

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

MANAGEMENT'S DISCUSSION & ANALYSIS
AND AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

REPORT ON EXAMINATION
OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION
AND OTHER INFORMATION – STATE OR LOCAL GOVERNMENTAL ENTITY**

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of Joliet
Joliet, Illinois

Chicago Regional Office
Public Housing Division
77 West Jackson Boulevard
Ralph Metcalfe Federal Building
Chicago, Illinois 60604

Report on Financial Statements

We have audited the accompanying financial statements of the Housing Authority of Joliet as of and for the year ended June 30, 2015, and the related notes to the financial statements as listed in the table of contents. We did not audit the financial statements of the discretely presented component units, whose statements reflect total assets of \$23,578,138 as of December 31, 2014, and total revenue of \$1,209,628 for the year and period then ended. These financial statements were audited by other auditors, whose report dated March 10, 2015 and March 13, 2015, express an unqualified opinion, and our opinion, in so far as it relates to the amounts included for the component unit of the Housing Authority of Joliet, is based on the report of other auditors.

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

An audit 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 reasonable basis for our audit opinions.

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of Joliet, as of June 30, 2015, and the respective changes in financial position and, where appropriate, cash flows for the year then ended in conformity 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, as listed in the table of contents, should be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 procedure did not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Housing Authority of Joliet. The accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the Financial Data Schedules and Special Reports required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2016 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Rector, Reeder & Lofton, P.C.
Certified Public Accountants

Lawrenceville, Georgia
February 29, 2016

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois
Management Discussion and Analysis
June 30, 2015

The management of the Housing Authority of Joliet offers this narrative overview and analysis of its audited financial statements for fiscal year ended June 30, 2015 (with some comparative information provided for 2014). The goal is to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Overview of the Authority

The Housing Authority of Joliet's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all; strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes by utilizing housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way we do business. The Authority's operations are funded almost entirely through rental fees and subsidies received from HUD.

Financial Highlights

Financial Highlights for the year ended June 30, 2015 include:

- The assets of the Housing Authority exceeded its liabilities on June 30, 2015 by \$23,494,861 (Net Position). Of this amount, \$16,987,178 is invested in capital assets, \$860,454 is restricted for affordable housing activities, and \$5,647,229 is unrestricted. Unrestricted Net Position may be used to meet the Housing Authority's ongoing obligations.
- The Authority's total revenue for the fiscal year ended June 30, 2015 was \$22,745,449. Program specific revenues in the form of charges for services (rentals and administration fees) and grants accounted for \$19,056,902 and general revenues (primarily from interest earnings, management fees, and insurance recoveries) accounted for \$3,688,547.
- The Authority's total expenses for the fiscal year ended June 30, 2015 were \$23,326,377 which is greater than the \$22,745,449 generated in revenues resulting in a net loss of \$580,928.

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements.

The financial statements of the Housing Authority report information using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information on Housing Authority activities. The Statement of Net Position includes all the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenue, Expenses, and Changes in Net Position. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois
Management Discussion and Analysis
June 30, 2015

used for, and what was the change in the cash balance during the reporting period. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The Department of Housing and Urban Development (HUD) has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD.

Analysis of Financial Statements

Net Position – The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) 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. 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 consists of Net Position that does not meet the definition of “Net Investment in Capital Assets,” or “Restricted Net Position.”

Statement of Net Position
June 30, 2015

	FY 2015	FY 2014	Increase (Decrease)	Percentage Change
Cash and Cash Equivalents	\$ 3,844,098	\$ 3,444,093	\$ 400,005	11.61%
Other current assets	772,620	986,064	(213,444)	-21.65%
Capital assets	21,770,034	23,231,612	(1,461,578)	-6.29%
Noncurrent assets	4,510,340	4,651,972	(141,632)	-3.04%
Total Assets	30,897,092	32,313,741	(1,416,649)	-4.38%
Current liabilities	1,887,337	3,102,718	(1,215,381)	-39.17%
Noncurrent liabilities	5,514,894	5,135,234	379,660	7.39%
Total Liabilities	7,402,231	8,237,952	(835,721)	-10.14%
Net Investment in Capital Assets	16,987,178	17,975,334	(988,156)	-5.50%
Restricted	860,454	1,713,877	(853,423)	-49.79%
Unrestricted	5,647,229	4,386,578	1,260,651	28.74%
Total Net Position	23,494,861	24,075,789	(580,928)	-2.41%

A current asset is an asset on the balance sheet which is expected to be sold or otherwise used up in the near future, usually within one year, or one business cycle - whichever is longer. Typical current assets include cash, cash equivalents, accounts receivable, inventory, the portion of prepaid accounts which will be used within a year, and short-term investments.

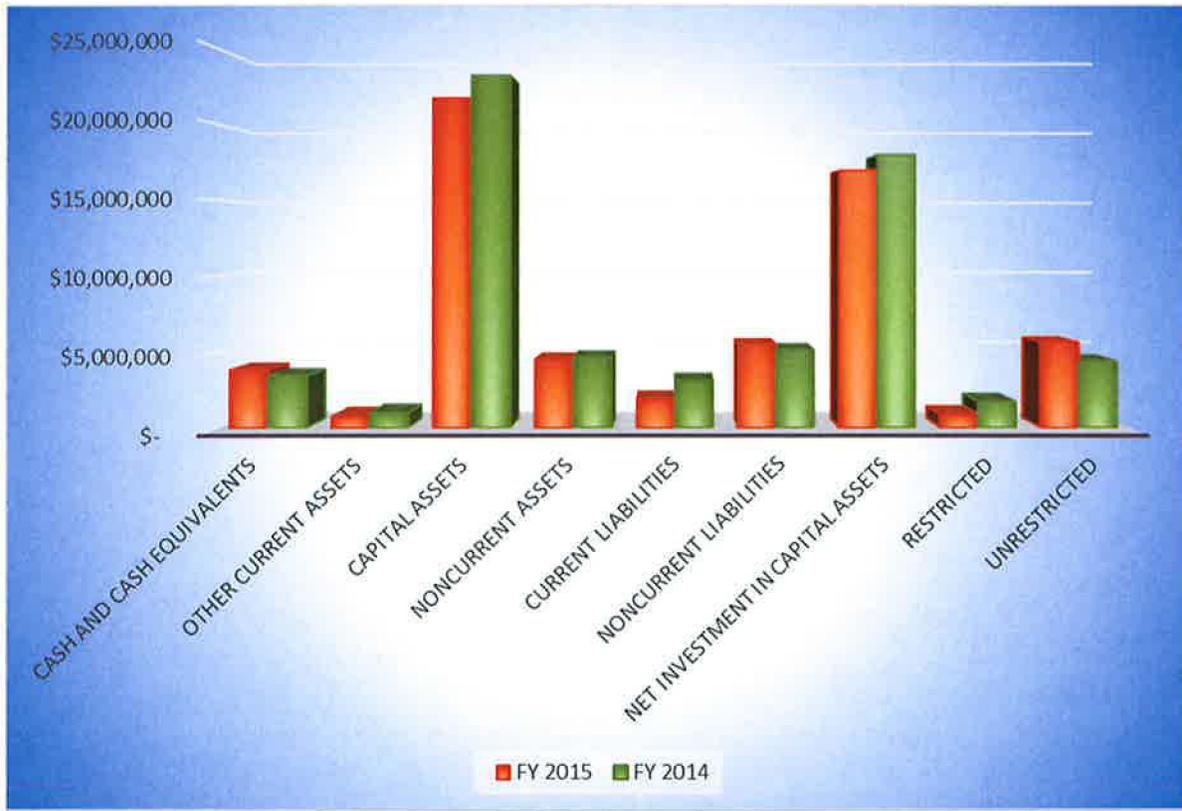
A capital asset is an asset that is recorded on a balance sheet as capital - that is, property that creates more property and which produces a benefit that extends beyond the current tax year. This would include buildings, equipment, and other long-lived property.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois
Management Discussion and Analysis
June 30, 2015

During FY2015, total Assets decreased by \$1,416,649 or 4.38%. This decrease is due to a decrease in Capital Assets of \$1,461,578 or 6.29% due to depreciation expense exceeding additions for the year. Other Current Assets decreased by \$213,444 or 21.65% due to a decrease in Accounts Receivable of \$256,216 due to the receipt of Developer Fees during the year, which are now recorded as a liability due to the final tax credit project. Other Noncurrent Assets also decreased by \$141,632 or 3.04%. These amounts were offset by increases in Cash and Cash Equivalents of \$400,005, which was attributed to increased revenue due to improved rent collection procedures.

Total Liabilities decreased by \$835,721 or 9.51% during the year. This decrease was mainly in Current Liabilities due to a decrease in Unearned Revenue of \$1,507,709 due to the developer fee payable of \$908,467 being reclassified to a noncurrent liability. Tenant prepaid rents also decreased.

Net Position may serve over time as one useful indicator of a government's financial condition. The assets of the Authority exceeded liabilities by \$23,494,861 as of June 30, 2015. The Authority's net position decreased by \$580,928 from fiscal year ended June 30, 2014. The largest portion of net position (72.30%) reflects the Authority's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Authority's net position (3.66%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,647,229 is unrestricted.



HOUSING AUTHORITY OF JOLIET
Joliet, Illinois
Management Discussion and Analysis
June 30, 2015

Revenues, Expenses, and Changes in Net Position - The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

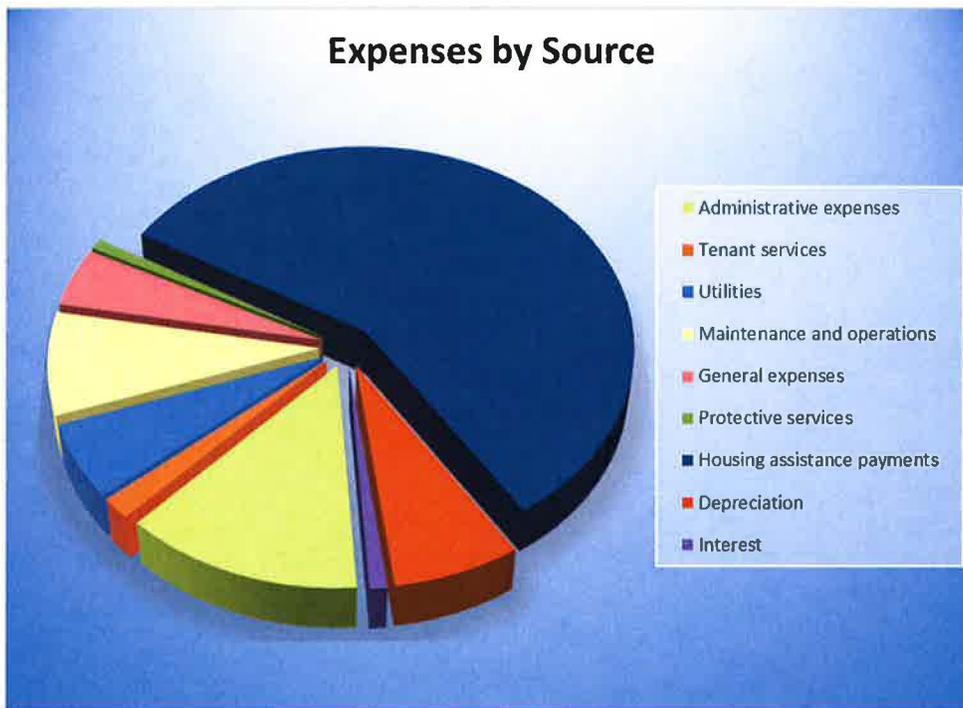
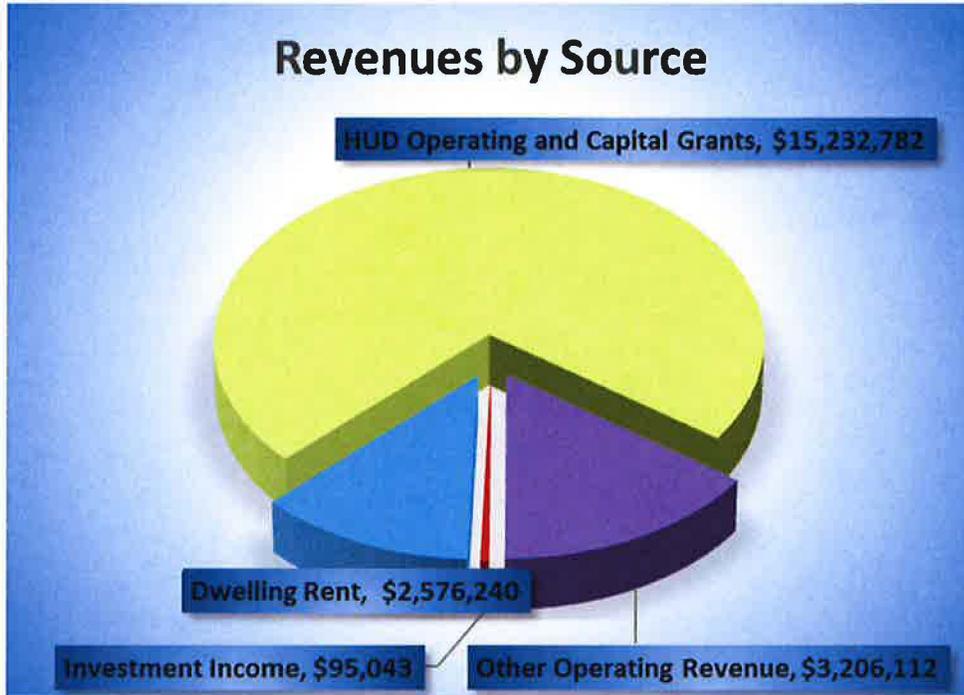
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	<u>FY 2015</u>	<u>FY 2014</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue:				
Dwelling Rent	\$ 2,687,404	\$ 2,576,240	\$ 111,164	4.31%
HUD operating and capital grants	16,369,498	15,232,782	1,136,716	7.46%
Other operating revenue	3,630,598	3,206,112	424,486	13.24%
Investment Income	57,949	95,043	(37,094)	-39.03%
Total Revenue	<u>22,745,449</u>	<u>21,110,177</u>	<u>1,635,272</u>	<u>7.75%</u>
Expenses:				
Administrative expenses	3,094,381	2,701,948	392,433	14.52%
Tenant services	388,515	74,716	313,799	419.99%
Utilities	1,378,162	1,353,468	24,694	1.82%
Maintenance and operations	1,905,401	1,516,791	388,610	25.62%
General expenses	1,087,084	1,162,603	(75,519)	-6.50%
Protective services	206,613	217,826	(11,213)	-5.15%
Housing assistance payments	13,376,268	12,249,518	1,126,750	9.20%
Depreciation	1,667,580	1,725,502	(57,922)	-3.36%
Interest	222,373	250,915	(28,542)	-11.38%
Total Expenses	<u>\$ 23,326,377</u>	<u>\$ 21,253,287</u>	<u>\$ 2,073,090</u>	<u>9.75%</u>
Increase (Decrease) in Net Position	\$ (580,928)	\$ (143,110)	\$ (437,818)	305.93%

