

**FINAL**

# Operating Fund Annual Report Calendar Year 2009



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Financial Management Division  
Real Estate Assessment Center  
Office of Public and Indian Housing



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## 1.0 INTRODUCTION

The Public Housing Operating Fund Program provides funding to public housing agencies (PHAs) for the operation and maintenance of public housing.<sup>1</sup> New regulations became effective in 2007 that made two major changes to the public housing program. The first was a new formula for determining a project's operating subsidy eligibility, benchmarked to the cost of operating Federally-assisted housing. The second was the requirement for PHAs to convert to asset management, including project-based budgeting, accounting, and management. Full conversion to asset management is required by 2011.

***Operating Fund Annual Report for Calendar Year 2009*** presents key statistics on the Operating Fund Program. This is the third Operating Fund Annual Report, which includes various changes to make it more informative. Wherever possible, figures for 2007 and 2008 have been provided for comparative analysis purposes.

The primary focus of this report is program funding, including the factors that shape subsidy eligibility.

Additional information on the Operating Fund Program, including public housing's conversion to asset management, can be found at:

<http://www.hud.gov/offices/pih/programs/ph/am/>

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<sup>1</sup> See 24 CFR Part 990, Operating Fund Program.

## 2.0 BACKGROUND

### 2.1 OPERATING FUND FORMULA

A project's subsidy eligibility is determined according to a formula that, essentially, includes four components:

- **Project Expense Level (PEL).** The PEL is a model-generated estimate of the cost of operating each project, exclusive of utilities and certain add-ons.
- **Utility Expense Level (UEL).** The UEL is the funding a project receives for utilities based on an estimate of current rates and historical consumption (with incentives for energy savings).
- **Add-ons.** These are special funding amounts for certain items outside the PEL and UEL, including a project's Payment in Lieu of Taxes (PILOT). Nationally, these add-ons represent about 6.4% of total subsidy eligibility.
- **Formula Income.** This is the rental income recognized by the formula for subsidy purposes.<sup>2</sup>

Subsidy eligibility represents the difference between Formula Expenses (PEL, UEL, and Add-ons) and Formula Income, as shown in the diagram below.

$$\text{PEL} + \text{UEL} + \text{Add-ons} - \text{Formula Income} = \text{Operating Subsidy Eligibility}$$

Beginning in 2005, the Congress changed to 'calendar year' funding of operating subsidies. In effect, all PHAs receive operating subsidies for a particular calendar year – regardless of the PHA's fiscal year. Generally, subsidies are paid only for units that are occupied or categorized as 'allowable vacancies', referred to as Eligible Unit Months (EUMs). Units receive funding based on their eligible status in the period of July 1 - June 30 immediately preceding the funding year. In other words, PHAs are paid subsidies according to historical (most recent) occupancy patterns, without year-end reconciliations.

To the extent that overall subsidy eligibility exceeds congressional appropriations, amounts are then 'prorated.'

### 2.2 SUBSIDY PROCESSING

PHAs calculate each project's subsidy eligibility on form HUD-52723, *Operating Fund: Calculation of Operating Subsidy*. (A separate form, HUD-52722, *Operating Fund: Calculation of Utilities Expense Level*, is used to calculate the project's UEL, which is then transferred to the form HUD-52723.)

Upon completion, PHAs submit their forms HUD-52723 and HUD-52722 to their local HUD Field Offices. After review and approval, local HUD Field Offices submit the approved forms to headquarters, where the data is summarized and matched against funding levels (to determine proration levels, as appropriate).

In order to allow time for subsidy processing, the Department typically awards funds in increments based on prior year formula characteristics, to be adjusted once the final

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<sup>2</sup> To provide incentives to PHAs to increase rental incomes, Formula Income, from 2007 to 2009, was "frozen" at 2004 levels (see section 5.3 Formula Income).

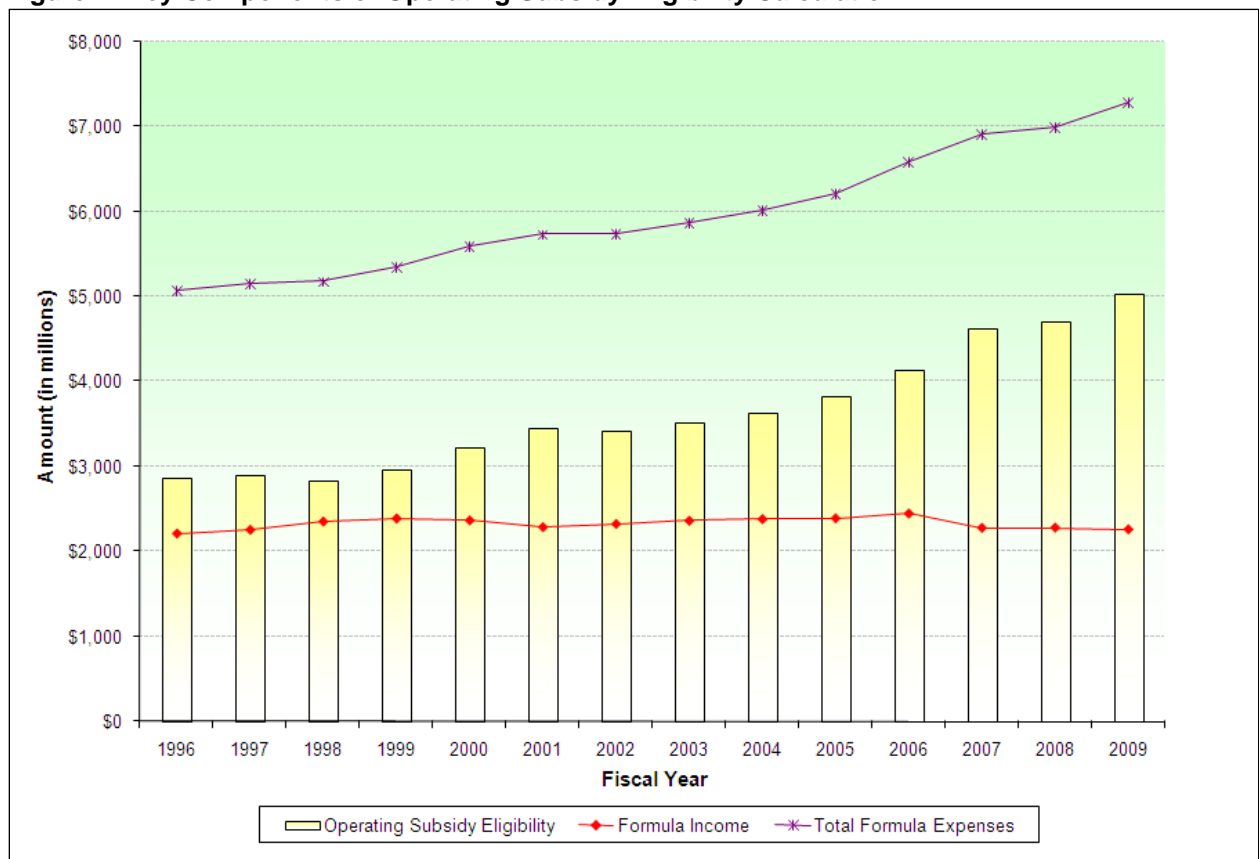
appropriation is enacted and all subsidy forms have been processed. Final subsidy awards for any given calendar year are made by September 30<sup>th</sup>.

Calendar Year (CY) 2009 was the second year in which subsidy computations and disbursements were done at the project level.<sup>3</sup> At the year end, HUD provided a reconciliation worksheet to all PHAs summarizing the subsidy computation.<sup>4</sup> A sample subsidy reconciliation worksheet is provided in Appendix A. More details on the reconciliation methodology are available at: <http://www.hud.gov/offices/pih/programs/ph/am/of/opfnd2009.cfm>

### 2.3 TRENDS IN FORMULA EXPENSES, FORMULA INCOME, AND ELIGIBILITY

Figure 1 presents the trend in Total Formula Expenses, Formula Income and Operating Subsidy Eligibility from 1996 to 2009. As depicted, from 1996-2009, total formula expenses have increased 44 percent, but formula income has increased only 2 percent, resulting in a 76 percent increase in operating subsidy eligibility. It should be noted that 2007 marked the implementation of the new subsidy formula.

**Figure 1: Key Components of Operating Subsidy Eligibility Calculation**



<sup>3</sup> Prior to 2007, operating subsidies were calculated at the agency level. In 2007, with the new Operating Fund Formula, subsidies were calculated at the project level, but were still disbursed at the agency level (to assist with the transition to asset management).

<sup>4</sup> The main purpose of this subsidy reconciliation worksheet is to reconcile the obligations made pursuant to estimates with the final approved project eligibility.

### 3.0 CY 2009 PROGRAM SIZE, ELIGIBILITY, FUNDING LEVELS, AND PRORATION

#### 3.1 PROGRAM SIZE

As shown in Table 1, there were 3,125 PHAs that received funding under the Operating Fund Program in CY 2009. These agencies accounted for 7,338 public housing projects and 1,183,490 units under an Annual Contributions Contract (ACC).<sup>5</sup>

**Table 1: PHA and Unit Counts by Number of Projects for CY 2009<sup>1</sup>**

Number of Projects	PHA Count		Project Count		Unit Count	
	#	% of Total	#	% of Total	#	% of Total
One	2,307	73.8%	2,307	31.4%	211,116	17.8%
2 to 5	600	19.2%	1,705	23.2%	258,314	21.8%
6 to 10	129	4.1%	987	13.5%	164,510	13.9%
10 to 20	55	1.8%	797	10.9%	153,533	13.0%
More than 20	22	0.7%	714	9.7%	110,132	9.3%
141	NYCHA	0.0%	141	1.9%	158,319	13.4%
292	Puerto Rico	0.0%	292	4.0%	55,895	4.7%
MTW <sup>2</sup>	10	0.3%	395	5.4%	71,671	6.1%
<b>Total</b>	<b>3,125</b>	<b>100.0%</b>	<b>7,338</b>	<b>100.0%</b>	<b>1,183,490</b>	<b>100.0%</b>

<sup>1</sup> Dataset includes only PHAs and projects that received operating subsidy for 2009.

<sup>2</sup> There are 10 PHAs under the Moving to Work (MTW) Program that have alternative subsidy calculations. For these 10 PHAs, subsidy levels were established at the time of entry into the MTW program and indexed annually by inflation. These PHAs do not complete individual project subsidy worksheets but submit "consolidated" project worksheets.

#### 3.2 CY 2009 ELIGIBILITY

For CY 2009, total eligibility was \$5.03 billion, an increase of \$319.5 million over CY 2008 (6.8%). Key formula components for CY 2009 are shown in Table 2, compared with CY 2007 and CY 2008. Between 2008 and 2009, UELs increased 10%, accounting for the largest increase in Formula Expenses. Formula Income dropped 1% between 2008 and 2009.<sup>6</sup>

<sup>5</sup>The total count of PHAs presented on different charts may vary due to the use of different data sources. For example, unit count data extracted from the submission of annual financial statements will differ slightly from unit count data extracted from subsidy submission worksheets (not all PHAs request subsidy). There are also timing differences in financial statements vs. subsidy submissions.

<sup>6</sup>Under 24 CFR 990.115, Formula Income is frozen in 2007-2009 at 2004 levels; however, PHAs may also have their Formula Income reduced by any increase in tenant utility allowances.

**Table 2: Key Formula Components**

#	Description	CY 2007	CY 2008	CY 2009
1	<b>ACC Units</b>	<b>1,191,110</b>	<b>1,214,746</b>	<b>1,183,490</b>
2	<b>Eligible Unit Months (EUM)<sup>1</sup></b>	<b>12,807,344</b>	<b>12,729,120</b>	<b>12,681,168</b>
3	<b>Project Expense Level</b>	<b>\$4,458,104,151</b>	<b>\$4,521,730,021</b>	<b>\$4,647,084,637</b>
4	<b>Utility Expense Level</b>	<b>\$1,715,647,507</b>	<b>\$1,544,732,243</b>	<b>\$1,700,005,397</b>
5	Add-ons:			
6	Self-Sufficiency	\$14,582,988	\$14,904,151	\$15,214,528
7	Energy Loan Amortization	\$17,319,044	\$21,042,957	\$28,042,109
8	PILOT	\$95,406,001	\$94,709,635	\$98,622,843
9	Cost of Independent Audit	\$17,349,462	\$19,151,951	\$21,418,746
10	Funding for Resident Participation Units	\$25,203,825	\$25,200,275	\$25,175,075
11	Asset Management Fee	\$43,657,092	\$41,321,190	\$40,671,958
12	Information Technology Fee	\$26,648,226	\$26,732,930	\$26,655,182
13	Asset Repositioning Fee	\$52,021,551	\$63,789,564	\$67,986,011
14	<b>Total Add-Ons</b>	<b>\$292,188,189</b>	<b>\$306,852,653</b>	<b>\$323,786,452</b>
15	Total Formula Expense	\$6,465,939,847	\$6,373,314,917	\$6,670,876,486
16	Formula Income	\$2,296,129,409	\$2,329,318,149	\$2,328,298,167
17	Change in Utility Allowance	-\$20,511,810	-\$50,146,008	-\$69,676,254
18	<b>Total Formula Income</b>	<b>\$2,275,617,599</b>	<b>\$2,279,172,141</b>	<b>\$2,258,621,913</b>
19	Other Formula Provisions:			
20	Moving to Work (MTW) with Alternative Subsidy Calculation	\$483,894,624	\$459,916,839	\$466,722,725
21	Transition Funding (Gainers)	-\$218,698,508	\$0	\$0
22	Transition Funding (Decliners) <sup>2</sup>	\$176,704,108	\$155,315,024	\$148,465,199
23	Other	\$1,307,535	\$1,756,366	\$3,200,612
24	<b>Total Other Formula Provisions</b>	<b>\$443,207,759</b>	<b>\$616,988,229</b>	<b>\$618,388,536</b>
25	<b>Total Eligibility</b>	<b>\$4,633,530,007</b>	<b>\$4,711,131,005</b>	<b>\$5,030,643,109</b>

<sup>1</sup>MTW PHAs with alternative subsidy calculation do not report EUMs.

