeds - Sales Program	\$ -	
	<b>Total Accounts Payable</b>		\$ 8,803.00
2131	Accrued Interest and Principal - Mortgage	\$ -	
2131.1	Accrued Interest and Principal - Rehab. Loan	\$ -	
2135	Accrued Salaries and Wages	\$ 1,797.00	
2135.1	Accrued Compensated Absences	\$ 3,886.00	
2136	Accrued State Service Charge	\$ -	
2137	Accrued Liability to Municipalities		
	In Lieu of Taxes (or Ad Valorem Taxes, if Applicable)	\$ 16,713.00	
2139	Accrued Payroll Taxes	\$ -	
	<b>Total Accrued Expenses</b>		\$ 22,396.00
2240	Tenants' Prepaid Rents		\$ 3,317.00
2313	Indebtedness to the State of Connecticut - Mortgage	\$ -	
2313.1	Debt Retirement - Mortgage	\$ -	\$ -
2314	Indebtedness to the State of Connecticut - Rehabilitation Loan	\$ -	
2314.1	Debt Retirement - Rehabilitation Loan	\$ -	\$ -
	<b>Total Long Term Liabilities</b>		\$ -
	<b>TOTAL LIABILITIES</b>		<b>\$ 34,516.00</b>

**EQUITY**

2810	Capital Grant by the State of Connecticut		\$ 726,230.00
2810.1	Contribution by the State of Connecticut - Interest Earned on Development Advances	\$ -	
2811.1	State Subsidy Authorized - Congregate	\$ -	
2811.2	State Subsidy Authorized - Congregate	\$ -	
2813	Valuation of Fixed Assets	\$ 91,897.00	
2814	Contribution by the Municipality	\$ 50,000.00	
2814.3	Gifts and Donations	\$ -	
2820.1	Rehabilitation Funds Authorized, No.	\$ -	
2820.2	Rehabilitation Funds Authorized, No.	\$ -	
2821	Capital Grant by the State of Connecticut -Rehabilitation	\$ 995,113.00	
2825	Mortgage Loan Liquidation	\$ -	
2826	Rehabilitation Loan Liquidation	\$ -	
2827	Rental Assistance Grant Authorized-Elderly Program Only	\$ -	
2827.1	Rental Assistance Grant Unissued-Elderly Program Only	\$ -	
2828	Resident Services Coordinator Grant Authorized-Elderly Program Only	\$ 7,506.00	
2828.1	Resident Services Coordinator Grant Unissued-Elderly Program Only	-\$ 3,753.00	
2830	Unappropriated Retained Earnings	-\$ 268,727.00	
2830.1	Income and Expense Clearance	-\$ 62,590.00	
2830.2	Prior Year Adjustments	\$ -	
2830.3	Retained Earnings Appropriated for Development Improvements	\$ -	
2830.4	Retained Earnings Appropriated for Repairs, Maintenance and Replacements RM&R)	\$ 804,808.00	
2830.5	Retained Earnings Appropriated for the Authorities Project Tenant Support (APTS) Program	\$ -	
	<b>Total Retained Earnings</b>		\$ 473,491.00
	<b>TOTAL EQUITY</b>		<b>\$ 2,340,484.00</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 2,375,000.00</b>

