

HOUSING AUTHORITY OF THE CITY OF ANSONIA

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

**FOR THE YEAR ENDED
DECEMBER 31, 2016**

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	<i>i</i>
MANAGEMENT’S DISCUSSION & ANALYSIS	1
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	8
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11
SUPPLEMENTAL INFORMATION	
SCHEDULES OF REQUIRED SUPPLEMENTARY PENSION INFORMATION	23
FINANCIAL DATA SCHEDULE	24
CHFA SUPPLEMENTAL HM FORMS	38
COMPLIANCE AND SINGLE AUDIT REPORTING	
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	<i>ii</i>
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE	<i>iii</i>
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	47
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	49
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS	50

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 Housing Authority of the City of Ansonia, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise 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 Housing Authority of the City of Ansonia, as of December 31, 2016, and the respective changes in financial position and, where applicable, 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 management's discussion and analysis on pages 1 - 7 and supplemental pension information on page 23 are 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 Housing Authority of the City of Ansonia's basic financial statements. The CHFA Supplemental HM Forms as required by the Connecticut Housing Finance Authority, 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 audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* Uniform Guidance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The CHFA Supplemental HM Forms, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the CHFA Supplemental HM Forms, the Financial Data Schedule, 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 September 11, 2017 on our consideration of 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 Housing Authority of the City of Ansonia's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Maletta & Company", with a stylized flourish at the end.

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
September 11, 2017

**ANSONIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Management's analysis of the Ansonia Housing Authority's (the Authority) annual financial report is for the Fiscal Year Ended December 31, 2016 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 increased by \$864,586 during fiscal year 2016 (FY2016). Net Positions were \$8,187,530 and \$9,052,116 for 2015 and 2016, respectively.
- Total revenue (operating and non-operating) increased by \$468,886 during FY2016. A decrease in tenant revenue was sufficiently offset by increases in HUD operating grants, other government grant revenue and fees for service. Total revenues were \$9,096,960 for 2016 and \$8,628,074 for 2015.
- Total expenses for all Authority programs increased by \$349,040 or 3.96% from 2015. Total expenses were \$9,154,346 for 2016 and \$8,805,306 for 2015. All expense categories with the exception of Housing Assistance Payments (HAP) decreased during the fiscal year. The increase in HAP was the result of additional voucher utilization.

THE FINANCIAL STATEMENTS

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

As a single purpose enterprise fund government the Authority is permitted to issue combined entity level and fund level financial statements. These statements report financial information for each of the Authority's major funds, an aggregated total for all non-major funds and a combined total of all funds that represents the authority wide financial position. The following provides a brief overview of each financial statement.

Statement of Net Position

The Statement of Net Position is prepared using the accrual basis of accounting and provides information relating to all financial and capital resources for the Authority as of the reporting date and related debts and other liabilities. The Statement of Net Position is presented in a format where assets equal liabilities plus Net Position. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (those which are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business), and "Non-current." A summary of the Authority's Net Position is presented in Table I.

Net Position represents the cumulative effect of revenues and expenses. It is also the difference between assets and liabilities. Net Position is reported in three broad categories:

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

**ANSONIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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

**TABLE I
Combined Statement of Net Position**

	2016	2015	Dollar Change	% Change
Current Assets	\$ 2,776,150	\$ 2,029,106	\$ 747,044	36.82%
Non-Current Assets	\$ 7,749,855	\$ 7,084,694	\$ 665,161	9.39%
Total Assets	\$ 10,526,005	\$ 9,113,800	\$ 1,412,205	15.50%
Deferred Outflows of Resources	\$ 175,569	\$ 81,226	\$ 94,343	116.15%
Total Assets & Deferred Outflows	<u>\$ 10,701,574</u>	<u>\$ 9,195,026</u>	<u>\$ 1,506,548</u>	16.38%
Current Liabilities	\$ 901,673	\$ 356,917	\$ 544,756	152.63%
Non-Current Liabilities	\$ 747,785	\$ 650,579	\$ 97,206	14.94%
Total Liabilities	\$ 1,649,458	\$ 1,007,496	\$ 641,962	63.72%
Deferred Inflows of Resources	\$ -	\$ -	\$ -	0.00%
Total Liabilities & Deferred Inflows	\$ 1,649,458	\$ 1,007,496	\$ 641,962	63.72%
Net Investment in Capital Assets	\$ 7,749,855	\$ 7,084,694	\$ 665,161	9.39%
Restricted	\$ 97,513	\$ 93,414	\$ 4,099	4.39%
Unrestricted	\$ 1,204,748	\$ 1,009,422	\$ 195,326	19.35%
Total Net Position	\$ 9,052,116	\$ 8,187,530	\$ 864,586	10.56%
Total Liabilities, Deferred Inflows & Net Position	<u>\$ 10,701,574</u>	<u>\$ 9,195,026</u>	<u>\$ 1,506,548</u>	16.38%

Statement of Revenue, Expenses and Changes in Net Position

The Statement of Revenue, Expenses and Changes in Net Position is similar to an Income Statement. This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation, Non-Operating revenue and expenses, such as grant revenue, investment income and interest expense, and capital contributions and operating transfers. A summary of the Authority's Statement of Revenues, Expenses and Changes in Net Position is presented in Table II, followed by a more detailed analysis of revenues and expenses.

**ANSONIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

	2016	2015	Dollar Change	% Change
Tenant Revenue	\$ 555,706	\$ 658,483	\$ (102,777)	-15.61%
Subsidy & Grants	\$ 8,372,596	\$ 7,921,235	\$ 451,361	5.70%
Other Income & Fees for Service	\$ 166,266	\$ 45,800	\$ 120,466	263.03%
Interest Income	\$ 2,392	\$ 2,556	\$ (164)	-6.42%
Total Revenue	\$ 9,096,960	\$ 8,628,074	\$ 468,886	5.43%
Administration	\$ 932,488	\$ 1,043,797	\$ (111,309)	-10.66%
Tenant Services	\$ 189,462	\$ 195,620	\$ (6,158)	-3.15%
Utilities	\$ 298,208	\$ 424,820	\$ (126,612)	-29.80%
Ordinary Maintenance	\$ 374,465	\$ 432,668	\$ (58,203)	-13.45%
Insurance Premiums	\$ 98,596	\$ 104,373	\$ (5,777)	-5.53%
General	\$ 124,414	\$ 162,816	\$ (38,402)	-23.59%
Housing Assistance Payments	\$ 6,684,209	\$ 5,973,985	\$ 710,224	11.89%
Depreciation	\$ 452,504	\$ 467,227	\$ (14,723)	-3.15%
NonRoutine Maintenance	\$ -	\$ -	\$ -	0.00%
Interest Expense	\$ -	\$ -	\$ -	0.00%
Total Expenses	\$ 9,154,346	\$ 8,805,306	\$ 349,040	3.96%
Net Income/(Loss) Before Capital Contributions	\$ (57,386)	\$ (177,232)	\$ 119,846	67.62%
Special Items and Prior Year Adjustments	\$ -	\$ -	\$ -	0.00%
Capital Contributions	\$ 921,972	\$ 747,064	\$ 174,908	23.41%
Change in Net Position	\$ 864,586	\$ 569,832	\$ 294,754	51.73%
Net Position, Beginning of Year	\$ 8,187,530	\$ 7,617,698	\$ 569,832	7.48%
Net Position, End of Year	\$ 9,052,116	\$ 8,187,530	\$ 864,586	10.56%