Total Revenue increased by \$1,635,272 or 7.75% during FY2015. These increases were mainly due to increases in other HUD operating and capital grants of \$1,136,716 or 7.46%. Other operating revenue, dwelling rental and investment income also increased during the year.

Total Expenses increased by \$2,073,090 or 9.75%. Administrative Expenses increased by \$392,433 or 14.52% due to increases in salaries and benefits of \$377,397 or 18.95%, due to a dramatic increase in health insurance premiums. Tenant Services also increased by \$313,799 or 419.99% due to relocation expenses for DesPlaines Gardens residents. Utilities increased slightly by 1.82% due to normal fluctuations. Maintenance costs increased by \$388,610 or 25.62% due mainly to increases in contract costs which was due to several water main breaks resulting from extreme weather changes. Protective services decreased by \$11,213 or 5.15% due to decreases in other contract costs. Housing Assistance Payments increased by \$1,126,750 or 9.20% due to greater utilization in this program. Depreciation expense and Interest expense decreased by \$57,922 or 3.36% and \$28,542 or 11.38%, respectively, due to normal amortization.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois
Management Discussion and Analysis
June 30, 2015



HOUSING AUTHORITY OF JOLIET
Joliet, Illinois
Management Discussion and Analysis
June 30, 2015

Capital Assets

The Authority's capital assets as of June 30, 2015, included land, buildings, furniture and equipment, leasehold improvements, and construction in progress totaling \$61,022,748, most of which comprises rental units available for lease to low- and moderate-income residents. Capital assets, net of depreciation, decreased \$1,461,578 or 6.29% from the preceding year.

Capital Assets
June 30, 2015

	<u>2015</u>	<u>2014</u>
Non-Depreciable Assets		
Land	\$ 7,691,723	\$ 7,691,722
Construction in progress	-	13,284
	<u>7,691,723</u>	<u>7,705,006</u>
Depreciable Assets		
Buildings	52,012,525	51,860,897
Furniture & Equipment	1,318,500	1,494,259
	<u>53,331,025</u>	<u>53,355,156</u>
Accumulated Depreciation	<u>(39,252,714)</u>	<u>(37,828,550)</u>
Total	<u>\$ 21,770,034</u>	<u>\$ 23,231,612</u>

Long Term Debt and Other Noncurrent Liabilities

At the end of the current fiscal year the Housing Authority had outstanding long term debt of \$4,782,856 - a reduction of \$473,422 from 2014, and other noncurrent liabilities of \$1,264,988. The Housing Authority has not incurred any additional debt during FY2015.

Long Term Debt and Other Noncurrent Liabilities
June 30, 2015

	<u>2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>2015</u>	<u>Current Portion</u>
Compensated Absences	\$ 344,759	\$ 79,606	\$ (111,002)	\$ 313,363	\$ 43,344
Tenants' FSS Escrow	53,624	29,776	(40,242)	43,158	-
Notes Payable	4,852,119	-	(310,000)	4,542,119	325,000
Developer fee payable	1,477,545	-	(569,078)	908,467	-
Premium on Bond	70,739	-	(6,429)	64,310	-
Capital Lease	333,420	-	(156,993)	176,427	164,606
	<u>\$ 7,132,206</u>	<u>\$ 109,382</u>	<u>\$ (1,193,744)</u>	<u>\$ 6,047,844</u>	<u>\$ 532,950</u>

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois
Management Discussion and Analysis
June 30, 2015

Budgetary Highlights

The Housing Authority of Joliet adopts a consolidated annual operating budget for all programs. The budget for Low Rent Housing is adopted on the basis of accounting practices prescribed to by the U.S. Department of Housing and Urban Development. Program budgets for the Housing Assistance Payments (HAP) Funds are approved by the U.S. Department of Housing and Urban Development on a basis consistent with the grant applications covering HAP Programs.

Economic Factors

The Housing Authority is primarily dependent upon the Federal Department of Housing and Urban Development (HUD) for the funding of operations; therefore, the Authority is affected more by the federal budget than by state and local budgets or economic conditions.

With the certainty of substantial reductions in federal spending the Authority has had to face substantial reductions in federal funding, particularly for operating grants that support the administration of public housing and Section 8 voucher programs, as well as capital facility grants. It has and continues to be a challenge to adjust to substantially lower federal administrative support while still operating and maintaining public housing units and administering vouchers under the Section 8 program. In addition, local inflationary, recessionary, and employment trends impact resident income which in turn affects the amount of rental income collected. Management has made severe cuts in order to adjust to the lower funding. The Housing Authority of Joliet continues to evolve under the landscape of prolonged funding reductions through increased efficiency, innovative thinking, and progressive financial decisions.

Looking to the Future

The redevelopment of DesPlaines Gardens is progressing as anticipated. Phase I of our redevelopment project known as Water's Edge, consist of 68 family units with 7 one-bedroom, 27 two-bedroom, and 34 three-bedroom units.

Our relocation consultant has done a tremendous job relocating all of our families from DesPlaines Gardens to their new homes throughout the City of Joliet, Will County, and even some out of state. We anticipate demolition to begin sometime this summer and completion of the new development, Water's Edge, sometime in the fall of 2017. All of our families from DesPlaines Gardens have the first right of refusal after the development is completed. The redeveloped site will become a mixed income family development. We are planning to build the remaining 54 units at our Liberty Meadows Estates site where we have additional land available.

We will continue to look at all possibilities in the redevelopment of Fairview Homes. From all current assessment, the current site is deemed non-conducive to family development due to lack of nearby amenities. The current plan is to get approval from H.U.D to relocate all of the families, demolish the site, and rebuild elsewhere.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Chief Financial Officer, at the Housing Authority of Joliet, 6 South Broadway, Joliet, Illinois 60436, telephone number 815-727-0611.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Housing Authority of Joliet
Joliet, Illinois**

STATEMENT OF NET POSITION

ASSETS

	PRIMARY GOVERNMENT June 30, 2015	COMPONENT UNIT December 31, 2014	TOTAL (Memorandum Only)
<u>Current Assets</u>			
Cash & cash equivalents - unrestricted	\$ 2,993,695	\$ 836,645	\$ 3,830,340
Cash & cash equivalents - restricted	850,403	1,509,255	2,359,658
Accounts receivable, net	322,682	93,766	416,448
Notes receivable	75,856	-	75,856
Inventory, net	236,017	-	236,017
Prepaid expenses	<u>138,065</u>	<u>62,044</u>	<u>200,109</u>
Total Current Assets	<u>4,616,718</u>	<u>2,501,710</u>	<u>7,118,428</u>
<u>Non-Current Assets</u>			
<u>Capital Assets</u>			
Land & Improvements	7,691,723	198	7,691,921
Buildings	52,012,525	24,166,077	76,178,602
Furniture & equipment	1,318,500	514,670	1,833,170
Construction in progress	-	-	-
	<u>61,022,748</u>	<u>24,680,945</u>	<u>85,703,693</u>
Less: Accumulated depreciation	<u>(39,252,714)</u>	<u>(4,205,515)</u>	<u>(43,458,229)</u>
Total Capital Assets	<u>21,770,034</u>	<u>20,475,430</u>	<u>42,245,464</u>
Notes, Loans and Mortgage Receivable - non-current	3,601,873	0	3,601,873
Other Assets	<u>908,467</u>	<u>600,998</u>	<u>1,509,465</u>
Total Non-Current Assets	<u>26,280,374</u>	<u>21,076,428</u>	<u>47,356,802</u>
TOTAL ASSETS	<u>\$ 30,897,092</u>	<u>\$ 23,578,138</u>	<u>\$ 54,475,230</u>

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

Housing Authority of Joliet
Joliet, Illinois

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	PRIMARY	COMPONENT	TOTAL (Memorandum Only)
	GOVERNMENT	UNIT	
	YEAR ENDED		
	June 30, 2015	December 31, 2014	
<u>Operating Revenues</u>			
Dwelling rent	\$ 2,687,404	\$ 1,161,866	\$ 3,849,270
Governmental grants & subsidy	15,862,221	-	15,862,221
Other income	3,630,598	47,681	3,678,279
Total Operating Revenues	22,180,223	1,209,547	23,389,770
<u>Operating Expenses</u>			
Administration	3,094,381	209,931	3,304,312
Tenant services	388,515	-	388,515
Utilities	1,378,162	16,785	1,394,947
Maintenance & operations	1,905,401	205,047	2,110,448
Protective services	206,613	-	206,613
General	1,087,084	305,817	1,392,901
Housing assistance payments	13,376,268	-	13,376,268
Depreciation and amortization	1,667,580	792,836	2,460,416
Total Operating Expense	23,104,004	1,530,416	24,634,420
Net Operating Income/(Loss)	(923,781)	(320,869)	(1,244,650)
<u>Nonoperating Revenues/(Expenses)</u>			
Interest expense	(222,373)	(400,245)	(622,618)
Investment income	57,949	81	58,030
Net Nonoperating Revenues/(Expenses)	(164,424)	(400,164)	(564,588)
Net Income/(Loss) before capital contributions	(1,088,205)	(721,033)	(1,809,238)
Capital grants	507,277	-	507,277
Partner equity contributions	-	737,694	737,694
Increase/(Decrease) in Net Position	(580,928)	16,661	(564,267)
Total Net Position - beginning	24,075,789	11,444,303	35,520,092
Total Net Position - ending	\$ 23,494,861	\$ 11,460,964	\$ 34,955,825

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

**Housing Authority of Joliet
Joliet, Illinois**

STATEMENT OF CASH FLOWS

	PRIMARY GOVERNMENT June 30, 2015	COMPONENT UNIT December 31, 2014	TOTAL (Memorandum Only)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 6,318,002	\$ 1,209,547	\$ 7,527,549
Governmental grants & subsidy - operations	15,862,221	-	15,862,221
Payments to suppliers	(4,703,662)	(426,056)	(5,129,718)
Payments for housing assistance	(13,376,268)	-	(13,376,268)
Payments to employees	(3,307,519)	(85,715)	(3,393,234)
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	792,774	697,776	1,490,550
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received	1,751	81	1,832
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	1,751	81	1,832
<u>CASH FLOWS FROM CAPITAL AND AND RELATED FINANCING ACTIVITIES</u>			
Capital contributions	507,277	737,694	1,244,971
Acquisition of capital assets	(206,002)	-	(206,002)
Payment on notes payable	(473,422)	(41,342)	(514,764)
Interest paid	(222,373)	(400,245)	(622,618)
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(394,520)	296,107	(98,413)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	400,005	993,964	1,393,969
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,444,093	1,351,936	4,796,029
CASH & CASH EQUIVALENTS AT END OF PERIOD	\$ 3,844,098	\$ 2,345,900	\$ 6,189,998
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net Income/(Loss) from operations	\$ (923,781)	\$ (320,869)	\$ (1,244,650)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	1,667,580	792,836	2,460,416
Decrease (Increase) in accounts receivable	(115,032)	56,857	(58,175)
Decrease (Increase) in prepaid expenses and inventory	(42,772)	(62,044)	(104,816)
Decrease (Increase) in other assets	569,078	-	569,078
Increase (Decrease) in accounts payable	126,682	528,653	655,335
Increase (Decrease) in accrued liabilities	109,125	(92,200)	16,925
Increase (Decrease) in unearned revenue	(30,164)	25,579	(4,585)
Increase (Decrease) in other liabilities	(572,889)	(237,503)	(810,392)
Increase (Decrease) in security/trust deposits	4,947	6,467	11,414
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	\$ 792,774	\$ 697,776	\$ 1,490,550

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

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

1. Introduction:

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The following summary of the more significant accounting policies is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

2. Organization:

The Housing Authority of Joliet ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Illinois for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the Mayor appoints a Governing Board for but the Board designates its own management. Additionally, 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.

