

Housing Authority of the County of Erie

Single Audit

December 31, 2023

MaherDuessel

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HOUSING AUTHORITY OF THE COUNTY OF ERIE

YEAR ENDED DECEMBER 31, 2023

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YEAR ENDED DECEMBER 31, 2023

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Independent Auditor's Report

**Board of Directors
Housing Authority of the County of Erie**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Housing Authority of the County of Erie (Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Mahe Duessel

Pittsburgh, Pennsylvania
May 31, 2024

Erie County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
Required Supplemental Information

The following Management's Discussion and Analysis (MD&A) of the Erie County Housing Authority (Authority) is to provide an introduction to the basic financial statements for the fiscal year ended December 31, 2023 with selected comparative information for the fiscal year ended December 31, 2022. This MD&A has been prepared by management and should be read in conjunction with the financial statements, notes to financial statements, and supplementary information found in the report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

FINANCIAL HIGHLIGHTS

1. The assets and deferred inflows of the Authority exceeded its liabilities and deferred outflows at the close of fiscal year 2023 by \$7,346,140 (net position). Of this amount, \$4,377,249 (unrestricted net position) may be used to meet the Authority's ongoing obligations to citizens and creditors.
2. Capital assets increased by \$320,120 primarily from continued capital improvements.
3. Net position decreased by \$257,122 for the fiscal year ended December 31, 2023 due mainly to the expenses associated with converting the 161 Public Housing units to RAD/Section 18 units.
4. Operating revenues increased \$697,587 due to an increase in funding specifically in the Weatherization and Section 8 Voucher program.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. The statement of net position presents information on all of the Authority's assets, deferred outflows and liabilities and deferred inflows and net position. Over time, the changes in net position usually serve as a useful indicator of whether the financial position of the Authority is improving. The statement of revenues, expenses, and changes in net position present information showing how the Authority's net position changed during the current fiscal year. This statement shows the total revenues and expenses of the Authority and the difference between them, the change in net position. The statement of cash flows presents the changes in cash resulting from operations, capital and financing activities, and investing activities. See notes to the financial statements for a summary of the Authority's significant accounting policies and practices.

Erie County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
Required Supplemental Information

AUTHORITY ACTIVITY HIGHLIGHTS

Revenues and Expenses

The following is a summary of the results of operations of the Authority for the fiscal years ended December 31, 2023 and 2022:

	2023	2022
Operating revenues	\$ 9,908,161	\$ 9,210,574
Operating expenses	9,690,939	8,237,755
Operating Income	217,222	972,819
Non-Operating Revenue & Expenses, net	(675,724)	(653,922)
Capital Contributions	201,380	485,738
Change in net position	(257,122)	804,635
Total Net Position – Beginning of year	7,603,262	6,798,627
Prior period adjustments/transfers	-	-
Total Net Position – End of year	\$ 7,346,140	\$ 7,603,262

Operating revenues increased by \$697,587 due to an increase in funding specifically in the Weatherization and Section 8 Voucher programs. Operating expenses increased by \$1,453,184 due to an increase in expenditures across multiple programs.

Housing Units Managed

The following table shows housing units managed by the Authority for the fiscal years ended December 31, 2023 and 2022:

	2023	2022
Owned by Authority	34	195
Units under vouchers	1,058	1,058
Other vouchers	279	118
Total Housing Units Managed	1,371	1,371

The Section 8 Voucher lease up rate averaged 84 percent during the fiscal year ended December 31, 2023. It is anticipated that the program lease-up will remain the same during fiscal year 2024.

Erie County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
Required Supplemental Information

NET POSITION

Total net position decreased from the previous year by \$257,122. One component of net position is *net investment in capital assets*. The following table shows how this amount is calculated for the fiscal years ended December 31, 2023 and 2022:

	2023	2022
Capital Assets	\$ 18,207,853	\$ 17,887,733
Less capital related debt	(5,774,091)	(450,894)
Less accumulated depreciation	(13,769,870)	(13,362,291)
Plus unspent debt proceeds	4,283,606	-0-
Construction in progress	-0-	-0-
Total Net Investment In Capital Assets	\$ 2,947,498	\$ 4,074,548

CAPITAL ASSETS

Capital Assets is the largest asset reflected on the Authority's statement of net position. The following is a summary of capital assets owned by the Authority at December 31, 2023 and 2022:

	2023	2022
Land	\$ 431,477	\$ 431,477
Building and Improvements	16,175,961	15,899,942
Furniture and equipment – dwellings	966,079	921,978
Furniture and equipment – administration	634,336	634,336
Total	\$ 18,207,853	\$ 17,887,733
Less: accumulated depreciation	(13,769,870)	(13,362,291)
Construction in progress	-0-	-0-
Capital assets, net	\$ 4,437,983	\$ 4,525,442

Erie County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
Required Supplemental Information

FINANCIAL POSITION

The statement of net position presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets and liabilities of the Authority. Net position is the difference between total assets plus total deferred outflows less total liabilities and deferred inflows and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, and net position at December 31, 2023 and 2022:

	2023	2022
Assets		
Current assets	\$ 9,224,316	\$ 3,949,979
Non-Current Assets	0	546,356
Capital assets	4,437,983	4,525,442
Total assets	13,662,299	9,021,777
Deferred Outflows - Pension	502,285	193,124
Liabilities		
Current liabilities	527,859	375,624
Noncurrent liabilities	6,213,143	514,515
Total liabilities	6,741,002	890,139
Deferred Inflows -Pension	77,442	721,500
Net position		
Net investment in capital assets	2,947,498	4,074,548
Restricted	21,393	613,395
Unrestricted	4,377,249	2,915,319
Total net position	\$ 7,346,140	\$ 7,603,262

Restricted position represents the result of a HUD directive to classify the unspent HAP revenue as restricted for future HAP payments.

DEBT ADMINISTRATION

The Authority has a line of credit with a local bank in the amount of \$100,000. The outstanding balance of that line was \$30,000 at December 31, 2023.

A second line of credit is used to fund operating and repair expenses related to the three new rental properties received by Stairways Behavioral Health in the amount of \$30,000. The outstanding balance of the Line of Credit was \$0 at December 31, 2023.

With the purchase of the 50-Unit, Multi-Family property the Housing Authority acquired a new mortgage in the amount of \$700,000. The outstanding balance on that mortgage was \$418,291 at December 31, 2023.

With the transfer of a portion of the Authority's Public Housing to RAD, the Housing Authority acquired a new mortgage in the amount of \$5,355,800. The outstanding balance on that mortgage was \$5,355,800 at December 31, 2023.

Erie County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
Required Supplemental Information

ECONOMIC FACTORS

According to the most current information available from U.S. Department of Housing and Urban Development, the Public Housing operating subsidy and capital fund amounts are expected to stay the same in 2024. Section 8 administrative fees are also expected to remain the same. We will continue to monitor these funds and take corrective actions if there is any sign of shortfall.

REQUESTS FOR INFORMATION

The annual financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Beverly Weaver, Executive Director.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

STATEMENT OF NET POSITION

DECEMBER 31, 2023

Assets and Deferred Outflows of Resources	
Assets:	
Current assets:	
Cash - unrestricted	\$ 4,460,308
Cash - restricted	4,304,999
Cash - tenant security deposits	33,487
Total cash	8,798,794
Accounts receivable - other governments	296,887
Accounts receivable - miscellaneous	29,333
Accounts receivable - tenants	9,775
Prepaid expenses and other assets	5,645
Inventories	83,882
Total current assets	9,224,316
Noncurrent assets:	
Capital assets, non-depreciable	431,477
Capital assets, depreciable net of accumulated depreciation	4,006,506
Net pension asset	-
Total noncurrent assets	4,437,983
Total Assets	13,662,299
Deferred Outflows of Resources:	
Deferred outflows of resources for pension	502,285
Total Assets and Deferred Outflows of Resources	\$ 14,164,584

(Continued)

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

STATEMENT OF NET POSITION

DECEMBER 31, 2023

(Continued)