REVENUE

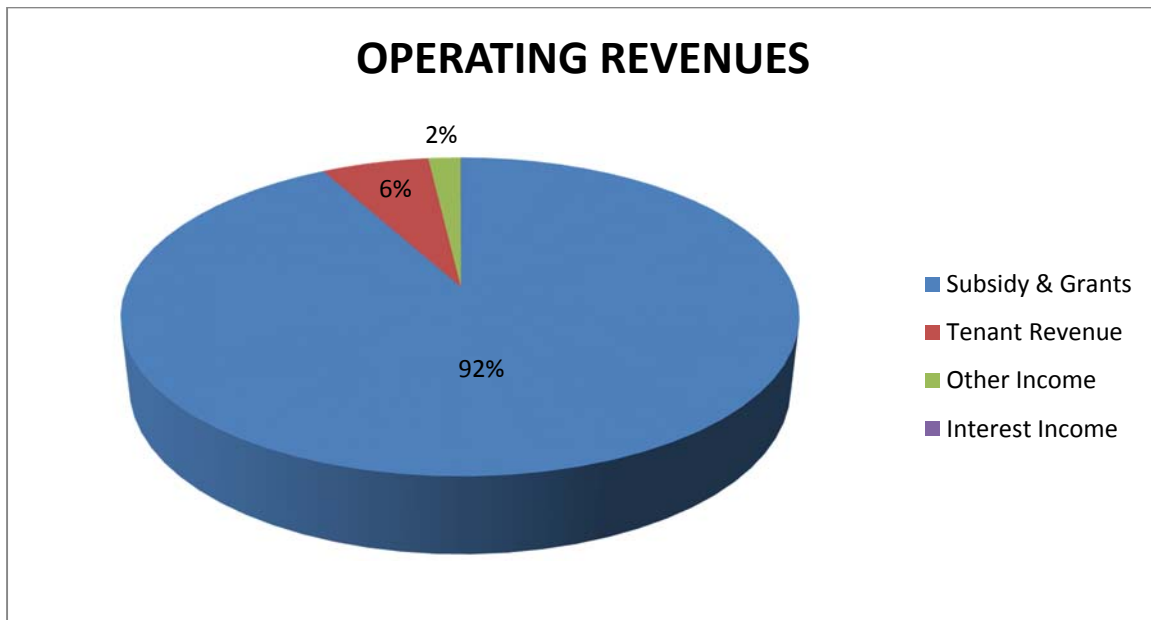
Tenant Revenue – Represents rent charged to the occupants of the Authority's apartments. The Authority billed \$555,706 during the most recent year. The Authority has maintained a lease up rate in the mid to high 90's (%) as required by the individual providers of subsidies/grants.

Program Grants / Subsidies – HUD Operating Grants and Other Government Operating Grants for the year totaled \$8,372,596. Most operating grants and subsidies are federally-funded.

**ANSONIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Federal Low Income Program	\$ 911,989
Housing Choice Voucher Program	\$ 7,243,376
Capital Fund Program	\$ 61,046
ROSS Grant	\$ 83,360
FSS Grant	\$ 69,000
Resident Services Coordinator Grant	<u>\$ 3,825</u>
Total	\$ 8,372,596

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



EXPENDITURES

The Ansonia Housing Authority experienced an increase in total expenses for the current year of \$349,040.

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. For FY2016, administrative costs decreased over the prior year by 10.66% or \$111,309.

Tenant Services – Costs include all expenses incurred in providing supportive 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 \$126,612 or 29.80% due to the disposition of Riverside Apartments.

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. The reduction in units as a

**ANSONIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2016**

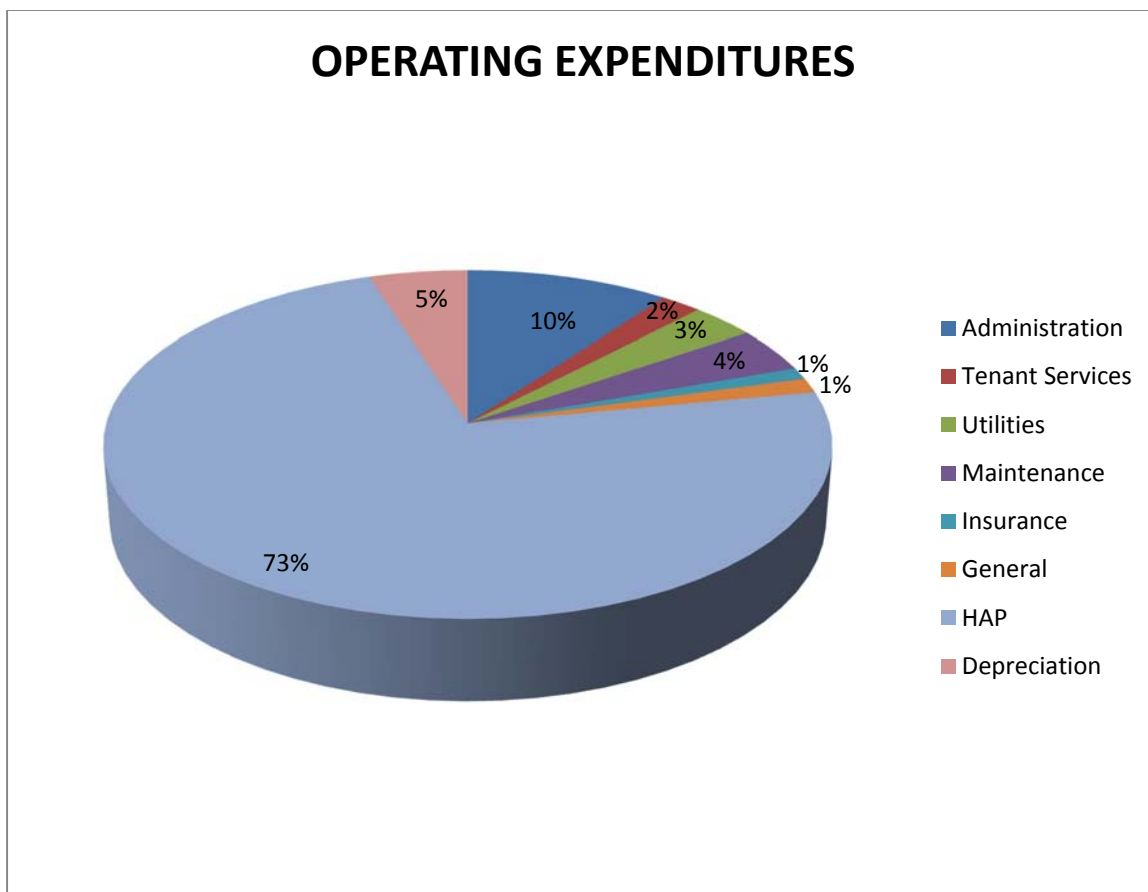
result of the Riverside Apartments disposition maintenance costs resulted in a decrease of \$58,203 or 13.45% versus the prior year.

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 \$5,777 (5.53%) 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 only the third time in many years, PILOT expenses were accrued for the Federal Low Rent program as relatively stable tenant revenues outpaced decreasing energy costs. Total general expenses decreased by \$38,402 or 23.59% from the prior year.

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 FY2016, the Agency experienced an increase in utilization of 597 unit months. This resulted on an increase in HAP expense of \$710,224 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.



**ANSONIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2016**

**TABLE III
Capital Assets – Total Authority**

	Beginning	Additions	Deductions	Ending
Non-Depreciable Assets				
Land	\$ 204,428	\$ -	\$ -	\$ 204,428
Construction in Progress	\$ 2,984,989	\$ 1,068,990	\$ 91,538	\$ 3,962,441
Depreciable Assets				
Buildings & Improvements	\$ 14,147,170	\$ 127,388	\$ -	\$ 14,274,558
Equipment	\$ 1,395,059	\$ 12,825	\$ -	\$ 1,407,884
Total	\$ 18,731,646	\$ 1,209,203	\$ 91,538	\$ 19,849,311
Accumulated Depreciation	\$ (11,646,952)	\$ (452,504)	\$ -	\$ (12,099,456)
Net Book Value	\$ 7,084,694			\$ 7,749,855

As of December 31, 2016, the Authority had \$7,749,855 invested in a broad range of capital assets, including land, buildings, furniture, equipment and construction in progress. This represents a net increase of \$665,161 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 – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by HUD. The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income.

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

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

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

**ANSONIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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.

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS

Significant economic factors affecting the Authority are:

1. Operating subsidy for the Conventional Housing Program was funded at 90.21% of the Authority's eligibility, resulting in a \$98,973 reduction in funding.
2. The CY2013 crime rate per 100,000 people in Ansonia was 174. For CY2014, the crime rate remained unchanged at 174 per 100,000 people. By comparison, the U.S. city average crime rates were 245 and 236, respectively, for the same years. Crime rates in the City of Ansonia are considered moderate based on the national crime index.
3. The September 2015 unemployment rate for the City of Ansonia was 5.6%, down from 7.1% as of June 2014. By comparison, the State of Connecticut's September 2015 unemployment rate was 5.1%, down from 6.5% as of June 2014.
4. The 2013 median household income for Ansonia was \$42,991, a decrease of 17% from \$52,115 a year earlier. Comparatively, the 2013 median household income for the State of Connecticut was \$67,098 or unchanged versus the \$67,276 average of 2012. Additionally, the 2013 percentage of Ansonia and Connecticut residents "living in poverty" was 23.7% and 13.9%, respectively.
5. The 2013 median residential house or condo value in Ansonia was \$219,392 (the State of Connecticut's median house or condo value for 2013 was \$267,000). The percent of homes built pre-1950 was 49% for Ansonia as compared to 32% for pre-1950 homes throughout the entire State of Connecticut. During 2013, three single-family new home building permits were secured.