<sup>2</sup>Amount reflects approved stop-loss submissions for Year 1, Year 2 and Year 3.

Table 3 shows total CY 2009 eligibility by PHA size categories. (See Appendix B for operating subsidy eligibility by State). Collectively, PHAs with 1,250 or more units represent just 4% of all agencies but 57% of program units and 66% of subsidy eligibility.

**Table 3: CY 2009 Eligibility Amount Categorized by PHA Size**

Size Category	PHA Count	ACC Units	% of Units	Eligibility	% of Eligibility
NYCHA (158,319 Units)	1	158,319	13%	\$ 991,271,429	20%
Size 6 (More than 6,599 Units)	13	189,189	16%	\$ 990,687,906	20%
Size 5 (1,250 to 6,599 Units)	120	305,762	26%	\$ 1,339,308,310	27%
Size 4 (500 to 1,249 Units)	229	174,921	15%	\$ 639,319,788	13%
Size 3 (250 to 499 Units)	430	149,684	13%	\$ 491,886,468	10%
Size 2 (100 to 249 Units)	854	133,969	11%	\$ 386,002,588	8%
Size 1 (Less than 100 Units)	1,478	71,646	6%	\$ 192,166,620	4%
<b>Total</b>	<b>3,125</b>	<b>1,183,490</b>	<b>100%</b>	<b>\$ 5,030,643,109</b>	<b>100%</b>



### 3.3 CY 2009 APPROPRIATION

For 2009, Congress appropriated \$4.45 billion for operating subsidies under the Public Housing Operating Fund program. Of this amount, \$5.94 million was set aside for technical assistance to PHAs. Figure 2 shows historical appropriations levels from 2003 to 2009.

**Figure 2: Appropriation Levels from 2003 to 2009**



\* For 2005, Congress changed to “calendar year” funding for the Operating Fund program. For that year, lower levels of appropriations were needed. HUD funded PHAs with fiscal years that began in 2005 only for the number of months within each PHA’s fiscal year that were in calendar year 2005. PHAs with fiscal years beginning January 1, 2005, received twelve months of funding; PHAs with fiscal years beginning April 1, 2005, received nine months of funding; PHAs with fiscal years beginning July 1, 2005, received six months of funding; and PHAs with fiscal years beginning October 1, 2005, received three months of funding. Thus, while the amount appropriated in 2005 (\$2.42 billion) decreased by more than \$1.1 billion from 2004, it still resulted in proration of 88.8%. For consistency purposes, the figure reflects the equivalent level of funding, assuming 88.8% proration, had the Congress not made the shift in 2005 to calendar year funding, or \$3.396 billion.

### 3.4 CY 2009 PRORATION

Because total eligibility in CY 2009 (\$5.03 billion) exceeded appropriated amounts (\$4.45 billion), funding to PHAs was 'prorated' at 88.42%, as shown in Table 4.

**Table 4: Proration Calculation for CY 2009**

#	Description	Amount (in \$)
1	CY 2009 Appropriation	\$4,455,000,000
2	Less: Set aside for technical assistance to PHAs	(\$5,940,000)
3	<b>Net Operating Fund Allocation</b>	<b>\$4,449,060,000</b>
4	Less: Unavailable due to recaptures	(\$283,351)
5	<b>Amount Available for Distribution (3) - (4)</b>	<b>\$4,448,776,649</b>
6	CY 2008 Eligibility (Operating Fund)	\$5,030,643,109
7	CY 2008 Eligibility (HTK and MHP)	\$463,074
8	<b>Total CY 2009 Eligibility (6) + (7)</b>	<b>\$5,031,106,183</b>
9	<b>Proration (5) / (8)</b>	<b>88.42%</b>

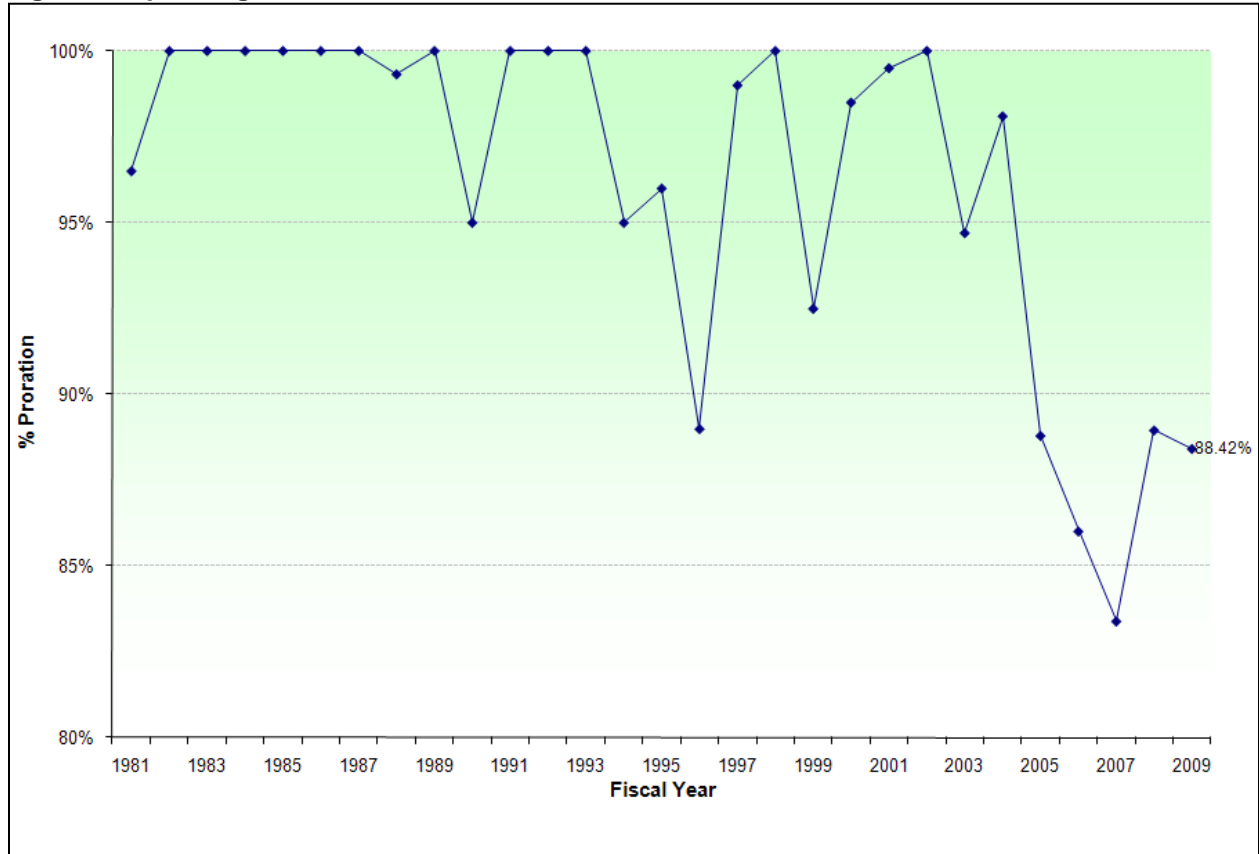
Table 5 shows proration levels from 1981 to 2009. Figure 3 presents this information in a line chart.<sup>7</sup> From 1981 through 2004, proration levels failed to reach 95% only two times. For the past five years, proration has ranged from 83.40% to 88.96%.

**Table 5: Proration Levels from 1981 to 2009**

Year	Proration Level	Year	Proration Level	Year	Proration Level
1981	96.50%	1991	100.00%	2001	99.50%
1982	100.00%	1992	100.00%	2002	100.00%
1983	100.00%	1993	100.00%	2003	94.70%
1984	100.00%	1994	95.00%	2004	98.10%
1985	100.00%	1995	96.00%	2005	88.80%
1986	100.00%	1996	89.00%	2006	86.02%
1987	100.00%	1997	99.00%	2007	83.40%
1988	99.32%	1998	100.00%	2008	88.96%
1989	100.00%	1999	92.50%	2009	88.42%
1990	95.00%	2000	98.50%		

<sup>7</sup> 2007 is the first year of the implementation of the new formula.

Figure 3: Operating Fund Historical Proration Levels



#### 4.0 UNITS ELIGIBLE FOR SUBSIDY

PHAs earn subsidies based on the number of months a unit is eligible for subsidy. Except in the case of new units, a unit qualifies for subsidy based on its status during the 'reporting period'. For CY 2009, the reporting period was July 1, 2007 – June 30, 2008, i.e., the twelve month period six months prior to the start of the calendar year.

There are three key terms related to unit funding, as defined below:

- **ACC Units:** This figure represents the total number of dwelling units under a PHA's Annual Contribution Contract (ACC) as of June 30 of the reporting period, i.e., the end of the reporting period. In CY 2009, there were 1.2<sup>8</sup> million ACC units reported. ACC units are used in subsidy calculations only for payment of add-ons for Asset Management Fee and IT Fee.
- **Unit Months:** This figure represents the total number of months that units were under ACC for the reporting period. Typically, unless a PHA adds or deletes units during a year, the number of unit months will be equal to the number of ACC units *times* 12. In CY 2009 there were an estimated 14.2 million unit months.<sup>9</sup> This figure equates into approximately 1.2 million units (14.2 million divided by 12).
- **Eligible Unit Months (EUMs):** This figure represents the actual number of months that units were eligible for funding for the reporting period. The requirements for funding include: (a) occupied units, (b) certain "allowable" vacancies, and (c) limited vacancies up to three (3) percent<sup>10</sup> of total units. In CY 2009 there were 13.5 million EUMs reported.

The breakdown of ACC units, UMAs, and EUMs for CY 2009 are shown in Table 6.

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<sup>8</sup> The total count of PHAs presented on different charts may vary due to the use of different data sources. For example, unit count data extracted from the submission of annual financial statements will differ slightly from unit count data extracted from subsidy submission worksheets (not all PHAs request subsidy). There are also timing differences in financial statements vs. subsidy submissions.

<sup>9</sup> MTW PHAs with alternative subsidy calculations do not report UMAs and EUMs. As indicated in the chart, UMs and EUMs for these agencies are estimated.

<sup>10</sup> PHAs can claim up to three percent of their units that are vacant but not in an approved category as limited vacancies. For instance, a PHA has 200 units; 170 are occupied and 20 are allowable vacancies (undergoing modernization). Of the 10 remaining vacant units, 6 would be "limited vacancies" (3%) and 4 would be unallowable.

**Table 6: Count of PHAs and Units by PHA Size Category, CY 2009**

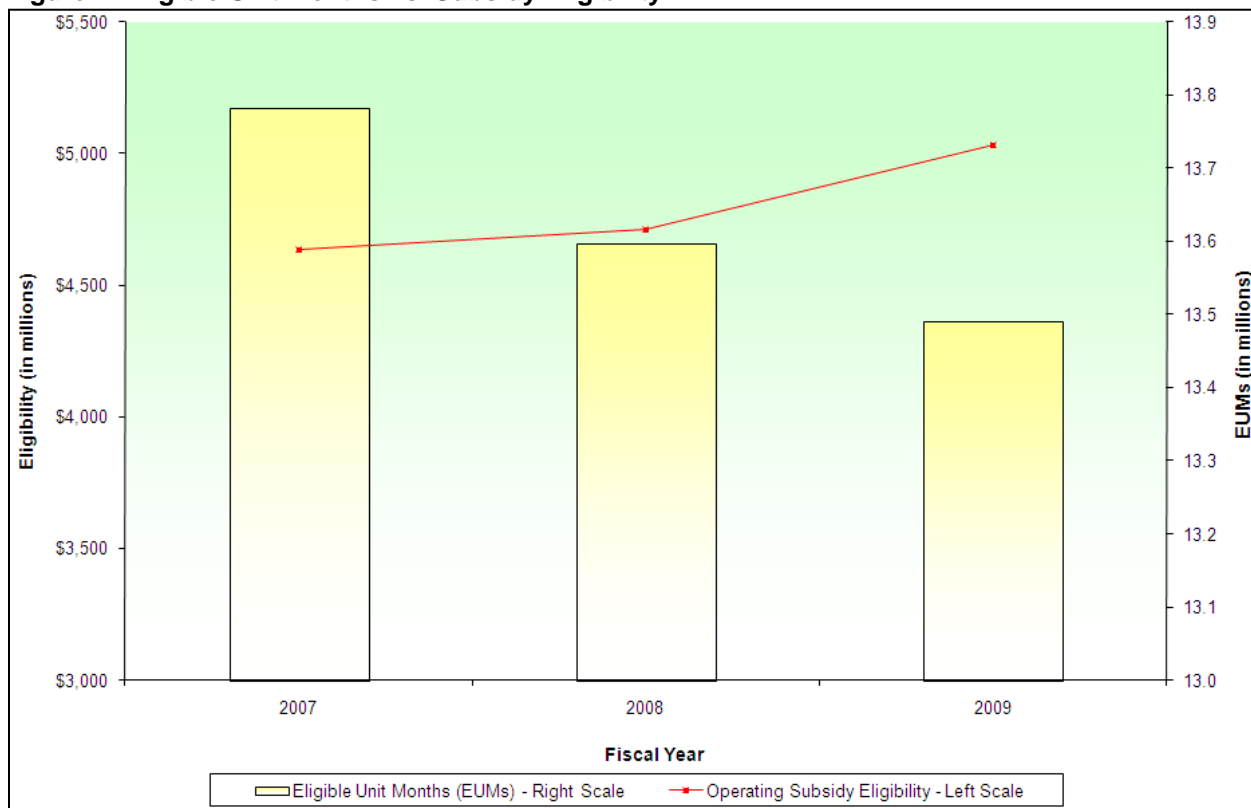
PHA Size Category	PHA Count	Unit Count	Unit Months (UMs)			Eligible Unit Months (EUMs)		
			All PHAs (Except MTW)	<sup>1</sup> Estimated MTW PHAs	Total	All PHAs (Except MTW)	<sup>1</sup> Estimated MTW PHAs	Total
NYCHA (158,319 Units)	1	158,319	1,883,304	-	1,883,304	1,873,888	-	1,873,888
Size 6 (More than 6,599 Units)	13	189,189	1,566,230	646,596	2,212,826	1,393,262	615,234	2,008,496
Size 5 (1,250 to 6,599 Units)	120	305,762	3,473,865	194,004	3,667,869	3,250,771	184,594	3,435,365
Size 4 (500 to 1,249 Units)	229	174,921	2,120,832	6,192	2,127,024	1,998,175	5,892	2,004,067
Size 3 (250 to 499 Units)	430	149,684	1,804,471	4,428	1,808,899	1,747,878	4,213	1,752,091
Size 2 (100 to 249 Units)	854	133,969	1,610,935	-	1,610,935	1,567,133	-	1,567,133
Size 1 (Less than 100 Units)	1,478	71,646	867,954	-	867,954	850,061	-	850,061
<b>Total</b>	<b>3,125</b>	<b>1,183,490</b>	<b>13,327,591</b>	<b>851,220</b>	<b>14,178,811</b>	<b>12,681,168</b>	<b>809,934</b>	<b>13,491,102</b>

<sup>1</sup>MTW alternative subsidy agencies do not report UMs or EUMs. For these agencies, UMs were estimated by multiplying ACC Units by 12 and EUMs were estimated by multiplying the resulting figure by 0.95.