3. Reporting Entity:

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 and 61 of the Government Accounting Standards Board, the Financial Reporting Entity*.

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on Joliet and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Appointment of a Voting Majority - The Authority is governed by a Board of Commissioners appointed by the Mayor of Joliet and has governance responsibilities over all activities related to all housing activities within Joliet. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the City; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

Imposition of Will - The County has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in the City's financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under Annual Contributions Contracts:

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

3. Reporting Entity: (Cont'd)

Public and Indian Housing Program - The objective of this program is to provide decent safe and sanitary housing and related facilities for eligible low-income families and the elderly.

Public Housing Capital Fund Program - The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

Section 8 Housing Choice Voucher Program - This program provides rental assistance to help low-income families afford decent, safe and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant. This program consists of 1,319 units.

Blended Component Units - The Authority administers three blended component units, known as Will County Housing Development Corporation (WCHDC), Briggs-Rosalind Development, LLC and Tower Place, LLC. These entities are considered blended component units because the Authority has financial accountability over them and controls their Board of Directors and management. WCHDC owns 100% of Briggs-Rosalind Development, LLC, and 70% of Tower Place, LLC. Briggs-Rosalind Development, LLC has a 0.01% ownership interest in Briggs-Rosalind Phase One, Limited Partnership. Tower Place, LLC is set up to have a 1% ownership interest in Tower Place, LP. Tower Place, LP would be presented as a discrete component unit of the Housing Authority, however, there was no activity in this entity as of June 30, 2015.

Discrete Component Units - The Authority administers two discrete component units, known as Briggs-Rosalind Phase One, Limited Partnership and Liberty Meadows Estates Phase II, Limited Partnership. These entities are shown as discretely presented component units because the Authority is financially accountable, but they do not have full ownership over the entities. WCHDC owns 100% of Briggs-Rosalind Development, LLC. Briggs-Rosalind Development, LLC has a 0.01% General Partner ownership interest in Briggs-Rosalind Phase One, Limited Partnership, a residential apartment complex located in Joliet, Illinois. The development consists of 74 low-income units. WCHDC also owns 100% of Liberty Meadows Estate, LLC. Liberty Meadows Estate, LLC has a 0.01% interest in Liberty Meadows Estates Phase II, Limited Partnership, a residential apartment complex located in Joliet, Illinois. The development consists of 42 low-income units.

4. Basis of Presentation, Basis of Accounting and Measurement Focus:

Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Basis of Presentation, Basis of Accounting and Measurement Focus: (Cont'd)

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the statement of net position. Proprietary fund equity is segregated into three broad components: Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. The Authority uses the following fund:

Proprietary fund:

Enterprise fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

5. Revenues and Expenses:

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities include rental related income, interest income and other sources of revenues that are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

6. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

7. Budgets:

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

8. Inventories:

Inventories are recorded at the lower of cost or market. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

9. Capital Assets and Depreciation:

Capital assets are stated at historical cost. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the County for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. All assets will be capitalized if they have a useful life beyond one year and an original cost greater than \$500.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Land improvements	15-20 years
Buildings & improvements	10-20 years
Furniture, fixtures & equipment	5-10 years

10. Collection Losses:

Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

11. Insurance:

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

12. Cash and Investments:

1. The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments are stated at fair market value, except for U. S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/(decreases) in gains made.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

13. Compensated Absences:

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by employees.

14. Operating Revenue:

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position in the nonoperating revenue and expense.

15. New Accounting Pronouncements:

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, is effective for periods beginning after June 15, 2014 and should be applied simultaneously with the provisions of Statement 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Authority does not participate in a Defined Benefit Pension Plan and therefore, this pronouncement will have no impact on the financial statements.

GASB Statement No. 72, *Fair Value Measurement and Application*, is effective for periods beginning after June 15, 2015 with earlier application encouraged. This Statement should improve financial reporting by clarifying the definition of *fair value* for financial reporting purposes. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The disclosures should be organized by type asset or liability reported at fair value. The Authority does not anticipate a material impact on the financial statements as a result of this pronouncement.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE B - CASH AND CASH EQUIVALENTS:

All the deposits of the Housing Authority of Joliet are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The Housing Authority of Joliet has no policy regarding custodial credit risk for deposits.

At June 30, 2015, the Authority's Primary Government cash and cash equivalents had a carrying amount of \$3,844,098 and bank balances of \$4,137,493. Of the bank balances held in various financial institutions, \$599,923 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. Additionally, as of December 31, 2014, there were \$2,345,900 of cash and cash equivalents in the Discretely Presented Component Unit that are included in the agency-wide financial statements. Inclusive of these amounts, cash and cash equivalents had a carrying amount of \$6,189,998.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less.

Credit risk - The Authority has no policy regarding credit risk.

Concentration of credit risk - The Authority places no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

Collateralization:

As of June 30, 2015, \$3,787,571 is being held by BNY Mellon as a part of a Tri-Party Collateral agreement with First Midwest Bank.

Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents were comprised of the following as of the end of the reporting year:

PRIMARY GOVERNMENT

HCVP program – housing assistance payment equity	\$ 583,866
Security deposits	222,536
Restricted cash for payment of current liabilities	843
FSS participants' escrow accounts	<u>43,158</u>
	<u>\$ 850,403</u>

COMPONENT UNIT

Restricted deposits and funded reserves – Briggs-Rosalind Phase I, LP	\$ 1,007,297
Restricted deposits and funded reserves – Liberty Meadows Estates, Phase II, LP	393,317
Security deposits	<u>108,641</u>
	<u>\$ 1,509,255</u>

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE C - ACCOUNTS RECEIVABLE:

Accounts receivable at June 30, 2015, consisted of the following:

PRIMARY GOVERNMENT

A/R – tenants – dwelling rents (net of allowance \$5,370)	\$ 40,722
A/R – HUD (grant funding)	77,325
A/R – due from other HAs	202,445
Fraud recovery (net of allowance \$75,393)	0
A/R – miscellaneous	<u>2,190</u>
	<u>\$ 322,682</u>

COMPONENT UNIT

A/R – tenants – dwelling rents	\$ 30,292
A/R – IHDA	<u>63,474</u>
	<u>\$ 93,766</u>

Note: The above receivable balance excludes \$859,949 of interfund balances that have been eliminated as a result of financial statement consolidation.

NOTE D - PREPAID CHARGES & OTHER CURRENT ASSETS:

Prepaid charges and other assets at June 30, 2015, consisted of the following:

PRIMARY GOVERNMENT

Prepaid expenses	\$ 138,065
Inventory (net of allowance of \$4,938)	<u>236,017</u>
	<u>\$ 374,082</u>

NOTE E - OTHER NONCURRENT ASSETS:

PRIMARY GOVERNMENT

Briggs-Rosalind Development, LLC is the developer for Briggs-Rosalind Estate Phase One, Limited Partnership and has earned a developer fee in the amount of \$1,452,185. As of June 30, 2015, the outstanding amount of the developer fee was \$908,467. This amount is included in other assets and unearned revenue on the statement of net position.

COMPONENT UNIT

Briggs-Rosalind Estate Phase One, LP had loan and start-up costs of \$303,944 which is to be amortized over a 10 to 40 year period. As of December 31, 2014 the current amortization costs was \$16,982 with a total cumulative amortization of \$101,892. This resulted in an unamortized balance of \$202,052 at year end. Additionally, this entity had other asset of \$543. Liberty Meadows Estates Phase II, LP had loan and start-up costs of \$452,181 which is to be amortized over 10 to 30 year period. As of December 31, 2014, the current amortization was \$23,048 with a total cumulative amortization of \$53,778. This resulted in an unamortized balance of \$398,403 at year end.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE F - CAPITAL ASSETS:

A summary of changes in capital assets is as follows:

PRIMARY GOVERNMENT	Balance at July 1, 2014	Additions	Transfers/ Disposals	Depreciation	Balance at June 30, 2015
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 7,691,722	\$ -	\$ 1	\$ -	\$ 7,691,723
Construction in progress	13,284	-	(13,284)	-	-
Total capital assets not being depreciated	7,705,006	-	(13,283)	-	7,691,723
Buildings & improvements	51,860,897	138,345	13,283	-	52,012,525
Furniture & equipment	1,494,259	67,657	(243,416)	-	1,318,500
Total capital assets being depreciated	53,355,156	206,002	(230,133)	-	53,331,025
Less accumulated depreciation for:					
Buildings & improvements	(36,475,461)	-	-	(1,629,555)	(38,105,016)
Furniture & equipment	(1,353,089)	-	243,416	(38,025)	(1,147,698)
Total accumulated depreciation	(37,828,550)	-	243,416	(1,667,580)	(39,252,714)
Total capital assets being depreciated	15,526,606				14,078,311
Enterprise activity capital assets, net	\$ 23,231,612				\$ 21,770,034

Balance as of July 1, 2014	\$ 23,231,612
Capital additions	206,002
Net transfers/disposals	-
Depreciation expense	(1,667,580)
Balance as of June 30, 2015	<u>\$ 21,770,034</u>

COMPONENT UNIT	Balance at 1/1/2014	Additions	Transfers/ Disposals	Depreciation	Balance at 12/31/2014
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 198	\$ -	\$ -	\$ -	\$ 198
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	198	-	-	-	198
Buildings & improvements	24,166,077	-	-	-	24,166,077
Furniture & equipment	514,670	-	-	-	514,670
Total capital assets being depreciated	24,680,747	-	-	-	24,680,747
Total accumulated depreciation	(3,452,709)	-	-	(752,806)	(4,205,515)
Enterprise activity capital assets, net	\$ 21,228,236				\$ 20,475,430

Balance as of January 1, 2014	\$ 21,228,236
Net transfers/disposals	-
Depreciation expense	(752,806)
Balance as of December 31, 2014	<u>\$ 20,475,430</u>

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE G - NOTES RECEIVABLE:

Notes receivable for the Primary Government at June 30, 2015, consisted of the following:

The Housing Authority provided a loan to Briggs-Rosalind Phase I, LP in the original amount of \$350,000, dated August 17, 2007. The note bears no interest and has no required payments before maturity. The note matures on October 1, 2037, and is secured by the real estate held for lease. The balance as of June 30, 2015 is \$350,000.

The Housing Authority provided a loan to Briggs-Rosalind Phase I, LP in the original amount of \$203,645, dated August 17, 2007. The note bears interest at 5% and has no required payments before maturity. The note matures on October 1, 2037, and is secured by the real estate held for lease. The balance as of June 30, 2015 is \$285,103, which includes accrued interest of \$81,458.

The Housing Authority provided a loan to Briggs-Rosalind Phase I, LP in the original amount of \$620,000, dated August 17, 2007. The note bears no interest and has no required payments before maturity. The note matures on October 1, 2037, and is secured by the real estate held for lease. The balance as of June 30, 2015 is \$620,000.