Liabilities, Deferred Inflows of Resources, and Net Position	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 214,937
Accrued wages and payroll taxes	9,079
Accrued compensated absences - current	93,177
Accounts payable - other government	71,010
Tenant security deposits	33,487
Unearned revenue	-
Current portion of long-term debt	74,954
Loan liability - current	30,000
Other current liabilities	1,215
Total current liabilities	<u>527,859</u>
Noncurrent liabilities:	
Accrued compensated absences - non-current	104,187
Long-term debt, net of current portion	5,699,137
Net pension liability	409,819
Total noncurrent liabilities	<u>6,213,143</u>
Total Liabilities	<u>6,741,002</u>
Deferred Inflows of Resources:	
Deferred inflows of resources for pension	<u>77,442</u>
Net Position:	
Net investment in capital assets	2,947,498
Restricted	21,393
Unrestricted	4,377,249
Total Net Position	<u>7,346,140</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 14,164,584</u></u>

(Concluded)

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2023

Operating Revenues:	
Net tenant revenue	\$ 1,063,054
HUD PHA operating grants	6,556,104
Other governmental grants	1,919,465
Other revenue	369,538
Total operating revenues	<u>9,908,161</u>
Operating Expenses:	
Housing assistance payments	4,588,294
Administrative	1,818,301
Tenant services	485
Utilities	349,022
Maintenance and operations	2,283,574
Insurance premiums	151,287
Other general expenses	499,976
Total operating expenses	<u>9,690,939</u>
Operating Income (Loss)	<u>217,222</u>
Non-Operating Revenues (Expenses):	
Gain (loss) on sale of capital assets	31
Investment income - unrestricted	33,504
Investment income - restricted	10
Interest expense	(21,318)
RAD conversion expense	(280,370)
Depreciation expense	(407,581)
Extraordinary maintenance	-
Total non-operating revenues (expenses)	<u>(675,724)</u>
Capital Contributions:	
HUD capital grants	<u>201,380</u>
Change in Net Position	(257,122)
Net position - beginning	<u>7,603,262</u>
Net position - ending	<u><u>\$ 7,346,140</u></u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities:

Operating grants received	\$ 8,406,316
Receipts from tenants	1,065,267
Other receipts	344,860
Payments to vendors for goods and services	(2,595,149)
Payments to employees and professionals	(2,423,104)
Housing assistance payments	(4,588,294)
	<hr/>
Net cash provided by (used in) operating activities	209,896

Cash Flows From Capital and Related Financing Activities:

HUD capital grants	201,380
Proceeds from issuance of long-term debt	5,355,800
Proceeds from lines of credit	50,000
Interest paid on long-term debt and lines of credit	(21,318)
Principal paid on lines of credit	(25,700)
Principal paid on long-term debt	(32,603)
Purchases and construction of capital assets	(320,091)
RAD conversion expense	(280,370)
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Net cash provided by (used in) capital and related financing activities	4,927,098

Cash Flows From Investing Activities:

Interest income	33,514
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Net Increase (Decrease) in Cash	5,170,508
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Cash:

Beginning of year	3,628,286
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End of year	\$ 8,798,794
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(Continued)

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023
(Continued)

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:

Operating income (loss)	\$ 217,222
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Accounts receivable	(102,050)
Prepaid expenses and other assets	7,030
Inventories	(8,809)
Deferred inflows/outflows of resources for pension	(953,219)
Accounts payable	114,724
Other current liabilities	1,215
Accrued payroll and related taxes	7,582
Accrued compensated absences	20,790
Tenant security deposits	1,402
Unearned revenue	(52,166)
Net pension liability/(asset)	956,175
Total adjustments	(7,326)
Net cash provided by (used in) operating activities	\$ 209,896

(Concluded)

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

1. Summary of Significant Accounting Policies

Reporting Entity

The Housing Authority of the County of Erie (Authority) was created and organized under the provisions of the Housing Authority Law of 1937 by the Commonwealth of Pennsylvania to administer housing and related programs for eligible low-income families and the elderly. Members of the Board of Directors are appointed by the County of Erie (County) and have complete authority over the operations and administration of the Authority's activities, subject to certain guidelines of the Department of Housing and Urban Development (HUD). The Authority is not considered to be a component unit of the County because, although the County appoints the governing body of the Authority, the County cannot impose its will on the Authority, and there is no financial burden or benefit relationship between the County and the Authority.

Component Units

Component units are legally separate organizations for which the Authority is financially accountable. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority designates management, approves their budget, and guarantees their debt.

A blended component unit, although a legally separate entity, is in substance, part of the government's operations. Data from this unit is combined with data of the primary government. It has been determined that Erie County Rentals, Inc. has met the requirements to be a blended component unit as it provides services exclusively for the benefit of the Authority and is wholly owned by the Authority.

Erie County Rentals, Inc. (incorporated on May 10, 2023) contains 161-units of low-income housing located in Corry, North East, and Erie County, Pennsylvania. On December 1, 2023, the Authority obtained financing from HUD through the Rental Assistance Demonstration Program (RAD). The RAD contracts will provide funding for the Authority for 20 years, at which time there is an option to renew the contracts for an additional 20 years.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Basis of Accounting

The Authority is accounted for as a proprietary fund and is considered to be an Enterprise Fund and, as such, uses the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Enterprise Fund of the Authority is made up of the following programs:

Low-Income Public Housing: Under the Low-Income Public Housing (LIPH) Program, the Authority rents apartments that it owns to low-income households. The LIPH Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy funding to enable the Public Housing Authority (PHA) to provide the housing at a rent that is based upon 30% of household income. Effective December 1, 2023, a portion of the LIPH units were converted to RAD units.

Capital Fund Program: Under the Capital Fund Program, the Authority receives funding to rehabilitate and repair existing housing stock and to develop new housing. The Capital Fund Program operates under annual grants from HUD. These grants are formula based and not competitive awards. The Capital Fund Program is the primary funding source for physical and management improvements to the Authority's properties.

Section 8 New Construction: A program of Housing Assistance Payments administered by the Authority under the New Construction Section 8 Program.

South Hill: This program consists of a 50-unit, multi-family property. The Authority administers a housing assistance payment contract at this property.

Housing Choice Voucher Program: Under the Housing Choice Voucher (HCV) Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The HCV Program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participant's rent at 30% of household income.

Weatherization Programs: The weatherization programs consist of funds received from the Low-Income Home Energy Assistance program, the Weatherization Assistance for Low-Income Persons program, the Erie County Home Repair and Weatherization Interface

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Project, and the Utility Weatherization Program. The goal of these programs is to provide assistance and energy education to low-income owners or renters that are in need of improvements to reduce energy usage.

Community Development Block Grant: Represents grant funds that are passed through the Commonwealth of Pennsylvania and used for community development projects.

Business Activities: The Authority owns three single-family homes that it leases to qualifying, low-income applicants that are considered business activities of the Authority.

Operating and Non-Operating Revenues and Expenses and Capital Contributions

Operating and non-operating revenues and expenses consist of those revenues and expenses that result from ongoing principal operations of the Authority. Operating revenues consist of users' fees and governmental grants. Non-operating revenues and expenses and capital contributions consist of those revenues and expenses relating to capital items and investment income.

Budgets

The Authority's activities are governed by budgets which are established by the Board of Directors and are reviewed by its grantor agencies, chiefly HUD.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Statement of Cash Flows

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash.

Accounts Receivable

The Authority records the total amount of revenue billed or accrued in accounts receivable. The portion of accounts receivable not expected to be collected is offset by an allowance for uncollectible accounts, estimated based on historical experience. Accounts deemed uncollectible are written off during the year as approved by the Board of Directors. Recoveries of accounts receivable previously written off are recorded when received.

Prepaid Expenses

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid expenses in the financial statements. The cost of prepaid items is recorded as an expense when consumed.

Inventories

Inventories consist of expendable supplies held for consumption. They are valued at cost using the first-in, first-out method. Expenditures are recorded at the end of the fiscal year to reflect physical counts and supplies used (consumption method). Inventory balances relate entirely to the weatherization programs.