NOTE: The most recent statistics available regarding nos. 2, 3, 4 and 5 above were taken from the most recent data profile for Ansonia, CT at www.city-data.com/city/Ansonia-Connecticut.html.

REQUEST FOR INFORMATION

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, 2016

ASSETS

Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 1,318,222
Cash and Cash Equivalents - Restricted	803,498
Accounts Receivable	
Tenants, net of Allowances	1,361
Other	195,313
Investments	404,631
Prepaid Expenses	53,125
Total Current Assets	<u>2,776,150</u>

Noncurrent Assets

Capital Assets, net of A/D	
Nondepreciable	4,166,867
Depreciable	3,582,988
Total Noncurrent Assets	<u>7,749,855</u>
Total Assets	<u>10,526,005</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Related to Pensions	175,569
Total Deferred Outflows of Resources	<u>175,569</u>

LIABILITIES

Current Liabilities

Accounts Payable - Vendors and Contractors	219,664
Accounts Payable - Other	21,669
Accrued Wages and Related Liabilities	15,011
Accrued Compensated Absences	4,525
Accrued PILOT	25,691
Tenant Security Deposits Payable	-
FSS Escrows	10,670
Unearned Revenue	604,443
Total Current Liabilities	<u>901,673</u>

Noncurrent Liabilities

Accrued Compensated Absences	40,728
FSS Escrows	91,494
OPEB Liability	34,890
Net Pension Liability	580,673
Total Noncurrent Liabilities	<u>747,785</u>
Total Liabilities	<u>1,649,458</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Pensions	-
Total Deferred Inflows of Resources	<u>-</u>

Net Position

Net Investment in Capital Assets	7,749,855
Restricted for:	
Housing Assistance Payments	94,114
Modernization and Development	3,399
Unrestricted	1,204,748
Total Net Position	<u>9,052,116</u>

*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, 2016**

OPERATING REVENUE

Rental Revenue	\$ 555,118
HUD Operating Grants	8,368,771
Fees for Other Services	43,699
Other Government Grants	3,825
Other Income	123,155
Total Operating Revenue	<u>9,094,568</u>

OPERATING EXPENSES

Administrative	932,488
Utilities	298,208
Ordinary Maintenance and Operations	374,465
Tenant and Protective Services	189,462
Insurance Premiums	98,596
General	124,414
Housing Assistance Payments	6,684,209
Depreciation	452,504
Total Operating Expenses	<u>9,154,346</u>

Operating Income (Loss)	(59,778)
--------------------------------	----------

NONOPERATING INCOME (EXPENSES)

Interest Income	2,392
Nonroutine Maintenance and Replacement	-
Total Nonoperating Income (Expenses)	<u>2,392</u>

Income (Loss) before Capital Contributions	(57,386)
---	----------

Capital Contributions	<u>921,972</u>
-----------------------	----------------

Change in Net Position	864,586
-------------------------------	---------

Net Position, Beginning of Year - Restated	<u>8,187,530</u>
---	------------------

Net Position, End of Year	<u><u>\$ 9,052,116</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, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Operations	\$ 595,177
HUD Operating Grants	8,964,126
Housing Assistance Payments	(6,684,209)
Payments to Vendors and Suppliers	(1,327,266)
Payments for Employee Wages	(745,385)
Other Receipts (Payments)	144,636
Net Cash Provided by (Used in) Operating Activities	<u>947,079</u>

CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES:

Purchases of Property and Equipment	(1,117,665)
Capital Grants Received	1,083,110
Net Cash Provided by (Used in) Capital Related Financing Activities	<u>(34,555)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Net Proceeds from (Deposits to) Investments	(1,706)
Interest Income	2,392
Net Cash Provided by (Used in) Investing Activities	<u>686</u>

Net Increase (Decrease) in Cash	913,210
--	---------

Cash at the Beginning of the Year	<u>1,208,510</u>
--	------------------

Cash at the End of the Year	<u><u>\$ 2,121,720</u></u>
------------------------------------	----------------------------

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

Operating Income (Loss)	\$ (59,778)
--------------------------------	-------------

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

Depreciation Expense	452,504
Nonroutine Maintenance	-
Pension Expense	91,774
Employer Pension Contributions	(84,783)

Change in Operating Assets and Liabilities:

Decrease (Increase) in Receivables	5,537
Decrease (Increase) in Prepaid Expenses	1,197
Increase (Decrease) in Accounts Payable	(42,967)
Increase (Decrease) in Other Liabilities	583,595
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 947,079</u></u>

Noncash Capital and Financing Activities	<i>None</i>
---	-------------

*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, 2016**

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, 2016**

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 786 housing units, including eight (8) Project Based Vouchers (PBV) located at the State Elderly Housing project. 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 108 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, 2016**

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 and other receivables is \$1,000 and \$59,904, respectively.

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

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.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position of fund balance that applies to future periods and will be recognized as revenue, or a reduction in expense, in future periods.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Connecticut Municipal Employee Retirement System (CMERS) pension plan and additions to/deductions from CMERS's fiduciary net position have been determined on the same basis as they are reported by CMERS. For this purpose, benefit payments, (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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.

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. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2016.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONT'D)

The breakdown of restrictions on deposits reported as of December 31, 2016 is as follows:

Restrictions on Deposits	
Family Self Sufficiency Escrows	\$ 91,494
Housing Assistance Payments	94,114
Tenant Security Deposits	-
FEMA Grant - Modernization	3,399
Payment of Current Liabilities	614,491
Total Restricted Cash	<u>\$ 803,498</u>

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. 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:

	Amortized Cost	Program
CT Short-Term Investment Fund	\$ 404,631	State Elderly
Total Investments	<u>\$ 404,631</u>	

NOTE 3 – ACCOUNTS RECEIVABLE – OTHER

The breakdown of Accounts Receivable – Other is as follows:

	Amount	Program
HUD Capital Fund Grants	\$ 32,845	Federal Public Housing
City Bond Proceeds	143,063	Federal Public Housing
HUD ROSS/FSS Grants	8,466	Federal Public Housing
DOH RSC Grant	1,913	State Elderly
Portability	9,026	Housing Choice Voucher
	<u>\$ 195,313</u>	

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 4 – CAPITAL ASSETS

The following is a summary of Capital Assets as of December 31, 2016:

	Beginning	Additions	Deductions	Ending
Nondepreciable Assets:				
Land	\$ 204,428	\$ -	\$ -	\$ 204,428
Construction in Progress	2,984,989	977,450	-	3,962,439
Depreciable Assets:				
Building and Improvements	14,147,170	127,390	-	14,274,560
Equipment	1,395,059	12,825	-	1,407,884
	<u>18,731,646</u>	<u>1,117,665</u>	<u>-</u>	<u>19,849,311</u>
Accumulated Depreciation	<u>(11,646,952)</u>	<u>(452,504)</u>		<u>(12,099,456)</u>
Net Book Value	<u>\$ 7,084,694</u>			<u>\$ 7,749,855</u>

Significant Additions

Significant additions include costs incurred to demolish and relocate tenants from the riverside project. Costs were primarily funded by City Bond proceeds.