In effect, of the total units under ACC, an equivalent of 1.2 million units received operating subsidy and approximately 57,000 were not eligible for funding, either because they were vacant and not eligible for subsidy or they had been approved for demolition/disposition and were receiving an Asset Repositioning Fee.

Figure 4 reflects the trend in EUMs and subsidy eligibility from 2007 to 2009. As depicted, in recent years EUMs have decreased while subsidy eligibility has increased.

**Figure 4: Eligible Unit Months vs. Subsidy Eligibility**



### Funding of Vacant Units

EUMs include certain “allowable” vacancies, i.e., vacant units that receive operating subsidy. Table 7 presents a comparison of unit months reported in CY 2007, 2008 and 2009 on the form HUD-52723 unit status line items. For CY 2009, PHAs (excluding alternative subsidy MTW agencies) included an estimated 13.3 million total unit months, of which 12.7 million were EUMs. Approximately 400,000 unit months, or 3.10% of available unit months (13 million), consisted of allowable vacancies, and another 217,000 unit months (1.68%) were funded as limited vacancies.<sup>11</sup> Some 235,000 (1.82%) were vacant and not funded.

Funding for vacancies was approximately \$280 million in CY 2009, or 5 percent of total operating subsidy eligibility.

**Table 7: Unit Status Categories<sup>1</sup>**

#	Unit Status	CY 2007		CY 2008		CY 2009	
		Unit Months	%	Unit Months	%	Unit Months	%
1	Occupied units by eligible families	12,075,517	92%	12,073,065	92%	12,061,867	92%
	Vacancies						
2	Units undergoing modernization	310,786	2%	297,301	2%	283,005	2%
3	Special use units	43,209	0%	39,889	0%	40,046	0%
4	Units vacant due to litigation	6,980	0%	3,240	0%	5,348	0%
5	Units vacant due to disasters	83,210	1%	46,940	0%	29,743	0%
6	Units vacant due to casualty losses	9,508	0%	10,345	0%	9,203	0%
7	Units vacant due to changing market conditions	25,057	0%	36,299	0%	34,006	0%
8	<b>Allowable Vacancies (2+3+4+5+6+7)</b>	<b>478,750</b>	<b>4%</b>	<b>434,014</b>	<b>3%</b>	<b>401,351</b>	<b>3%</b>
9	Unallowable vacancies	189,086	1%	245,408	2%	235,297	2%
10	Limited vacancies	253,411	2%	222,041	2%	217,950	2%
11	<b>Total Vacancies (8+9+10)</b>	<b>921,247</b>	<b>7%</b>	<b>901,463</b>	<b>7%</b>	<b>854,598</b>	<b>7%</b>
12	Units Not Eligible for Subsidy <sup>2</sup>	96,963	1%	80,543	1%	93,391	1%
13	<b>Total Available for Occupancy (1+11+12)</b>	<b>13,093,727</b>	<b>100%</b>	<b>13,055,071</b>	<b>100%</b>	<b>13,009,856</b>	<b>100%</b>
14	Units in Asset Repositioning <sup>3</sup>	230,538		311,394		317,735	
15	<b>Total Reported Unit Months</b>	<b>13,324,265</b>		<b>13,366,465</b>		<b>13,327,591</b>	
16	<b>Eligible Unit Months (1+8+10)</b>	<b>12,807,344</b>		<b>12,729,120</b>		<b>12,681,168</b>	

<sup>1</sup> Excludes MTW PHAs with alternative subsidy calculation that do not report unit status information.

<sup>2</sup> These units could be occupied (by police officers, over-income families) or vacant.

<sup>3</sup> These units could be occupied or vacant.

<sup>11</sup> Limited Vacancies are “unallowable” vacancies limited to three (3) percent of total units or up to five (5) vacant units.

## 5.0 OTHER FORMULA PROVISIONS AND INFORMATION

### 5.1 PROJECT EXPENSE LEVELS (PELs)

The PEL is the per-unit month (PUM) funding amount assigned to each project for non-utility expenses, exclusive of add-ons. As shown in Table 8, the 50<sup>th</sup> percentile (median) PEL in CY 2009 was \$340 for family projects, \$264 for senior projects, and \$322 overall.<sup>12</sup>

**Table 8: Percentile Distribution of PUM PELs**

Percentile	CY 2008 PELs			CY 2009 PELs		
	Family Projects	Senior Projects	All	Family Projects	Senior Projects	All
10%	\$256	\$231	\$255	\$273	\$243	\$250
20%	\$275	\$234	\$272	\$293	\$248	\$263
30%	\$293	\$237	\$291	\$313	\$250	\$279
40%	\$311	\$240	\$308	\$332	\$255	\$300
50%	\$318	\$249	\$324	\$340	\$264	\$322
60%	\$334	\$263	\$346	\$357	\$281	\$340
70%	\$356	\$283	\$373	\$384	\$302	\$358
80%	\$383	\$314	\$394	\$414	\$334	\$389
90%	\$430	\$349	\$433	\$467	\$368	\$432
100%	\$550	\$493	\$519	\$584	\$520	\$584

### 5.2 UTILITY EXPENSE LEVELS (UELs)

The UEL is the PUM funding a project receives for utilities based on an estimate of current rates and historical consumption, with incentives for energy savings. As shown in Table 9, the 50<sup>th</sup> percentile (median) UEL in CY 2009 was \$67 for family projects, \$95 for senior projects, and \$69 overall.<sup>13</sup>

**Table 9: Percentile Distribution of PUM UELs**

Percentile	CY 2008 UELs			CY 2009 UELs		
	Family Projects	Senior Projects	All	Family Projects	Senior Projects	All
10%	\$9	\$31	\$15	\$12	\$35	\$9
20%	\$23	\$51	\$29	\$26	\$57	\$27
30%	\$34	\$66	\$45	\$38	\$73	\$42
40%	\$47	\$76	\$59	\$52	\$85	\$56
50%	\$62	\$88	\$74	\$67	\$95	\$69
60%	\$80	\$99	\$90	\$86	\$109	\$84
70%	\$105	\$114	\$110	\$111	\$122	\$101
80%	\$141	\$135	\$138	\$152	\$143	\$123
90%	\$208	\$171	\$192	\$225	\$181	\$168
100%	\$663	\$610	\$663	\$1,347	\$504	\$911

<sup>12</sup> In CY 2009, the unit-weighted average PEL was \$366 PUM, an increase of 3 percent from CY 2008 (\$355 PUM).

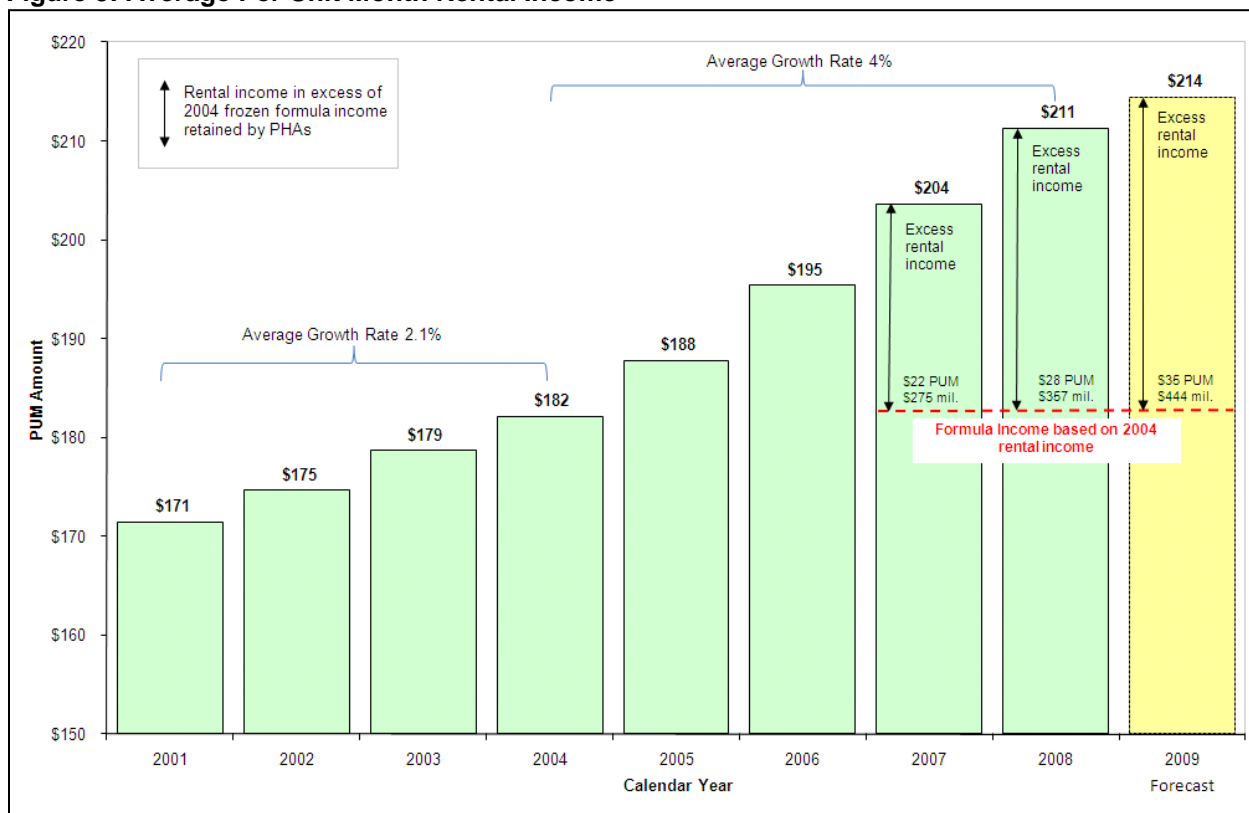
<sup>13</sup> In CY 2009, the unit-weighted average UEL was \$134 PUM, an increase of 9 percent from CY 2008 (\$121 PUM).

### 5.3 FORMULA INCOME

Formula Income represents the amount of rental income that the Operating Fund formula recognizes for subsidy purposes. For CY 2009, the last year in which amounts were frozen at 2004 levels, Formula Income was \$183.60 PUM.

Figure 5 shows the actual rental revenues from 2001 to 2009 and the amount of ‘excess’ income PHAs retained as a result of the frozen income provision in CY 2007-2009.<sup>14</sup> From 2001-2004, rental incomes grew just 2.1%. From 2004 to 2008, rental incomes grew 4%. As a result of the frozen income provision, approximately \$275 million in rental income was not recognized by the formula in CY 2007, which grew to \$357 million in CY 2008, and \$444 million in CY 2009.

**Figure 5: Average Per Unit Month Rental Income**



1. Source: PHA financial statements.
2. Note: PUM amounts are calculated based on unit months leased and differ from PUM Tenant Rental Revenue, which is calculated using unit months available.

<sup>14</sup> Actual rental incomes based on year-end financial statements. To calculate 2009 levels, 2008 amounts were inflated by 1.48%.



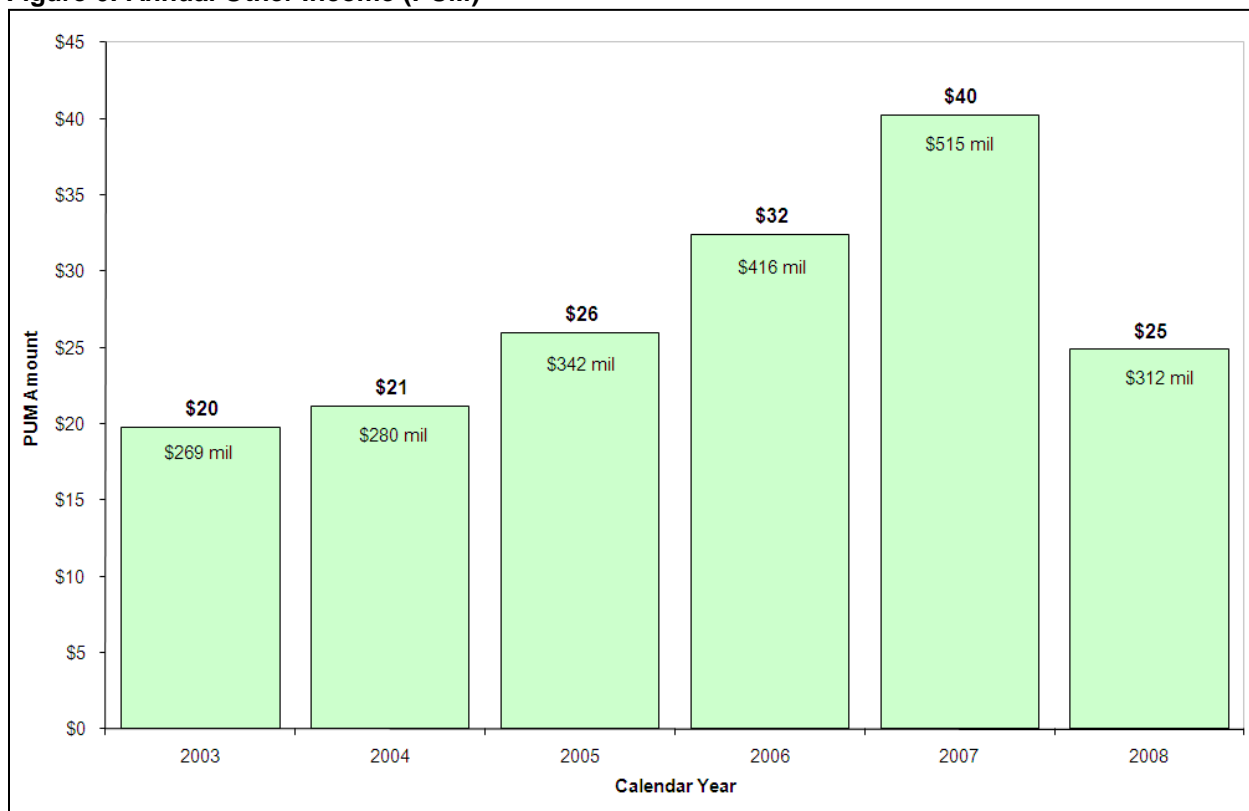
### 5.4 OTHER INCOME NOT RECOGNIZED BY THE FORMULA

In addition to tenant rental income, PHAs generate, under the Operating Fund Program, income from several other sources, including anything from investment income to income from vending machines. Other income is not part of the Operating Fund formula (i.e., no off-set in subsidy).