Capital Assets

All assets that exceed the Authority's capitalization policy threshold of \$5,000 are stated at cost and include improvements that extend the physical or economic life of the asset. Hard modernization costs, the purchase of capital assets, and the major construction or improvements to public housing property, are capitalized. Soft modernization costs, which do not extend the useful life of an asset, along with routine repair and maintenance costs, are charged to operations as incurred.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Depreciation is provided on a straight-line basis over the estimated useful lives of the individual assets concerned as follows:

Buildings	40 years
Building improvements	15 Years
Furniture, equipment, and machinery	7 Years

Compensated Absences

Unused employee vacation time is accumulated and paid upon resignation, retirement, or termination. The amount of the compensated absence liability is accrued and expensed as earned. Unused sick leave is not paid and, therefore, is not subject to accrual.

Use of Estimates

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

Classifications of Net Position

The following are the three categories of net position:

- Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

- Restricted – This component of net position consists of constraints placed on use of assets through external restrictions. Restricted net position for the year ended December 31, 2023 consisted of Section 8 Housing Choice Voucher funds that must be used for activities related to the provision of tenant-based rental assistance.
- Unrestricted – This component of net position consists of amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Restricted and Unrestricted Resources

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Authority currently has deferred outflows related to its pension (Note 7) reported on the statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority currently has deferred inflows related to its pension (Note 7) reported on the statement of net position.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Adopted Pronouncements

The following Governmental Accounting Standards Board (GASB) statements were adopted for the year ended December 31, 2023: Statement Nos. 94 (Public-Private and Public-Public Partnerships) and 96 (Information Technology Arrangements). These statements had no significant impact on the Authority's financial statements for the year ended December 31, 2023.

Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences), and 102 (Certain Risk Disclosures). Management has not yet determined the impact of these statements on the financial statements.

2. Cash

Statutes allow the Authority to invest in direct obligations of the federal government backed by the full faith and credit of the United States of America, obligations of federal government agencies, securities of government-sponsored agencies, commercial paper, bankers' acceptances, and demand and savings deposits. The Authority's depositories are required by statute to continuously and fully secure all deposits in excess of the amounts insured under federal or state plans by the deposit or setting aside of collateral of the types, and in the manner as is prescribed by state law for the security of public funds. Such collateral shall, at all times, be of a market value at least equal to the amount of deposits so secured.

The following is a description of the Authority's deposit risks:

Custodial Credit Risk – For a deposit, custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk.

As of December 31, 2023, \$533,133 of the Authority's \$3,881,825 bank balance was insured by the Federal Deposit Insurance Corporation and National Credit Union Administration. The remaining bank balance was exposed to custodial credit risk, which is collateralized in

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits had a carrying amount of \$3,691,948 for the Authority and \$823,239 for Erie County Rentals, Inc. as of December 31, 2023.

As of December 31, 2023, \$250,000 of Erie County Rentals, Inc. \$823,239 bank balance was insured by the Federal Deposit Insurance Corporation with the remaining \$573,239 being uninsured. Also, in conjunction with the Authority's RAD properties maintained by Erie County Rentals, Inc., an additional \$4,283,606 in deposits which are part of the mortgage proceeds insured by HUD, is held by Centennial Mortgage, Inc. as required escrow reserves for the RAD conversion mortgage. As of December 31, 2023, \$250,000 of the reserve balance was insured by the Federal Deposit Insurance Corporation. The above amount is presented as cash - restricted on the statement of net position as of December 31, 2023.

Restricted Cash

Cash was restricted at December 31, 2023 for the following purpose:

Housing assistance payments	\$ 21,393
Tenant security deposits	33,487
Mortgage escrow deposits	<u>4,283,606</u>
Total	<u><u>\$ 4,338,486</u></u>

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. Capital Assets

A summary of changes in capital assets during 2023 is as follows:

	December 31, 2022	Increases	Decreases	Transfers	December 31, 2023
Capital assets, not being depreciated:					
Land	\$ 431,477	\$ -	\$ -	\$ -	\$ 431,477
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	431,477	-	-	-	431,477
Capital assets being depreciated:					
Buildings	15,899,942	303,346	-	(27,327)	16,175,961
Furniture, equipment, and machinery - dwellings	921,978	16,774	-	27,327	966,079
Furniture, equipment, and machinery - administration	634,336	-	-	-	634,336
Total capital assets, being depreciated	17,456,256	320,120	-	-	17,776,376
Less accumulated depreciation	(13,362,291)	(407,579)	-	-	(13,769,870)
Total capital assets being depreciated, net	4,093,965	(87,459)	-	-	4,006,506
Total capital assets	\$ 4,525,442	\$ (87,459)	\$ -	\$ -	\$ 4,437,983

4. Long-Term Liabilities

Mortgages Payable – Direct Borrowings

On December 1, 2017, the Authority entered into a mortgage agreement with a local bank to fund the purchase of a multi-family housing property located in Corry, Pennsylvania. The mortgage matures in 2037 and requires monthly principal and interest payments. The mortgage bears interest at 2.95% for the first 60 months and bears interest at the First National Bank cost of funds rate plus 2.15% for the final 180 months of the loan term. The related property collateralizes the loan. In the event of default, the lender has the right to the following remedies: accelerate payment of the outstanding principal, collection of rents,

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

and possession of the collateral. The Authority has made additional principal payments on the mortgage in both the current and prior years.

In conjunction with the transfer of a portion of the Authority's Public Housing to RAD, the Authority executed a mortgage note payable on November 7, 2023 in the original amount of \$5,355,800. The proceeds from this loan will be used for the rehabilitation of the converted RAD properties. The mortgage matures in 2058 and requires monthly principal and interest payments. The mortgage bears interest at 6.06%. The note payable is collateralized by a mortgage, a security agreement, and a regulatory agreement. Under the terms of this agreement, if the Authority fails to make required principal and interest payments, the lender has the option to collect rents among other remedies upon the approval of HUD who insures the loan.

A summary of future payments on the Authority's mortgages payable is as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 74,954	\$ 343,652	\$ 418,606
2025	79,022	339,584	418,606
2026	83,257	335,349	418,606
2027	87,729	330,877	418,606
2028	92,406	326,200	418,606
2029-2033	542,868	1,550,158	2,093,026
2034-2038	541,808	1,386,035	1,927,843
2039-2043	641,511	1,025,768	1,667,279
2044-2048	867,891	914,821	1,782,712
2049-2053	1,174,154	671,106	1,845,260
2054-2058	1,588,491	256,768	1,845,259
Total long-term debt	<u>\$ 5,774,091</u>	<u>\$ 7,480,318</u>	<u>\$ 13,254,409</u>

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

The schedule of changes in long-term liability activity for the year ended December 31, 2023 is presented below:

	Balance at December 31, 2022	Additions	Deletions	Balance at December 31, 2023	Due Within One Year
2017 Mortgage payable	\$ 450,894	\$ -	\$ (32,603)	\$ 418,291	\$ 29,207
2023 Mortgage payable	-	5,355,800	-	5,355,800	45,747
Compensated absences	176,574	22,750	(1,960)	197,364	93,177
	<u>\$ 627,468</u>	<u>\$ 5,378,550</u>	<u>\$ (34,563)</u>	<u>\$ 5,971,455</u>	<u>\$ 168,131</u>

5. Lines of Credit

The Authority maintains a line of credit of \$100,000 with a local bank to provide short-term working capital. The line is renewed annually. The interest rate on borrowed funds is the Prime Rate plus 0.5% times 68%. As of December 31, 2023, the rate on the line was 6.12% and there was a \$30,000 outstanding balance. The Authority intends to repay the outstanding balance in 2024; as such, the entire balance is classified as a current liability. In the event of default, lenders have the right to receive the collateralized property.

The Authority maintains another \$30,000 line of credit with a local bank to provide short-term working capital. The line is renewed annually. The interest rate on borrowed funds is the Prime Rate plus 0.5%. As of December 31, 2023, the rate on the line was 8.00% and there was no outstanding balance.

6. Deferred Compensation Plan

Employees of the Authority may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457. Beginning in 2020, the Authority created a second deferred compensation that allows Roth contributions (collectively, "plans".)

The plans are available to all full-time employees of the Authority. As part of its fiduciary role, the Authority has an obligation of due care in selecting the third-party administrator.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Under the plans, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Participation in the plans is voluntary, and the Authority does not contribute to the plans. During 2023, employees of the Authority contributed \$16,320 to the plans.