**ADMINISTRATION FUND  
OPERATING STATEMENT**

For the Quarter Ending: 12/31/2014

12 # months

No. of Dwelling Units: 40

No. of Unit Months: 480

	Budget Amount	PUM	Actual Amount	PUM
<b>INCOME</b>				
3100 Rental Income - Base	241,440.00	503.00	240,992.00	502.07
3100.1 Rental Income - Excess of Base	-		8,160.00	17.00
3110 Excess Utilities	-		-	
3120 Surcharges	-		-	
<b>Total Rental Income</b>	<b>\$ 241,440.00</b>	<b>503.00</b>	<b>\$ 249,152.00</b>	<b>519.07</b>
3210 Dwelling Vacancy Loss	(7,240.00)	(15.08)	(31,186.00)	(64.97)
3220 Dwelling Vacancy Subsidy	0.00		0.00	
<b>Net Rental Income</b>	<b>\$ 234,200.00</b>	<b>487.92</b>	<b>\$ 217,966.00</b>	<b>454.10</b>
3300 Non Dwelling Rental Income	0.00		0.00	
3510 Sales and Service to Tenants (including Cable TV fees)	0.00		0.00	
3610 Interest Income	618.00	1.29	820.00	1.71
3620 Other Income	12,406.00	25.85	2,257.00	4.70
<b>GROSS INCOME</b>	<b>\$ 247,224.00</b>	<b>515.05</b>	<b>\$ 221,043.00</b>	<b>460.51</b>
<b>EXPENSE</b>				
4120 Salaries - Office	34,183.00	71.21	29,608.00	61.68
4120.1 Compensated Absences-Administrative Salaries	680.00	1.42	4,148.00	8.64
4130 Legal and Other Services	12,590.00	26.23	9,836.00	20.49
4130.1 Less: Legal Charges to Tenants	0.00		0.00	
4131 Accounting Fees	5,260.00	10.96	6,663.00	13.88
4132 Management Fees	0.00		0.00	
4151 Office Supplies	894.00	1.86	2,086.00	4.35
4152 Rents	0.00		0.00	
4153 Travel	2,100.00	4.38	3,259.00	6.79
4159 Other Office Expense	15,382.00	32.05	16,814.00	35.03
4160 Pensions and Other Funds	31,315.00	65.24	55,438.00	115.50
4161 Payroll Taxes	0.00		0.00	
<b>Total Management Expense</b>	<b>\$ 102,404.00</b>	<b>213.34</b>	<b>\$ 127,852.00</b>	<b>\$ 266.36</b>
4310 Water	13,830.00	28.81	8,464.00	17.63
4320 Electricity	32,410.00	67.52	34,544.00	71.97
4330 Gas	0.00		0.00	
4340 Fuel	1,180.00	2.46	2,012.00	4.19
4350 Cable Television	0.00		0.00	
4360 Sewer	0.00		0.00	
<b>Total Utility Expense</b>	<b>\$ 47,420.00</b>	<b>98.79</b>	<b>\$ 45,020.00</b>	<b>\$ 93.79</b>
4410 Maintenance Wages	27,026.00	56.30	30,181.00	62.88
4410.1 Compensated Absences-Maintenance Wages	540.00	1.13	4,131.00	8.61
4420 Materials and Supplies	4,570.00	9.52	13,196.00	27.49
4430 Contractual Services	14,550.00	30.31	28,186.00	58.72
4440 Maintenance & Shop Equipment Expense	0.00		18.00	0.04
<b>Total Maintenance Expense</b>	<b>\$ 46,686.00</b>	<b>97.26</b>	<b>\$ 75,712.00</b>	<b>\$ 157.73</b>
4710 Refuse Removal	0.00		0.00	
4711 Insurance	12,942.00	26.96	11,950.00	24.90
4715 Pilot or Taxes	18,678.00	38.91	16,713.00	34.82
4716 State Service Charge	0.00		0.00	
4717 Interest Expense	0.00		0.00	
<b>Total Other Expense</b>	<b>\$ 31,620.00</b>	<b>65.88</b>	<b>\$ 28,663.00</b>	<b>\$ 59.71</b>
4810 Provision for Repairs, Maint. & Replacements	18,844.00	39.26	0.00	
4820 Provision for Collection Loss	250.00	0.52	6,386.00	13.30
<b>Total Provisions</b>	<b>\$ 19,094.00</b>	<b>39.78</b>	<b>\$ 6,386.00</b>	<b>\$ 13.30</b>
4910 Principal Payment-Mortgage	0.00		0.00	
4920 Principal Payment-Rehabilitation Loan	0.00		0.00	
<b>Total Principal Payments</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>
6100 Extraordinary Income	0.00		0.00	
6200 Extraordinary Expense	0.00		0.00	
<b>TOTAL EXPENSES</b>	<b>\$ 247,224.00</b>	<b>515.05</b>	<b>\$ 283,633.00</b>	<b>590.90</b>
<b>NET GAIN (LOSS) FOR THE PERIOD</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (62,590.00)</b>	<b>\$ (130.40)</b>

ADMINISTRATION FUND  
ANALYSIS OF RETAINED EARNINGS

As of: 12/31/2014

**ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS (2830, .1, .2)**

	Calendar/Fiscal Beginning Date: <u>01/01/14</u>		Balance: \$ <u>(268,727.00)</u>
Add: Operating Gain (2830.1)			
Prior Year Adjustments (2830.2)	\$ <u>-</u>		
Other Adjustment: _____	_____		\$ <u>-</u>
Deduct: Operating Loss (2830.1)	\$ <u>(62,590.00)</u>		
Prior Year Adjustments (2830.2)	_____		
Other Adjustment: _____	_____		\$ <u>(62,590.00)</u>
Balance as of: <u>12/31/2014</u>			\$ <u><u>(331,317.00)</u></u>

**ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR DEVELOPMENT IMPROVEMENTS**

(2830.3)

	Calendar/Fiscal Beginning Date: <u>01/01/14</u>		Balance: _____
Deduct: Total Charges to Retained Earnings Appropriated for Development Improvements as Approved by DECD (Per Attached Schedule)	\$ <u>-</u>		\$ <u>-</u>
Balance as of: <u>12/31/2014</u>			\$ <u><u>-</u></u>

**ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR REPAIRS, MAINTENANCE AND REPLACEMENTS (2830.4)**

	Calendar/Fiscal Beginning Date: <u>01/01/14</u>		Balance: \$ <u>804,808.00</u>
Add: Provision	\$ <u>-</u>		
Other Adjustment: _____	_____		\$ <u>-</u>
Deduct: Total Charges to Retained Earnings Appropriated for RM&R (Per Attached Schedule)	\$ <u>-</u>		
Other Adjustment: _____	_____		\$ <u>-</u>
Balance as of: <u>12/31/2014</u>			\$ <u><u>804,808.00</u></u>

**ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR the AUTHORITIES PROJECT TENANT SUPPORT (APTS II) Program (2830.5)**

	Calendar/Fiscal Beginning Date: <u>01/01/14</u>		Balance: \$ <u>-</u>
Add: State Service Charge Provision	\$ <u>-</u>		
Other Adjustment: _____	_____		\$ <u>-</u>
Deduct: Total Charges to Retained Earnings Appropriated for APTS (Per Attached Schedule)	\$ <u>-</u>		
Other Adjustment: _____	_____		\$ <u>-</u>
Balance as of: <u>12/31/2014</u>			\$ <u><u>-</u></u>

	<b>TOTAL RETAINED EARNINGS</b>	\$ <u><u>473,491.00</u></u>
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**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE STATUTORY BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies of the Housing Authority of the City of Ansonia (the Authority) is presented to assist in understanding the Authority's financial statements. The statutory financial statements and notes are representations of the Authority's management, which are responsible for their integrity and objectivity. These financial statements have, in general, been prepared on the basis of accounting prescribed by the State of Connecticut, Department of Economic and Community Development (DECD) for Department of Housing (DOH) programs and differ in some respects from generally accepted accounting principles (GAAP).

**Organization**

The Authority was created pursuant to Section 8-40 of the Connecticut General Statutes to provide low-income public housing for qualifying individuals in accordance with rules and regulations prescribed by the DECD and DOH. For a more complete description of the organization refer to the Notes to Financial Statements found on page 11.

**Method of Accounting**

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The various differences in basis of accounting utilized by the Authority and generally accepted accounting principles are described below:

**Resident Service Coordinator (RSC)**

DECD requires that net program costs RSC be shown separately as an asset on the related program balance sheet. There are no operating receipts related to the RSC program. Upon completion of the program, a Certificate of Approved Program Cost and State Funding will be issued and the asset will be closed to fund equity.

**Furniture and Equipment**

Furniture and Equipment are stated at cost, in accordance with policies established by the DECD. No provision has been made for depreciation. Donated assets are recorded at estimated market value or assessed value as of the date of the donation.

Major repair expenditures funded out of operations, such as painting, roofing, or plumbing, are charged against Retained Earnings.

**Statement of Cash Flows**

The basis of accounting practices prescribed or permitted by the DECD does not require a Statement of Cash Flows to be presented as part of a full set of financial statements. Presentation of such statement summarizing the Authority's operating, noncapital financing, capital and related financing, and investing activities is required by generally accepted accounting principles.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE STATUTORY BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Adjusting Journal Entries**

The audited financial statements include various journal entries created by the Independent Public Accountant. The adjusting entries were approved by management and are made available upon request.

**NOTE 2 – STATE FINANCIAL ASSISTANCE**

Resident Service Coordinator Program No. 2008-002-003-107-000-1G:

An Assistance Agreement was entered into, by and between the State of Connecticut and the Authority, wherein the State of Connecticut agreed to pay the required share of the cost of a Resident Service Coordinator Program not to exceed \$7,506.

The final program cost was determined to be \$7,506.

Resident Service Coordinator Program No. 2008-002-003-107-000-1H:

An Assistance Agreement was entered into, by and between the State of Connecticut and the Authority, wherein the State of Connecticut agreed to pay the required share of the cost of a Resident Service Coordinator Program not to exceed \$7,506.

The current program cost was determined to be \$7,506.

Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	2 State/Local
111 Cash - Unrestricted	\$1,164,534		\$87,360		\$23,560
112 Cash - Restricted - Modernization and Development				\$3,399	
113 Cash - Other Restricted			\$74,028		
114 Cash - Tenant Security Deposits	\$9,325				
115 Cash - Restricted for Payment of Current Liabilities	\$2,672		\$9,506		
100 Total Cash	\$1,176,531	\$0	\$170,894	\$3,399	\$23,560
121 Accounts Receivable - PHA Projects			\$65,717		
122 Accounts Receivable - HUD Other Projects	\$8,412				
124 Accounts Receivable - Other Government					\$3,753
125 Accounts Receivable - Miscellaneous					\$219
126 Accounts Receivable - Tenants	\$7,354				
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,000				
126.2 Allowance for Doubtful Accounts - Other	\$0		-\$54,812		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$13,766	\$0	\$10,905	\$0	\$3,972
131 Investments - Unrestricted	\$135,900				\$480,316
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$38,017		\$5,556		\$7,105
150 Total Current Assets	\$1,364,214	\$0	\$187,355	\$3,399	\$514,953
161 Land	\$204,428				
162 Buildings	\$11,710,567				\$1,831,670
163 Furniture, Equipment & Machinery - Dwellings	\$780,470				
164 Furniture, Equipment & Machinery - Administration	\$568,319		\$7,000		\$10,099
166 Accumulated Depreciation	-\$9,379,441		-\$7,000		-\$1,789,449
167 Construction in Progress	\$2,599,651				\$10,773
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,483,994	\$0	\$0	\$0	\$63,093



Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$118,345	\$1,393,799		\$1,393,799
112 Cash - Restricted - Modernization and Development		\$3,399		\$3,399
113 Cash - Other Restricted		\$74,028		\$74,028
114 Cash - Tenant Security Deposits		\$9,325		\$9,325
115 Cash - Restricted for Payment of Current Liabilities		\$12,178		\$12,178
100 Total Cash	\$118,345	\$1,492,729	\$0	\$1,492,729
121 Accounts Receivable - PHA Projects		\$65,717		\$65,717
122 Accounts Receivable - HUD Other Projects		\$8,412		\$8,412
124 Accounts Receivable - Other Government		\$3,753		\$3,753
125 Accounts Receivable - Miscellaneous		\$219	-\$219	\$0
126 Accounts Receivable - Tenants		\$7,354		\$7,354
126.1 Allowance for Doubtful Accounts - Tenants		-\$2,000		-\$2,000
126.2 Allowance for Doubtful Accounts - Other		-\$54,812		-\$54,812
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$28,643	-\$219	\$28,424
131 Investments - Unrestricted		\$616,216		\$616,216
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets		\$50,678		\$50,678
150 Total Current Assets	\$118,345	\$2,188,266	-\$219	\$2,188,047
161 Land		\$204,428		\$204,428
162 Buildings		\$13,542,237		\$13,542,237
163 Furniture, Equipment & Machinery - Dwellings		\$780,470		\$780,470
164 Furniture, Equipment & Machinery - Administration	\$3,835	\$589,253		\$589,253
166 Accumulated Depreciation	-\$3,835	-\$11,179,725		-\$11,179,725
167 Construction in Progress		\$2,610,424		\$2,610,424
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$6,547,087	\$0	\$6,547,087

Housing Authority of the City of Ansonia (CT015)  
 Ansonia, CT  
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	2 State/Local
180 Total Non-Current Assets	\$6,483,994	\$0	\$0	\$0	\$63,093
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$7,848,208	\$0	\$187,355	\$3,399	\$578,046
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$447,559		\$2,860		\$6,987
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$15,630		\$6,850		\$1,797
322 Accrued Compensated Absences - Current Portion	\$3,788		\$748		\$389
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs			\$262		
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$8,869				
342 Unearned Revenue	\$1,809				\$3,317
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$2,672		\$8,456		
346 Accrued Liabilities - Other	\$2,412				\$16,713
347 Inter Program - Due To					
310 Total Current Liabilities	\$482,739	\$0	\$19,176	\$0	\$29,203