Figure 6 presents historical data on other income from 2003-2008. In 2008 (the most recent year in which year-end financial statements were available), PHAs reported \$316 million (\$25 PUM) in other income. Although a substantial decrease from the \$515 million (\$40 PUM) reported in 2007, this other income still represents a significant amount of PHA income. Other income includes the following line items from the Financial Data Schedule (FDS)<sup>15</sup>:

- Line 70400 – Tenant Revenue – Other
- Line 71100 – Investment Income – Unrestricted
- Line 71200 – Mortgage Interest Income
- Line 71300 – Proceeds from Disposition of Assets Held for Sale
- Line 71310 – Cost of Sale of Assets
- Line 71400 – Fraud Recovery
- Line 71500 – Other Revenue
- Line 71600 – Gain/Loss on Sale of Fixed Assets
- Line 72000 – Investment Income – Restricted

**Figure 6: Annual Other Income (PUM)**



1. Source: PHA financial statements.  
 2. 2008 amounts were taken from FDS submissions with FYEs 6/30/08 – 3/31/09.  
 3. This analysis may not include MTW agencies that do not submit financial statements. A list of these agencies can be found in Appendix E.

<sup>15</sup> The FDS is the electronic financial statement filed by each PHA annually. See Section 6.0 for more information.

## 5.5 TRANSITION FUNDING

Overall, about 26 percent of PHAs experience a decline in funding under the new formula (versus the prior methodology) and 74 percent experience a gain. The net gain results in approximately \$271 million or 8.25 percent in increased eligibility (in 2004 dollars). To ease the impact on “decliners,” new funding levels are phased in over five years. For CY 2009, decliner agencies that had not qualified for stop-loss (see below) experienced a 43 percent decline in eligibility between the old and new formulas. In the case of gainers, the full amount of increase in subsidy level was realized in CY 2008.

Table 10 shows the total estimated impact of the new formula, by gainers and decliners, based on 2004 eligibility.

**Table 10: Transition Funding and Count of Gainer and Decliner PHAs**

	Number of PHAs	% of PHAs	Interim Rule Eligibility 2004	Final Rule Eligibility 2004	Difference Between Interim and Final Rule Eligibility
Gainers	2,304	74%	\$1,594,071,044	\$2,050,574,552	\$456,503,508
Decliners	814	26%	\$1,686,647,869	\$1,500,695,405	-\$185,952,464
Other PHAs*	14	0%	N/A	N/A	N/A
<b>Totals</b>	<b>3,132</b>	<b>100%</b>	<b>\$3,280,718,913</b>	<b>\$3,551,269,957</b>	<b>\$270,551,044</b>

\*Excluded from this chart are (1) 8 Moving to Work “alternative funding” PHAs that would otherwise decline (their grant agreements hold them harmless) and (2) 6 PHAs where data was incomplete.

## 5.6 STOP-LOSS

Decliner agencies can apply to HUD to stop their losses by demonstrating successful conversion to asset management, i.e., stop-loss, in accordance with PIH Notices 2006-14, 2006-35, 2007-16 and 2008-33. Originally, the deadline for Year 1 applications was October 15, 2006. HUD issued two extensions, resulting in a final Year 1 deadline of October 15, 2007. The stop-loss application schedule is included in Table 11.

**Table 11: Stop-Loss Demonstration Timeline and Effective Dates**

Demonstration Date By	Applications Due	Reduction Stopped At	Reduction Effective For
September 30, 2007	October 15, 2007	5% of the PUM difference	CY 2007 and thereafter
April 1, 2008	April 15, 2008	24% of the PUM difference	CY 2008 and thereafter
October 1, 2008	October 15, 2008	43% of the PUM difference	CY 2009 and thereafter
October 1, 2009	October 15, 2009	62% of the PUM difference	CY 2010 and thereafter
October 1, 2010	October 15, 2010	81% of the PUM difference	CY 2011 and thereafter

A total of 437 stop-loss applications were received for Year 1, Year 2 and Year 3. Nearly 81 percent of large PHAs that experienced a decline in the new formula have submitted an application for stop-loss to HUD, compared with 47 percent of small PHAs. The number of received and approved stop-loss applications by HUD is reflected in Table 12.

**Table 12: Stop-Loss Applications Received by HUD**

Application Status	# of Small PHAs	# of Large PHAs	Total
<b>Total Decliners</b>	<b>662</b>	<b>152</b>	<b>814</b>
<b>Total Applied for Stop-Loss</b>	<b>314</b>	<b>123</b>	<b>437</b>
<b>Total Approved for Stop-Loss</b>	<b>264</b>	<b>92</b>	<b>356</b>
- Year 1 Applications	295	111	406
- Year 1 Approved	249	89	338
- Year 2 Applications	14	7	21
- Year 2 Approved	11	2	13
- Year 3 Applications	5	5	10
- Year 3 Approved	4	1	5

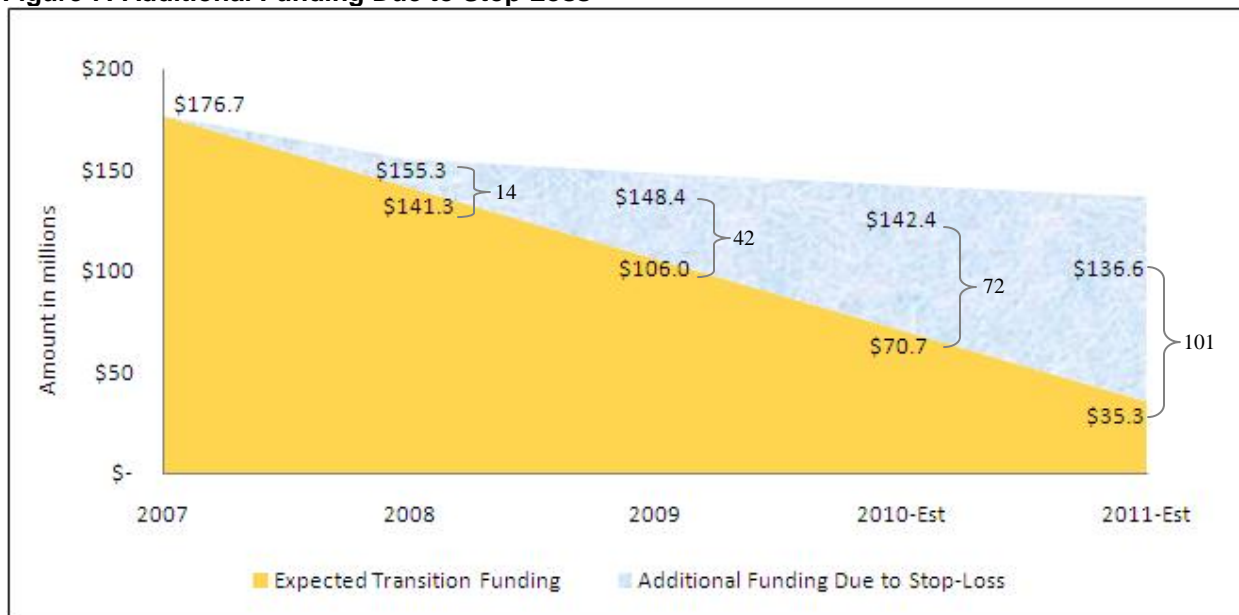
Notes:

1. Small PHAs have less than 250 units and Large PHAs have more than or equal to 250 units.

Of the 437 received stop-loss applications, 356 were approved and 80 were denied, with one application pending.<sup>16</sup> 84 percent of large PHAs and 75 percent of small PHAs that applied for stop-loss were granted approval for stop-loss. For these 356 approved agencies, without stop loss, their transition funding would have been \$89 million in CY 2009. Instead, their transition funding was \$131 million, for a net impact of \$42 million in increased eligibility.

As shown in Figure 7, the additional cost (higher eligibility) as a result of stop-loss is estimated to increase from \$14 million in CY 2008 to \$101 million in CY 2011.

**Figure 7: Additional Funding Due to Stop Loss**



<sup>16</sup> Approved figures include PHAs that initially were denied but successfully submitted Management Responses or applied again in subsequent years.

## 5.7 ASSET MANAGEMENT ELECTIONS

Under 24 CFR 990.260(b), PHAs with fewer than 250 public housing units, other than agencies approved for stop-loss, can elect to be exempt from asset management. Section 225 of the Consolidated Appropriations Act, 2008, increased, for CY 2008, the threshold to 400 units, except for PHAs eligible for stop-loss, who must implement asset management. Section 225 of the Consolidated Appropriations Act, 2009, extended the 400 unit provision. Therefore, PHAs with fewer than 400 units were not required to implement asset management in 2009. Table 13 provides a count of the number of PHAs between 250 and 400 units that chose to opt-out of asset management in 2009.

**Table 13: Count of PHAs that Opted-out of Asset Management**

	Total Opted Out	Total Not Opted Out	Total
<b>PHA Count</b>	186	148	334
<b>Project Count</b>	405	370	775
<b>Units</b>	58,138	46,773	104,911

## 5.8 APPEALS

Subpart G of the Operating Fund Final Rule includes certain provisions for PHAs to appeal their PELs and associated operating subsidy calculations. In accordance with Notice PIH 2009-10 PHAs could appeal their 2009 Operating Subsidy under one or more of the following categories:

1. Streamlined appeal. This appeal required PHAs to demonstrate that there is a blatant and objective flaw in the application of a specific Operating Fund formula component.
2. Appeal of formula income for economic hardship. PHAs could appeal to have their formula income adjusted from the level frozen in 2004 (in accordance with 990.195(c) of the final rule) in order to reflect a severe local economic hardship that is impacting the PHAs' ability to maintain rental and other revenue.
3. Appeal to substitute actual project cost data. PHAs could appeal to have their PEL changed when they can produce project cost data, derived from actual asset management as outlined in subpart H of the final rule, for a period of at least two years.
4. Appeal for specific local conditions. An appeal for specific local conditions required PHAs to demonstrate that the model-generated PELs failed to reflect local conditions. To be eligible for a change in subsidy for an appeal for specific local conditions, PHAs had to demonstrate a variance of ten percent or greater in their PEL.
5. Appeal for changing market conditions. PHAs could appeal to receive operating subsidy for vacant units due to changing market conditions after they had taken aggressive marketing and outreach measures to rent these units.

Appeals for categories 1, 3 and 4 were submitted directly to headquarters and appeals received under categories 2 and 5 were handled at the Field Office level.

Table 14 includes the count for each type of appeal for CYs 2007, 2008 and 2009. Out of the 148 appeals in CY 2007, 122 appeals, totaling \$7.8, million were approved and processed for categories 1, 2, 4, and 5, and 26 appeals were denied. No appeals received in category 1, 3 and 4 were approved for CY 2008 or CY 2009.

**Table 14: Count of PHA Appeals**

#	Type of Appeal	2007	2008	2009
1	Streamlined Appeals	17	1	-
2	Formula Income for Economic Hardship Appeals <sup>1</sup>	8	N/A <sup>2</sup>	N/A <sup>2</sup>
3	Actual Project Cost Data Appeals	-	-	-
4	Specific Local Condition Appeals	21	10	8
5	Changing Market Condition Appeals <sup>1</sup>	102	190 <sup>3</sup>	147 <sup>3</sup>
	<b>Total</b>	<b>148</b>	<b>201</b>	<b>155</b>

<sup>1</sup> Appeals received under categories 2 and 5 were handled by the Field Offices.

<sup>2</sup> For CY 2007, appeals under category 2 were handled at headquarters and for CY 2008 and CY 2009 they were handled by the Field Offices.

<sup>3</sup> Represents only approved appeals not number of appeals received. In CY 2008 and CY 2009, 190 & 147 PHAs, respectively, had approved appeals for Changing Market Condition, representing approximately 3,000 units and 2830 units, respectively.

## 5.9 MUTUAL HELP AND TURNKEY III HOMEOWNERSHIP PROGRAMS

The Operating Fund appropriation includes funding for PHAs participating in Mutual Help and Turnkey III Homeownership programs as well. PHAs are required to complete and submit form HUD-53087, *Calculation of Subsidies for Operations: Non-Rental Housing*, to their respective Field Offices. In CY 2009 there were only nine Turnkey III Homeownership and Mutual Help projects that received funding, totaling \$463,074. Table 15 compares the total eligibility of Mutual Help and Turnkey III Homeownership programs for CY 2008 and CY 2009.