NOTE 5 – NONCURRENT LIABILITIES

The following is a summary of Noncurrent Liabilities as of December 31, 2016:

	Beginning	Additions	Deductions	Ending	Due Within One Year
Compensated Absences	52,080	\$ 81,905	\$ (88,732)	\$ 45,253	\$ 4,525
FSS Escrows	109,487	33,296	(40,619)	102,164	10,670
OPEB Liability	41,662	-	(6,772)	34,890	-
Net Pension Liability	479,339	186,117	(84,783)	580,673	-
	<u>682,568</u>	<u>301,318</u>	<u>(220,906)</u>	<u>762,980</u>	<u>15,195</u>
			Less: Current Portion	<u>(15,195)</u>	
			Noncurrent Portion	<u>\$ 747,785</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:

2017	\$ 49,143
2018	17,193
2019	6,468
2020	3,234
2021	-

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 estimated costs of the two currently vested employees based on the current cost of health insurance. There are no active 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)	\$ 28,726	\$ 2,908	\$ 2,675	\$ 581	\$ 34,890
Total Accrued for OPEB	<u>\$ 28,726</u>	<u>\$ 2,908</u>	<u>\$ 2,675</u>	<u>\$ 581</u>	<u>\$ 34,890</u>

NOTE 8 – RETIREMENT PLAN

Plan Description

The Authority is a member of a multiple-employer public retirement system established by the State of Connecticut and administered by the Connecticut Retirement Commission to provide retirement benefits for participating municipalities. Municipalities may designate which departments (including elective officers if so specified) are to be covered under CMERS. This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes benefits, contribution rates, and other plan provisions. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members. CMERS 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.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8 – RETIREMENT PLAN (CONT'D)

Benefits Provided

The plan provides retirement, disability and death benefits as defined in the Statutes. The retirement benefit is 2% of average final compensation, times years of service for members not covered by social security. The benefit for members covered by social security is 1 ½% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. Employees are eligible to retire at age 55 with 5 years of continuous active service, or 15 years of active non-continuous aggregate service. Employees under the age of 55 are eligible to retire with 25 years of service under certain conditions. Employees can retire early after 5 years of continuous or 15 years of active aggregate service. The benefit can either be deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation. Long term disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit of 50% of compensation at the time of the disability. Pre-retirement death benefits are available in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

The contribution requirements of the Authority are established and may be amended by the State Retirement Commission. Employees covered by social security are required by State Statute to contribute 2.25% of compensation up to the social security taxable wage base, plus 5% of compensation in excess of such base. Employees not covered by social security are required to contribute 5% of earnings. As of December 31, 2016, the Authority is required to contribute 11.38% of earnings. The total contribution is based on 13.63% of gross earnings. Contributions to the pension plan from the Authority totaled \$91,774 for the year ended December 31, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of December 31, 2016, the Authority reported a net pension liability of \$580,673. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions, actuarially determined. As of June 30, 2016, the Authority's proportion was 0.2958%, which represents a decrease of .0476% from June 30, 2015.

For the year ended December 31, 2016 the Authority recognized pension expense of \$81,388. At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 12,514	\$ -
Differences between Projected and Actual Investment Earnings	168,771	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	(47,911)	-
Contributions Made after Measurement Date	42,195	-
	<u>\$ 175,569</u>	<u>\$ -</u>

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8 – RETIREMENT PLAN (CONT'D)

\$42,195 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	
2017	\$ 27,402
2018	27,402
2019	51,762
2020	26,808
2021	-
Thereafter	-

Actuarial Assumptions

The total pension liability reported on the June 30, 2015 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	4.25 - 11%, including inflation
Investment Rate of Return	8%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table (set forward one year for males and set back one year for females). The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for a five-year period ending June 30, 2010.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. Equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core Fixed Income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity Fund	3.0%	0.4%
Total	100.0%	

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8 – RETIREMENT PLAN (CONT'D)

Discount Rate

The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following projects the Authority's proportionate share of the net pension liability calculated using the discount rate of 8%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Discount Rate (8%)	1% Increase (9%)
Authority's Porportionate Share of Net Pension Liability	<u>\$ 916,175</u>	<u>\$ 580,673</u>	<u>\$ 296,178</u>

Pension Plan Fiduciary Net Position

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

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	\$ (44,571)	\$ 90,015	\$ 45,444
Revenues			
Annual Contributions	600,881	6,642,495	7,243,376
Investment Income	476	-	476
Fraud Recovery	5,015	5,015	10,030
Other Revenue	89,069	-	89,069
Portability	43,699	-	43,699
Total Revenues	<u>739,140</u>	<u>6,647,510</u>	<u>7,386,650</u>
Expenses			
Operating	531,771	-	531,771
Housing Assistance Payments	40,798	6,643,411	6,684,209
Total Expenses	<u>572,569</u>	<u>6,643,411</u>	<u>7,215,980</u>
Change in Net Position	166,571	4,099	170,670
Ending Net Position	<u>\$ 122,000</u>	<u>\$ 94,114</u>	<u>\$ 216,114</u>
HUD-Held Reserves (HHR)		<u>\$ 296,960</u>	

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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, 2016 (there were no closed grants during 2016):

	CT26-P015			
	501-13	501-14	501-15	501-16
Funds Authorized	<u>\$ 311,114</u>	<u>\$ 358,354</u>	<u>\$ 366,114</u>	<u>\$ 427,224</u>
Funds Advanced	304,552	305,594	262,121	-
Less Project Expenditures	<u>(309,726)</u>	<u>(308,768)</u>	<u>(278,136)</u>	<u>(8,482)</u>
Excess(Deficiency) of Advances	<u>\$ (5,174)</u>	<u>\$ (3,174)</u>	<u>\$ (16,015)</u>	<u>\$ (8,482)</u>

	CT26-R015				
	501-11	501-12	501-13	501-14	501-15
Funds Authorized	<u>\$ 39,622</u>	<u>\$ 38,409</u>	<u>\$ 38,409</u>	<u>\$ 44,241</u>	<u>\$ 45,199</u>
Funds Advanced	-	-	-	-	-
Less Project Expenditures	-	-	-	-	-
Excess(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 11 – OTHER HUD GRANTS

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

The following grants are open as of December 31, 2016:

	CT015-FSH		CT015-RSP
	122A-014	122A-015	077A-014
Funds Authorized	<u>\$ 95,920</u>	<u>\$ 69,000</u>	<u>\$ 246,000</u>
Funds Advanced	81,122	69,000	153,668
Less Project Expenditures	<u>(81,122)</u>	<u>(69,000)</u>	<u>(162,134)</u>
Excess(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,466)</u>

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 September 11, 2017, 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.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
SCHEDULES OF REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Schedule of the Authority's Proportionate Share of the Net Position Liability

	Reporting Fiscal Year (Measurement Date)			2013 through 2007
	2016 (2016)	2015 (2015)	2014 (2014)	
Authority's Portion of the Net Pension Liability (Asset)	0.2958%	0.3434%	0.3434%	Information not available
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$ 580,673	\$ 479,339	\$ 353,297	
Authority's Covered-Employee Payroll	\$ 704,242	\$ 832,091	\$ 816,402	
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	82.45%	57.61%	43.27%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.29%	87.47%	90.48%	

Schedule of Authority Contributions

	2016	2015	2014
Statutorily Required Contribution	\$ 84,783	\$ 94,692	\$ 97,805
Contributions in Relation to the Statutorily Required Contribution	\$ (84,783)	\$ (94,692)	\$ (97,805)
Contribution Deficiency (Excess)	-	-	-
Authority's Covered Payroll	\$ 745,018	\$ 832,091	\$ 816,402
Contributions as a Percentage of Covered-Employee Payroll	11.38%	11.38%	11.98%
		2012 through 2006	
Statutorily Required Contribution	\$ 92,222	Information not available	
Contributions in Relation to the Statutorily Required Contribution	\$ (92,222)		
Contribution Deficiency (Excess)	-		
Authority's Covered Payroll	\$ 769,800		
Contributions as a Percentage of Covered-Employee Payroll	11.98%		

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant
111 Cash - Unrestricted	\$1,005,636			\$292,033	
112 Cash - Restricted - Modernization and Development					\$3,399
113 Cash - Other Restricted				\$185,608	
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities				\$614,491	
100 Total Cash	\$1,005,636	\$0	\$0	\$1,092,132	\$3,399
121 Accounts Receivable - PHA Projects				\$68,930	
122 Accounts Receivable - HUD Other Projects	\$32,845		\$8,466		
124 Accounts Receivable - Other Government	\$143,063				
125 Accounts Receivable - Miscellaneous				\$0	
126 Accounts Receivable - Tenants	\$1,998				
126.1 Allowance for Doubtful Accounts -Tenants	-\$1,000				
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	-\$59,904	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$176,906	\$0	\$8,466	\$9,026	\$0
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$39,072			\$6,441	
150 Total Current Assets	\$1,230,080	\$0	\$8,466	\$1,107,599	\$3,399
161 Land	\$204,428				
162 Buildings	\$12,399,537				
163 Furniture, Equipment & Machinery - Dwellings	\$787,224				
164 Furniture, Equipment & Machinery - Administration	\$593,490			\$12,423	
166 Accumulated Depreciation	-\$10,281,209			-\$11,311	
167 Construction in Progress	\$3,951,666				
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,655,136	\$0	\$0	\$1,112	\$0