Housing Authority of the City of Ansonia (CT015)  
 Ansonia, CT  
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	1 Business Activities	Subtotal	ELIM	Total
180 Total Non-Current Assets	\$0	\$6,547,087	\$0	\$6,547,087
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$118,345	\$8,735,353	-\$219	\$8,735,134
311 Bank Overdraft				
312 Accounts Payable <= 90 Days		\$457,406	-\$219	\$457,187
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable		\$24,277		\$24,277
322 Accrued Compensated Absences - Current Portion		\$4,925		\$4,925
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs		\$262		\$262
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$10,112	\$10,112		\$10,112
341 Tenant Security Deposits		\$8,869		\$8,869
342 Unearned Revenue		\$5,126		\$5,126
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities		\$11,128		\$11,128
346 Accrued Liabilities - Other		\$19,125		\$19,125
347 Inter Program - Due To				
310 Total Current Liabilities	\$10,112	\$541,230	-\$219	\$541,011

Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	2 State/Local
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$73,480		
354 Accrued Compensated Absences - Non Current	\$34,096		\$6,728		\$3,497
357 Accrued Pension and OPEB Liabilities	\$41,760		\$3,631		\$1,816
350 Total Non-Current Liabilities	\$75,856	\$0	\$83,839	\$0	\$5,313
300 Total Liabilities	\$558,595	\$0	\$103,015	\$0	\$34,516
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$6,483,994				\$63,093
511.4 Restricted Net Position			\$548	\$3,399	
512.4 Unrestricted Net Position	\$805,619	\$0	\$83,792	\$0	\$480,437
513 Total Equity - Net Assets / Position	\$7,289,613	\$0	\$84,340	\$3,399	\$543,530
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$7,848,208	\$0	\$187,355	\$3,399	\$578,046

Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	1 Business Activities	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other		\$73,480		\$73,480
354 Accrued Compensated Absences - Non Current		\$44,321		\$44,321
357 Accrued Pension and OPEB Liabilities		\$47,207		\$47,207
350 Total Non-Current Liabilities	\$0	\$165,008	\$0	\$165,008
300 Total Liabilities	\$10,112	\$706,238	-\$219	\$706,019
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets		\$6,547,087		\$6,547,087
511.4 Restricted Net Position		\$3,947		\$3,947
512.4 Unrestricted Net Position	\$108,233	\$1,478,081		\$1,478,081
513 Total Equity - Net Assets / Position	\$108,233	\$8,029,115	\$0	\$8,029,115
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$118,345	\$8,735,353	-\$219	\$8,735,134

Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	2 State/Local
70300 Net Tenant Rental Revenue	\$408,059				\$217,966
70400 Tenant Revenue - Other	\$6,645				\$2,257
70500 Total Tenant Revenue	\$414,704	\$0	\$0	\$0	\$220,223
70600 HUD PHA Operating Grants	\$1,161,005	\$73,364	\$5,887,211		
70610 Capital Grants	\$36,657				\$396,205
70800 Other Government Grants					\$7,506
71100 Investment Income - Unrestricted	\$1,096		\$347		\$820
71400 Fraud Recovery					
71500 Other Revenue	\$31,635		\$28,947		
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$1,645,097	\$73,364	\$5,916,505	\$0	\$624,754
91100 Administrative Salaries	\$221,252		\$215,361		\$33,673
91200 Auditing Fees	\$6,250		\$5,000		\$1,250
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$660		\$791		\$344
91500 Employee Benefit contributions - Administrative	\$114,926		\$152,946		\$29,235
91600 Office Expenses	\$61,074		\$70,762		\$13,118
91700 Legal Expense	\$42,392		\$12,400		\$9,836
91800 Travel	\$7,948		\$18,112		\$3,260
91810 Allocated Overhead					
91900 Other	\$69,727		\$25,707		\$10,535
91000 Total Operating - Administrative	\$524,229	\$0	\$501,079	\$0	\$101,251

Housing Authority of the City of Ansonia (CT015)  
 Ansonia, CT  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$626,025		\$626,025
70400 Tenant Revenue - Other		\$8,902		\$8,902
70500 Total Tenant Revenue	\$0	\$634,927		\$634,927
70600 HUD PHA Operating Grants		\$7,121,580		\$7,121,580
70610 Capital Grants		\$432,862		\$432,862
70800 Other Government Grants		\$7,506		\$7,506
71100 Investment Income - Unrestricted		\$2,263		\$2,263
71400 Fraud Recovery				
71500 Other Revenue	\$1,089	\$61,671		\$61,671
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$1,089	\$8,260,809		\$8,260,809
91100 Administrative Salaries		\$470,286		\$470,286
91200 Auditing Fees		\$12,500		\$12,500
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing		\$1,795		\$1,795
91500 Employee Benefit contributions - Administrative		\$297,107		\$297,107
91600 Office Expenses		\$144,954		\$144,954
91700 Legal Expense		\$64,628		\$64,628
91800 Travel		\$29,320		\$29,320
91810 Allocated Overhead				
91900 Other		\$105,969		\$105,969
91000 Total Operating - Administrative	\$0	\$1,126,559		\$1,126,559

Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	2 State/Local
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$26,634	\$48,502	\$19,357		\$3,851
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services	\$15,500	\$24,013	\$14,267		\$3,343
92400 Tenant Services - Other	\$2,768	\$849			\$1,392
92500 Total Tenant Services	\$44,902	\$73,364	\$33,624	\$0	\$8,586
93100 Water	\$88,049				\$8,464
93200 Electricity	\$184,015		\$1,064		\$34,544
93300 Gas	\$105,810		\$188		\$180
93400 Fuel	\$427				\$1,833
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$378,301	\$0	\$1,252	\$0	\$45,021
94100 Ordinary Maintenance and Operations - Labor	\$132,811				\$30,181
94200 Ordinary Maintenance and Operations - Materials and Other	\$43,235		\$684		\$15,035
94300 Ordinary Maintenance and Operations Contracts	\$62,063		\$669		\$24,766
94500 Employee Benefit Contributions - Ordinary Maintenance	\$77,293				\$26,203
94000 Total Maintenance	\$315,402	\$0	\$1,353	\$0	\$96,185
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$932				\$520
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$932	\$0	\$0	\$0	\$520



Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	1 Business Activities	Subtotal	ELIM	Total
92000 Asset Management Fee				
92100 Tenant Services - Salaries		\$98,344		\$98,344
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services		\$57,123		\$57,123
92400 Tenant Services - Other		\$5,009		\$5,009
92500 Total Tenant Services	\$0	\$160,476		\$160,476
93100 Water		\$96,513		\$96,513
93200 Electricity		\$219,623		\$219,623
93300 Gas		\$106,178		\$106,178
93400 Fuel		\$2,260		\$2,260
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$0	\$424,574		\$424,574
94100 Ordinary Maintenance and Operations - Labor		\$162,992		\$162,992
94200 Ordinary Maintenance and Operations - Materials and Other		\$58,954		\$58,954
94300 Ordinary Maintenance and Operations Contracts		\$87,498		\$87,498
94500 Employee Benefit Contributions - Ordinary Maintenance		\$103,496		\$103,496
94000 Total Maintenance	\$0	\$412,940		\$412,940
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs		\$1,452		\$1,452
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$1,452		\$1,452

Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	2 State/Local
96110 Property Insurance	\$22,026				\$4,541
96120 Liability Insurance	\$9,898		\$9,725		\$2,629
96130 Workmen's Compensation	\$4,861		\$1,581		\$4,063
96140 All Other Insurance	\$35,012		\$948		\$717
96100 Total insurance Premiums	\$71,797	\$0	\$12,254	\$0	\$11,950
96200 Other General Expenses			\$14,392		
96210 Compensated Absences	\$76,073		\$14,301		\$8,279
96300 Payments in Lieu of Taxes	\$2,412				\$16,713
96400 Bad debt - Tenant Rents	\$2,018				\$6,386
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$80,503	\$0	\$28,693	\$0	\$31,378
96900 Total Operating Expenses	\$1,416,066	\$73,364	\$578,255	\$0	\$294,891
97000 Excess of Operating Revenue over Operating Expenses	\$229,031	\$0	\$5,338,250	\$0	\$329,863
97100 Extraordinary Maintenance					
97300 Housing Assistance Payments			\$5,645,185		
97350 HAP Portability-In			\$27,488		
97400 Depreciation Expense	\$494,267				\$7,473
90000 Total Expenses	\$1,910,333	\$73,364	\$6,250,928	\$0	\$302,364
10010 Operating Transfer In	\$170,729				
10020 Operating transfer Out	-\$20,729				
10100 Total Other financing Sources (Uses)	\$150,000	\$0	\$0	\$0	\$0