The Housing Authority provided a loan to Liberty Meadow Estates Phase II, LP in the original amount of \$430,000, dated August 16, 2011. The note bears 2% interest compounded annually. The note matures August 31, 2051, and is secured by the real estate held for lease. The balance as of June 30, 2015 is \$449,930, which includes accrued interest of \$19,930.

The Housing Authority provided a loan to Liberty Meadow Estates Phase II, LP in the original amount of \$610,264, dated August 16, 2011. The note bears 2% interest compounded annually. The note matures August 31, 2051, and is secured by the real estate held for lease. The balance as of June 30, 2015 is \$647,368, which includes accrued interest of \$37,104.

The Housing Authority provided a loan to Liberty Meadow Estates Phase II, LP in the original amount of \$1,041,858, dated August 16, 2011. The note bears 2% interest compounded annually. The note matures August 31, 2051, and is secured by the real estate held for lease. The balance as of June 30, 2015 is \$1,105,203, which includes accrued interest of \$63,345.

The Housing Authority provided a loan to Liberty Meadow Estates Phase II, LP in the original amount of \$136,000, dated August 16, 2011. The note bears 2% interest compounded annually. The note matures August 31, 2051, and is secured by the real estate held for lease. The balance as of June 30, 2015 is \$144,269, which includes accrued interest of \$8,269.

Balance as of July 1, 2014	\$ 3,545,675
Interest rolled into notes receivable	<u>56,198</u>
Balance as of June 30, 2015	<u>\$ 3,601,873</u>

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE H - ACCOUNTS PAYABLE AND CURRENT LIABILITIES:

Accounts payable and current liabilities at June 30, 2015, consisted of the following:

PRIMARY GOVERNMENT

Vendors and contractors payable	\$ 100,944
Accrued wages/payroll taxes payable	105,901
Accrued compensated absences – current	43,344
Accrued interest payable	68,720
PILOT	209,978
Unearned revenue – prepaid rents	42,638
Unearned revenue – cell tower lease	468,750
Accrued utilities	128,265
Other accrued liabilities	6,655
Long-term capital debt – current portion	489,606
Security deposits	<u>222,536</u>
	<u>\$ 1,887,337</u>

COMPONENT UNIT

Vendors and contractors payable	\$ 34,153
Accrued interest payable	100,048
PILOT	280,588
Developer fee payable	371,248
Unearned revenue – prepaid rents	25,579
Due to affiliate	82,206
Other accrued liabilities	31,111
Long-term capital debt – current portion	75,910
Security deposits	<u>111,459</u>
	<u>\$ 1,112,302</u>

NOTE I - NON-CURRENT LIABILITIES:

Non-current liabilities at June 30, 2015, consisted of the following:

PRIMARY GOVERNMENT

Long-term capital debt – noncurrent portion	\$ 4,293,250
Accrued compensated absences – noncurrent portion	270,019
Deferred developer fee payable	908,467
FSS escrow deposits	<u>43,158</u>
	<u>\$ 5,514,894</u>

COMPONENT UNIT

Long-term capital debt – noncurrent portion	\$ 9,795,941
Accrued interest – noncurrent portion	102,634
Developer fee payable	<u>1,106,297</u>
	<u>\$ 11,004,872</u>

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE I - NON-CURRENT LIABILITIES: (Cont'd)

PRIMARY GOVERNMENT	Balance at July 1, 2014	Increases	Decreases	Balance at June 30, 2015	Current Portion of Balance
Compensated absences	\$ 344,759	\$ 79,606	\$ (111,002)	\$ 313,363	\$ 43,344
Developer fee payable	1,477,545	-	(569,078)	908,467	-
Tenants' FSS escrow	53,624	29,776	(40,242)	43,158	-
Notes payable	4,852,119	-	(310,000)	4,542,119	325,000
Premium on bond	70,739	-	(6,429)	64,310	-
Lease payable	333,420	-	(156,993)	176,427	164,606
Total Primary Government	\$ 7,132,206	\$ 109,382	\$ (1,193,744)	\$ 6,047,844	\$ 532,950

COMPONENT UNIT	Balance at January 1, 2014	Increases	Decreases	Balance at December 31, 2014	Current Portion of Balance
Notes payable - discrete	9,913,193	-	(41,342)	9,871,851	75,910
Accrued interest - long term	58,272	44,362	-	102,634	-
Developer fee payable	1,477,545	-	-	1,477,545	371,248
Total Component Unit	\$ 11,449,010	\$ 44,362	\$ (41,342)	\$ 11,452,030	\$ 447,158

NOTE J - LONG TERM DEBT OBLIGATIONS:

Long-term debt obligations as of June 30, 2015, consisted of the following:

Bonds Payable – Public Housing

Bonds payable – Capital Financing Bond Pool: This loan accrues interest at 4.41%, principal and interest is payable semi-annually, final maturity is September 1, 2025. This debt is expected to be repaid with future capital fund revenues. The balance outstanding as of June 30, 2015, was \$4,542,119. Interest paid during the audit period was \$221,820. The schedule of maturities follows:

	Principal	Interest	Total
2016	\$ 325,000	\$ 206,411	\$ 531,411
2017	345,000	190,622	535,622
2018	360,000	174,009	534,009
2019	375,000	156,689	531,689
2020	390,000	138,662	528,662
2021-2025	2,225,000	394,624	2,619,624
2026	522,119	12,304	534,423
	\$ 4,542,119	\$ 1,273,321	\$ 5,815,440

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE J - LONG TERM DEBT OBLIGATIONS: (Cont'd)

Capital Lease Payable – Public Housing

In November 2003, the Housing Authority entered into an Energy Performance Contract related, long-term, lease for equipment with AMERESCO that has been accounted for as a capital lease. Leased equipment includes the following amounts that have been capitalized and the future minimum payments, by year and in the aggregate, consists of the following as of June 30, 2015:

2016	\$	169,426
2017		<u>11,817</u>
Total minimum leases		181,243
Amounts representing interest		<u>(4,816)</u>
Present value of minimum payments		176,427
Less: Current portion		<u>(164,606)</u>
Total long-term amount	\$	<u><u>11,821</u></u>

Total assets, included in equipment, recorded under capital lease at June 30, 2015 were \$1,544,041. Depreciation for the equipment during the year ended June 30, 2015 was \$154,404. Additionally, accumulated depreciation as of June 30, 2015 was \$1,389,637.

Mortgages Payable – Component units (discreet)

Briggs-Rosalind Phase One, LP

First mortgage note payable to IHDA, interest at 6.6%, monthly payments of \$20,824, including interest; matures January 1, 2050, at which time any unpaid principal and interest are due. The note is insured by the United States Department of Housing and Urban Development through the Risk Sharing Program and is collateralized by the real estate held for lease and an assignment of rent and leases. The balance as of December 31, 2014 was \$3,410,010.

Second mortgage note payable to Illinois Housing Development Authority (IHDA), bearing no interest, monthly payments of principal only of \$2,917, are due until January 1, 2019. Commencing on February 1, 2019, monthly payments of principal only of \$5,417 are due; note matures November 1, 2027, at which time any unpaid principal is due. The note is collateralized by the real estate lease and an assignment of rent and leases. The balance as of December 31, 2014 was \$997,083.

Third mortgage note payable to the Housing Authority of Joliet. This note is a noninterest bearing obligation with principal due in full on October 1, 2037. The note is collateralized by the real estate held for lease. The balance as of December 31, 2014 was \$350,000.

Fourth mortgage note payable to the Housing Authority of Joliet, bearing interest at 5%, with principal and interest due in full on October 1, 2037. The note is collateralized by the real estate held for lease. The balance as of December 31, 2014 was \$203,645.

Fifth mortgage note payable to the Housing Authority of Joliet, bearing no interest, principal due in full on October 1, 2037. The note is collateralized by the real estate held for lease. The balance as of December 31, 2014 was \$620,000.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE J - LONG TERM DEBT OBLIGATIONS: (Cont'd)

Liberty Meadow Estates Phase II, LP

The first mortgage dated December 27, 2012, is held by IHDA in the original amount of \$2,100,000 and bears interest at 5.8% per annum. Monthly installments of principal and interest in the amount of \$11,263 are due until maturity. The loan matures on January 1, 2053, at which time the entire outstanding principal balance and accrued interest are due. The loan is subject to prepayment penalties as described in the Loan Agreement. The mortgage is collateralized by real estate held for lease and assignment of rents and leases. The outstanding balance as of December 31, 2014, was \$2,072,991.

The HOME loan dated August 16, 2011, is held by the Housing Authority of Joliet in the original amount of \$430,000 and bears interest of 2% per annum. Principal and interest payments are payable from cash flow. The mortgage matures on August 31, 2051, at which time the entire principal balance is due. The Project is subject to compliance with the HOME program rules and regulations. If the Project is in non-compliance with the HOME program rules and regulations, the Project will be subject to the recapture provisions mentioned in the Loan Agreement. The mortgage is collateralized by real estate held for lease and assignment of rents and leases. The outstanding balance as of December 31, 2014, was \$430,000.

The AHP loan dated August 16, 2011, is held by the Housing Authority of Joliet in the original amount of \$136,000 and bears interest at 2% per annum. Principal and interest payments are payable from cash flow. The mortgage matures on August 31, 2051, at which time the entire principal balance is due. The mortgage is collateralized by real estate held for lease and assignment of rents and leases. The outstanding balance as of December 31, 2014 was \$136,000.

The capital funds loan dated August 16, 2011, is held by the Housing Authority of Joliet in the original amount of \$1,041,858 and bears interest at 2% per annum. Principal and interest payments are payable from cash flow. The mortgage matures on August 31, 2051, at which time the entire principal balance is due. The mortgage is collateralized by real estate held for lease and assignment of rents and leases. The outstanding balance as of December 31, 2014 was \$1,041,858.

The replacement housing factor loan dated August 16, 2011 is held by the Housing Authority of Joliet in the original amount of \$610,264 and bears interest at 2% per annum. Principal and interest payments are payable from cash flow. The mortgage is collateralized by real estate held for lease and assignment of rents and leases. The outstanding balance as of December 31, 2014 was \$610,264.

Total long term debt	\$ 9,871,851
Less: current portion	<u>75,910</u>
	<u>\$ 9,795,941</u>

Maturities of long-term debt for the discretely presented component unit at December 31, 2014 are:

2015	\$ 75,910
2016	78,564
2017	81,393
2018	84,403
2019	89,914
Thereafter	<u>9,385,757</u>
	<u>\$ 9,795,941</u>

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE K - OTHER NOTE DISCLOSURES:

1. Annual Contributions by Federal Agencies:

Annual Contributions Contract - Pursuant to the Annual Contributions Contract HUD contributes an operating subsidy approved in the operating budget. For the year ended June 30, 2015, the subsidy paid was \$3,662,638.

2. Risk Management:

The Authority is exposed to various risks of losses related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims & liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were no claims in excess of commercial coverage during the previous three years.

NOTE L - IMPAIRMENT OF CAPITAL ASSETS:

In accordance with financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended June 30, 2015, the Housing Authority of Joliet experienced no permanent material impairments during the audit period.

NOTE M - PENSION PLAN:

The Authority has an employee defined contribution retirement plan with the financial services company, John Hancock. To be eligible, an employee must have completed three months of service.

A defined contribution retirement plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual accounts are to be determined instead of specifying the amount of benefits the individual is to receive.

Vesting occurs at 20% per year for five years at which time the employee is fully vested. The Authority matches up to 6% of each participating employee's annual wages. Employee and employer contributions to the plan during the year ended June 30, 2015 were \$66,403 and \$76,176, respectively. Total payroll expense for the Authority was \$2,262,318.

Other than the above mentioned pension plan, the Authority does not participate in Other Post-Employment Benefits.

NOTE N - ECONOMIC DEPENDENCY:

The PHA Owned Housing Program is economically dependent on annual contributions and grants from HUD. The program operates at a loss prior to receiving the contributions and grants.

NOTE O - RELATED PARTY TRANSACTIONS:

There were no related party transactions to be reported for the fiscal year ended June 30, 2015.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE P - COMMITMENTS & CONTINGENCIES:

Legal:

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. While there may be claims filed with the Authority, as of the date of this audit, there are no amounts to estimate. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At June 30, 2015, there were no liabilities to be reported.

Grants and contracts:

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of June 30, 2015.

Capital fund:

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance.