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$20,553		\$1,318,222		\$1,318,222
112 Cash - Restricted - Modernization and Development			\$3,399		\$3,399
113 Cash - Other Restricted			\$185,608		\$185,608
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities			\$614,491		\$614,491
100 Total Cash	\$20,553	\$0	\$2,121,720	\$0	\$2,121,720
121 Accounts Receivable - PHA Projects			\$68,930		\$68,930
122 Accounts Receivable - HUD Other Projects			\$41,311		\$41,311
124 Accounts Receivable - Other Government	\$1,913		\$144,976		\$144,976
125 Accounts Receivable - Miscellaneous			\$0		\$0
126 Accounts Receivable - Tenants	\$363		\$2,361		\$2,361
126.1 Allowance for Doubtful Accounts -Tenants	\$0		-\$1,000		-\$1,000
126.2 Allowance for Doubtful Accounts - Other	\$0		-\$59,904		-\$59,904
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,276	\$0	\$196,674	\$0	\$196,674
131 Investments - Unrestricted	\$404,631		\$404,631		\$404,631
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$7,612		\$53,125		\$53,125
150 Total Current Assets	\$435,435	\$0	\$2,784,979	-\$8,829	\$2,776,150
161 Land			\$204,428		\$204,428
162 Buildings	\$1,875,021		\$14,274,558		\$14,274,558
163 Furniture, Equipment & Machinery - Dwellings			\$787,224		\$787,224
164 Furniture, Equipment & Machinery - Administration	\$14,747		\$620,660		\$620,660
166 Accumulated Depreciation	-\$1,806,934		-\$12,099,454		-\$12,099,454
167 Construction in Progress	\$10,773		\$3,962,439		\$3,962,439
160 Total Capital Assets, Net of Accumulated Depreciation	\$93,607	\$0	\$7,749,855	\$0	\$7,749,855

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant
180 Total Non-Current Assets	\$7,655,136	\$0	\$0	\$1,112	\$0
200 Deferred Outflow of Resources	\$100,834			\$57,791	
290 Total Assets and Deferred Outflow of Resources	\$8,986,050	\$0	\$8,466	\$1,166,502	\$3,399
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$193,420			\$18,075	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$9,599			\$3,700	
322 Accrued Compensated Absences - Current Portion	\$3,372			\$718	
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs				\$11,557	
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue	\$0			\$603,821	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities				\$10,670	
346 Accrued Liabilities - Other	\$8,629				
347 Inter Program - Due To			\$8,466		
310 Total Current Liabilities	\$215,020	\$0	\$8,466	\$648,541	\$0

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
180 Total Non-Current Assets	\$93,607	\$0	\$7,749,855	\$0	\$7,749,855
200 Deferred Outflow of Resources	\$16,944		\$175,569		\$175,569
290 Total Assets and Deferred Outflow of Resources	\$545,986	\$0	\$10,710,403	-\$8,829	\$10,701,574
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$8,169		\$219,664		\$219,664
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$1,712		\$15,011		\$15,011
322 Accrued Compensated Absences - Current Portion	\$435		\$4,525		\$4,525
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs			\$11,557		\$11,557
332 Account Payable - PHA Projects		\$10,112	\$10,112		\$10,112
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue	\$622		\$604,443		\$604,443
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$10,670		\$10,670
346 Accrued Liabilities - Other	\$17,062		\$25,691		\$25,691
347 Inter Program - Due To		\$363	\$8,829	-\$8,829	\$0
310 Total Current Liabilities	\$28,000	\$10,475	\$910,502	-\$8,829	\$901,673

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant
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				\$91,494	
354 Accrued Compensated Absences - Non Current	\$30,347			\$6,467	
357 Accrued Pension and OPEB Liabilities	\$360,217			\$203,887	
350 Total Non-Current Liabilities	\$390,564	\$0	\$0	\$301,848	\$0
300 Total Liabilities	\$605,584	\$0	\$8,466	\$950,389	\$0
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$7,655,136			\$1,112	
511.4 Restricted Net Position				\$94,114	\$3,399
512.4 Unrestricted Net Position	\$725,330	\$0	\$0	\$120,887	\$0
513 Total Equity - Net Assets / Position	\$8,380,466	\$0	\$0	\$216,113	\$3,399
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$8,986,050	\$0	\$8,466	\$1,166,502	\$3,399

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	2 State/Local	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			\$91,494		\$91,494
354 Accrued Compensated Absences - Non Current	\$3,914		\$40,728		\$40,728
357 Accrued Pension and OPEB Liabilities	\$51,459		\$615,563		\$615,563
350 Total Non-Current Liabilities	\$55,373	\$0	\$747,785	\$0	\$747,785
300 Total Liabilities	\$83,373	\$10,475	\$1,658,287	-\$8,829	\$1,649,458
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$93,607		\$7,749,855		\$7,749,855
511.4 Restricted Net Position			\$97,513		\$97,513
512.4 Unrestricted Net Position	\$369,006	-\$10,475	\$1,204,748		\$1,204,748
513 Total Equity - Net Assets / Position	\$462,613	-\$10,475	\$9,052,116	\$0	\$9,052,116
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$545,986	\$0	\$10,710,403	-\$8,829	\$10,701,574

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant
70300 Net Tenant Rental Revenue	\$337,511				
70400 Tenant Revenue - Other	\$2,213				
70500 Total Tenant Revenue	\$339,724	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$973,035	\$69,000	\$83,360	\$7,243,376	
70610 Capital Grants	\$26,479				
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$125			\$476	
71400 Fraud Recovery				\$10,029	
71500 Other Revenue	\$13,141			\$132,768	
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$1,352,504	\$69,000	\$83,360	\$7,386,649	\$0
91100 Administrative Salaries	\$153,286			\$209,988	
91200 Auditing Fees	\$6,710			\$3,416	
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative	\$116,718			\$149,778	
91600 Office Expenses	\$38,236			\$69,595	
91700 Legal Expense	\$25,079			\$27,188	
91800 Travel	\$4,305			\$3,000	
91810 Allocated Overhead					
91900 Other	\$52,146			\$19,251	
91000 Total Operating - Administrative	\$396,480	\$0	\$0	\$482,216	\$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: 12/31/2016

	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$212,904		\$550,415		\$550,415
70400 Tenant Revenue - Other	\$2,490		\$4,703		\$4,703
70500 Total Tenant Revenue	\$215,394	\$0	\$555,118	\$0	\$555,118
70600 HUD PHA Operating Grants			\$8,368,771		\$8,368,771
70610 Capital Grants			\$26,479		\$26,479
70800 Other Government Grants	\$899,318		\$899,318		\$899,318
71100 Investment Income - Unrestricted	\$1,791		\$2,392		\$2,392
71400 Fraud Recovery			\$10,029		\$10,029
71500 Other Revenue	\$10,916		\$156,825		\$156,825
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$1,127,419	\$0	\$10,018,932	\$0	\$10,018,932
91100 Administrative Salaries	\$17,337		\$380,611		\$380,611
91200 Auditing Fees	\$2,074		\$12,200		\$12,200
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative	\$8,627		\$275,123		\$275,123
91600 Office Expenses	\$10,770		\$118,601		\$118,601
91700 Legal Expense	\$5,936		\$58,203		\$58,203
91800 Travel	\$1,127		\$8,432		\$8,432
91810 Allocated Overhead					
91900 Other	\$7,921		\$79,318		\$79,318
91000 Total Operating - Administrative	\$53,792	\$0	\$932,488	\$0	\$932,488

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$9,152	\$48,000	\$51,809	\$707	
92200 Relocation Costs	\$4,997				
92300 Employee Benefit Contributions - Tenant Services	\$255	\$21,000	\$31,181	\$10,136	
92400 Tenant Services - Other	\$2,574		\$370		
92500 Total Tenant Services	\$16,978	\$69,000	\$83,360	\$10,843	\$0
93100 Water	\$49,660				
93200 Electricity	\$165,479				
93300 Gas	\$38,201				
93400 Fuel	\$99				
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$253,439	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$118,233				
94200 Ordinary Maintenance and Operations - Materials and Other	\$41,452			\$10	
94300 Ordinary Maintenance and Operations Contracts	\$71,544			\$1,157	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$50,401				
94000 Total Maintenance	\$281,630	\$0	\$0	\$1,167	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$269				
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$269	\$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: 12/31/2016