Housing Authority of the City of Ansonia (CT015)  
Ansonia, CT  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	1 Business Activities	Subtotal	ELIM	Total
96110 Property Insurance		\$26,567		\$26,567
96120 Liability Insurance		\$22,252		\$22,252
96130 Workmen's Compensation		\$10,505		\$10,505
96140 All Other Insurance		\$36,677		\$36,677
96100 Total insurance Premiums	\$0	\$96,001		\$96,001
96200 Other General Expenses		\$14,392		\$14,392
96210 Compensated Absences		\$98,653		\$98,653
96300 Payments in Lieu of Taxes		\$19,125		\$19,125
96400 Bad debt - Tenant Rents		\$8,404		\$8,404
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$0	\$140,574		\$140,574
96900 Total Operating Expenses	\$0	\$2,362,576		\$2,362,576
97000 Excess of Operating Revenue over Operating Expenses	\$1,089	\$5,898,233		\$5,898,233
97100 Extraordinary Maintenance				
97300 Housing Assistance Payments		\$5,645,185		\$5,645,185
97350 HAP Portability-In		\$27,488		\$27,488
97400 Depreciation Expense	\$383	\$502,123		\$502,123
90000 Total Expenses	\$383	\$8,537,372		\$8,537,372
10010 Operating Transfer In		\$170,729		\$170,729
10020 Operating transfer Out	-\$150,000	-\$170,729		-\$170,729
10100 Total Other financing Sources (Uses)	-\$150,000	\$0		\$0

Housing Authority of the City of Ansonia (CT015)  
 Ansonia, CT  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	2 State/Local
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$115,236	\$0	-\$334,423	\$0	\$322,390
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$7,008,644	\$0	\$418,763	\$3,399	\$617,345
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$396,205				-\$396,205
11170 Administrative Fee Equity			\$83,792		
11180 Housing Assistance Payments Equity			\$548		
11190 Unit Months Available	2016		8784		480
11210 Number of Unit Months Leased	1962		7229		418
11270 Excess Cash	\$729,461				
11610 Land Purchases	\$515,516				
11620 Building Purchases	\$65,914				
11630 Furniture & Equipment - Dwelling Purchases	\$4,815				
11640 Furniture & Equipment - Administrative Purchases	\$2,357				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Housing Authority of the City of Ansonia (CT015)  
 Ansonia, CT  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	1 Business Activities	Subtotal	ELIM	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$149,294	-\$276,563		-\$276,563
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$257,527	\$8,305,678		\$8,305,678
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$0		\$0
11170 Administrative Fee Equity		\$83,792		\$83,792
11180 Housing Assistance Payments Equity		\$548		\$548
11190 Unit Months Available		11280		11280
11210 Number of Unit Months Leased		9609		9609
11270 Excess Cash		\$729,461		\$729,461
11610 Land Purchases		\$515,516		\$515,516
11620 Building Purchases		\$65,914		\$65,914
11630 Furniture & Equipment - Dwelling Purchases		\$4,815		\$4,815
11640 Furniture & Equipment - Administrative Purchases		\$2,357		\$2,357
11650 Leasehold Improvements Purchases		\$0		\$0
11660 Infrastructure Purchases		\$0		\$0
13510 CFFP Debt Service Payments		\$0		\$0
13901 Replacement Housing Factor Funds		\$0		\$0

**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**

***Independent Auditor's Report***

The Governing Body  
Housing Authority of the City of Ansonia

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 business-type activities of Housing Authority of the City of Ansonia as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Housing Authority of the City of Ansonia's basic financial statements, and have issued our report thereon dated June 05, 2015.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Housing Authority of the City of Ansonia'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 Housing Authority of the City of Ansonia's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Ansonia'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2014-001.

## ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Housing Authority of the City of Ansonia's financial statements are free from 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*.

We noted certain matters that we have reported to management Housing Authority of the City of Ansonia in a separate letter dated June 05, 2015.

## **Purpose of this Report**

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

A handwritten signature in black ink that reads "Maletta & Company". The signature is written in a cursive style with a vertical line separating the name from the company name.

Maletta & Company  
Certified Public Accountants

Bristol, Connecticut  
June 05, 2015

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

***Independent Auditor's Report***

Board of Commissioners  
Housing Authority of the City of Ansonia

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

We have audited Housing Authority of the City of Ansonia's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Ansonia's major federal programs for the year ended December 31, 2014. Housing Authority of the City of Ansonia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Housing Authority of the City of Ansonia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Housing Authority of the City of Ansonia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, Housing Authority of the City of Ansonia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.



## Report on Internal Control over Compliance

Management of Housing Authority of the City of Ansonia 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 Housing Authority of the City of Ansonia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Ansonia'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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-002, that we consider to be significant deficiencies.