NOTE Q - SUPPLEMENTAL INFORMATION:

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

NOTE R - SUBSEQUENT EVENTS:

The Housing Authority received approval from HUD on September 10, 2015 for the demolition of 2 non-residential buildings, 22 residential buildings which contains 122 units of public housing and disposition of 7.65 acres of underlying land at Scattered Sites, IL024000001. The demolition of these facilities is necessary to develop 68 affordable housing units using low-income housing tax credits. The planned demolition of this property will be done with 2015 and 2016 capital grant funds.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

SINGLE AUDIT SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



**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 AUDITORS' REPORT

Board of Commissioners
Housing Authority of Joliet
Joliet, Illinois

Chicago Regional Office
Public Housing Division
77 West Jackson Boulevard
Ralph Metcalfe Federal Building
Chicago, Illinois 60604

We have audited, in accordance with the 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 Housing Authority of Joliet, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of Joliet's basic financial statements, and have issued our report thereon dated February 29, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Joliet's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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


Rector, Reeder & Lofton, PC
Certified Public Accountants

Lawrenceville, Georgia
February 29, 2016



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB A-133**

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of Joliet
Joliet, Illinois

Chicago Regional Office
Public Housing Division
77 West Jackson Boulevard
Ralph Metcalfe Federal Building
Chicago, Illinois 60604

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of Joliet's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of Joliet's major federal programs for the year ended June 30, 2015. The Housing Authority of Joliet'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 each of its major federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of Joliet complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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



Rector, Reeder & Lofton, PC
Certified Public Accountants

Lawrenceville, Georgia
February 29, 2016

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2014, contained the following formal audit findings:

Finding 2014-001 - Central Office Cost Center - Cash Management & Cumulative Deficits - CFDA No. 14.850
Other Matter & Significant Deficiency

Condition: A review of the financial condition of the Central Office Cost Center at June 30, 2014 revealed that there was a cash deficit of \$582,564 and as such resulted in an inter-program payable of \$600,000 to the Low Rent Public Housing Program to cover the COCC's cash overdraft position. A further analysis of the COCC's working capital revealed a deficit balance of \$801,686 which is a cumulative result of poor financial operating results.

Current Status: The Housing Authority has resolved the cash deficit in the central office cost center, but there are still interfund balances due federal programs which need to be addressed which exist in the payables. This is addressed as current management comment number one. However, ***this finding is considered cleared.***

Finding 2014-002 - Cumulative Operating Deficit & Accounts Receivable - Portability - CFDA No. 14.871
Noncompliance & Significant Deficiency

Condition: A review of the internal controls over the tracking and management of outstanding accounts receivable balances revealed that the Housing Authority had \$218,950 of uncollected balances as of June 30, 2014. Our testing of balances revealed that the Housing Authority made numerous attempts to collect the amounts owed from the three housing authorities that represented over 95% of the amounts owed. An aging analysis of the outstanding balances revealed that a substantial portion of these receivables are not collectible given that some of these amounts date back to 2013 and may therefore not be fully reimbursed. Due to this situation, an allowance for doubtful accounts in the amount of \$102,907 has been recognized to restate the balances to more reasonable levels. Unfortunately, the progress that the Housing Authority has achieved in resolving the cumulative operating deficits mentioned in audit finding no. 2013-008 was offset by the recording of this allowance for loss. Consequently, there is a current deficit balance in Unrestricted Net Position in the HCV program of \$(143,321).

Current Status: The Housing Authority has hired a fee accountant who has reconstructed the balances of all portable accounts receivable. At June 30, 2015, the balance recorded on the general ledger was \$202,445.11 and the Housing Authority removed the allowance for doubtful accounts set up in the prior audit. We examined subsequent collections to determine that the balances remained delinquent as of the end of the year. However, fundamental to collecting or resolving this portability should be detailed support for the transactions which is now possible due to the reconstruction of records. We also advised the Housing Authority that all amounts deemed uncollectable for HAP expense should be written off against HAP expense and not administration. This write-off would impact the Administrative reserve if done incorrectly. This is addressed as current management comment number two. However, ***this finding is considered cleared.***

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of report issued on the compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with Circular A-133, Section .510(a)?	No

Identification of major programs:

-CFDA #14.850	Public and Indian Housing
-CFDA #14.871	Section 8 Housing Choice Voucher
-CFDA #14.872	Public Housing Capital Fund Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$449,126
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Did the Authority qualify as a low-risk auditee?	No
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Section II – Financial Statement Findings

Findings related to financial statements in accordance with GAGAS:
NONE REPORTED

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs for Federal Awards as defined in Section .510:
NONE REPORTED

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Housing Authority of Joliet
Joliet, Illinois

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2015

<u>Account Description</u>	<u>Low-Rent Public Hsg</u> 14,850	<u>Disaster Voucher Program</u> 14,DVP	<u>Housing Choice Vouchers</u> 14,871	<u>State/Local</u>	<u>ROSS/ FSS Program</u> 14,896
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - unrestricted	\$ 2,390,812	\$ 4,802	\$ 0	\$ 87,681	\$ 0
Cash - restricted	0	0	608,190	0	0
Cash - tenant security deposits	216,626	0	0	0	0
Cash - restricted for payment of current liabilities	843	0	0	0	0
Total Cash	2,608,281	4,802	608,190	87,681	0
Accounts and notes receivables:					
Accounts receivable - PHA projects	0	0	202,445	0	0
Accounts receivable - HUD	77,325	0	0	0	0
Accounts receivable - other	0	0	0	0	0
Accounts receivable - miscellaneous	0	0	8	0	0
Accounts receivable - tenants rents	46,092	0	0	0	0
Allowance for doubtful accounts-tenants	(5,370)	0	0	0	0
Allowance for doubtful accounts-other	0	0	0	0	0
Notes Receivable - current	0	0	0	0	0
Fraud Recovery	0	0	75,393	0	0
Allowance for doubtful accounts - fraud	0	0	(75,393)	0	0
Accrued interest receivable	0	0	0	0	0
Total receivables - net	118,047	0	202,453	0	0
Current investments:					
Investments - unrestricted	0	0	0	0	0
Investments - restricted	0	0	0	0	0
Prepaid expenses and other assets	121,280	0	2,059	0	0
Inventories	183,309	0	0	0	0
Allowance for obsolete inventories	(696)	0	0	0	0
Assets held for sale	0	0	0	0	0
Interprogram (due from)	200,000	0	235,102	0	0
TOTAL CURRENT ASSETS	3,230,221	4,802	1,047,804	87,681	0
NONCURRENT ASSETS:					
Capital Assets:					
Land	7,505,415	0	0	0	0
Buildings	50,345,116	0	0	0	0
Furniture & equipment - dwellings	0	0	0	0	0
Furniture & equipment - admin	552,033	0	51,374	0	0
Improvements	0	0	0	0	0
Work in process	0	0	0	0	0
Accumulated depreciation	(37,767,908)	0	(43,050)	0	0
Total capital assets - net	20,634,656	0	8,324	0	0
Notes receivable - noncurrent	1,752,571	0	0	0	0
Other assets	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
TOTAL NONCURRENT ASSETS	22,387,227	0	8,324	0	0
TOTAL ASSETS	\$ 25,617,448	\$ 4,802	\$ 1,056,128	\$ 87,681	\$ 0

Component Unit Discretely Presented	Component Unit Blended	Central Office Cost Center	Elimination	TOTAL
\$ 836,645	\$ 373,117	\$ 137,283	\$ 0	\$ 3,830,340
1,400,614	18,834	0	0	2,027,638
108,641	5,910	0	0	331,177
0	0	0	0	843
<u>2,345,900</u>	<u>397,861</u>	<u>137,283</u>	<u>0</u>	<u>6,189,998</u>
0	0	0	0	202,445
0	0	0	0	77,325
63,474	0	0	0	63,474
0	0	2,182	0	2,190
30,292	0	0	0	76,384
0	0	0	0	(5,370)
0	0	0	0	0
0	75,856	0	0	75,856
0	0	0	0	75,393
0	0	0	0	(75,393)
0	0	0	0	0
<u>93,766</u>	<u>75,856</u>	<u>2,182</u>	<u>0</u>	<u>492,304</u>
0	0	0	0	0
0	0	0	0	0
62,044	8,850	5,876	0	200,109
0	0	57,646	0	240,955
0	0	(4,242)	0	(4,938)
0	0	0	0	0
0	424,847	0	(859,949)	0
<u>2,501,710</u>	<u>907,414</u>	<u>198,745</u>	<u>(859,949)</u>	<u>7,118,428</u>
198	0	186,308	0	7,691,921
24,166,077	586,674	1,080,735	0	76,178,602
0	0	0	0	0
514,670	15,415	699,678	0	1,833,170
0	0	0	0	0
0	0	0	0	0
(4,205,515)	(132,025)	(1,309,731)	0	(43,458,229)
<u>20,475,430</u>	<u>470,064</u>	<u>656,990</u>	<u>0</u>	<u>42,245,464</u>
0	0	1,849,302	0	3,601,873
600,998	908,467	0	0	1,509,465
0	0	0	0	0
<u>21,076,428</u>	<u>1,378,531</u>	<u>2,506,292</u>	<u>0</u>	<u>47,356,802</u>
\$ <u>23,578,138</u>	\$ <u>2,285,945</u>	\$ <u>2,705,037</u>	\$ <u>(859,949)</u>	\$ <u>54,475,230</u>

**Housing Authority of Joliet
Joliet, Illinois**

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2015**

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Disaster Voucher Program 14.DVP	Housing Choice Vouchers 14.871	State/Local	ROSS/ FSS Program 14.896
LIABILITIES AND NET POSITION:					
LIABILITIES:					
CURRENT LIABILITIES:					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	76,717	0	6,210	27	0
Accrued salaries/payroll withholding	64,765	0	17,864	162	0
Accrued compensated absences	30,008	0	4,809	0	0
Accrued interest payable	67,944	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0
Accounts payable - other gov.	201,891	0	0	0	0
Tenant security deposits	216,626	0	0	0	0
Unearned revenue	498,111	0	0	13,277	0
Current portion of L-T debt - capital projects	485,937	0	0	0	0
Other current liabilities	0	0	0	0	0
Accrued liabilities - other	128,265	0	0	0	0
Interprogram (due to)	0	0	0	23,388	0
TOTAL CURRENT LIABILITIES	<u>1,770,264</u>	<u>0</u>	<u>28,883</u>	<u>36,854</u>	<u>0</u>
NONCURRENT LIABILITIES:					
Long-term debt, net of current - capital projects	4,244,992	0	0	0	0
Accrued comp. absences - long term	186,940	0	29,959	0	0
Noncurrent liabilities - other	0	0	43,158	0	0
TOTAL NONCURRENT LIABILITIES	<u>4,431,932</u>	<u>0</u>	<u>73,117</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>6,202,196</u>	<u>0</u>	<u>102,000</u>	<u>36,854</u>	<u>0</u>
NET POSITION:					
Net investment in capital assets	15,903,727	0	8,324	0	0
Restricted	0	0	841,620	0	0
Unrestricted	3,511,525	4,802	104,184	50,827	0
TOTAL NET POSITION	<u>19,415,252</u>	<u>4,802</u>	<u>954,128</u>	<u>50,827</u>	<u>0</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 25,617,448</u>	<u>\$ 4,802</u>	<u>\$ 1,056,128</u>	<u>\$ 87,681</u>	<u>\$ 0</u>

Component Unit Discretely Presented	Component Unit Blended	Central Office Cost Center	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
34,153	16	17,974	0	135,097
0	0	23,110	0	105,901
0	0	8,527	0	43,344
100,048	0	776	0	168,768
0	0	0	0	0
734,042	7,508	579	0	944,020
111,459	5,910	0	0	333,995
25,579	0	0	0	536,967
75,910	0	3,669	0	565,516
31,111	6,655	0	0	37,766
0	0	0	0	128,265
0	0	836,561	(859,949)	0
<u>1,112,302</u>	<u>20,089</u>	<u>891,196</u>	<u>(859,949)</u>	<u>2,999,639</u>
9,795,941	0	48,258	0	14,089,191
0	0	53,120	0	270,019
<u>1,208,931</u>	<u>908,467</u>	<u>0</u>	<u>0</u>	<u>2,160,556</u>
<u>11,004,872</u>	<u>908,467</u>	<u>101,378</u>	<u>0</u>	<u>16,519,766</u>
<u>12,117,174</u>	<u>928,556</u>	<u>992,574</u>	<u>(859,949)</u>	<u>19,519,405</u>
10,603,579	470,064	605,063	0	27,590,757
1,400,614	18,834	0	0	2,261,068
<u>(543,229)</u>	<u>868,491</u>	<u>1,107,400</u>	<u>0</u>	<u>5,104,000</u>
<u>11,460,964</u>	<u>1,357,389</u>	<u>1,712,463</u>	<u>0</u>	<u>34,955,825</u>
<u>\$ 23,578,138</u>	<u>\$ 2,285,945</u>	<u>\$ 2,705,037</u>	<u>\$ (859,949)</u>	<u>\$ 54,475,230</u>