	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$5,478		\$115,146		\$115,146
92200 Relocation Costs			\$4,997		\$4,997
92300 Employee Benefit Contributions - Tenant Services	\$1,764		\$64,336		\$64,336
92400 Tenant Services - Other	\$925		\$3,869		\$3,869
92500 Total Tenant Services	\$8,167	\$0	\$188,348	\$0	\$188,348
93100 Water	\$12,332		\$61,992		\$61,992
93200 Electricity	\$31,153		\$196,632		\$196,632
93300 Gas	\$488		\$38,689		\$38,689
93400 Fuel	\$796		\$895		\$895
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$44,769	\$0	\$298,208	\$0	\$298,208
94100 Ordinary Maintenance and Operations - Labor	\$43,820		\$162,053		\$162,053
94200 Ordinary Maintenance and Operations - Materials and Other	\$12,644		\$54,106		\$54,106
94300 Ordinary Maintenance and Operations Contracts	\$18,327		\$91,028		\$91,028
94500 Employee Benefit Contributions - Ordinary Maintenance	\$16,877		\$67,278		\$67,278
94000 Total Maintenance	\$91,668	\$0	\$374,465	\$0	\$374,465
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$845		\$1,114		\$1,114
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$845	\$0	\$1,114	\$0	\$1,114

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2016

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant
96110 Property Insurance	\$33,079			\$198	
96120 Liability Insurance	\$16,541			\$5,783	
96130 Workmen's Compensation	\$18,433			\$1,885	
96140 All Other Insurance	\$5,215			\$3,951	
96100 Total insurance Premiums	\$73,268	\$0	\$0	\$11,817	\$0
96200 Other General Expenses				\$12,825	
96210 Compensated Absences	\$60,989			\$12,585	
96300 Payments in Lieu of Taxes	\$8,629				
96400 Bad debt - Tenant Rents	-\$1,000				
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$68,618	\$0	\$0	\$25,410	\$0
96900 Total Operating Expenses	\$1,090,682	\$69,000	\$83,360	\$531,453	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$261,822	\$0	\$0	\$6,855,196	\$0
97100 Extraordinary Maintenance					
97300 Housing Assistance Payments				\$6,643,411	
97350 HAP Portability-In				\$40,798	
97400 Depreciation Expense	\$442,188			\$318	
90000 Total Expenses	\$1,532,870	\$69,000	\$83,360	\$7,215,980	\$0
10010 Operating Transfer In	\$61,046				
10020 Operating transfer Out	-\$61,046				
10100 Total Other financing Sources (Uses)	\$0	\$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: 12/31/2016

	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
96110 Property Insurance	\$6,139		\$39,416		\$39,416
96120 Liability Insurance	\$2,502		\$24,826		\$24,826
96130 Workmen's Compensation	\$3,628		\$23,946		\$23,946
96140 All Other Insurance	\$1,242		\$10,408		\$10,408
96100 Total insurance Premiums	\$13,511	\$0	\$98,596	\$0	\$98,596
96200 Other General Expenses			\$12,825		\$12,825
96210 Compensated Absences	\$8,332		\$81,906		\$81,906
96300 Payments in Lieu of Taxes	\$17,062		\$25,691		\$25,691
96400 Bad debt - Tenant Rents	\$4,992		\$3,992		\$3,992
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$30,386	\$0	\$124,414	\$0	\$124,414
96900 Total Operating Expenses	\$243,138	\$0	\$2,017,633	\$0	\$2,017,633
97000 Excess of Operating Revenue over Operating Expenses	\$884,281	\$0	\$8,001,299	\$0	\$8,001,299
97100 Extraordinary Maintenance					
97300 Housing Assistance Payments			\$6,643,411		\$6,643,411
97350 HAP Portability-In			\$40,798		\$40,798
97400 Depreciation Expense	\$9,998		\$452,504		\$452,504
90000 Total Expenses	\$253,136	\$0	\$9,154,346	\$0	\$9,154,346
10010 Operating Transfer In			\$61,046	-\$61,046	\$0
10020 Operating transfer Out			-\$61,046	\$61,046	\$0
10100 Total Other financing Sources (Uses)	\$0	\$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: 12/31/2016

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$180,366	\$0	\$0	\$170,669	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$7,665,339	\$0	\$0	\$45,444	\$3,399
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$895,493				
11170 Administrative Fee Equity				\$121,999	
11180 Housing Assistance Payments Equity				\$94,114	
11190 Unit Months Available	1314			9240	
11210 Number of Unit Months Leased	1272			7913	
11270 Excess Cash	\$885,098				
11610 Land Purchases	\$0				
11620 Building Purchases	\$997,527				
11630 Furniture & Equipment - Dwelling Purchases	\$8,325				
11640 Furniture & Equipment - Administrative Purchases	\$0				
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: 12/31/2016

	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$874,283	\$0	\$864,586	\$0	\$864,586
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$483,823	-\$10,475	\$8,187,530		\$8,187,530
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$895,493		\$0		\$0
11170 Administrative Fee Equity			\$121,999		\$121,999
11180 Housing Assistance Payments Equity			\$94,114		\$94,114
11190 Unit Months Available	480		11034		11034
11210 Number of Unit Months Leased	413		9598		9598
11270 Excess Cash			\$885,098		\$885,098
11610 Land Purchases			\$0		\$0
11620 Building Purchases			\$997,527		\$997,527
11630 Furniture & Equipment - Dwelling Purchases			\$8,325		\$8,325
11640 Furniture & Equipment - Administrative Purchases			\$0		\$0
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

STATEMENT OF OPERATIONS

Connecticut Housing Finance Authority
Asset Management - Multifamily Housing

CHFA Form HM 6-50 (Rev. 12/2014)

Project Name: J. J. O'Donnell Apartments	Fiscal Year-End: December 31, 2016
CHFA Number: 85001D	Beginning Date: January 1, 2016
HUD Number:	Mortgagor: Ansonia Housing Authority

Part I- P&L	Description of Account	HUD Acct. #	SHP Acct. #	Amount*	
Rental Income 5100	Rent Revenue- Gross Potential	5120		\$ 249,840	
	Tenant Assistance Payments (HAP Receipts)	5121		\$ -	
	Tenant Assistance Payments (RAP Receipts)	5121.1		\$ -	
	Tenant Assistance Payments (ERAP Receipts)	5121.2		\$ -	
	Tenant Assistance Payments - Congregate	5121.3		\$ -	
	Rent Revenue- Stores & Commercial	5140		\$ -	
	Rent Revenue- Garage & Parking	5170	3300	\$ -	
	Flexible Subsidy Revenue	5180		\$ -	
	Miscellaneous Rent Revenue**	5190	3120 & 3300	\$ -	
	Excess Rent	5191	3100.1	\$ -	
	Excess Utilities	5191.1	3110	\$ -	
	Rent Revenue- Insurance	5192		\$ -	
	Special Claims Revenue	5193	3220	\$ -	
	Retained Excess Income	5194		\$ -	
	Total Rent Revenue (GPI @ 100% Occupancy)	5100T			\$ 249,840
Vacancies 5200	Apartments- Vacancy	5220	3210	\$ 36,936	
	Stores & Commercial- Vacancy	5240		\$ -	
	Rental Concessions	5250		\$ -	
	Garage & Parking- Vacancy	5270		\$ -	
	Miscellaneous** (other vacancy)	5290		\$ -	
	Total Vacancies	5200T			\$ 36,936
	Net Rental Revenue Rent Revenue Less Vacancy	5125N			\$ 212,904
Financial Revenue 5400	Elderly & Congregate Service Income (attach schedule)	5300			\$ 3,825
	Financial Revenue - Project Operations	5410	3610	\$ -	
	Revenue from Investments - Residual Receipts	5430		\$ -	
	Revenue from Investments - Replacement Reserves	5440		\$ -	
	Revenue from Investments - Miscellaneous **	5490		\$ -	
	Total Financial Revenue	5400T			\$ 0
Other Revenue 5900	Laundry & Vending Revenue	5910	3620	\$ -	
	Tenant Charges	5920		\$ 2,490	
	Sales & Service to Tenants (including Cable TV fees)	5943	3510	\$ -	
	Interest Reduction Payments	5945		\$ -	
	Miscellaneous Revenue (Specify) **	5990		\$ 10,916	
	Total Other Revenue	5900T			\$ 13,406
	Total Revenue	5000T			\$ 230,135
Administrative Expenses 6200/6300	Conventions & Meetings	6203	4153	\$ 1,127	
	Management Consultants	6204		\$ 1,200	
	Advertising & Marketing	6210		\$ -	
	Apartment Resale Expenses (Coops)	6235		\$ -	
	Other Renting Expenses	6250	4152	\$ 3,373	
	Office Salaries	6310	4120	\$ 17,337	
	Salaries - RSC	6310.1		\$ -	
	Office Expenses	6311		\$ 5,066	
	Office or Model Apartment Rent	6312		\$ -	
	Compensated Absences - Administrative Salaries	6313	4120.1	\$ 8,332	
	Management Fee	6320	4132	\$ -	
	Manager or Superintendent Salaries	6330		\$ -	
	Administrative Rent Free Unit	6331		\$ -	
	Legal Expense (Project)	6340	4130	\$ 5,936	
	Audit Expense	6350		\$ 2,074	
	Bookkeeping Fees/Accounting Services	6351	4131	\$ 5,626	
	Bad Debts	6370	4820	\$ 4,992	
	State Service Charge - Administrative	6380	4716	\$ -	
	Miscellaneous Administrative Expenses **	6390		\$ 3,426	
	Total Administrative Expenses	6263T			\$ 58,489

Statement of Operations

Part I- Cont.