7. Pension Plan

Plan Description

The Authority established a pension plan (Plan) for its employees by resolution effective February 3, 1988. The Plan was subsequently amended; the latest pension agreement was effective January 1, 2016. The Plan is part of the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for municipalities and authorities. The Plan operates on a calendar year basis.

Plan provisions are established by municipal ordinance with the Authority for municipal contributions required by Act 205 of the Commonwealth (the Act). All permanent, full-time employees are eligible to participate in the Plan. An employee is fully vested after eight years. The normal retirement age is 60 years of age or older. However, participants are eligible for early retirement at age 55, provided they have achieved 20 years of credit service. Benefits will be actuarially reduced for each year or partial year thereof prior to age 55 that early retirement takes place. The basic annual benefit shall be equal to 1% of the member's final average salary multiplied by all years of credited service. Final average salary shall be calculated based upon the highest three-year average salary. At retirement, a member may select a reduced joint annuitant benefit. There shall be no offset for Social Security benefits received. Members shall contribute 3% of their total compensation in a manner consistent with Board-established policy. The Authority is required to contribute the remaining amount necessary to fund the plan, using the actuarial basis specified by statute.

A 50% service-related disability benefit is provided to a member who is unable to perform gainful employment. A 30% non-service-related disability benefit is provided to a member who has at least ten years of service and who is unable to perform gainful employment.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Per the latest available demographic information, December 31, 2022, employee membership data related to the Plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>27</u>
Total plan members	<u><u>51</u></u>

Contribution and Funding Policy

The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). The MMO calculation is based upon the biennial actuarial valuation. For the year ended December 31, 2023, the Authority contributed the funds necessary to meet the MMO for the Plan in the amount of \$117,749.

Administrative costs, including investment, custodial trustee, and actuarial services are charged to the appropriate plan and funded from investment earnings.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Changes in the Net Pension Liability/(Asset)

The changes in the Authority's net pension liability/(asset) based on a measurement date of December 31, 2022 are as follows:

	Total Pension Liability/(Asset)	Plan Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2021	\$ 4,880,317	\$ 5,426,673	\$ (546,356)
Changes for the year:			
Service cost	86,722	-	86,722
Interest	249,771	-	249,771
Changes in assumptions	-	-	-
Differences between expected and actual experience	78,220	-	78,220
Contributions - employer	-	99,616	(99,616)
Contributions - PMRS assessment	-	1,080	(1,080)
Contributions - employee	-	36,055	(36,055)
Net investment income	-	(664,974)	664,974
Benefit payments	(424,403)	(424,403)	-
Administrative expense	-	(13,239)	13,239
Balances at December 31, 2022	<u>\$ 4,870,627</u>	<u>\$ 4,460,808</u>	<u>\$ 409,819</u>
Plan fiduciary net position as a percentage of the total net pension liability/(asset)			<u>91.59%</u>

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Actuarial Assumptions - The total pension liability/(asset) was determined by an actuarial valuation performed on January 1, 2022, with liabilities measured at December 31, 2022, using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial assumptions:

Investment rate of return	5.25%
Projected salary increases	2.79% - 6.22%*
* includes inflation rate of 2.2%	
Post-retirement cost-of-living adjustments	2.2%, subject to plan limitations

Actuarial assumptions based on PMRS Experience Study for the period January 1, 2014 to December 31, 2018

Pre-retirement mortality:

Males: PUB-2010 General Employees table
Females: PUB-2010 General Employees table

Post-retirement mortality:

Males: RP2006 annuitant table
Females: RP2006 annuitant table

Long-Term Expected Rate of Return – The PMRS System’s (System) long-term expected rate of return on plan investments was determined using a building-block method in which best-estimates of expected future real rates of return are developed for each major asset class, for the portfolio as a whole, and at different levels of probability or confidence. There are four steps to the method:

1. Expected future real rates of return are based primarily on the 20-year historic nominal rates of return as reflected by applicable return indexes and may be adjusted for specific asset classes if, in the PMRS Board’s opinion, any such asset classes are expected in the future to significantly vary from its 20-year historical returns.
2. The nominal rates of return by asset class are adjusted by a constant rate of expected future annual inflation rate of 2.2% to produce real rates of return.
3. The real rates of return are further adjusted by weighting each asset class using the PMRS portfolio target asset allocations. The results from steps 1 through 3 are

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

presented in the chart labeled "System Nominal Net and Real Rates of Return by Asset Class."

4. These weighted real rates of return are then subjected to a probability simulation to understand the likelihood of success in achieving various portfolio return levels. Based on the most recent asset allocation study, the minimum acceptable confidence level for the PMRS Board has been determined to be 60%. The chart labeled "Confidence Levels for System Nominal Net and Real Rates of Return" identifies simulated portfolio returns at various confidence levels.

Discount Rate. The discount rate used to measure the total pension liability/(asset) was 5.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Authority's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate. The following presents the net pension liability/(asset) of the Plan calculated using the discount rates described above, as well as what the Plan's net pension liability/ (asset) would be if it was calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

1% Decrease 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
<u>\$ 959,506</u>	<u>\$ 409,819</u>	<u>\$ (56,479)</u>

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended December 31, 2023, the Authority recognized pension expense of \$2,956. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,576	\$ 77,442
Pension contributions subsequent to measurement date	117,749	-
Change in assumptions	41,223	-
Net difference between projected and actual earnings on pension plan investments	280,737	-
Total	<u>\$ 502,285</u>	<u>\$ 77,442</u>

\$117,749 reported as deferred outflows of resources resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2023	\$ (57,653)
2024	64,189
2025	105,896
2026	194,662
	<u>\$ 307,094</u>

8. Risk Management

The Authority faces exposure to various forms of risk of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, as well as medical benefits provided to employees. It carries commercial

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

insurance coverage for risks to the extent as deemed prudent by the Authority's management. Settled claims relating to the commercial insurance have not exceeded the insurance coverage in the past three fiscal years.

9. Commitments and Contingencies

The Authority is economically dependent on receiving operating subsidies and grant funding from HUD. The Authority's ability to maintain or improve operations would be severely impacted by a material reduction in HUD funds. Reductions in operating subsidies could occur in calendar year 2024, but any such reductions are not currently expected to have an immediate material adverse impact to the Authority.

The Authority's grant programs are subject to review by the funding sources. Such reviews could result in amounts that may require repayment upon final settlement.

The operations of the Authority are subject to the administrative directives, rules, and regulations of HUD that are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost to comply with a change.

On September 1, 2023, the Authority entered into a construction contract for costs associated with the RAD conversion. As of December 31, 2023, the outstanding balance on the contract totaled \$1,850,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