**Table 15: Eligibility Amount of Mutual Help and Turnkey Programs**

Program Name	CY 2007		CY 2008		CY 2009	
	# of Projects	Eligibility	# of Projects	Eligibility	# of Projects	Eligibility
Turnkey III Homeownership	14	\$869,146	14	\$828,841	8	\$440,059
Mutual Help	1	\$17,770	1	\$15,562	1	\$23,015
<b>Total</b>	<b>15</b>	<b>\$886,916</b>	<b>15</b>	<b>\$844,403</b>	<b>9</b>	<b>\$463,074</b>

## 6.0 PROJECT-LEVEL FINANCIAL STATEMENTS

PHAs are required to provide annual financial statements to HUD, covering each major program or business activity. Beginning with fiscal years ending June 30, 2008, coinciding with the first year of conversion to asset management, PHAs have also been required to submit financial statements for each public housing project. This section includes information from those financial statements on public housing projects for the first year of project-level financial reporting, representing PHA fiscal years ending June 30, 2008 through March 31, 2009. Please refer to Appendix E for technical notes regarding these financial statements.

### 6.1 PROJECT BALANCE SHEETS

Appendix C presents the Operating Fund program balance sheets for 2007 and 2008.<sup>17</sup>

In 2008, PHAs had \$2.36 billion in public housing operating reserves.<sup>18</sup> This amount reflects a decline of \$716 million from 2007. Table 16 shows a breakdown of operating reserves by PHA size category. Figure 8 shows overall public housing reserve levels since 2001.<sup>19</sup>

**Table 16: Public Housing Operating Reserves**

PHA Size Category	Positive Reserve		Negative Reserve		Total	
	Count	\$	Count	\$	Count	\$
NYCHA*	1	\$427,661,012			1	\$427,661,012
Size 6 (More than 6,599 Units)	3	\$56,070,775	5	-\$293,444,536	8	-\$237,373,761
Size 5 (1,250 to 6,599 Units)	95	\$506,110,982	14	-\$112,886,212	109	\$393,224,770
Size 4 (500 to 1,249 Units)	198	\$453,620,672	19	-\$32,697,344	217	\$420,923,327
Size 3 (250 to 499 Units)	395	\$499,287,345	23	-\$13,182,390	418	\$486,104,955
Size 2 (100 to 249 Units)	810	\$518,301,047	19	-\$3,608,936	829	\$514,692,111
Size 1 (Less than 100 Units)	1,452	\$339,382,348	28	-\$3,350,348	1,480	\$336,032,000
<b>Total</b>	<b>2,954</b>	<b>\$2,800,434,180</b>	<b>108</b>	<b>(\$459,169,766)</b>	<b>3,062</b>	<b>\$2,341,264,414</b>

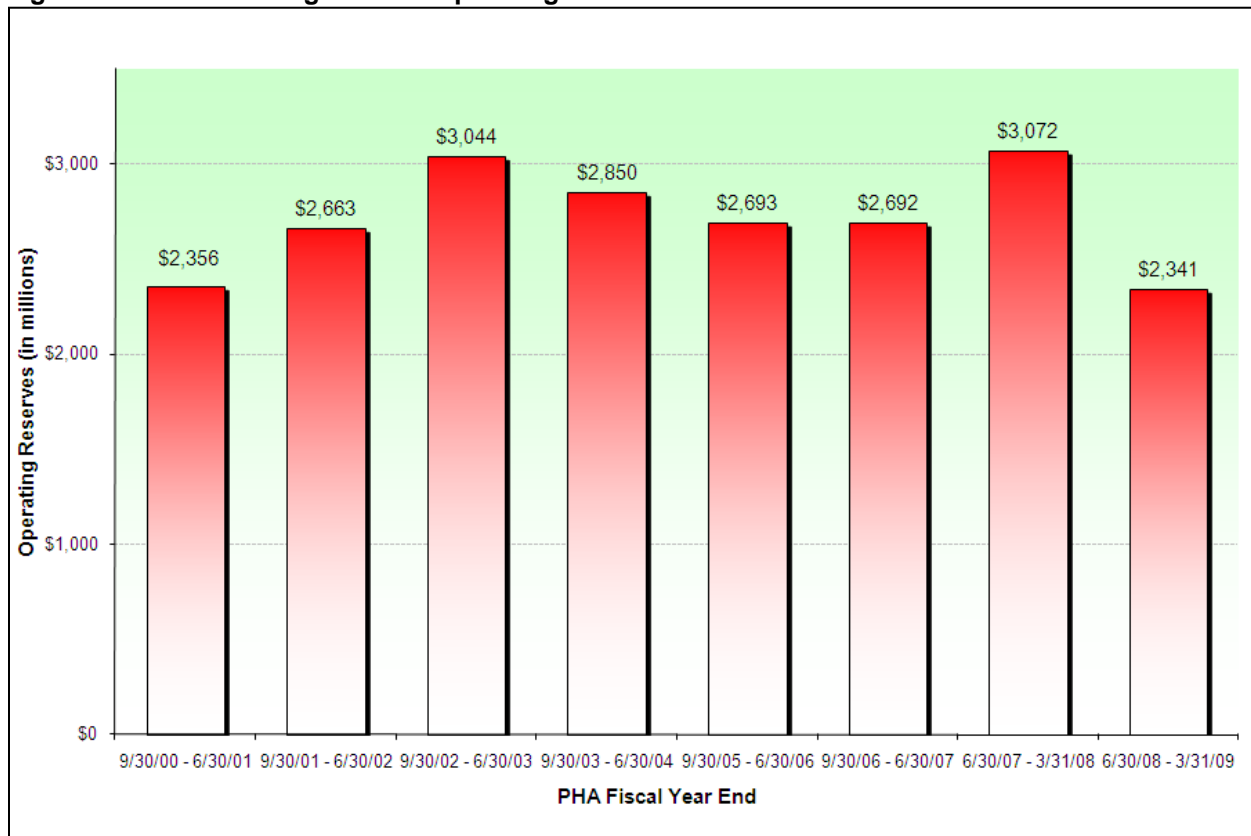
\* NYCHA transferred a liability of \$1.588 billion related to Other Post Employment Benefits (OPEB) from Operating Fund to Business Activities. This transfer is shown as an 'Inter-program Due From/To' and has been excluded for the purposes of calculating its operating reserves.

<sup>17</sup> Prior to 2008, PHAs submitted "consolidated" financial statements on the public housing program. In 2008, PHAs submitted financial statements on each project. The amounts reflected in Appendices C and D represent the combined balance sheet and income statement for all public housing projects for whom financial statements were submitted.

<sup>18</sup> See Appendix F for the calculation of operating reserves and a discussion of the difference between this calculation and 'Unrestricted net assets.'

<sup>19</sup> One of the main reasons for the drop in operating reserves from 2007 to 2008 is the transfer of equity from the projects to their Central Office Cost Center (COCC) associated with establishing a COCC working capital account.

Figure 8: Public Housing Historic Operating Reserve Levels



## 6.2 PROJECT INCOME STATEMENTS

Appendix D presents the Operating Fund program income statements for 2007 and 2008.<sup>20</sup> As previously noted, 2008 was the first year of PHAs reporting project-level financial information. In 2008, total revenues of \$6.6 billion exceeded expenses of \$6.5 billion (net of depreciation), not including transfers in (mostly from the Capital Fund Program) of \$411 million. Similar patterns occurred in 2007.

<sup>20</sup>2008 figures only include amounts reported under the “Operations” column of the project Income Statements, i.e., they exclude amounts reported under the “Capital Fund” column.

## 7.0 PUBLIC HOUSING PROJECT CHARACTERISTICS

The operating cost model that generates individual PELs includes ten coefficients. Below are the average public housing project characteristics associated with those ten coefficients.

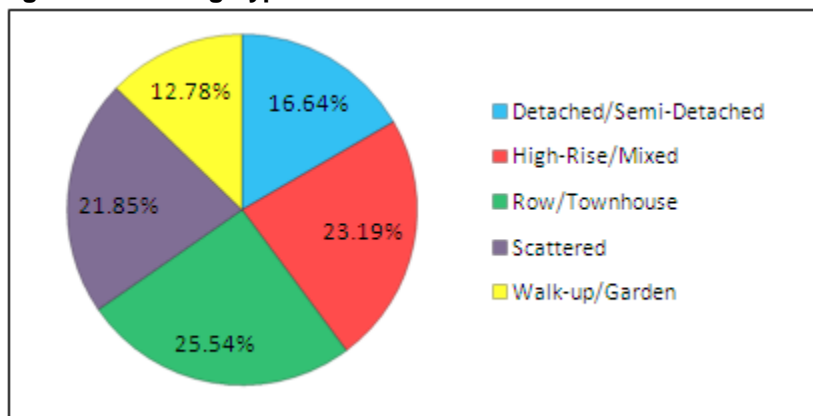
- **Project Size:** The size of a project is determined by the total number of ACC units in the project. The average size of projects for CY 2009 was 162 units and the median was 111 units.
- **Project Age:** For purposes of the cost-model, the age of a project is determined by the difference between the Date of Full Availability (DOFA) and December 31, 2000. The average age of projects for CY 2009 was 27 years.

When different projects are combined, or buildings from different projects are combined to form a “new project,” the age of the property will be the weighted average age of the different buildings in the new project based on their number of units (unit weighted average).

- **Bedroom Size:** The average bedroom size of a project is determined by the percentage of two, three, and four or more bedroom units in that project. The average bedroom size per unit was 1.89.
- **Building Type:** The building type is determined by the type of structure(s) that comprise the project. For example, a single family home is a detached/semi-detached building type. When there are different building types in one project (e.g., detached and row/townhouses), the building type is determined by the majority of the units in that project.

Figure 9 depicts projects by building type. As illustrated, Row/Townhouse is the most common building type, followed by High-Rise/Mixed.

**Figure 9: Building Type**

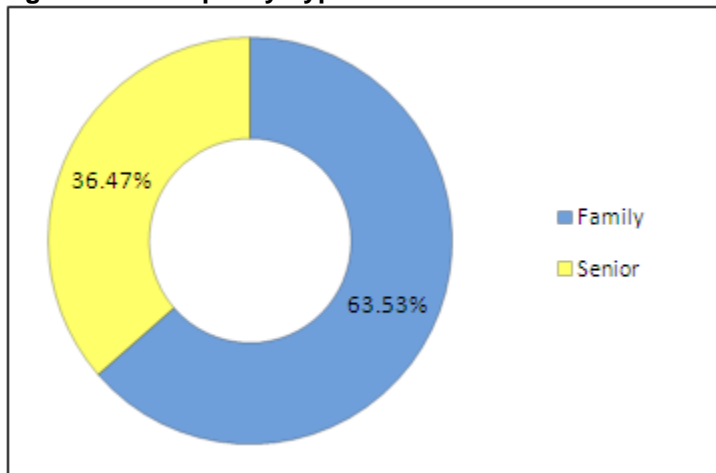




- **Occupancy Type:** There are two occupancy types: senior and family. The occupancy type is determined by the percentage of efficiency and one bedroom units in the project. If there are more than 50 percent efficiencies and one bedroom units, the project is considered senior. All other properties are considered family properties.

Figure 10 depicts projects by occupancy type. The most common occupancy type is family, which comprises about 64 percent of the portfolio.

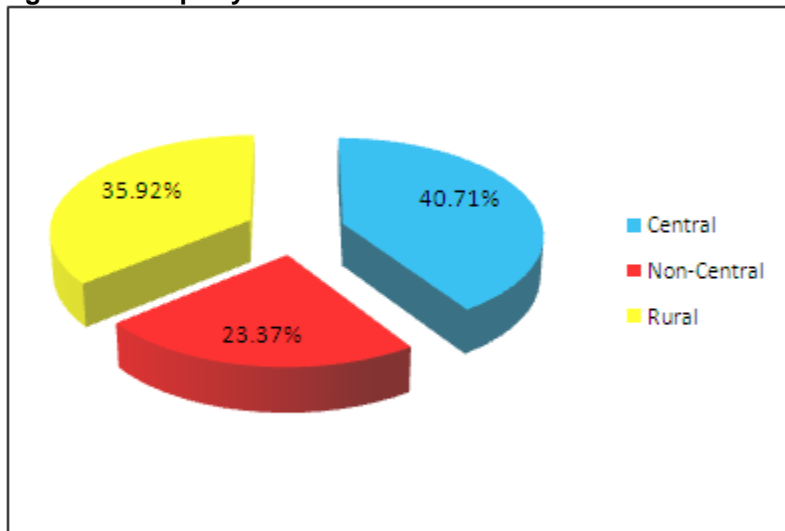
**Figure 10: Occupancy Type**



- **Location Type:** The location type property is classified as within the central city of a Metropolitan Statistical Area (MSA), a non-central city area of an MSA, or a rural area, based on the property census tract.

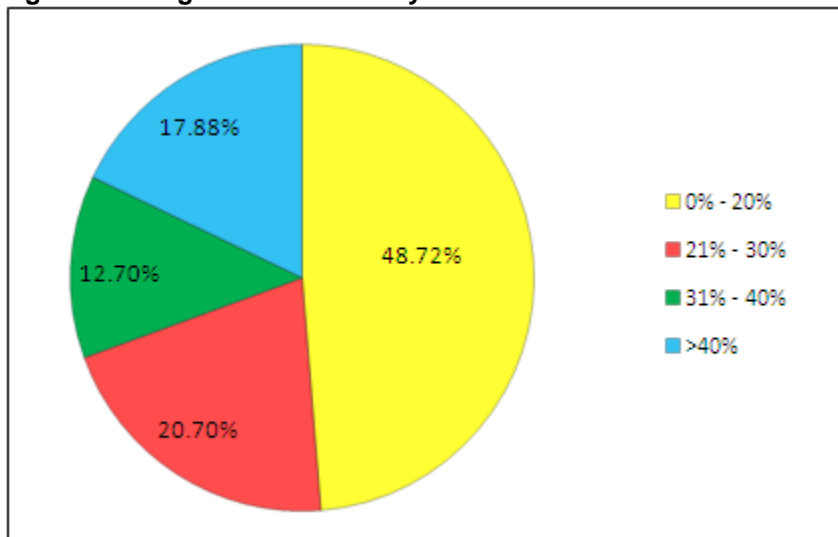
Figure 11, portrays properties by location. Central locations are the most common, comprising about 41 percent of the portfolio.