Housing Authority of Joliet
Joliet, Illinois

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Disaster Voucher Program 14.DVP	Housing Choice Vouchers 14.871	State/Local	ROSS/ FSS Program 14.896
REVENUES:					
Net tenant rental revenue	\$ 2,586,231	\$ 0	\$ 0	\$ 0	\$ 0
Tenant revenue - other	77,795	0	0	0	0
Total tenant revenue	2,664,026	0	0	0	0
HUD PHA grants - operating	5,111,540	0	10,435,858	0	43,296
HUD PHA grants - capital	503,777	0	0	0	0
Management fee	0	0	0	0	0
Asset management fee	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0
Front line service fee	0	0	0	0	0
Other government grants	0	0	0	269,023	0
Investment income - unrestricted	34,931	0	194	32	0
Mortgage interest income	0	0	0	0	0
Proceeds from disposition of assets held for sale	0	0	0	0	0
Fraud income	0	0	9,267	0	0
Other revenue	224,260	0	3,002,996	4	0
Investment income - restricted	0	0	0	0	0
Gain/(loss) on disposition	0	0	0	0	0
TOTAL REVENUES	\$ 8,538,534	\$ 0	\$ 13,448,315	\$ 269,059	\$ 43,296
EXPENSES:					
Administrative:					
Administrative salaries	\$ 718,943	\$ 0	\$ 305,295	\$ 26,649	\$ 0
Auditing fees	11,275	0	12,735	0	0
Management fees	950,466	0	169,306	0	0
Bookkeeping fees	88,344	0	97,762	0	0
Advertising & marketing	497	0	1,317	25	0
Employee benefits - administrative	375,465	0	114,772	353	0
Office expense	203,928	0	67,032	28	0
Legal expense	62,111	0	13,253	0	0
Travel expense	719	0	2,043	0	0
Other operating - administrative	89,757	0	17,658	1	0
Total Administrative Expense	2,501,505	0	801,173	27,056	0
Asset management fee	0	0	0	0	0
Tenant Services:					
Tenant services - salaries	0	0	18,669	0	33,407
Relocation costs	289,090	0	0	0	0
Employee benefits - tenant services	0	0	6,895	0	9,889
Other tenant services	30,265	0	300	0	0
Total Tenant Services	319,355	0	25,864	0	43,296
Utilities:					
Water	756,903	0	118	0	0
Electricity	200,718	0	2,704	6	0
Gas	396,347	0	1,158	0	0
Fuel	1,451	0	0	0	0
Sewer	550	0	0	0	0
Other utilities	10,063	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	1,366,032	0	3,980	6	0

Component Unit Discretely Presented	Component Unit Blended	Central Office Cost Center	Elimination	TOTAL
\$ 1,161,866	\$ 23,378	\$ 0	\$ 0	\$ 3,771,475
0	0	0	0	77,795
<u>1,161,866</u>	<u>23,378</u>	<u>0</u>	<u>0</u>	<u>3,849,270</u>
0	0	2,504	0	15,593,198
0	0	3,500	0	507,277
0	0	1,119,772	(1,119,772)	0
0	0	0	0	0
0	0	186,106	(186,106)	0
0	0	0	0	0
0	0	0	0	269,023
80	0	22,792	0	58,029
0	0	0	0	0
0	0	0	0	0
0	0	0	0	9,267
47,681	368,604	25,467	0	3,669,012
1	0	0	0	1
0	0	0	0	0
<u>\$ 1,209,628</u>	<u>\$ 391,982</u>	<u>\$ 1,360,141</u>	<u>\$ (1,305,878)</u>	<u>\$ 23,955,077</u>

\$ 59,847	\$ 0	\$ 565,682	\$ 0	\$ 1,676,416
48,134	0	490	0	72,634
60,939	0	0	(1,119,772)	60,939
0	0	0	(186,106)	0
539	0	308	0	2,686
0	0	262,128	0	752,718
17,501	15,953	71,944	0	376,386
13,009	6,736	51,435	0	146,544
0	194	2,517	0	5,473
9,962	20,589	72,549	0	210,516
<u>209,931</u>	<u>43,472</u>	<u>1,027,053</u>	<u>(1,305,878)</u>	<u>3,304,312</u>

<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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0	0	0	0	52,076
0	0	0	0	289,090
0	0	0	0	16,784
0	0	0	0	30,565
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>388,515</u>

6,817	0	809	0	764,647
3,985	384	5,006	0	212,803
5,983	484	1,461	0	405,433
0	0	0	0	1,451
0	0	0	0	550
0	0	0	0	10,063
0	0	0	0	0
<u>16,785</u>	<u>868</u>	<u>7,276</u>	<u>0</u>	<u>1,394,947</u>

Housing Authority of Joliet
Joliet, Illinois

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Disaster Voucher Program 14.DVP	Housing Choice Vouchers 14.871	State/Local	ROSS/ FSS Program 14.896
Ordinary Maintenance & Operation:					
Labor	697,269	0	0	0	0
Materials	157,035	0	3,854	0	0
Employee benefit contributions	160,934	0	0	0	0
Contract costs - garbage removal	25,312	0	0	0	0
Contract costs - heating & cooling	24,451	0	0	0	0
Contract costs - snow removal	0	0	0	0	0
Contract costs - elevator maintenance	58,361	0	0	0	0
Contract costs - landscape maintenance	53,698	0	0	0	0
Contract costs - unit turnaround	0	0	0	0	0
Contract costs - electrical	12,876	0	0	8,876	0
Contract costs - plumbing	95,838	0	0	0	0
Contract costs - extermination	41,538	0	0	0	0
Contract costs - janitorial	0	0	0	0	0
Contract costs - routine maintenance	221,226	0	0	0	0
Contract costs - other	284,515	0	1,722	0	0
Total Ordinary Maintenance & Operation	1,833,053	0	5,576	0	0
Protective Services:					
Protective services - salaries	109,335	0	1,122	0	0
Protective services - contract costs	12,229	0	0	0	0
Employee benefits - protective services	61,661	0	40	0	0
Other protective services	0	0	0	0	0
Total Protective Services	183,225	0	1,162	0	0
Insurance Premiums:					
Property insurance	156,310	0	0	0	0
Liability insurance	58,173	0	6,125	0	0
Workmen's compensation	148,456	0	37,451	69	0
Insurance - other	43,503	0	4,270	0	0
Total Insurance Premiums	406,442	0	47,846	69	0
General Expenses:					
Other general expense	60,342	0	40,761	0	0
Compensated absences	56,649	0	0	0	0
Payments in lieu of taxes	220,523	0	0	0	0
Bad debt - tenant rents	60,247	0	0	0	0
Bad debt - mortgages	0	0	0	0	0
Bad debt - other	0	0	0	0	0
Severance expense	0	0	0	0	0
Total General Expenses	397,761	0	40,761	0	0
Financial Expenses:					
Interest expense - Mortgage Payable	220,015	0	0	0	0
Interest expense - Notes Payable	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0
Total Financial Expenses	220,015	0	0	0	0
TOTAL OPERATING EXPENSE	7,227,388	0	926,362	27,131	43,296
EXCESS OPERATING REVENUE	1,311,146	0	12,521,953	241,928	0
Other Expenses:					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	10,432,504	241,956	0
HAP Portability - In	0	0	2,701,808	0	0
Depreciation expense	1,589,825	0	5,061	0	0
Total Other Expenses	1,589,825	0	13,139,373	241,956	0
TOTAL EXPENSES	\$ 8,817,213	\$ 0	\$ 14,065,735	\$ 269,087	\$ 43,296
EXCESS OF REVENUE OVER EXPENSES	\$ (278,679)	\$ 0	\$ (617,420)	\$ (28)	\$ 0

Component Unit Discretely Presented	Component Unit Blended	Central Office Cost Center	Elimination	TOTAL
25,868	0	8,261	0	731,398
62,346	1,081	15,093	0	239,409
0	0	2,908	0	163,842
0	0	0	0	25,312
7,877	0	5,953	0	38,281
18,200	0	0	0	18,200
0	0	1,490	0	59,851
32,020	300	3,670	0	89,688
32,682	0	0	0	32,682
916	1,479	2,779	0	18,050
3,052	0	0	0	98,890
2,470	0	0	0	44,008
0	0	0	0	0
15,305	0	15,033	0	251,564
4,311	3,757	4,968	0	299,273
<u>205,047</u>	<u>6,617</u>	<u>60,155</u>	<u>0</u>	<u>2,110,448</u>
0	0	18,443	0	128,900
0	0	2,418	0	14,647
0	0	1,365	0	63,066
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>22,226</u>	<u>0</u>	<u>206,613</u>
88,442	0	9,093	0	253,845
0	0	9,093	0	73,391
0	830	52,281	0	239,087
<u>10,068</u>	<u>1,568</u>	<u>24,351</u>	<u>0</u>	<u>83,760</u>
<u>98,510</u>	<u>2,398</u>	<u>94,818</u>	<u>0</u>	<u>650,083</u>
67,287	50,694	23,338	0	242,422
0	0	22,957	0	79,606
114,100	0	0	0	334,623
25,920	0	0	0	86,167
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>207,307</u>	<u>50,694</u>	<u>46,295</u>	<u>0</u>	<u>742,818</u>
390,063	0	2,358	0	612,436
10,182	0	0	0	10,182
<u>40,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,030</u>
<u>440,275</u>	<u>0</u>	<u>2,358</u>	<u>0</u>	<u>662,648</u>
<u>1,177,855</u>	<u>104,049</u>	<u>1,260,181</u>	<u>(1,305,878)</u>	<u>9,460,384</u>
<u>31,773</u>	<u>287,933</u>	<u>99,960</u>	<u>0</u>	<u>14,494,693</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	10,674,460
0	0	0	0	2,701,808
<u>752,806</u>	<u>31,497</u>	<u>41,197</u>	<u>0</u>	<u>2,420,386</u>
<u>752,806</u>	<u>31,497</u>	<u>41,197</u>	<u>0</u>	<u>15,796,654</u>
\$ <u>1,930,661</u>	\$ <u>135,546</u>	\$ <u>1,301,378</u>	\$ <u>(1,305,878)</u>	\$ <u>25,257,038</u>
\$ <u>(721,033)</u>	\$ <u>256,436</u>	\$ <u>58,763</u>	\$ <u>0</u>	\$ <u>(1,301,961)</u>

**Housing Authority of Joliet
Joliet, Illinois**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Disaster Voucher Program 14.DVP</u>	<u>Housing Choice Vouchers 14.871</u>	<u>State/Local</u>	<u>ROSS/ FSS Program 14.896</u>
Operating transfer - in	486,210	0	0	0	0
Operating transfer - out	(486,210)	0	0	0	0
Inter project excess cash transfer - In	0	0	0	0	0
Inter project excess cash transfer - out	0	0	0	0	0
Transfer of equity	0	0	0	0	0
Prior period adjustments	0	0	0	0	0
Beginning Net Position	<u>19,693,931</u>	<u>4,802</u>	<u>1,571,548</u>	<u>50,855</u>	<u>0</u>
Ending Net Position	\$ <u>19,415,252</u>	\$ <u>4,802</u>	\$ <u>954,128</u>	\$ <u>50,827</u>	\$ <u>0</u>
Administrative Fund Equity	0	0	112,508	0	0
Housing Choice Voucher Equity	0	0	841,620	0	0
Units Available	12,396	0	13,543	300	0
Units Leased	12,283	0	13,035	300	0

<u>Component Unit Discretely Presented</u>	<u>Component Unit Blended</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
0	0	0	(486,210)	0
0	0	0	486,210	0
0	0	0	0	0
0	0	0	0	0
737,694	0	0	0	737,694
0	0	0	0	0
<u>11,444,303</u>	<u>1,100,953</u>	<u>1,653,700</u>	<u>0</u>	<u>35,520,092</u>
\$ 11,460,964	\$ 1,357,389	\$ 1,712,463	\$ 0	\$ 34,955,825
0	0	0	0	112,508
0	0	0	0	841,620
1,392	60	0	0	27,691
1,392	57	0	0	27,067