Housing Authority of the City of Ansonia's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. Housing Authority of the City of Ansonia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Maletta & Company  
Certified Public Accountants

Bristol, Connecticut  
June 05, 2015

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through / Identification Number</u>	<u>Federal Expenditures</u>
<b><i>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</i></b>			
<b>Direct Programs:</b>			
Low Rent Public Housing	14.850	CT015-00000112D	1,092,184
Housing Choice Vouchers	14.871	CT015	5,887,211
Resident Opportunity and Self Sufficiency	14.870	CT015RPS023A011	69,298
Resident Opportunity and Self Sufficiency - FSS	14.870	CT015RFS182A012	4,066
Total ROSS Grants			<u>73,364</u>
Capital Fund Program	14.872	CT26P015501-11	23,775
Capital Fund Program	14.872	CT26P015501-12	77,815
Capital Fund Program	14.872	CT26P015501-13	3,887
Total CFP Cluster			<u>105,477</u>
<b><i>Total HUD Expenditures</i></b>			<u>7,158,236</u>
<b><i>U.S. DEPARTMENT OF HOMELAND SECURITY</i></b>			
<b>Passthrough Program - CT Department of Emergency Services and Public Protection</b>			
Disaster Housing Assistance Grant	97.109	4106 - CT	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 7,158,236</u></u>

*See accompanying notes to  
Schedule of Expenditures of Federal Awards.*

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133 *Audits of States, Local Government, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net position, or cash flows of the Authority.

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

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

**NOTE C – PROGRAM COST**

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

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported

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

- Any audit finding disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major programs tested:

CFDA#	Program Name
14.850	Low Rent Public Housing
14.871	Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee  Yes  No

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**II. FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED  
IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

**SIGNIFICANT DEFICIENCY**

**2014-001 HCV Portability Accounting**

<b>Condition:</b>	Portability receivable billings have not been recorded since May 2014. In addition, related receipts were not deposited during the same period.
<b>Criteria:</b>	Financial activity should be recorded and reconciled on a timely basis to ensure accurate financial reporting.
<b>Cause:</b>	HCV program staff turnover and lack of sufficient staff training.
<b>Effect or Potential Effect:</b>	Portability income was understated by at least \$10,000. In addition, PHA receivable balances are likely incorrect.
<b>Recommendation:</b>	We recommend the Authority obtain the necessary training to properly initiate and record portability activity in the accounting software. In addition, program payments should be deposited in a timely manner and all activity reconciled on a periodic basis.

**III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

*U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT*

**SIGNIFICANT DEFICIENCY**

**2014-002 Eligibility  
Housing Choice Vouchers – CFDA# 14.871**

<b>Condition:</b>	Income documentation obtained to determine eligibility contained errors or was otherwise insufficient or incomplete.
<b>Criteria:</b>	PHA's are required to determine income eligibility and calculate the tenant's rent payment using the documentation from third-party verification in accordance with 24 CFR part 5 subpart F.
<b>Cause:</b>	HCV program staff turnover and lack of sufficient staff training.
<b>Effect or Potential Effect:</b>	Potential overpayment of HAP due to incorrect income calculations and general inability to collect on fraudulent
<b>Recommendation:</b>	We recommend the Authority re-evaluate income documentation procedures used to annualize employment income in accordance with relevant policies and procedures, and perform periodic quality control reviews for compliance. In addition, the Authority should document review of income discrepancies and enforce participant noncompliance.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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*U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT*

**2013-001 Eligibility  
Housing Choice Vouchers – CFDA# 14.871**

**Condition:** Income documentation obtained to determine eligibility contained errors or was otherwise insufficient or incomplete.

**Recommendation:** We recommend the Authority re-evaluate income documentation procedures used to annualize employment income and monitor HCV staff performance to ensure compliance with HUD regulations.

**Status:** Corrective action in progress, additional current audit finding noted at 2014-002.

**2013-002 Eligibility / Special Tests and Provisions – Waiting List  
Public Housing – CFDA# 14.850**

**Condition:** Documentation obtained to determine eligibility was insufficient or incomplete including admission information such as proof of waiting list usage and tenant screening procedures (including EIV).

**Recommendation:** We recommend the Authority standardize public housing tenant files to retain permanent information such as original application, waitlist correspondence, identification and screening procedures. In addition, the Authority should implement EIV procedures on applicants prior to admission in according with program regulations.

**Status:** Corrective action in progress.

**2013-003 Activities Allowed or Unallowed / Cost Principles  
Public Housing – CFDA# 14.850**

**Condition:** The Authority does not have an adequate system of controls over the allocation of costs.

**Recommendation:** We recommend the Authority require all expenditure documentation notate the program charged to enable effective management oversight and authorization. In addition, costs related to the central office should be allocated to the Authority's programs based on the Authority's cost allocation plan.

**Status:** Corrective Action taken.