**Figure 11: Property Location**



- Neighborhood Poverty Rate:** The neighborhood poverty rate for each project is taken from the 1990 Census, using the project address to determine the census tract. If buildings in a project are in different census tracts, the tract with the highest number of units determines the neighborhood poverty rate. Figure 12 depicts poverty rates for the neighborhoods where the properties are located. The majority of the properties, or about 49 percent, are located in neighborhoods where the poverty rate is between 0 and 20 percent.

**Figure 12: Neighborhood Poverty Rates**



- Ownership Type Variable:** The ownership type for all public housing projects is non-profit (10% applied).
- Percent Assisted Variable:** Although there are five categories within the cost model for the percentage of units within a project that are assisted, for purposes of the PEL calculations for public housing, all PHA projects will be considered to be 100 percent assisted.
- Geographic:** The geographic variable is the largest in the model, with coefficients that range from a high of +42% for New York City to a low of -30% in many rural areas (relative to the reference area of Cleveland, OH), indicating that costs vary substantially from metropolitan area to metropolitan area. These variations in costs between geographic areas are likely due to differences such as wage rates, housing market conditions, the difficulty of doing business in different types of communities, the quality of local public services and infrastructure, and, perhaps, management functions that could differ across areas, such as trash removal.

**APPENDIX A: SAMPLE RECONCILIATION WORKSHEET**

**CY 2009 Operating Subsidy Documents  
Anytime Housing Authority**

Attached are the final obligation letters and final approved forms HUD-52723 for all projects in you Public Housing Agency (PHA). Also, below is the worksheet reconciling operating subsidy funding for all projects in your PHA. For more information on this reconciliation worksheet, please refer to "Final CY 2009 Operating Subsidy Obligation: Reconciliation Methodology" at <http://www.hud.gov/offices/pih/programs/ph/am/of/opfnd2009.cfm>"

		A	B	C	D	E	F	G	H
No	Project #	CY 2009 Total Eligibility	CY 2009 Prorated Eligibility At 88.42%	Amount Previously Obligated through 9/30/09	Expected Funding for 10/01/09 through 12/31/09 (before reconciliation)	Actual Funding for 10/1/09 through 12/31/09	Amount overfunded at PHA level	Amount deobligated during the year	Amount to be recaptured
1	XXXXX	\$ 19,011,489	\$ 16,809,959	\$ 12,547,583	\$ 4,262,376	\$ 4,262,376			
	<b>Total</b>	<b>\$ 19,011,489</b>	<b>\$ 16,809,959</b>	<b>\$ 12,547,583</b>	<b>\$ 4,262,376</b>	<b>\$ 4,262,376</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Project level amounts may not add to totals due to rounding

**Definitions**

Column A: Final approved CY 2009 eligibility of the project from Line E1 of HUD-52723

Column B: Prorated CY 2009 eligibility at 88.42 percent proration

Column C: Total amount funded to the project in the previous three rounds of funding

Column D: Funding to be provided to the project before reconciliation (Col B - Col C). This amount can be negative indicating that the project has received more funding than eligibility

Column E: Actual funding provided to the project after reconciliation. This amount cannot be negative.

Column F: In cases where a PHA as a whole may have received more funding than eligibility, this column represents the overfunded amount at the PHA level

Column G: Amount de-obligated during the year for the project. No action is required by the PHA

Column H: If PHA as a whole received more funding than eligibility and HUD was not able to de-obligate funds during the year (i.e., Col F exceeds Col G), funds will have to be recaptured. HUD will provide instructions to the affected PHAs and Field Offices on further action required.

**APPENDIX B: CY 2009 OPERATING FUND ELIGIBILITY BY STATE**

#	State Code	State Name	Count of PHAs	Count of Projects	Total Units	Total Eligibility	% of Total Eligibility
1	AK	Alaska	1	15	1,329	10,910,809	0.2%
2	AL	Alabama	147	276	41,113	154,890,808	3.1%
3	AR	Arkansas	106	126	14,500	42,537,396	0.8%
4	AZ	Arizona	15	46	6,666	24,907,682	0.5%
5	CA	California	55	237	43,086	158,250,623	3.1%
6	CO	Colorado	44	76	8,579	31,633,809	0.6%
7	CT	Connecticut	34	112	15,910	77,004,410	1.5%
8	DC	District of Columbia	1	48	7,924	56,349,076	1.1%
9	DE	Delaware	4	16	2,680	13,384,068	0.3%
10	FL	Florida	81	213	35,871	147,772,985	2.9%
11	GA	Georgia	185	372	47,204	166,130,598	3.3%
12	GQ	Guam	1	4	750	4,499,828	0.1%
13	HI	Hawaii	1	16	5,363	24,878,491	0.5%
14	IA	Iowa	48	56	4,261	8,565,593	0.2%
15	ID	Idaho	10	10	938	1,727,252	0.0%
16	IL	Illinois	99	261	67,590	293,936,194	5.8%
17	IN	Indiana	41	102	16,630	54,922,997	1.1%
18	KS	Kansas	93	122	9,060	23,095,817	0.5%
19	KY	Kentucky	105	169	22,966	69,510,238	1.4%
20	LA	Louisiana	102	165	25,821	79,170,053	1.6%
21	MA	Massachusetts	67	183	33,471	178,104,752	3.5%
22	MD	Maryland	25	71	20,228	113,380,454	2.3%
23	ME	Maine	20	27	4,075	17,602,604	0.3%
24	MI	Michigan	122	197	23,599	70,808,297	1.4%
25	MN	Minnesota	124	158	21,156	61,386,510	1.2%
26	MO	Missouri	106	172	18,038	48,512,870	1.0%
27	MS	Mississippi	52	115	13,936	45,102,625	0.9%
28	MT	Montana	10	21	2,045	6,386,540	0.1%
29	NC	North Carolina	99	294	36,405	147,258,156	2.9%
30	ND	North Dakota	15	24	1,835	4,393,616	0.1%
31	NE	Nebraska	98	128	7,561	17,248,891	0.3%
32	NH	New Hampshire	15	31	4,330	14,328,488	0.3%
33	NJ	New Jersey	80	234	40,391	205,588,731	4.1%
34	NM	New Mexico	37	47	4,558	13,060,100	0.3%
35	NV	Nevada	4	33	3,917	18,587,399	0.4%
36	NY	New York	84	366	194,231	1,131,144,180	22.5%
37	OH	Ohio	52	241	48,365	217,280,553	4.3%
38	OK	Oklahoma	103	138	13,096	40,806,211	0.8%
39	OR	Oregon	18	41	5,765	20,906,651	0.4%
40	PA	Pennsylvania	82	306	66,370	325,723,517	6.5%
41	RI	Rhode Island	25	65	9,668	42,768,505	0.9%
42	RQ	Puerto Rico	1	292	55,727	231,970,300	4.6%
43	SC	South Carolina	41	119	15,409	54,706,151	1.1%
44	SD	South Dakota	26	34	1,647	3,642,008	0.1%
45	TN	Tennessee	85	179	36,115	126,561,476	2.5%
46	TX	Texas	351	544	60,063	206,691,118	4.1%
47	UT	Utah	12	19	2,204	5,735,648	0.1%
48	VA	Virginia	28	126	20,361	87,545,194	1.7%
49	VQ	Virgin Islands	1	10	3,588	22,994,245	0.5%
50	VT	Vermont	8	11	1,829	5,977,722	0.1%
51	WA	Washington	29	92	15,576	47,382,246	0.9%
52	WI	Wisconsin	93	129	12,549	28,312,274	0.6%
53	WV	West Virginia	31	54	6,427	22,661,273	0.5%
54	WY	Wyoming	8	12	714	2,005,077	0.0%
	<b>Total</b>		<b>3,125</b>	<b>6,955</b>	<b>1,183,490</b>	<b>\$ 5,030,643,109</b>	<b>100.0%</b>

### APPENDIX C: BALANCE SHEET

The following table presents the Operating Fund program balance sheets for 2007 and 2008, including PUM amounts. Please see Appendix E for notes and clarifications. Please note that new line items were added to the FDS in 2008; in such instances, an "N/A" is reported in 2007.

Line Item	Description	2007 Amount	2007 PUM	2008 Amount	2008 PUM
111	Cash - Unrestricted	\$ 1,955,383,253	\$ 153.31	\$ 2,077,907,201	\$ 165.40
112	Cash - Restricted - Modernization and Development	\$ 509,205,986	\$ 39.92	\$ 524,049,737	\$ 41.71
113	Cash - Other Restricted	\$ 181,065,566	\$ 14.20	\$ 166,947,364	\$ 13.29
114	Cash - Tenant Security Deposits	\$ 131,936,676	\$ 10.34	\$ 129,762,211	\$ 10.33
115	Cash - Restricted for Payment of Current Liabilities	\$ 42,291,093	\$ 3.32	\$ 73,021,106	\$ 5.81
<b>100</b>	<b>Total Cash</b>	<b>\$ 2,819,882,574</b>	<b>\$ 221.09</b>	<b>\$ 2,971,687,618</b>	<b>\$ 236.55</b>
121	Account Receivables - PHA Projects	\$ 4,389,445	\$ 0.34	\$ 36,572,815	\$ 2.91
122	Account Receivables - HUD Other Projects	\$ 29,969,831	\$ 2.35	\$ 210,577,710	\$ 16.76
122-010	Account Receivables - HUD Other Projects-Operating Subsidy	N/A	N/A	\$ 40,838,161	\$ 3.25
122-020	Account Receivables - HUD Other Projects-Capital Fund	N/A	N/A	\$ 161,695,743	\$ 12.87
122-030	Account Receivables - HUD Other Projects-Other	N/A	N/A	\$ 8,044,131	\$ 0.64
124	Account Receivables - Other Government	\$ 18,243,289	\$ 1.43	\$ 16,501,664	\$ 1.31
125	Account Receivables - Miscellaneous	\$ 64,051,765	\$ 5.02	\$ 52,683,946	\$ 4.19
126	Account Receivables - Tenants - Dwelling Rents	\$ 98,381,449	\$ 7.71	\$ 107,467,871	\$ 8.55
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$ (58,437,285)	\$ (4.58)	\$ (48,938,221)	\$ (3.90)
126.2	Allowance for Doubtful Accounts - Other	\$ (17,294,806)	\$ (1.36)	\$ (17,564,245)	\$ (1.40)
127	Notes, Loans, & Mortgages Receivables - Current	\$ 10,799,006	\$ 0.85	\$ 3,510,303	\$ 0.28
128	Fraud Recovery	\$ 4,354,637	\$ 0.34	\$ 3,233,663	\$ 0.26
128.1	Allowance for Doubtful Accounts - Fraud	\$ (3,132,023)	\$ (0.25)	\$ (2,007,717)	\$ (0.16)
129	Accrued Interest Receivables	\$ 22,226,169	\$ 1.74	\$ 13,826,417	\$ 1.10
<b>120</b>	<b>Total Receivables, net of allowance for doubtful accounts</b>	<b>\$ 173,551,477</b>	<b>\$ 13.61</b>	<b>\$ 375,864,532</b>	<b>\$ 29.92</b>
131	Investments - Unrestricted	\$ 1,862,437,281	\$ 146.02	\$ 1,329,029,654	\$ 105.79
132	Investments - Restricted	\$ 249,205,844	\$ 19.54	\$ 272,311,064	\$ 21.68
135	Investments - Restricted for Payment of Current Liabilities	\$ 11,090,455	\$ 0.87	\$ 3,140,372	\$ 0.25
142	Prepaid Expenses and Other Assets	\$ 170,556,579	\$ 13.37	\$ 157,427,385	\$ 12.53
143	Inventories	\$ 91,681,593	\$ 7.19	\$ 64,220,604	\$ 5.11
143.1	Allowance for Obsolete Inventories	\$ (8,312,424)	\$ (0.65)	\$ (7,527,682)	\$ (0.60)
144	Interprogram Due From	\$ 434,325,371	\$ 34.05	\$ 717,998,149	\$ 57.15