	Description of Account	HUD Acct. #	SHP Acct. #	Amount*	
Utilities Expenses 6400	Fuel Oil/ Coal	6420	4340	\$ 796	
	Electricity	6450	4320	\$ 31,582	
	Water	6451	4310	\$ 12,332	
	Gas	6452	4330	\$ 488	
	Sewer	6453	4360	\$ -	
	Cable Television	6454	4350	\$ -	
	Total Utilities Expense	6400T			\$ 45,198
Operating & Maintenance Expenses 6500	Payroll	6510	4410	\$ 43,820	
	Compensated Absences - Maintenance Wages	6510.1	4410.1	\$ -	
	Supplies	6515	4420	\$ 12,195	
	Contracts	6520	4430	\$ 10,380	
	Operating & Maintenance Rent Free Unit	6521		\$ -	
	Garbage & Trash Removal	6525	4710	\$ -	
	Security Payroll/ Contracts	6530		\$ -	
	Security Rent Free Unit	6531		\$ -	
	Heating/Cooling Repairs & Maintenance	6546		\$ 1,429	
	Snow Removal	6548		\$ -	
	Vehicle & Maintenance Equip. Operation & Repair	6570	4440	\$ 634	
	Miscellaneous Operating & Maintenance **	6590	6200	\$ 6,749	
	Total Operating & Maintenance Expenses	6500T			\$ 75,207
Taxes & Insurance 6700	Real Estate Tax	6710	4715	\$ 17,062	
	Payroll Taxes (project share)	6711	4161	\$ -	
	Property & Liability Insurance	6720	4711	\$ 8,641	
	Fidelity Bond Insurance	6721		\$ -	
	Workmen's Compensation	6722		\$ 3,628	
	Health Insurance & Other Benefits	6723	4160	\$ 25,504	
	Misc. Taxes, Licenses, Permits & Insurance **	6790		\$ 1,242	
	Total Taxes & Insurance	6700T			\$ 56,077
Financial Expenses 6800	Interest on Mortgage Payable	6820	4717	\$ -	
	Interest on Capital Improvement Loan	6821		\$ -	
	Interest on Other Mortgages	6825		\$ -	
	Interest on Notes Payable (Long Term)	6830		\$ -	
	Interest on Notes Payable (Short Term)	6840		\$ -	
	Mortgage Insurance Premium/ Services Charges	6850		\$ -	
	Miscellaneous Financial Expenses **	6890		\$ -	
	Total Financial Expenses	6800T			\$ 0
	Elderly & Congregate Services (attach schedule)	6900			\$ 8,167
	Total Cost of Operations before Depreciation	6000T			\$ 243,138
	Profit (Loss) before Depreciation	5060T			\$ -13,003
	Depreciation Expenses	6600		\$ 9,998	
	Amortization Expense	6610		\$ -	
	Total Depreciation & Amortization Expense				\$ 9,998
	Operating Profit (Loss)	5060N			\$ -23,001
Entity Expenses 7100	Officer's Salaries	7110		\$ -	
	Legal Expenses	7120		\$ -	
	Federal, State, and Other Income Taxes	7130		\$ -	
	Interest Income	7140		\$ -	
	Interest on Notes Payable	7141		\$ -	
	Interest on Mortgage Payable	7142		\$ -	
	Other Expenses	7190		\$ -	
	Net Entity Expenses	7100T			\$ 0
	Net Profit (Loss)	3250			\$ -23,001

* All amounts must be rounded to the nearest dollar, \$.50 and over, round up, \$.49 and below, round down.

** If miscellaneous or Other Income and Expense Accounts exceed the Account Groupings by 10% or more, attach a separate schedule describing or explaining the Income or Expense.

Statement of Operations
Part II- Principal & Reserve

1	Total principal payments required under the mortgage in the audit year (12 monthly payments). This applies to all direct loans and HUD-held and fully insured mortgages. Any HUD approved second mortgages should be included in the figures.	\$	0
2	Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.	\$	0
3	Replacement or Painting Reserve releases which are included as expense items on the Income Statement.	\$	0
4	Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Income Statement.	\$	0

Part III- Income & Expense Sub-Accounts

	Description of Account	HUD Acct. #	SHP Acct. #	Amount*	
Tenant Charges 5920	NSF & Late Charges	5915		\$ -	
	Damages & Cleaning Fees	5930		\$ 2,490	
	Forfeited Tenant Security Deposits	5940		\$ -	
	Tenant Charges	5920			\$ 2,490
Office 6311	Office Supplies	6315	4151	\$ 1,326	
	Telephone and Answering Service	6360		\$ 3,740	
	Office Expenses	6311			\$ 5,066
Payroll 6510	Janitor and Cleaning Payroll	6511		\$ -	
	Grounds Payroll	6535		\$ -	
	Repairs Payroll	6540		\$ 43,820	
	Payroll	6510			\$ 43,820
Supplies 6515	Janitor and Cleaning Supplies	6516		\$ 533	
	Exterminating Supplies	6522		\$ -	
	Ground Supplies	6536		\$ -	
	Repairs Material	6541		\$ 11,662	
	Decorating Supplies	6561		\$ -	
	Supplies	6515	4420		\$ 12,195
Contracts 6520	Janitor and Cleaning Contracts	6517		\$ -	
	Exterminating Contracts	6519		\$ 420	
	Grounds Contracts	6537		\$ 1,500	
	Repairs Contracts	6542		\$ 2,121	
	Elevator Maintenance Contract	6545		\$ 6,339	
	Swimming Pool Maintenance Contract	6547		\$ -	
	Decorating (Painting) Contract/Payroll	6560		\$ -	
	Contracts	6520	4430		\$ 10,380
Misc. 6790	Miscellaneous Taxes, Licenses, Permits	6719		\$ -	
	Other Insurance	6729		\$ 1,242	
	Miscellaneous Taxes, Permits & Insurance	6790			\$ 1,242

*** Owner to specify account numbers if not provided

**COMPUTATION OF SURPLUS CASH,
DISTRIBUTIONS, AND RESIDUAL RECEIPTS**

Connecticut Housing Finance Authority
Asset Management - Multifamily Housing

CHFA Form HM 6-51 (Rev. 12/2014)

Project Name: <u>J. J. O'Donnell Apartments</u>	Fiscal Year-End: <u>December 31, 2016</u>
CHFA Number: <u>85001D</u>	Beginning Date: <u>January 1, 2016</u>
HUD Number: _____	Mortgagor: <u>Ansonia Housing Authority</u>

Part A - COMPUTE SURPLUS CASH

CASH	1. Cash (Accounts 1110, 1120, 1191, 1192)	\$ 440,380	
	2. Tenant Subsidy vouchers due for period covered by financial statement	\$ 0	
	3. Other (describe)	\$ 0	
	(A) Total Cash (Add Lines 1, 2, and 3)		\$ 440,380
CURRENT OBLIGATIONS	4. Accrued mortgage interest payable	\$ 0	
	5. Delinquent mortgage principal payments	\$ 0	
	6. Delinquent deposits to reserve for replacements	\$ 0	
	7. Accounts payable (due within 30 days)	\$ 8,169	
	8. Loans and notes payable (due within 30 days, if allowed under CHFA loan documents)	\$ 0	
	9. Deficient Tax Insurance or MIP Escrow Deposits	\$ 0	
	10. Accrued expenses (not escrowed)	\$ 2,147	
	11. Prepaid Rents (Account 2210)	\$ 622	
	12. Tenant security deposits liability (Account 2191)	\$ 0	
	13. Other (Describe)	\$ 0	
	(B) Less: Total Current Obligations (Add Lines 4 through 13)		\$ 10,938
	(C) Surplus Cash (Deficiency)(Line (A) minus Line (B))		\$ 429,442