**Housing Authority of Joliet
Joliet, Illinois**

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
JUNE 30, 2015**

<u>Account Description</u>	<u>IL024000001</u>	<u>IL024000002</u>	<u>IL024000003</u>	<u>IL024000004</u>	<u>IL024000005</u>
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - unrestricted	\$ 222,988	\$ 0	\$ 159,040	\$ 244,891	\$ 119,684
Cash - restricted	0	0	0	0	0
Cash - tenant security deposits	42,071	0	49,373	20,403	8,605
Cash - restricted for payment of current liabilities	29	0	0	207	221
Total Cash	<u>265,088</u>	<u>0</u>	<u>208,413</u>	<u>265,501</u>	<u>128,510</u>
Accounts and notes receivables:					
Accounts receivable - HUD	71,794	0	5,531	0	0
Accounts receivable - miscellaneous	0	0	0	0	0
Accounts receivable - tenants rents	15,303	0	9,515	4,286	1,471
Allowance for doubtful accounts-tenants	(688)	0	(3,582)	(89)	(255)
Accounts receivable - fraud	0	0	0	0	0
Allowance for doubtful accounts-other	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0
Total receivables - net	<u>86,409</u>	<u>0</u>	<u>11,464</u>	<u>4,197</u>	<u>1,216</u>
Current investments:					
Investments - unrestricted	0	0	0	0	0
Investments - restricted	0	0	0	0	0
Prepaid expenses and other assets	41,805	0	37,315	12,708	4,794
Inventories	58,411	0	43,066	13,577	3,327
Allowance for obsolete inventories	0	0	(27)	0	0
Interprogram (due from)	0	0	0	0	0
TOTAL CURRENT ASSETS	<u>451,713</u>	<u>0</u>	<u>300,231</u>	<u>295,983</u>	<u>137,847</u>
NONCURRENT ASSETS:					
Capital Assets:					
Land	993,645	0	1,117,850	745,233	248,411
Buildings	6,835,827	0	5,991,286	6,720,072	5,313,979
Furniture & equipment - admin	129,214	0	137,253	42,730	37,226
Improvements	0	0	0	0	0
Work in process	0	0	0	0	0
Accumulated depreciation	(5,509,907)	0	(5,345,292)	(4,893,446)	(2,902,844)
Total capital assets - net	<u>2,448,779</u>	<u>0</u>	<u>1,901,097</u>	<u>2,614,589</u>	<u>2,696,772</u>
Notes receivable - noncurrent	0	0	0	0	0
Other assets	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
TOTAL NONCURRENT ASSETS	<u>2,448,779</u>	<u>0</u>	<u>1,901,097</u>	<u>2,614,589</u>	<u>2,696,772</u>
TOTAL ASSETS	<u>\$ 2,900,492</u>	<u>\$ 0</u>	<u>\$ 2,201,328</u>	<u>\$ 2,910,572</u>	<u>\$ 2,834,619</u>

<u>IL024000006</u>	<u>IL024000007</u>	<u>IL024000008</u>	<u>IL024000011</u>	<u>IL024009999</u>	<u>Other Project</u>	<u>TOTAL</u>
\$ 488,813	\$ 307,282	\$ 819,532	\$ 28,582	\$ 0	\$ 0	\$ 2,390,812
0	0	0	0	0	0	0
20,848	39,216	36,110	0	0	0	216,626
129	128	129	0	0	0	843
<u>509,790</u>	<u>346,626</u>	<u>855,771</u>	<u>28,582</u>	<u>0</u>	<u>0</u>	<u>2,608,281</u>
0	0	0	0	0	0	77,325
0	0	0	0	0	0	0
9,141	1,412	4,964	0	0	0	46,092
(695)	(16)	(45)	0	0	0	(5,370)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>8,446</u>	<u>1,396</u>	<u>4,919</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>118,047</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
7,844	8,531	8,283	0	0	0	121,280
21,366	19,763	23,799	0	0	0	183,309
(131)	(202)	(336)	0	0	0	(696)
0	200,000	0	0	0	0	200,000
<u>547,315</u>	<u>576,114</u>	<u>892,436</u>	<u>28,582</u>	<u>0</u>	<u>0</u>	<u>3,230,221</u>
745,233	807,336	807,336	2,040,371	0	0	7,505,415
7,049,035	8,148,517	9,781,614	504,786	0	0	50,345,116
67,215	63,923	74,472	0	0	0	552,033
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>(5,383,480)</u>	<u>(6,390,561)</u>	<u>(7,262,875)</u>	<u>(79,503)</u>	<u>0</u>	<u>0</u>	<u>(37,767,908)</u>
<u>2,478,003</u>	<u>2,629,215</u>	<u>3,400,547</u>	<u>2,465,654</u>	<u>0</u>	<u>0</u>	<u>20,634,656</u>
0	0	0	1,752,571	0	0	1,752,571
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>2,478,003</u>	<u>2,629,215</u>	<u>3,400,547</u>	<u>4,218,225</u>	<u>0</u>	<u>0</u>	<u>22,387,227</u>
<u>\$ 3,025,318</u>	<u>\$ 3,205,329</u>	<u>\$ 4,292,983</u>	<u>\$ 4,246,807</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,617,448</u>

**Housing Authority of Joliet
Joliet, Illinois**

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
JUNE 30, 2015**

<u>Account Description</u>	<u>IL024000001</u>	<u>IL024000002</u>	<u>IL024000003</u>	<u>IL024000004</u>	<u>IL024000005</u>
LIABILITIES AND NET POSITION:					
LIABILITIES:					
CURRENT LIABILITIES:					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	5,728	0	15,148	16,407	4,198
Accrued salaries/payroll withholding	12,993	0	13,054	6,440	2,429
Accrued compensated absences	4,621	0	4,118	2,563	937
Accrued interest payable	2,375	0	0	16,635	17,796
Accounts payable - HUD PHA programs	0	0	0	0	0
Accounts payable - other gov.	0	0	0	21,397	8,427
Tenant security deposits	42,071	0	49,373	20,403	8,605
Unearned revenue	2,647	0	6,640	3,560	1,061
Current portion of L-T debt - capital projects	11,232	0	0	109,948	95,687
Other current liabilities	0	0	0	0	0
Accrued liabilities - other	84,953	0	19,355	8,426	2,369
Interprogram (due to)	0	0	0	0	0
TOTAL CURRENT LIABILITIES	<u>166,620</u>	<u>0</u>	<u>107,688</u>	<u>205,779</u>	<u>141,509</u>
NONCURRENT LIABILITIES:					
Long-term debt, net of current - capital projects	147,722	0	0	1,036,927	1,107,745
Accrued comp. absences - long term	28,784	0	25,654	15,966	5,837
Noncurrent liabilities - other	0	0	0	0	0
TOTAL NONCURRENT LIABILITIES	<u>176,506</u>	<u>0</u>	<u>25,654</u>	<u>1,052,893</u>	<u>1,113,582</u>
TOTAL LIABILITIES	<u>343,126</u>	<u>0</u>	<u>133,342</u>	<u>1,258,672</u>	<u>1,255,091</u>
NET POSITION:					
Net investment in capital assets	2,289,825	0	1,901,097	1,467,714	1,493,340
Restricted	0	0	0	0	0
Unrestricted	267,541	0	166,889	184,186	86,188
TOTAL NET POSITION	<u>2,557,366</u>	<u>0</u>	<u>2,067,986</u>	<u>1,651,900</u>	<u>1,579,528</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,900,492</u>	<u>\$ 0</u>	<u>\$ 2,201,328</u>	<u>\$ 2,910,572</u>	<u>\$ 2,834,619</u>

<u>IL024000006</u>	<u>IL024000007</u>	<u>IL024000008</u>	<u>IL024000011</u>	<u>IL024009999</u>	<u>Other Project</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
12,062	9,910	13,264	0	0	0	76,717
9,588	10,700	9,561	0	0	0	64,765
9,593	3,424	4,752	0	0	0	30,008
10,438	10,299	10,401	0	0	0	67,944
0	0	0	0	0	0	0
30,607	68,192	61,202	12,066	0	0	201,891
20,848	39,216	36,110	0	0	0	216,626
238,376	6,335	239,492	0	0	0	498,111
83,931	91,506	93,633	0	0	0	485,937
0	0	0	0	0	0	0
4,103	4,762	4,297	0	0	0	128,265
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>419,546</u>	<u>244,344</u>	<u>472,712</u>	<u>12,066</u>	<u>0</u>	<u>0</u>	<u>1,770,264</u>
651,707	643,663	657,228	0	0	0	4,244,992
59,762	21,331	29,606	0	0	0	186,940
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>711,469</u>	<u>664,994</u>	<u>686,834</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,431,932</u>
<u>1,131,015</u>	<u>909,338</u>	<u>1,159,546</u>	<u>12,066</u>	<u>0</u>	<u>0</u>	<u>6,202,196</u>
1,742,365	1,894,046	2,649,686	2,465,654	0	0	15,903,727
0	0	0	0	0	0	0
<u>151,938</u>	<u>401,945</u>	<u>483,751</u>	<u>1,769,087</u>	<u>0</u>	<u>0</u>	<u>3,511,525</u>
<u>1,894,303</u>	<u>2,295,991</u>	<u>3,133,437</u>	<u>4,234,741</u>	<u>0</u>	<u>0</u>	<u>19,415,252</u>
<u>\$ 3,025,318</u>	<u>\$ 3,205,329</u>	<u>\$ 4,292,983</u>	<u>\$ 4,246,807</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,617,448</u>

**Housing Authority of Joliet
Joliet, Illinois**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMPs
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	<u>IL024000001</u>	<u>IL024000002</u>	<u>IL024000003</u>	<u>IL024000004</u>	<u>IL024000005</u>
REVENUES:					
Net tenant rental revenue	\$ 451,753	\$ 0	\$ 342,474	\$ 284,012	\$ 107,477
Tenant revenue - other	21,390	0	42,917	0	2,406
Total tenant revenue	473,143	0	385,391	284,012	109,883
HUD PHA grants - operating	1,438,012	0	1,149,858	703,935	342,401
HUD PHA grants - capital	37,175	0	6,866	81,908	87,146
Management fee	0	0	0	0	0
Asset management fee	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0
Front line service fee	0	0	0	0	0
Other government grants	0	0	0	0	0
Investment income - unrestricted	81	0	81	81	81
Mortgage interest income	0	0	0	0	0
Fraud income	0	0	0	0	0
Other revenue	48,675	0	101,149	19,295	4,512
Gain/(loss) on disposition	0	0	0	0	0
TOTAL REVENUES	\$ 1,997,086	\$ 0	\$ 1,643,345	\$ 1,089,231	\$ 544,023
EXPENSES:					
Administrative:					
Administrative salaries	\$ 126,515	\$ 0	\$ 121,276	\$ 92,700	\$ 34,184
Auditing fees	1,847	0	1,915	1,425	513
Management fees	155,884	0	159,226	120,458	43,371
Bookkeeping fees	14,490	0	14,790	11,205	4,028
Advertising & marketing	44	0	44	88	61
Employee benefits - administrative	50,689	0	78,301	45,125	16,391
Office expense	40,127	0	41,464	31,843	17,496
Legal expense	14,649	0	28,023	4,314	1,796
Travel expense	165	0	117	101	33
Other operating - administrative	56,103	0	9,590	4,064	2,627
Total Administrative Expense	460,513	0	454,746	311,323	120,500
Asset management fee	0	0	0	0	0
Tenant Services:					
Tenant services - salaries	0	0	0	0	0
Relocation costs	289,090	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0
Other tenant services	5,493	0	454	4,815	3,465
Total Tenant Services	294,583	0	454	4,815	3,465
Utilities:					
Water	375,921	0	195,053	47,964	17,263
Electricity	14,056	0	5,457	82,813	26,147
Gas	117,367	0	142,153	7,175	3,944
Fuel	0	0	0	482	0
Sewer	0	0	0	0	0
Other utilities	0	0	0	4,691	1,671
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	507,344	0	342,663	143,125	49,025

	<u>IL024000006</u>	<u>IL024000007</u>	<u>IL024000008</u>	<u>IL024000011</u>	<u>IL024009999</u>	<u>Other Project</u>	<u>TOTAL</u>
\$	330,704	\$ 554,312	\$ 515,499	\$ 0	\$ 0	\$ 0	\$ 2,586,231
	6,485	209	4,388	0	0	0	77,795
	<u>337,189</u>	<u>554,521</u>	<u>519,887</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,664,026</u>
	506,718	465,559	463,972	41,085	0	0	5,111,540
	53,952	118,136	118,594	0	0	0	503,777
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	81	81	81	34,364	0	0	34,931
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	16,979	13,058	20,592	0	0	0	224,260
	0	0	0	0	0	0	0
\$	<u>914,919</u>	<u>1,151,355</u>	<u>1,123,126</u>	<u>75,449</u>	<u>0</u>	<u>0</u>	<u>8,538,534</u>