Line Item	Description	2007 Amount	2007 PUM	2008 Amount	2008 PUM
145	Assets Held for Sale	\$ 9,294,008	\$ 0.73	\$ 7,966,235	\$ 0.63
<b>150</b>	<b>Total Current Assets</b>	<b>\$ 5,813,712,758</b>	<b>\$ 455.82</b>	<b>\$ 5,892,117,931</b>	<b>\$ 469.01</b>
161	Land	\$ 3,513,602,627	\$ 275.48	\$ 3,351,807,159	\$ 266.80
162	Buildings	\$ 46,640,566,694	\$ 3,656.84	\$ 47,623,098,578	\$ 3,790.81
163	Furniture, Equipment, & Machinery - Dwellings	\$ 718,323,896	\$ 56.32	\$ 761,640,008	\$ 60.63
164	Furniture, Equipment, & Machinery - Administration	\$ 1,145,117,083	\$ 89.78	\$ 748,901,809	\$ 59.61
165	Leasehold Improvements	\$ 2,532,779,629	\$ 198.58	\$ 2,609,687,677	\$ 207.73
166	Accumulated Depreciation	\$(33,423,231,677)	\$(2,620.54)	\$(33,754,947,343)	\$(2,686.90)
167	Construction in Progress	\$ 951,496,960	\$ 74.60	\$ 2,786,153,605	\$ 221.78
168	Infrastructure	\$ 458,896,884	\$ 35.98	\$ 472,883,883	\$ 37.64
<b>160</b>	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>\$ 22,537,552,096</b>	<b>\$ 1,767.05</b>	<b>\$ 24,599,225,376</b>	<b>\$ 1,958.10</b>
171	Notes, Loans, & Mortgages Receivables - Non Current	\$ 347,803,345	\$ 27.27	\$ 378,785,397	\$ 30.15
172	Notes, Loans, & Mortgages Receivables - Non Current - Past Due	\$ -	\$ -	\$ 1,987,385	\$ 0.16
173	Grant Receivable - Non Current	\$ 697,622	\$ 0.05	\$ 13,747,970	\$ 1.09
174	Other Assets	\$ 59,441,812	\$ 4.66	\$ 31,908,560	\$ 2.54
176	Investments in Joint Ventures	\$ 58,659,722	\$ 4.60	\$ 5,468,375	\$ 0.44
<b>180</b>	<b>Total Non-Current Assets</b>	<b>\$ 23,004,154,597</b>	<b>\$ 1,803.63</b>	<b>\$ 25,031,123,062</b>	<b>\$ 1,992.48</b>
<b>190</b>	<b>Total Assets</b>	<b>\$ 28,817,867,355</b>	<b>\$ 2,259.46</b>	<b>\$ 30,923,240,994</b>	<b>\$ 2,461.50</b>
311	Bank Overdraft	\$ 5,823,282	\$ 0.46	\$ 31,788,486	\$ 2.53
312	Accounts Payable <= 90 Days	\$ 331,037,215	\$ 25.95	\$ 433,043,424	\$ 34.47
313	Accounts Payable > 90 Days Past Due	\$ 26,175,400	\$ 2.05	\$ 1,566,948	\$ 0.12
321	Accrued Wage/Payroll Taxes Payable	\$ 83,204,237	\$ 6.52	\$ 46,078,426	\$ 3.67
322	Accrued Compensated Absences - Current Portion	\$ 66,765,710	\$ 5.23	\$ 55,759,089	\$ 4.44
324	Accrued Contingency Liability	\$ 9,275,577	\$ 0.73	\$ 715,147	\$ 0.06
325	Accrued Interest Payable	\$ 22,926,605	\$ 1.80	\$ 16,230,563	\$ 1.29
331	Accounts Payable - HUD PHA Program	\$ 7,300,629	\$ 0.57	\$ 11,896,071	\$ 0.95
331-010	Accounts Payable - HUD PHA Program-Operating Subsidy	N/A	N/A	\$ 5,135,831	\$ 0.41
331-020	Accounts Payable - HUD PHA Program-Capital Fund	N/A	N/A	\$ 4,984,309	\$ 0.40
331-030	Accounts Payable - HUD PHA Program-Other	N/A	N/A	\$ 1,775,931	\$ 0.14
332	Accounts Payable - PHA Projects	\$ 2,648,906	\$ 0.21	\$ 4,182,592	\$ 0.33
333	Accounts Payable - Other Projects	\$ 79,259,386	\$ 6.21	\$ 81,494,123	\$ 6.49
341	Tenant Security Deposits	\$ 146,828,558	\$ 11.51	\$ 147,668,343	\$ 11.75
342	Deferred Revenue	\$ 44,292,807	\$ 3.47	\$ 103,162,843	\$ 8.21

Line Item	Description	2007 Amount	2007 PUM	2008 Amount	2008 PUM
342-010	Deferred Revenue-Operating Subsidy	N/A	N/A	\$ 13,513,840	\$ 1.08
342-020	Deferred Revenue-Capital Fund	N/A	N/A	\$ 10,621,390	\$ 0.85
342-030	Deferred Revenue-Other	N/A	N/A	\$ 79,026,517	\$ 6.29
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$ 108,408,416	\$ 8.50	\$ 86,750,115	\$ 6.91
344	Current Portion of Long-term Debt - Operating Borrowings	\$ 3,337,038	\$ 0.26	\$ 6,741,089	\$ 0.54
345	Other Current Liabilities	\$ 58,488,546	\$ 4.59	\$ 49,392,939	\$ 3.93
346	Accrued Liabilities - Others	\$ 214,480,881	\$ 16.82	\$ 238,271,906	\$ 18.97
347	Interprogram Due To	\$ 2,392,424,330	\$ 187.58	\$ 2,810,428,749	\$ 223.71
348	Loan Liability - Current	\$ 1,027,292	\$ 0.08	\$ 4,711,302	\$ 0.38
<b>310</b>	<b>Total Current Liabilities</b>	<b>\$ 3,603,704,815</b>	<b>\$ 282.55</b>	<b>\$ 4,129,572,001</b>	<b>\$ 328.72</b>
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$ 1,838,740,710	\$ 144.17	\$ 1,889,464,627	\$ 150.40
352	Long-term Debt, Net of Current - Operating Borrowings	\$ 44,529,867	\$ 3.49	\$ 83,861,683	\$ 6.68
353	Noncurrent Liabilities - Others	\$ 174,259,115	\$ 13.66	\$ 163,144,255	\$ 12.99
354	Accrued Compensated Absences - Non Current	\$ 157,181,305	\$ 12.32	\$ 113,258,048	\$ 9.02
355	Loan Liability - Non Current	\$ 16,375,981	\$ 1.28	\$ 57,954,149	\$ 4.61
356	FASB 5 Liabilities	N/A	N/A	\$ 953,597	\$ 0.08
357	Accrued Pension and OPEB Liability	N/A	N/A	\$ 21,888,552	\$ 1.74
<b>350</b>	<b>Total Noncurrent Liabilities</b>	<b>\$ 2,231,086,978</b>	<b>\$ 174.93</b>	<b>\$ 2,330,524,912</b>	<b>\$ 185.51</b>
<b>300</b>	<b>Total Liabilities</b>	<b>\$ 5,834,791,793</b>	<b>\$ 457.47</b>	<b>\$ 6,460,096,913</b>	<b>\$ 514.23</b>
508.1	Invested in Capital Assets, Net of Related Debt	\$ 20,976,956,247	\$ 1,644.69	\$ 22,754,553,495	\$ 1,811.27
511.1	Restricted Net Assets	\$ 407,629,710	\$ 31.96	\$ 314,334,904	\$ 25.02
512.1	Unrestricted Net Assets	\$ 1,598,489,605	\$ 125.33	\$ 1,319,437,001	\$ 105.03
<b>513</b>	<b>Total Equity/Net Assets</b>	<b>\$ 22,983,075,562</b>	<b>\$ 1,801.98</b>	<b>\$ 24,412,546,586</b>	<b>\$ 1,943.25</b>
<b>600</b>	<b>Total Liabilities and Equity/Net Assets</b>	<b>\$ 28,817,867,355</b>	<b>\$ 2,259.46</b>	<b>\$ 30,872,643,499</b>	<b>\$ 2,457.47</b>

**APPENDIX D: INCOME STATEMENT**

The following table presents the Operating Fund program income statements for 2007 and 2008, including PUM amounts. Please see Appendix E for notes and clarifications. Please note that new line items were added to the FDS in 2008; in such instances, an "N/A" is reported in 2007.

Line Item	Description	2007 Amount	2007 PUM	2008 Amount	2008 PUM
70300	Net tenant rental revenue	\$ 2,455,311,755	\$ 192.51	\$ 2,517,041,654	\$ 200.55
70400	Tenant revenue - other	\$ 81,280,983	\$ 6.37	\$ 86,477,857	\$ 6.89
<b>70500</b>	<b>Total Tenant Revenue</b>	<b>\$ 2,536,592,738</b>	<b>\$ 198.88</b>	<b>\$ 2,603,519,512</b>	<b>\$ 207.44</b>
70600	HUD PHA operating grants	\$ 3,456,732,087	\$ 271.02	\$ 3,742,754,640	\$ 298.21
70610	Capital grants	\$ 12,545,368	\$ 0.98	\$ 16,390,539	\$ 1.31
70710	Management Fee	N/A	N/A	\$ -	\$ -
70720	Asset Management Fee	N/A	N/A	\$ -	\$ -
70730	Book-Keeping Fee	N/A	N/A	\$ -	\$ -
70740	Front Line Service Fee	N/A	N/A	\$ -	\$ -
70750	Other Fees	N/A	N/A	\$ -	\$ -
70700	Total Fee Revenue	N/A	N/A	\$ -	\$ -
70800	Other government grants	\$ 22,775,016	\$ 1.79	\$ 15,473,780	\$ 1.23
71100	Investment income - unrestricted	\$ 171,017,316	\$ 13.41	\$ 92,929,168	\$ 7.40
71200	Mortgage interest income	\$ 4,318,818	\$ 0.34	\$ 4,430,244	\$ 0.35
71300	Proceeds from disposition of assets held for sale	\$ 27,232,911	\$ 2.14	\$ 3,526,803	\$ 0.28
71310	Cost of sale of assets	\$ (16,184,777)	\$ (1.27)	\$ (492,273)	\$ (0.04)
71400	Fraud recovery	\$ 1,330,669	\$ 0.10	\$ 2,209,168	\$ 0.18
71500	Other revenue	\$ 207,277,562	\$ 16.25	\$ 161,863,809	\$ 12.90
71600	Gain or loss on sale of capital assets	\$ 24,117,431	\$ 1.89	\$ (57,084,516)	\$ (4.55)
72000	Investment income - restricted	\$ 25,469,957	\$ 2.00	\$ 18,222,902	\$ 1.45
<b>70000</b>	<b>Total Revenue</b>	<b>\$ 6,473,225,096</b>	<b>\$ 507.53</b>	<b>\$ 6,602,099,020</b>	<b>\$ 526.03</b>
91100	Administrative salaries	\$ 881,883,401	\$ 69.14	\$ 532,941,009	\$ 42.46
91200	Auditing fees	\$ 22,959,940	\$ 1.80	\$ 19,832,099	\$ 1.58
91300	Management Fee	\$ 54,301,952	\$ 4.26	\$ 493,712,158	\$ 39.34
91310	Book-Keeping Fee	N/A	N/A	\$ 62,243,026	\$ 4.96
91400	Advertising and Marketing	N/A	N/A	\$ 2,732,568	\$ 0.22
91500	Employee benefit contributions - administrative	\$ 346,659,693	\$ 27.18	\$ 282,547,090	\$ 22.51



Line Item	Description	2007 Amount	2007 PUM	2008 Amount	2008 PUM
91600	Office Expenses	N/A	N/A	\$ 165,287,335	\$ 13.17
91700	Legal Expense	N/A	N/A	\$ 18,954,981	\$ 1.51
91800	Travel	N/A	N/A	\$ 12,604,329	\$ 1.00
91810	Allocated Overhead	N/A	N/A	\$ 92,180,383	\$ 7.34
91900	Other	\$ 421,541,020	\$ 33.05	\$ 96,137,095	\$ 7.66
<b>91000</b>	<b>Total Operating-Administrative</b>	<b>\$ 1,751,989,826</b>	<b>\$ 137.36</b>	<b>\$ 1,779,172,073</b>	<b>\$ 141.76</b>
<b>92000</b>	<b>Asset Management Fee</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 78,514,091</b>	<b>\$ 6.26</b>
92100	Tenant services - salaries	\$ 137,737,419	\$ 10.80	\$ 104,479,053	\$ 8.32
92200	Relocation Costs	\$ 1,201,793	\$ 0.09	\$ 2,256,256	\$ 0.18
92300	Employee benefit contributions - tenant services	\$ 16,490,272	\$ 1.29	\$ 11,457,690	\$ 0.91
92400	Tenant services - other	\$ 54,562,648	\$ 4.28	\$ 52,952,757	\$ 4.22
<b>92500</b>	<b>Total Tenant Services</b>	<b>\$ 209,992,132</b>	<b>\$ 16.46</b>	<b>\$ 171,145,756</b>	<b>\$ 13.64</b>
93100	Water	\$ 320,923,964	\$ 25.16	\$ 314,968,097	\$ 25.10
93200	Electricity	\$ 494,558,190	\$ 38.78	\$ 505,406,266	\$ 40.27
93300	Gas	\$ 328,401,793	\$ 25.75	\$ 343,504,499	\$ 27.37
93400	Fuel	\$ 230,706,605	\$ 18.09	\$ 240,973,496	\$ 19.20
93500	Labor	\$ 19,055,199	\$ 1.49	\$ 37,334,733	\$ 2.97
93600	Sewer	N/A	N/A	\$ 98,321,717	\$ 7.83
93700	Employee benefit contributions - utilities	\$ 7,398,984	\$ 0.58	\$ 4,487,182	\$ 0.36
93800	Other utilities expense	\$ 107,553,939	\$ 8.43	\$ 27,172,851	\$ 2.17
<b>93000</b>	<b>Total Utilities</b>	<b>\$ 1,508,598,674</b>	<b>\$ 118.28</b>	<b>\$ 1,572,168,841</b>	<b>\$ 125.26</b>
94100	Ordinary maintenance and operations - labor	\$ 1,053,428,156	\$ 82.59	\$ 963,705,776	\$ 76.78
94200	Ordinary maintenance and operations - materials and other	\$ 262,973,334	\$ 20.62	\$ 266,061,630	\$ 21.20
94300	Ordinary Maintenance and Operations Contracts	\$ 498,727,902	\$ 39.10	\$ 583,679,629	\$ 46.50
94500	Employee benefit contribution - ordinary maintenance	\$ 260,306,967	\$ 20.41	\$ 223,896,119	\$ 17.84
<b>94000</b>	<b>Total Maintenance</b>	<b>\$ 2,075,436,359</b>	<b>\$ 162.72</b>	<b>\$ 2,037,259,057</b>	<b>\$ 162.32</b>
95100	Protective services - labor	\$ 20,514,281	\$ 1.61	\$ 20,242,946	\$ 1.61
95200	Protective services - other contract costs	\$ 122,131,380	\$ 9.58	\$ 126,124,206	\$ 10.05
95300	Protective services - other	\$ 9,674,540	\$ 0.76	\$ 6,048,409	\$ 0.48
95500	Employee benefit contributions - protective services	\$ 7,192,241	\$ 0.56	\$ 5,842,279	\$ 0.47
<b>95000</b>	<b>Total Protective Services</b>	<b>\$ 159,512,442</b>	<b>\$ 12.51</b>	<b>\$ 158,257,840</b>	<b>\$ 12.61</b>
96110	Property Insurance	N/A	N/A	\$ 130,942,003	\$ 10.43