Part B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS

	1a. Surplus Cash (From Line (C))		\$ 429,442
	1b. Less: Additional Interest Due CHFA, if applicable		\$ 0
	1c. Surplus Cash Available for Distribution		\$ 429,442
LIMITED DIVIDEND PROJECTS	2a. Annual Distribution Earned During Fiscal Period Covered by Statement	\$ 0	
	2b. Distribution Accrued and Unpaid as of the End of the Fiscal Period	\$ 0	
	2c. Distributions Paid During Fiscal Period Covered by Statement	\$ 0	
	3. Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (Line 2a plus 2b minus 2c)	\$ 0	
	4. Amount Available for Distribution During Next Fiscal Period		\$ 0
	5. Deposits Due Residual Receipts (Must be deposited with Mortgagee within 60 days after Fiscal Period ends)		\$ 0

**COMPUTATION OF
NET OPERATING INCOME**

Connecticut Housing Finance Authority
Asset Management - Multifamily Housing

CHFA Form HM 6-52 (Rev. 12/2014)

Project Name: J. J. O'Donnell Apartments Fiscal Year-End: December 31, 2016
CHFA Number: 85001D Beginning Date: January 1, 2016
HUD Number: _____ Mortgagor: Ansonia Housing Authority

Part I - COMPUTE NET OPERATING INCOME (Source HM 6-50 "Statement of Operations")

	Account #	
A. Profit (Loss) before Depreciation	5060T	\$ (13,003)
B. Less: Revenue from Investments - Residual Receipts	5430	\$ -
C. Less: Revenue from Investments - Replacement Reserves	5440	\$ -
D. Less: Revenue from Investments - Miscellaneous (Restricted Accounts Only)	5490	\$ -
E. Plus: Total Financial Expenses	6800T	\$ -
F. Less: Replacement Reserve Deposits	Part II #2	\$ -
G. Net Operating Income (NOI)		\$ (13,003)

Part II - IDENTIFY SPECIAL FINANCIAL CONDITIONS FOR ADJUSTMENT

A. Replacement Reserves

- 1) Disbursements from replacement reserve during period covered by the statement \$ -
a) Plus: Pending requests at year-end for the release of funds from the replacement reserve to cover items either expensed or capitalized during the period covered by the statement \$ -
b) Less: Total of funds received from replacement reserve during the period covered by the statement that were expensed or capitalized in prior years \$ -
c) Less: Amount capitalized as increases in fixed assets during the period covered by the statement \$ -
d) Total disbursements from the replacement reserve included as expenses on HM 6-50 \$ -
- 2) Are there any extraordinary or one-time sources of income and/or expense(s) that are included on the Statement of Operations? (e.g.: Proceeds from Insurance claim not received in the same period as the loss) YES NO
☐ ☒
- 3) If YES, explain reason(s) and amount(s) below:
- | | |
|-------|------|
| _____ | \$ - |
| _____ | \$ - |
| _____ | \$ - |
| _____ | \$ - |
- TOTAL Extraordinary or one-time income / expense(s) \$ -

B. Other Restricted Reserves

- 1) Have all disbursements from other restricted reserve accounts (Operating Reserve, Residual Receipts, etc.) been capitalized as Increases on the Schedule of Fixed Assets? YES NO N/A
☐ ☐ ☒
- 2) If NO, what is the amount of other restricted reserve account releases that are represented as expenditures on the Statement of Operations? Explain reason(s) and amount(s) below:
- | | |
|-------|------|
| _____ | \$ - |
| _____ | \$ - |
| _____ | \$ - |

C. Interest Reduction Payments (HUD Section 236 developments only)

- 1) Are Interest Reduction Payments (IRP) from HUD Section 236 contracts shown as Income in Account #5945 and included in the expense line item Interest on Mortgage Payable in Account #6820? YES NO N/A
☐ ☐ ☒
- 2) If NO, what is the annual amount of the IRP paid to CHFA by HUD on the development's behalf not included as income in Account #5945? \$ -

Part III - ADJUSTED NET OPERATING INCOME FROM PART II

	Source	
Net Operating Income	Part I - G	\$ (13,003)
Plus: Replacement Reserve releases included as expenses in Statement of Operations	Part II - A1	\$ -
Less/Plus: Extraordinary or one-time income / expense(s)	Part II - A3	\$ -
Plus: Other Restricted Reserve Accounts	Part II - B2	\$ -
Plus: Interest Reduction Payments	Part II - C2	\$ -
Equals: Adjusted Net Operating Income (NOI)		\$ (13,003)

**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 the Housing Authority of the City of Ansonia as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Ansonia's basic financial statements, and have issued our report thereon dated September 11, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Housing Authority of the City of Ansonia's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 the Housing Authority of the City of Ansonia in a separate letter dated September 11, 2017.

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, appearing to read "Maletta & Company", with a stylized flourish at the end.

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
September 11, 2017

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

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 the 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) Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Ansonia's major federal programs for the year ended December 31, 2016. The 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 the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 the Housing Authority of the City of Ansonia's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2016.

Report on Internal Control over Compliance

Management of the 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 the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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, material weaknesses may exist that have not been identified.

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

A handwritten signature in black ink, appearing to read "Maletta & Company", with a stylized flourish at the end.

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
September 11, 2017

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through / Identification Number</u>	<u>Federal Expenditures</u>
<i>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</i>			
Direct Programs:			
Low Rent Public Housing	14.850	CT015-00000115D	\$ 911,989
Housing Choice Vouchers	14.871	CT015	7,243,376
Resident Opportunity and Self Sufficiency	14.870	CT015RPS077A014	83,360
Capital Fund Program	14.872	CT26P015501-13	18,864
Capital Fund Program	14.872	CT26P015501-14	3,174
Capital Fund Program	14.872	CT26P015501-15	57,005
Capital Fund Program	14.872	CT26P015501-16	8,482
Total CFP Cluster			<u>87,525</u>
Family Self Sufficiency	14.896	CT015FSH122A014	<u>69,000</u>
<i>Total HUD Expenditures</i>			<u>8,395,250</u>
<i>U.S. DEPARTMENT OF HOMELAND SECURITY</i>			
Passthrough Program - CT Department of Emergency Services and Public Protection			
Disaster Housing Assistance Grant	97.109	4106 - CT	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 8,395,250</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, 2016**

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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net positions, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The Authority has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – PROGRAM COST

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

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified?	<u> </u> Yes	<u> </u> X	No
Significant deficiencies identified?	<u> </u> Yes	<u> </u> X	None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> </u> X	No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> </u> Yes	<u> </u> X	No
Significant deficiencies identified?	<u> </u> Yes	<u> </u> X	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> </u> X	No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
14.871	Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>
Auditee qualified as a low-risk auditee?	<u> </u> X Yes <u> </u> No

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

No current year audit findings reported.

III. Findings and Questioned Costs for Federal Awards

No current year audit findings reported.

**HOUSING AUTHORITY OF THE CITY OF ANSONIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SIGNIFICANT DEFICIENCY

**2015-001 Eligibility
Housing Choice Vouchers – CFDA# 14.871**

Condition and Criteria: Income calculations performed during examinations contained errors or documentation obtained was otherwise insufficient or incomplete. PHA's are required to determine income eligibility and calculate the tenant's rent payment using third-party verifications.

Auditor's Recommendation: We recommend the Authority re-evaluate income documentation procedures used to annualize employment income and monitor HCV staff performance, including increased quality control reviews, to ensure compliance with HUD regulations.

Status: Corrective action taken.

SIGNIFICANT DEFICIENCY

**2015-002 Eligibility
Public Housing – CFDA# 14.850**

Condition and Criteria: Income calculations contained errors and documentation obtained was otherwise insufficient or incomplete. PHA's are required to determine income eligibility and calculate the tenant's rent payment using the documentation from third-party verifications.

Auditor's Recommendation: We recommend the Authority monitor staff performance through increased quality control reviews.

Status: Corrective action taken.