SCHEDULE OF CHANGES IN THE NET
PENSION LIABILITY/(ASSET) AND RELATED RATIOS

YEARS ENDED DECEMBER 31*

	2023	2022	2021	2020**	2019	2018	2017	2016	2015
Total Pension Liability:									
Service cost	\$ 86,722	\$ 77,217	\$ 68,204	\$ 62,998	\$ 63,089	\$ 64,685	\$ 62,399	\$ 73,215	\$ 85,986
Interest	249,771	249,428	249,842	246,754	236,993	235,736	233,551	228,966	226,445
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	78,220	-	(193,602)	-	153,565	-	84,580	-	165,642
Changes of assumptions	-	-	103,059	-	-	-	114,831	35,370	-
Transfers	-	-	-	-	-	-	-	-	(372,337)
Benefit payments, including refunds of employee contributions	(424,403)	(237,205)	(251,436)	(260,709)	(274,370)	(275,385)	(232,682)	(253,779)	(208,430)
Net Changes in Total Pension Liability	(9,690)	89,440	(23,933)	49,043	179,277	25,036	262,679	83,772	(102,694)
Total Pension Liability - Beginning	4,880,317	4,790,877	4,814,810	4,765,767	4,586,490	4,561,454	4,298,775	4,215,003	4,317,697
Total Pension Liability - Ending (a)	<u>\$ 4,870,627</u>	<u>\$ 4,880,317</u>	<u>\$ 4,790,877</u>	<u>\$ 4,814,810</u>	<u>\$ 4,765,767</u>	<u>\$ 4,586,490</u>	<u>\$ 4,561,454</u>	<u>\$ 4,298,775</u>	<u>\$ 4,215,003</u>
Plan Fiduciary Net Position:									
Employer contributions	\$ 99,616	\$ 99,198	\$ 89,730	\$ 87,225	\$ 76,311	\$ 104,894	\$ 86,773	\$ 87,358	\$ 74,527
Employee contributions	37,135	33,123	31,329	28,957	29,963	30,676	30,847	31,810	30,750
Net investment income	(664,974)	672,404	345,406	830,467	(117,653)	661,590	335,425	82	285,316
Transfers	-	-	-	-	-	-	-	-	(372,337)
Benefit payments, including refunds of employee contributions	(424,403)	(237,205)	(251,436)	(260,709)	(274,370)	(275,385)	(232,682)	(253,779)	(208,430)
Administrative expense	(13,239)	(13,966)	(10,948)	(8,628)	(10,017)	(10,308)	(11,082)	(9,335)	(8,422)
Net Change in Plan Fiduciary Net Position	(965,865)	553,554	204,081	677,312	(295,766)	511,467	209,281	(143,864)	(198,596)
Plan Fiduciary Net Position - Beginning	5,426,673	4,873,119	4,669,038	3,991,726	4,287,492	3,776,025	3,566,744	3,710,608	3,909,204
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,460,808</u>	<u>\$ 5,426,673</u>	<u>\$ 4,873,119</u>	<u>\$ 4,669,038</u>	<u>\$ 3,991,726</u>	<u>\$ 4,287,492</u>	<u>\$ 3,776,025</u>	<u>\$ 3,566,744</u>	<u>\$ 3,710,608</u>
Net Pension Liability - Ending (a-b)	<u>\$ 409,819</u>	<u>\$ (546,356)</u>	<u>\$ (82,242)</u>	<u>\$ 145,772</u>	<u>\$ 774,041</u>	<u>\$ 298,998</u>	<u>\$ 785,429</u>	<u>\$ 732,031</u>	<u>\$ 504,395</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	<u>91.59%</u>	<u>111.20%</u>	<u>101.72%</u>	<u>96.97%</u>	<u>83.76%</u>	<u>93.48%</u>	<u>82.78%</u>	<u>82.97%</u>	<u>88.03%</u>
Covered Payroll	<u>\$ 1,117,510</u>	<u>\$ 1,021,270</u>	<u>\$ 1,009,614</u>	<u>\$ 965,432</u>	<u>\$ 965,432</u>	<u>\$ 989,855</u>	<u>\$ 1,028,776</u>	<u>\$ 1,060,338</u>	<u>\$ 1,222,304</u>
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	36.67%	-53.50%	-8.15%	15.10%	80.18%	30.21%	76.35%	69.04%	41.27%

* The amounts presented for each fiscal year were determined as of the measurement date, which is December 31 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years only for which information is available.

** Due to delays in receiving information from PMRS, the Authority has reported their net pension liability/(asset) and related items based on the latest available information as of the date of this report. Updated information will be provided in future reports. The Authority has evaluated the information provided and considers the net pension liability/(asset) and related items as reported on the statement of financial position to be a reasonable estimate of the future liability.

See accompanying notes to required supplementary information.

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

SCHEDULE OF AUTHORITY CONTRIBUTIONS
AND INVESTMENT RETURNS

YEAR ENDED DECEMBER 31¹

Schedule of Contributions	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 151,273	\$ 131,214	\$ 100,178	\$ 90,690	\$ 88,165	\$ 77,251	\$ 105,814	\$ 86,673	\$ 87,338
Contributions in relation to the actuarially determined contribution	151,273	131,214	100,178	90,690	88,165	77,251	105,814	86,773	87,358
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100)</u>	<u>\$ (20)</u>
Covered payroll	<u>\$ 1,117,510</u>	<u>\$ 1,009,614</u>	<u>\$ 1,009,614</u>	<u>\$ 965,432</u>	<u>\$ 965,432</u>	<u>\$ 959,564</u>	<u>\$ 986,250</u>	<u>\$ 1,028,776</u>	<u>\$ 1,060,338</u>
Contributions as a percentage of covered employee payroll	13.54%	13.00%	9.92%	9.39%	9.13%	8.05%	10.73%	8.43%	8.24%
Investment Returns									
Annual money-weighted rate of return, net of investment expense	-12.80%	13.30%	13.80%	20.90%	-4.57%	17.84%	8.23%	-0.27%	5.20%

¹ The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

Actuarial Methods and Assumptions Used in Determining the Contribution Rate

The information presented in the required supplementary pension schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	1/1/2022
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar based upon amortization periods in Act 205
Asset valuation method	Based upon municipal reserves
Actuarial assumptions:	
Investment rate of return	5.25%
Projected salary increases	Age related scale with merit and inflation component
Underlying inflation rate	2.80%
Pre- and post-mortality	
assumptions:	Males: PUB-2010 General Employees male table Females: PUB-2010 General Employees female table Post Retirement - Males - RP2006 annuitant male table Post Retirement - Females - RP2006 annuitant female table
Retirement age	Age 60; for employees over age 60, immediate retirement is assumed

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

Benefit Changes

No benefit terms were modified.

Changes in Actuarial Assumptions

The Board approved updated actuarial assumptions including mortality rates, termination rates, retirement rates, and the salary scale effective January 1, 2021.

Investment return assumption for municipal assets decreased from 5.50% for 2016 and 2015 to 5.25% for 2017 through 2021.

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

FINANCIAL DATA SCHEDULES

2023	Description	Low Rent/CFP 14.850/14.872	Housing Choice Voucher 14.871	Section 8 New Construction 14.182	South Hill 14.195	CDBG 14.228	DOE 81.042	LIHEAP 93.568	Business Activities	Component Unit - Blended	Subtotal	Elimination	TOTAL
111	Cash - unrestricted	529,680	1,585,705	1,196,194	347,003	2,500	9,384	-	43,944	745,898	4,460,308	-	4,460,308
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	4,283,606	4,283,606	-	4,283,606
113	Cash - other restricted	-	21,393	-	-	-	-	-	-	-	21,393	-	21,393
114	Cash - tenant security deposits	2,916	-	8,358	3,299	-	-	-	957	17,957	33,487	-	33,487
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	532,596	1,607,098	1,204,552	350,302	2,500	9,384	-	44,901	5,047,461	8,798,794	-	8,798,794
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-	-	-	-	-	-
124	Account receivable - other government	900	-	888	-	802	121,626	125,054	-	47,617	296,887	-	296,887
125	Account receivable - miscellaneous	-	-	-	-	-	29,333	-	-	-	29,333	-	29,333
126	Accounts receivable - tenants	5,211	-	2,746	1,767	-	-	-	51	-	9,775	-	9,775
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowance for doubtful accounts	6,111	-	3,634	1,767	802	150,959	125,054	51	47,617	335,995	-	335,995
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	4,516	1,129	-	-	5,645	-	5,645
143	Inventories	-	-	-	-	-	83,882	-	-	-	83,882	-	83,882
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	-	-	802	-	-	-	-	-	-	802	(802)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	538,707	1,607,098	1,208,988	352,069	3,302	248,741	126,183	44,952	5,095,078	9,225,118	(802)	9,224,316
161	Land	177,083	-	-	26,016	-	-	-	46,100	182,278	431,477	-	431,477
162	Buildings	1,688,189	-	2,405,554	674,430	-	58,975	-	156,000	11,192,813	16,175,961	-	16,175,961
163	Furniture, equipment and machinery - dwellings	70,832	-	103,273	-	-	-	-	33,320	758,654	966,079	-	966,079
164	Furniture, equipment and machinery - administration	25,771	64,453	143,824	-	-	190,135	29,040	-	181,113	634,336	-	634,336
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(1,626,120)	(30,727)	(2,319,602)	(109,060)	-	(174,421)	(8,297)	(60,200)	(9,441,443)	(13,769,870)	-	(13,769,870)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	335,755	33,726	333,049	591,386	-	74,689	20,743	175,220	2,873,415	4,437,983	-	4,437,983
171	Notes, loans, & mortgages receivable -- non-current	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, loans, & mortgages receivable -- non-current - past due	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable -- non-current	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-current Assets	335,755	33,726	333,049	591,386	-	74,689	20,743	175,220	2,873,415	4,437,983	-	4,437,983
190	Total Assets	874,462	1,640,824	1,542,037	943,455	3,302	323,430	146,926	220,172	7,968,493	13,663,101	(802)	13,662,299
200	Deferred Outflow of Resources	76,519	100,578	33,632	15,449	-	163,589	96,359	-	16,159	502,285	-	502,285
290	Total Assets and Deferred Outflow of Resources	950,981	1,741,402	1,575,669	958,904	3,302	487,019	243,285	220,172	7,984,652	14,165,386	(802)	14,164,584