\$	98,318	\$ 123,104	\$ 122,846	\$ 0	\$ 0	\$ 0	\$ 718,943
	1,585	1,972	2,018	0	0	0	11,275
	133,644	166,839	171,044	0	0	0	950,466
	12,443	15,495	15,893	0	0	0	88,344
	38	112	110	0	0	0	497
	49,138	71,719	64,102	0	0	0	375,465
	24,162	23,896	24,940	0	0	0	203,928
	9,206	3,191	932	0	0	0	62,111
	118	104	81	0	0	0	719
	5,509	4,607	7,257	0	0	0	89,757
	<u>334,161</u>	<u>411,039</u>	<u>409,223</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,501,505</u>

	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0	0	0	0	0	0	0
	0	0	0	0	0	0	289,090
	0	0	0	0	0	0	0
	6,109	4,840	5,089	0	0	0	30,265
	<u>6,109</u>	<u>4,840</u>	<u>5,089</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>319,355</u>

	38,307	39,701	42,694	0	0	0	756,903
	28,682	20,771	22,792	0	0	0	200,718
	50,794	34,279	40,635	0	0	0	396,347
	378	278	313	0	0	0	1,451
	0	0	550	0	0	0	550
	1,309	2,392	0	0	0	0	10,063
	0	0	0	0	0	0	0
	<u>119,470</u>	<u>97,421</u>	<u>106,984</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,366,032</u>

**Housing Authority of Joliet
Joliet, Illinois**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMPs
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	<u>IL024000001</u>	<u>IL024000002</u>	<u>IL024000003</u>	<u>IL024000004</u>	<u>IL024000005</u>
Ordinary Maintenance & Operation:					
Labor	131,495	0	243,490	83,769	19,813
Materials	36,257	0	45,904	29,733	4,360
Employee benefit contributions	38,600	0	40,261	16,417	6,005
Contract costs - garbage removal	4,519	0	7,400	9,056	0
Contract costs - heating & cooling	1,460	0	3,745	4,193	1,046
Contract costs - snow removal	0	0	0	0	0
Contract costs - elevator maintenance	0	0	0	23,080	3,235
Contract costs - landscape maintenance	17,605	0	16,330	6,898	2,345
Contract costs - unit turnaround	0	0	0	0	0
Contract costs - electrical	0	0	5,479	0	4,191
Contract costs - plumbing	35,014	0	28,151	7,063	8,124
Contract costs - extermination	6,804	0	7,056	5,250	1,890
Contract costs - janitorial	0	0	0	0	0
Contract costs - routine maintenance	37,161	0	61,763	41,686	12,945
Contract costs - other	100,933	0	118,360	8,787	5,125
Total Ordinary Maintenance & Operation	409,848	0	577,939	235,932	69,079
Protective Services:					
Protective services - salaries	0	0	0	8,113	3,471
Protective services - contract costs	2,357	0	7,662	864	322
Employee benefits - protective services	0	0	0	6,107	2,594
Other protective services	0	0	0	0	0
Total Protective Services	2,357	0	7,662	15,084	6,387
Insurance Premiums:					
Property insurance	63,213	0	34,987	22,443	6,478
Liability insurance	9,664	0	9,437	6,153	1,835
Workmen's compensation	27,245	0	27,634	15,533	5,718
Insurance - other	10,005	0	15,194	2,299	1,701
Total Insurance Premiums	110,127	0	87,252	46,428	15,732
General Expenses:					
Other general expense	1,579	0	500	3,666	3,887
Compensated absences	10,320	0	14,591	7,059	2,160
Payments in lieu of taxes	21,302	0	2,731	23,791	9,503
Bad debt - tenant rents	12,444	0	21,812	5,238	2,520
Bad debt - mortgages	0	0	0	0	0
Bad debt - other	0	0	0	0	0
Severance expense	0	0	0	0	0
Total General Expenses	45,645	0	39,634	39,754	18,070
Financial Expenses:					
Interest expense - Mortgage Payable	7,214	0	0	52,892	54,929
Interest expense - Notes Payable	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0
Total Financial Expenses	7,214	0	0	52,892	54,929
TOTAL OPERATING EXPENSE	1,837,631	0	1,510,350	849,353	337,187
EXCESS OPERATING REVENUE	159,455	0	132,995	239,878	206,836

<u>IL024000006</u>	<u>IL024000007</u>	<u>IL024000008</u>	<u>IL024000011</u>	<u>IL024009999</u>	<u>Other Project</u>	<u>TOTAL</u>
76,456	67,234	75,012	0	0	0	697,269
12,863	11,545	16,373	0	0	0	157,035
22,414	18,064	19,173	0	0	0	160,934
1,628	2,709	0	0	0	0	25,312
8,842	3,555	1,610	0	0	0	24,451
0	0	0	0	0	0	0
12,112	9,574	10,360	0	0	0	58,361
3,240	2,980	4,300	0	0	0	53,698
0	0	0	0	0	0	0
0	3,206	0	0	0	0	12,876
5,799	2,090	9,597	0	0	0	95,838
5,838	7,266	7,434	0	0	0	41,538
0	0	0	0	0	0	0
45,019	22,652	0	0	0	0	221,226
4,129	8,424	38,757	0	0	0	284,515
<u>198,340</u>	<u>159,299</u>	<u>182,616</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,833,053</u>
37,656	14,404	45,691	0	0	0	109,335
427	289	308	0	0	0	12,229
29,538	11,149	12,273	0	0	0	61,661
0	0	0	0	0	0	0
<u>67,621</u>	<u>25,842</u>	<u>58,272</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>183,225</u>
9,591	9,743	9,855	0	0	0	156,310
6,506	8,096	16,482	0	0	0	58,173
24,647	21,230	26,449	0	0	0	148,456
2,683	3,931	7,690	0	0	0	43,503
<u>43,427</u>	<u>43,000</u>	<u>60,476</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>406,442</u>
2,486	1,960	5,179	41,085	0	0	60,342
6,991	7,614	7,914	0	0	0	56,649
31,972	68,423	62,801	0	0	0	220,523
7,105	8,891	2,237	0	0	0	60,247
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>48,554</u>	<u>86,888</u>	<u>78,131</u>	<u>41,085</u>	<u>0</u>	<u>0</u>	<u>397,761</u>
34,316	34,517	36,147	0	0	0	220,015
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>34,316</u>	<u>34,517</u>	<u>36,147</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>220,015</u>
<u>851,998</u>	<u>862,846</u>	<u>936,938</u>	<u>41,085</u>	<u>0</u>	<u>0</u>	<u>7,227,388</u>
<u>62,921</u>	<u>288,509</u>	<u>186,188</u>	<u>34,364</u>	<u>0</u>	<u>0</u>	<u>1,311,146</u>

**Housing Authority of Joliet
Joliet, Illinois**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMPs
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	<u>IL024000001</u>	<u>IL024000002</u>	<u>IL024000003</u>	<u>IL024000004</u>	<u>IL024000005</u>
Other Expenses:					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	0	0	0
Depreciation expense	186,249	0	128,440	214,794	221,917
Total Other Expenses	<u>186,249</u>	<u>0</u>	<u>128,440</u>	<u>214,794</u>	<u>221,917</u>
TOTAL EXPENSES	\$ <u>2,023,880</u>	\$ <u>0</u>	\$ <u>1,638,790</u>	\$ <u>1,064,147</u>	\$ <u>559,104</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>(26,794)</u>	\$ <u>0</u>	\$ <u>4,555</u>	\$ <u>25,084</u>	\$ <u>(15,081)</u>
Operating transfer - in	202,076	0	6,351	176,839	100,000
Operating transfer - out	(202,076)	0	(6,351)	(176,839)	(100,000)
Inter project excess cash transfer - in	0	0	0	0	0
Inter project excess cash transfer - out	0	0	0	0	0
Transfer of equity	0	0	0	0	0
Prior period adjustments	0	0	0	0	0
Beginning Net Position	<u>2,584,160</u>	<u>0</u>	<u>2,063,431</u>	<u>1,626,816</u>	<u>1,594,609</u>
Ending Net Position	\$ <u>2,557,366</u>	\$ <u>0</u>	\$ <u>2,067,986</u>	\$ <u>1,651,900</u>	\$ <u>1,579,528</u>
Units Available	1,944	0	2,016	1,500	564
Units Leased	1,932	0	1,972	1,494	537

<u>IL024000006</u>	<u>IL024000007</u>	<u>IL024000008</u>	<u>IL024000011</u>	<u>IL024009999</u>	<u>Other Project</u>	<u>TOTAL</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>219,936</u>	<u>251,350</u>	<u>341,899</u>	<u>25,240</u>	<u>0</u>	<u>0</u>	<u>1,589,825</u>
<u>219,936</u>	<u>251,350</u>	<u>341,899</u>	<u>25,240</u>	<u>0</u>	<u>0</u>	<u>1,589,825</u>
\$ <u>1,071,934</u>	\$ <u>1,114,196</u>	\$ <u>1,278,837</u>	\$ <u>66,325</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>8,817,213</u>
\$ <u>(157,015)</u>	\$ <u>37,159</u>	\$ <u>(155,711)</u>	\$ <u>9,124</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(278,679)</u>
944	0	0	0	0	0	486,210
(944)	0	0	0	0	0	(486,210)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>2,051,318</u>	<u>2,258,832</u>	<u>3,289,148</u>	<u>4,225,617</u>	<u>0</u>	<u>0</u>	<u>19,693,931</u>
\$ <u>1,894,303</u>	\$ <u>2,295,991</u>	\$ <u>3,133,437</u>	\$ <u>4,234,741</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>19,415,252</u>
1,668	2,076	2,124	504	0	0	12,396
1,659	2,066	2,119	504	0	0	12,283

**Housing Authority of Joliet
Joliet, Illinois**

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
June 30, 2015**

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<u>FEDERAL GRANTOR</u>			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>			
Public Housing:			
Public and Indian Housing	A - Major	14.850	\$ 3,662,638
Public Housing Capital Fund Program	A - Major	14.872	1,958,683
Section 8 Housing Assistance Program:			
Section 8 Housing Choice Voucher	A - Major	14.871	10,435,858
Family Self Sufficiency Program:			
Service Coordinator - Combined	B - Nonmajor	14.896	<u>43,296</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u>16,100,475</u>
Threshold for Type A & Type B			\$ <u>449,126</u>

The accompanying notes to the schedule of federal financial awards is an integral part of this schedule.

HOUSING AUTHORITY OF JOLIET
Joliet, Illinois

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of Joliet and is presented on the post-GASB 34 full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B - SUBRECIPIENTS:

The Housing Authority of Joliet provided no federal awards to subrecipients during the fiscal year ending June 30, 2015.

NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:

- The Housing Authority of Joliet received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2015.
- The Housing Authority of Joliet had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended June 30, 2015.
- The Housing Authority of Joliet maintains the following limits of insurance as of June 30, 2015:

Property	\$ 125,622,384
Liability	\$ 3,000,000
Business Auto	\$ 1,000,000
Worker Compensation	Statutory
Directors & Officers Liability	\$ 3,000,000
Employee Dishonesty	\$ 300,000

Settled claims have not exceeded the above commercial insurance coverage limits over the past three years.

**HOUSING AUTHORITY OF JOLIET
Joliet, Illinois**

**SUPPLEMENTAL INFORMATION
SPECIAL REPORTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Housing Authority of Joliet
Joliet, Illinois

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS
June 30, 2015

Grant Year IL06P024501-11

1 The Actual Capital Fund Program Costs of Phase IL06P024501-11 are as follows:

Funds Approved	\$ 1,454,064
Funds Expended	<u>1,454,064</u>
Excess of Funds Approved	\$ <u><u>-</u></u>
Funds Advanced	\$ 1,454,064
Funds Expended	<u>1,454,064</u>
Excess of Funds Advanced	\$ <u><u>-</u></u>

- 2 All costs were incurred in the prior audit period and accordingly were not reaudited by Rector, Reeder & Lofton, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of Joliet
Joliet, Illinois

STATEMENT AND CERTIFICATION OF ACTUAL ROSS PROGRAM COSTS
June 30, 2015

Grant Year IL024RFS036A011

1 The Actual ROSS Program Costs of Phase IL024RFS036A011 are as follows:

Funds Approved	\$	64,665
Funds Expended		<u>64,665</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	64,665
Funds Expended		<u>64,665</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2 All costs were incurred in the prior audit and accordingly were not reaudited by Rector, Reeder & Lofton, P.C.
- 3 The total program costs as stated on the Annual Statement of costs on the Short Form 425 dated September 19, 2012 is in agreement with the PHA's records.
- 4 All ROSS Program costs have been paid and all related liabilities have been discharged through payment.