Line Item	Description	2007 Amount	2007 PUM	2008 Amount	2008 PUM
96120	Liability Insurance	N/A	N/A	\$ 71,411,683	\$ 5.69
96130	Workmen's Compensation	N/A	N/A	\$ 54,799,056	\$ 4.37
96140	All other Insurance	N/A	N/A	\$ 36,758,121	\$ 2.93
<b>96100</b>	<b>Total Insurance Premiums</b>	<b>\$ 294,960,434</b>	<b>\$ 23.13</b>	<b>\$ 293,910,863</b>	<b>\$ 23.42</b>
96200	Other general expenses	\$ 70,928,593	\$ 5.56	\$ 157,974,219	\$ 12.59
96210	Compensated absences	\$ 24,643,820	\$ 1.93	\$ 23,877,570	\$ 1.90
96300	Payments in lieu of taxes	\$ 76,922,206	\$ 6.03	\$ 75,868,554	\$ 6.04
96400	Bad debt - tenant rents	\$ 47,117,126	\$ 3.69	\$ 40,104,659	\$ 3.20
96500	Bad debt - mortgages	\$ 801,546	\$ 0.06	\$ 336,470	\$ 0.03
96600	Bad debt - other	\$ 6,977,950	\$ 0.55	\$ 1,058,132	\$ 0.08
96800	Severance expense	\$ 3,560,266	\$ 0.28	\$ 2,252,248	\$ 0.18
<b>96000</b>	<b>Total Other General Expenses</b>	<b>\$ 519,967,288</b>	<b>\$ 40.77</b>	<b>\$ 301,471,852</b>	<b>\$ 24.02</b>
96710	Interest of Mortgage (or Bonds) Payable	N/A	N/A	\$ 15,884,150	\$ 1.27
96720	Interest on Notes Payable (Short and Long Term)	N/A	N/A	\$ 18,329,879	\$ 1.46
96730	Amortization of Bond Issue Costs	N/A	N/A	\$ 9,006,750	\$ 0.72
<b>96700</b>	<b>Total Interest Expense and Amortization Cost</b>	<b>\$ 18,699,167</b>	<b>\$ 1.47</b>	<b>\$ 43,220,780</b>	<b>\$ 3.44</b>
<b>96900</b>	<b>Total Operating Expenses</b>	<b>\$ 6,225,496,721</b>	<b>\$ 488.11</b>	<b>\$ 6,435,121,153</b>	<b>\$ 512.72</b>
<b>97000</b>	<b>Excess Revenue Over Operating Expenses</b>	<b>\$ 247,728,375</b>	<b>\$ 19.42</b>	<b>\$ 168,571,332</b>	<b>\$ 13.43</b>
97100	Extraordinary maintenance	\$ 42,726,863	\$ 3.35	\$ 44,809,871	\$ 3.57
97200	Casualty losses- Non-capitalized	\$ 11,633,392	\$ 0.91	\$ 13,248,407	\$ 1.06
97300	Housing Assistance Payments	\$ 839,166	\$ 0.07	\$ 3,146,174	\$ 0.25
97350	HAP Portability-in	N/A	N/A	\$ 2,799,286	\$ 0.22
97400	Depreciation expense	\$ 1,762,918,009	\$ 138.22	\$ 1,670,851,260	\$ 133.13
97500	Fraud losses	\$ 288,907	\$ 0.02	\$ 119,958	\$ 0.01
97800	Dwelling units rent expense	\$ 1,656,713	\$ 0.13	\$ 522,689	\$ 0.04
<b>90000</b>	<b>Total Expenses</b>	<b>\$ 8,045,559,771</b>	<b>\$ 630.81</b>	<b>\$ 8,170,618,798</b>	<b>\$ 651.00</b>
10010	Operating transfer in	\$ 504,331,736	\$ 39.54	\$ 411,673,667	\$ 32.80
10020	Operating transfer out	\$ (49,753,781)	\$ (3.90)	\$ (59,508,792)	\$ (4.74)
10030	Operating transfers from / to primary government	\$ 2,339,408	\$ 0.18	\$ 4,204,436	\$ 0.33
10040	Operating transfers from / to component unit	\$ (5,339,927)	\$ (0.42)	\$ 569,136	\$ 0.05
10070	Extraordinary items, net gain/loss	\$ (6,771,475)	\$ (0.53)	\$ (22,891,033)	\$ (1.82)
10080	Special items, net gain/loss	\$ (7,778,091)	\$ (0.61)	\$ (20,987,407)	\$ (1.67)
10091	Inter Project Excess Cash Transfer In	N/A	N/A	\$ 7,150,286	\$ 0.57

Line Item	Description	2007 Amount	2007 PUM	2008 Amount	2008 PUM
10092	Inter Project Excess Cash Transfer Out	N/A	N/A	\$ (125,641,779)	\$ (10.01)
10093	Transfers between Programs and Projects - in	N/A	N/A	\$ 111,173,898	\$ 8.86
10094	Transfers between Programs and Projects - out	N/A	N/A	\$ (21,889,187)	\$ (1.74)
<b>10100</b>	<b>Total other financing sources (uses)</b>	<b>\$ 437,027,870</b>	<b>\$ 34.27</b>	<b>\$ 283,853,225</b>	<b>\$ 22.62</b>
<b>10000</b>	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>\$ (1,135,306,805)</b>	<b>\$ (89.01)</b>	<b>\$ (1,282,958,519)</b>	<b>\$ (102.22)</b>
11190	Unit Months Available	12,754,343		12,550,912 <sup>1</sup>	
11210	Unit Months Leased	12,007,369		11,884,365 <sup>2</sup>	
11270	Excess Cash	N/A	N/A	\$ 564,321,522	\$ 44.96

1. In 2008, many PHAs did not report Line Item 11190 – Unit Months Available. Where no units were reported, the units were imputed by multiplying PIC units times 12.
2. In 2008, many PHAs did not report Line Item 11210 – Unit Months Leased. Where no units were reported the units were imputed by multiplying the PIC units times 12 times the occupancy rate computed from PHAs that did report.

## APPENDIX E: TECHNICAL NOTES TO BALANCE SHEET AND INCOME STATEMENT

1. Analysis includes FASS-PH submissions for 6/30/07 – 3/31/08 for 2007 amounts and 6/30/08 – 3/31/09 for 2008 amounts.
2. Where available, audited submissions were included. If audited submission is not available, unaudited submission is included.
3. For 2008, the Balance Sheet represents both the Operating Fund and Capital Fund programs; however, the Income Statement represents only the Operating Fund program.
4. For 2008, over 300 PHAs did not report line item 11190 - Unit Months Available. The missing units from these PHAs were estimated by multiplying the unit count provided in PIC by 12. All PUM amounts are calculated using the reported UMA amount plus the estimated UMA amount.
5. For 2008, due to system unavailability, FDS submissions were received in FDS excel tools that did not have all of the reporting checks available in the online system. This led to some instances of misreporting, including the aggregated balance sheet not balancing.
6. For 2008, due to the variance in uses of the “Other” project column in the FDS, “Other” columns were only included when they were the only project a PHA reported.
7. Due to the adjustment for Other Post Employment Benefits (OPEB), the New York City Housing Authority’s balance sheet line item 347 “Interprogram Due To” may be overstated by \$1.558 million and balance sheet line item 357 “Accrued Pension & OPEB Liabilities” may be understated by \$1.558 million.
8. A total of 3,062 PHAs were included in the operating reserves and financial statement analysis. The following table presents the list of PHAs that were not included (“\*” indicates MTW PHAs):

#	PHA Code	PHA Name	Units
1	AL100	Housing Authority of the City of Columbia	17
2	AR048	Housing Authority of the City of Dewitt	100
3	AR058	Housing Authority of the County of Arkansas	16
4	AR115	Housing Authority of the City of Cushman	-
5	AZ021	Eloy Housing Authority	50
6	CA010	City of Richmond Housing Authority	678
7	CA048	Consolidated Area HA of Sutter County	203
8	CA049	Housing Authority of the City of Soledad	-
9	CA139	Housing Authority of the City of Lomita	78
10	CA143	Imperial Valley Housing Authority	511
11	CT004	Housing Authority of the City of New Haven	2,500
12	CT019	Greenwich Housing Authority	327
13	CT054	New Canaan Housing Authority	18
14	DC001*	D.C Housing Authority	7,924
15	DE004*	Delaware State Housing Authority	516
16	FL008	Sarasota Housing Authority	433
17	FL020	Housing Authority of Brevard County	594

#	PHA Code	PHA Name	Units
18	FL055	Arcadia Housing Authority	129
19	FL056	Melbourne Housing Authority	150
20	FL060	Punta Gorda Housing Authority	115
21	GA006*	Housing Authority of the City of Atlanta Georgia	7,954
22	GA079	Housing Authority of the City of Dalton	-
23	GA095	Housing Authority of the City of Newnan	391
24	GA096	Housing Authority of the City of Camilla	432
25	GA202	Housing Authority of the City of Blue Ridge	48
26	GA230	Housing Authority of the City of Woodbury	12
27	GA246	Housing Authority of the City of Fort Oglethorpe	74
28	IL035	Lee County Housing Authority	211
29	IL066	Housing Authority of the County of Hardin	147
30	IN028	Housing Authority of the City of Huntingburg	50
31	KY044	Housing Authority of Whitesburg	103
32	KY071	Housing Authority of Bardstown	186
33	KY074	Housing Authority of Ashland	379
34	KY092	Housing Authority of Olive Hill	38
35	LA001	Housing Authority of New Orleans	7,247
36	LA095	Housing Authority of St. John the Baptist Parish	302
37	LA103	Housing Authority of City of Slidell	124
38	LA111	Housing Authority of the City of Leesville	193
39	MA003*	Cambridge Housing Authority	1,905
40	MA085	Amherst Housing Authority	15
41	MD002*	Housing Authority of Baltimore City	12,463
42	MI021	South Lyon Housing Commission	15
43	MN083	HRA of Henning, Minnesota	20
44	MN086	HRA of Village of Greenbush, Minnesota	20
45	NC014	Housing Authority of the City of Lumberton	729
46	NC039	Lexington Housing Authority	268
47	NC054	Madison Housing Authority	50
48	NC074	Lenoir Housing Authority	158
49	NC080	Marshall Housing Authority	50
50	NC169	Princeville Housing Authority	49
51	NH004	Portsmouth Housing Authority	421
52	NJ009	Housing Authority City of Jersey City	2,731
53	NJ010	Housing Authority of the City of Camden	1,704
54	NJ014	Housing Authority And Urban Redevelopment Age	1,498
55	NJ079	Collingswood Housing Authority	95
56	NJ083	Secaucus Housing Authority	275
57	NM010	Housing Authority of the City of Espanola	178
58	NM045	Housing Authority of the Town of Vaughn	20
59	NM063	Eastern Regional Housing Authority	82

#	PHA Code	PHA Name	Units
60	OH019	Ironton Metropolitan Housing Authority	251
61	OR002*	Housing Authority of Portland	2,511
62	OR020	Coos-Curry Housing Authority	52
63	PA044	The Housing Authority of the City of Hazleton	299
64	PA062	Williams Port Housing Authority	101
65	PA085	Housing Authority of the County of Bedford	23
66	PA088	Centre County Housing Authority	20
67	RI002	Housing Authority of the City of Pawtucket	1,078
68	RI006	Cranston Housing Authority	617
69	RI020	Smithfield Housing Authority	50
70	RI021	Jamestown Housing Authority	35
71	RI026	Narragansett Housing Authority	12
72	SC003	Housing Authority of Spartanburg	1,182
73	TX103	Smiley Housing Authority	17
74	TX208	Pleasanton Housing Authority	58
75	TX248	Poth Housing Authority	138
76	TX492	Housing Authority of Jasper	59
77	VA010	Danville Redevelopment & Housing Authority	452
78	WA001*	Seattle Housing Authority	5,475
79	WA002*	HA of King County	4,256
80	WA008*	Housing Authority of the City of Vancouver	575
81	WI070	Rhineland Housing Authority	50
82	WV008	Housing Authority of the City of Williamson	248
83	WV019	Housing Authority of the City of McMechen	-
84	WV036	Kanawha County Housing And Redevelopment Authority	-
		<b>Total Units Not Included</b>	<b>72,555</b>

\*Moving-to-work PHAs

**APPENDIX F: TECHNICAL NOTES TO OPERATING RESERVES**

The following table presents the methodology used to calculate the Operating Reserves for PHAs:

#	FDS#	Description
1	111	Cash – Unrestricted
2	114	Cash - Tenant Security Deposits
3	120	Total Receivables
4	131	Investments - Unrestricted
5	142	Prepaid expenses and other assets
6	144	Inter-program - due from
7	145	Assets held for sale
8		Total (1+2+3+4+5+6+7)
9	310	Total Current Liabilities
10	343	Current Portion of Long Term Debt – Capital Projects
11		Total (9 -10)
12		Total Operating Reserves (8-11)

Unrestricted net assets are a PHA's net, unrestricted, noncapital assets. According to the Interim Financial Data Schedule Line Definition Guide, the definition of unrestricted net assets is "the difference between an entity's assets and its liabilities that do not meet the definition of restricted net assets or invested in capital assets net of related debt. Net assets should be reported as unrestricted when there are no other constraints placed on net asset use." The main difference between unrestricted net assets and operating reserves is that the calculation for unrestricted net assets includes net noncurrent assets. The methodology for calculating unrestricted net asset can be found in the table below:

#	FDS#	Description
1	190	Total Assets
2	112	Cash - restricted - modernization and development
3	113	Cash - other restricted
4	115	Cash - restricted for payment of current liability
5	132	Investments - restricted
6	135	Investments - restricted for payment of current liability
7	160	Total capital assets, net of accumulated depreciation
8		Total (1 - (2+3+4+5+6+7))
9	300	Total liabilities
10	343	Current portion of long-term debt - capital projects/mortgage revenue bonds
11	351	Long-term debt, net of current - project/mortgage revenue bonds
12		Total (9-(343+351))
13		Total (9-12)