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

FINANCIAL DATA SCHEDULES

2023	Description	Low Rent/CFP 14.850/14.872	Housing Choice Voucher 14.871	Section 8 New Construction 14.182	South Hill 14.195	CDBG 14.228	DOE 81.042	LIHEAP 93.568	Business Activities	Component Unit - Blended	Subtotal	Elimination	TOTAL
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable <= 90 days	8,718	53,603	16,553	7,608	-	56,132	50,879	3,690	17,754	214,937	-	214,937
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	9,079	-	-	-	-	-	-	9,079	-	9,079
322	Accrued compensated absences - current portion	3,285	38,971	9,354	3,514	-	11,465	8,649	-	17,939	93,177	-	93,177
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	44,792	874	17,099	656	2,500	-	-	-	5,089	71,010	-	71,010
341	Tenant security deposits	2,916	-	8,358	3,299	-	-	-	957	17,957	33,487	-	33,487
342	Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	-	29,207	-	-	-	-	45,747	74,954	-	74,954
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	1,215	1,215	-	1,215
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-
347	Inter-program - due to	-	-	-	-	802	-	-	-	-	802	(802)	-
348	Loan liability - current	-	-	-	-	-	30,000	-	-	-	30,000	-	30,000
310	Total Current Liabilities	59,711	93,448	60,443	44,284	3,302	97,597	59,528	4,647	105,701	528,661	(802)	527,859
351	Capital Projects/ Mortgage Revenue Bonds	-	-	-	389,084	-	-	-	-	5,310,053	5,699,137	-	5,699,137
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated absences - non-current	3,673	43,575	10,460	3,930	-	12,820	9,671	-	20,058	104,187	-	104,187
355	Loan liability - non-current	-	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	62,433	82,063	27,440	12,605	-	133,474	78,620	-	13,184	409,819	-	409,819
350	Total Non-Current Liabilities	66,106	125,638	37,900	405,619	-	146,294	88,291	-	5,343,295	6,213,143	-	6,213,143
300	Total Liabilities	125,817	219,086	98,343	449,903	3,302	243,891	147,819	4,647	5,448,996	6,741,804	(802)	6,741,002
400	Deferred Inflow of Resources	11,798	15,507	5,185	2,382	-	25,222	14,857	-	2,491	77,442	-	77,442
508.1	Net Investment in Capital Assets	335,755	33,726	333,049	173,095	-	74,689	20,743	175,220	1,801,221	2,947,498	-	2,947,498
511.1	Restricted Net Position	-	21,393	-	-	-	-	-	-	-	21,393	-	21,393
512.1	Unrestricted Net Position	477,611	1,451,690	1,139,092	333,524	-	143,217	59,866	40,305	731,944	4,377,249	-	4,377,249
513	Total Equity - Net Position	813,366	1,506,809	1,472,141	506,619	-	217,906	80,609	215,525	2,533,165	7,346,140	-	7,346,140
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Position	950,981	1,741,402	1,575,669	958,904	3,302	487,019	243,285	220,172	7,984,652	14,165,386	(802)	14,164,584

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

FINANCIAL DATA SCHEDULES

2023	Description	Low Rent 14.850	CFP 14.872	Housing Choice Voucher 14.871	Section 8 New Construction 14.182	South Hill 14.195	CDBG 14.228	DOE 81.042	LIHEAP 93.568	Business Activities	Component Unit Blended	Subtotal	Elimination	TOTAL
70300	Net tenant rental revenue	635,872	-	-	256,285	67,092	-	-	-	19,990	51,456	1,030,695	-	1,030,695
70400	Tenant revenue - other	6,626	-	-	2,406	7,887	-	-	-	14,689	751	32,359	-	32,359
70500	Total Tenant Revenue	642,498	-	-	258,691	74,979	-	-	-	34,679	52,207	1,063,054	-	1,063,054
70600-010	Housing assistance payments			4,499,159								-	-	-
70600-020	Ongoing administrative fees earned			890,860								-	-	-
70600-030	Hard to house fee revenue											-	-	-
70600-060	All other fees											-	-	-
70600	HUD PHA operating grants	497,777	85,599	5,390,019	289,548	245,544	-	-	-	-	47,617	6,556,104	-	6,556,104
70610	Capital grants	-	201,380	-	-	-	-	-	-	-	-	201,380	-	201,380
70800	Other government grants	-	-	-	-	-	262,010	695,146	962,309	-	-	1,919,465	-	1,919,465
71100	Investment income - unrestricted	2,849	-	25,565	2,470	2,162	-	-	-	23	435	33,504	-	33,504
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	37,660	-	-	-	-	-	-	-	37,660	-	37,660
71500	Other revenue	10,053	-	28,354	446	3,255	-	274,282	-	25	15,463	331,878	-	331,878
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	31	-	-	-	31	-	31
72000	Investment income - restricted	10	-	-	-	-	-	-	-	-	-	10	-	10
70000	Total Revenue	1,153,187	286,979	5,481,598	551,155	325,940	262,010	969,459	962,309	34,727	115,722	10,143,086	-	10,143,086
91100	Administrative salaries	56,243	47,079	389,078	102,810	33,224	14,910	351,172	114,814	1,097	25,302	1,135,729	-	1,135,729
91200	Auditing fees	3,684	-	18,280	1,073	909	1,242	2,101	2,911	-	-	30,200	-	30,200
91300	Management fee	-	-	-	-	-	-	-	-	-	-	-	-	-
91310	Book-keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	6,707	38,520	143,353	41,975	14,033	-	-	-	389	4,634	249,611	-	249,611
91600	Office expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
91700	Legal expense	32,298	-	670	188	923	-	-	-	4	-	34,083	-	34,083
91800	Travel	21,840	-	4,808	403	-	-	-	-	-	1,840	28,891	-	28,891
91810	Allocated Overhead	38,519	-	48,510	17,755	8,048	-	-	-	387	4,745	117,964	-	117,964
91900	Other	22,485	-	53,462	9,795	3,765	2,735	107,949	8,697	5,327	7,608	221,823	-	221,823
91000	Total Operating-Administrative	181,776	85,599	658,161	173,999	60,902	18,887	461,222	126,422	7,204	44,129	1,818,301	-	1,818,301
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	485	-	-	-	-	-	-	-	-	-	485	-	485
92500	Total Tenant Services	485	-	-	-	-	-	-	-	-	-	485	-	485
93100	Water	50,907	-	-	23,166	23,944	-	-	-	140	2,593	100,750	-	100,750
93200	Electricity	54,626	-	-	36,580	10,271	-	-	-	144	4,889	106,510	-	106,510
93300	Gas	14,585	-	-	-	-	-	-	-	160	2,097	16,842	-	16,842
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	67,838	-	-	26,793	26,457	-	-	-	188	3,644	124,920	-	124,920
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-
93000	Total Utilities	187,956	-	-	86,539	60,672	-	-	-	632	13,223	349,022	-	349,022
94100	Ordinary maintenance and operations - labor	193,231	-	-	27,470	26,626	-	283,668	257,535	2,129	36,594	827,253	-	827,253
94200	Ordinary maintenance and operations - materials and other	76,603	-	-	26,797	18,904	-	233,046	575,007	2,812	2,652	935,821	-	935,821
94300	Ordinary Maintenance and Operations Contracts	124,085	-	-	16,140	22,828	243,123	-	-	8,345	6,990	421,511	-	421,511
94500	Employee benefit contribution - ordinary maintenance	70,740	-	-	10,494	9,751	-	-	-	756	7,248	98,989	-	98,989
94000	Total Maintenance and Operations	464,659	-	-	80,901	78,109	243,123	516,714	832,542	14,042	53,484	2,283,574	-	2,283,574

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

FINANCIAL DATA SCHEDULES

2023	Description	Low Rent 14.850	CFP 14.872	Housing Choice Voucher 14.871	Section 8 New Construction 14.182	South Hill 14.195	CDBG 14.228	DOE 81.042	LIHEAP 93.568	Business Activities	Component Unit Blended	Subtotal	Elimination	TOTAL
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services - other contract costs	-	-	-	-	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property insurance	85,545	-	-	23,483	17,708	-	-	-	2,014	1,143	129,893	-	129,893
96120	Liability insurance	1,822	-	-	498	390	-	14,942	3,698	44	-	21,394	-	21,394
96130	Workmen's compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
96140	All other insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	87,367	-	-	23,981	18,098	-	14,942	3,698	2,058	1,143	151,287	-	151,287
96200	Other general expenses	-	-	-	-	-	-	-	-	-	321,796	321,796	-	321,796
96210	Compensated absences	3,491	-	33,930	9,533	4,925	-	11,646	8,786	-	18,373	90,684	-	90,684
96300	Payments in lieu of taxes	44,792	-	-	16,975	642	-	-	-	-	3,823	66,232	-	66,232
96400	Bad debt - tenant rents	16,333	-	-	1,081	3,850	-	-	-	-	-	21,264	-	21,264
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	64,616	-	33,930	27,589	9,417	-	11,646	8,786	-	343,992	499,976	-	499,976
96710	Interest of mortgage (or bonds) payable	-	-	-	-	21,080	-	-	-	-	-	21,080	-	21,080
96720	Interest on notes payable (short and long term)	-	-	-	-	-	-	-	-	238	-	238	-	238
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-	-	-	-
96700	Total Interest expense and amortization cost	-	-	-	-	21,080	-	-	-	238	-	21,318	-	21,318
96900	Total Operating Expenses	986,859	85,599	692,091	393,009	248,278	262,010	1,004,524	971,448	24,174	455,971	5,123,963	-	5,123,963
97000	Excess Revenue Over Operating Expenses	166,328	201,380	4,789,507	158,146	77,662	-	(35,065)	(9,139)	10,553	(340,249)	5,019,123	-	5,019,123
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-
97300-010	Mainstream 1 & 5 year	-	-	-	-	-	-	-	-	-	-	-	-	-
97300-020	Home-Ownership	-	-	-	-	-	-	-	-	-	-	-	-	-
97300-025	Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
97300-030	Hope IV	-	-	-	-	-	-	-	-	-	-	-	-	-
97300-040	Tenant Protection	-	-	-	-	-	-	-	-	-	-	-	-	-
97300-041	Portability Out	-	-	20,908	-	-	-	-	-	-	-	-	-	-
97300-045	FSS Escrow Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
97300-049	All Other "Special" Vouchers (i.e., FUP, NED, etc.)	-	-	6,077	-	-	-	-	-	-	-	-	-	-
97300-050	All Other	-	-	4,536,650	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	4,563,635	-	-	-	-	-	-	-	4,563,635	-	4,563,635
97350	HAP Portability-In	-	-	24,659	-	-	-	-	-	-	-	24,659	-	24,659
97400	Depreciation expense	248,437	52,610	9,208	36,737	19,727	-	7,528	4,149	5,933	23,252	407,581	-	407,581
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	1,235,296	138,209	5,289,593	429,746	268,005	262,010	1,012,052	975,597	30,107	479,223	10,119,838	-	10,119,838
10010	Operating transfer in	-	-	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	(280,370)	-	-	-	-	-	-	-	-	-	(280,370)	-	(280,370)
10080	Special items, net gain/loss	(2,896,666)	-	-	-	-	-	-	-	-	2,896,666	-	-	-
10093	Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	(3,177,036)	-	-	-	-	-	-	-	-	2,896,666	(280,370)	-	(280,370)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(3,259,145)	148,770	192,005	121,409	57,935	-	(42,593)	(13,288)	4,620	2,533,165	(257,122)	-	(257,122)

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

FINANCIAL DATA SCHEDULES

2023	Description	Low Rent 14.850	CFP 14.872	Housing Choice Voucher 14.871	Section 8 New Construction 14.182	South Hill 14.195	CDBG 14.228	DOE 81.042	LIHEAP 93.568	Business Activities	Component Unit Blended	Subtotal	Elimination	TOTAL
11020	Required Annual Debt Principal Payments	-	-	-	-	28,148	-	-	-	-	-	28,148	-	28,148
11030	Beginning equity	3,923,741	-	1,314,804	1,350,732	448,684	-	260,499	93,897	210,905	-	7,603,262	-	7,603,262
11040-030	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-040	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-050	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-060	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-070	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-080	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-090	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-100	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-110	Equity Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-
11170-001	Administrative Fee Equity - Beginning Balance			1,247,765								1,247,765	-	1,247,765
11170-010	Administrative Fee Revenue			890,860								890,860	-	890,860
11170-020	Hard to House Fee Revenue			-								-	-	-
11170-030	Audit Costs			-								-	-	-
11170-040	Investment Income			25,565								25,565	-	25,565
11170-045	Fraud Recovery Revenue			18,830								18,830	-	18,830
11170-050	Other Revenue			28,354								28,354	-	28,354
11170-051	Comment for Other Revenue			-								-	-	-
11170-060	Total Admin Fee Revenues			963,609								963,609	-	963,609
11170-080	Total Operating Expenses			692,091								692,091	-	692,091
11170-090	Depreciation			9,208								9,208	-	9,208
11170-095	HAP port in			24,659								24,659	-	24,659
11170-100	Other Expenses			-								-	-	-
11170-101	Comment for Other Expense			-								-	-	-
11170-110	Total Expenses			725,958								725,958	-	725,958
11170-002	Net Administrative Fee			237,651								237,651	-	237,651
11170-003	Administrative Fee Equity - Ending Balance			1,485,416								1,485,416	-	1,485,416
11170	Administrative Fee Equity			1,485,416								1,485,416	-	1,485,416
11180-001	Housing Assistance Payments Equity - Beginning Balance			67,039								67,039	-	67,039
11180-010	Housing Assistance Payments Revenue			4,499,159								4,499,159	-	4,499,159
11180-015	Fraud Recovery Revenue			18,830								18,830	-	18,830
11180-020	Other revenue			-								-	-	-
11180-021	Comment for other revenue			-								-	-	-
11180-025	Investment Income			-								-	-	-
11180-030	Total HAP revenues			4,517,989								4,517,989	-	4,517,989
11180-080	Housing Assistance Payments			4,563,635								4,563,635	-	4,563,635
11180-090	Other expense			-								-	-	-
11180-091	Comment for other expense			-								-	-	-
11180-100	Total Housing Assistance Payments Expense			4,563,635								4,563,635	-	4,563,635
11180-002	Net Housing Assistance Payments			(45,646)								(45,646)	-	(45,646)
11180-003	Housing Assistance Payment Equity - Ending Balance			21,393								21,393	-	21,393
11180	Housing Assistance Payments Equity			21,393								21,393	-	21,393
11190	Unit Months Available	2,179	-	12,969	780	600	-	-	-	36	161	16,725	-	16,725
11210	Unit Months Leased	2,122	-	10,644	760	577	-	-	-	36	155	14,294	-	14,294
11270	Excess Cash	373,394										373,394	-	373,394
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	88,066	201,380	-	-	-	-	-	-	-	-	289,446	-	289,446
11630	Furniture & Equipment - Dwelling Purchases	16,772	-	-	-	-	-	-	-	-	-	16,772	-	16,772
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFPP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF ERIE

COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2023

	Low Rent / CFP	Section 8 Voucher	Section 8 New Construction	South Hill	CDBG Programs	Weatherization Programs	Business Activities	Component Unit Blended	Eliminations	Total
Assets and Deferred Outflows of Resources										
Assets:										
Current assets:										
Cash - unrestricted	\$ 529,680	\$ 1,585,705	\$ 1,196,194	\$ 347,003	\$ 2,500	\$ 9,384	\$ 43,944	\$ 745,898	\$ -	\$ 4,460,308
Cash - restricted	-	21,393	-	-	-	-	-	4,283,606	-	4,304,999
Cash - tenant security deposits	2,916	-	8,358	3,299	-	-	957	17,957	-	33,487
Total cash	532,596	1,607,098	1,204,552	350,302	2,500	9,384	44,901	5,047,461	-	8,798,794
Accounts receivable - other government	900	-	888	-	802	246,680	-	47,617	-	296,887
Accounts receivable - miscellaneous	-	-	-	-	-	29,333	-	-	-	29,333
Accounts receivable - tenants	5,211	-	2,746	1,767	-	-	51	-	-	9,775
Inter-program - due from	-	-	802	-	-	-	-	-	(802)	-
Prepaid expenses and other assets	-	-	-	-	-	5,645	-	-	-	5,645
Inventories	-	-	-	-	-	83,882	-	-	-	83,882
Total current assets	538,707	1,607,098	1,208,988	352,069	3,302	374,924	44,952	5,095,078	(802)	9,224,316
Noncurrent assets:										
Capital assets, net	335,755	33,726	333,049	591,386	-	95,432	175,220	2,873,415	-	4,437,983
Total noncurrent assets	335,755	33,726	333,049	591,386	-	95,432	175,220	2,873,415	-	4,437,983
Total Assets	874,462	1,640,824	1,542,037	943,455	3,302	470,356	220,172	7,968,493	(802)	13,662,299
Deferred Outflows of Resources:										
Deferred outflows of resources for pension	76,519	100,578	33,632	15,449	-	259,948	-	16,159	-	502,285
Total Assets and Deferred Outflows of Resources	\$ 950,981	\$ 1,741,402	\$ 1,575,669	\$ 958,904	\$ 3,302	\$ 730,304	\$ 220,172	\$ 7,984,652	\$ (802)	\$ 14,164,584
Liabilities, Deferred Inflows of Resources, and Net Position										
Liabilities:										
Current liabilities:										
Accounts payable	\$ 8,718	\$ 53,603	\$ 16,553	\$ 7,608	\$ -	\$ 107,011	\$ 3,690	\$ 17,754	\$ -	\$ 214,937
Accrued wage and payroll taxes	-	-	9,079	-	-	-	-	-	-	9,079
Accrued compensated absences - current	3,285	38,971	9,354	3,514	-	20,114	-	17,939	-	93,177
Accounts payable - other government	44,792	874	17,099	656	2,500	-	-	5,089	-	71,010
Tenant security deposits	2,916	-	8,358	3,299	-	-	957	17,957	-	33,487
Inter-program - due to	-	-	-	-	802	-	-	-	(802)	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	29,207	-	-	-	45,747	-	74,954
Loan liability - current	-	-	-	-	-	30,000	-	-	-	30,000
Other current liabilities	-	-	-	-	-	-	-	1,215	-	1,215
Total current liabilities	59,711	93,448	60,443	44,284	3,302	157,125	4,647	105,701	(802)	527,859
Noncurrent liabilities:										
Accrued compensated absences - non-current	3,673	43,575	10,460	3,930	-	22,491	-	20,058	-	104,187
Long-term debt, net of current portion	-	-	-	389,084	-	-	-	5,310,053	-	5,699,137
Net pension liability	62,433	82,063	27,440	12,605	-	212,094	-	13,184	-	409,819
Total noncurrent liabilities	66,106	125,638	37,900	405,619	-	234,585	-	5,343,295	-	6,213,143
Total Liabilities	125,817	219,086	98,343	449,903	3,302	391,710	4,647	5,448,996	(802)	6,741,002
Deferred Inflows of Resources:										
Deferred inflows of resources for pension	11,798	15,507	5,185	2,382	-	40,079	-	2,491	-	77,442
Net Position:										
Net investment in capital assets	335,755	33,726	333,049	173,095	-	95,432	175,220	1,801,221	-	2,947,498
Restricted	-	21,393	-	-	-	-	-	-	-	21,393
Unrestricted	477,611	1,451,690	1,139,092	333,524	-	203,083	40,305	731,944	-	4,377,249
Total Net Position	813,366	1,506,809	1,472,141	506,619	-	298,515	215,525	2,533,165	-	7,346,140
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 950,981	\$ 1,741,402	\$ 1,575,669	\$ 958,904	\$ 3,302	\$ 730,304	\$ 220,172	\$ 7,984,652	\$ (802)	\$ 14,164,584

HOUSING AUTHORITY OF THE COUNTY OF ERIE

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2023

	Low Rent / CFP	Section 8 Voucher	Section 8 New Construction	South Hill	CDBG Programs	Weatherization Programs	Business Activities	Component Unit Blended	Total
Operating Revenues:									
Net tenant revenue	\$ 642,498	\$ -	\$ 258,691	\$ 74,979	\$ -	\$ -	\$ 34,679	\$ 52,207	\$ 1,063,054
HUD PHA operating grants	583,376	5,390,019	289,548	245,544	-	-	-	47,617	6,556,104
Other governmental grants	-	-	-	-	262,010	1,657,455	-	-	1,919,465
Other revenue	10,053	66,014	446	3,255	-	274,282	25	15,463	369,538
Total operating revenues	1,235,927	5,456,033	548,685	323,778	262,010	1,931,737	34,704	115,287	9,908,161
Operating Expenses:									
Housing assistance payments	-	4,588,294	-	-	-	-	-	-	4,588,294
Administrative	267,375	658,161	173,999	60,902	18,887	587,644	7,204	44,129	1,818,301
Tenant services	485	-	-	-	-	-	-	-	485
Utilities	187,956	-	86,539	60,672	-	-	632	13,223	349,022
Maintenance and operations	464,659	-	80,901	78,109	243,123	1,349,256	14,042	53,484	2,283,574
Insurance premiums	87,367	-	23,981	18,098	-	18,640	2,058	1,143	151,287
Other general expenses	64,616	33,930	27,589	9,417	-	20,432	-	343,992	499,976
Total operating expenses	1,072,458	5,280,385	393,009	227,198	262,010	1,975,972	23,936	455,971	9,690,939
Operating Income (Loss)	163,469	175,648	155,676	96,580	-	(44,235)	10,768	(340,684)	217,222
Non-Operating Revenues (Expenses):									
Gain (loss) on sale of capital assets	-	-	-	-	-	31	-	-	31
Investment income - unrestricted	2,849	25,565	2,470	2,162	-	-	23	435	33,504
Investment income - restricted	10	-	-	-	-	-	-	-	10
Interest expense	-	-	-	(21,080)	-	-	(238)	-	(21,318)
RAD conversion expense	(280,370)	-	-	-	-	-	-	-	(280,370)
Depreciation expense	(301,047)	(9,208)	(36,737)	(19,727)	-	(11,677)	(5,933)	(23,252)	(407,581)
Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-
Extraordinary maintenance	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	(578,558)	16,357	(34,267)	(38,645)	-	(11,646)	(6,148)	(22,817)	(675,724)
Capital Contributions:									
HUD capital grants	201,380	-	-	-	-	-	-	-	201,380
Special Items									
Special items (net gain/loss)	(2,896,666)	-	-	-	-	-	-	2,896,666	-
Transfer Between Programs									
	-	-	-	-	-	-	-	-	-
Change in Net Position	(3,110,375)	192,005	121,409	57,935	-	(55,881)	4,620	2,533,165	(257,122)
Net position - beginning	3,923,741	1,314,804	1,350,732	448,684	-	354,396	210,905	-	7,603,262
Net position - ending	\$ 813,366	\$ 1,506,809	\$ 1,472,141	\$ 506,619	\$ -	\$ 298,515	\$ 215,525	\$ 2,533,165	\$ 7,346,140

HOUSING AUTHORITY OF THE COUNTY OF ERIE

LOW RENT/CFP STATEMENT OF NET POSITION

DECEMBER 31, 2023

	Salsbury	College View	Pleasant Manor	Center Place	Marvin J. Schick	West Court	Random Court	Total
Assets and Deferred Outflows of Resources								
Assets:								
Current assets:								
Cash - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 211,906	\$ 215,897	\$ 101,877	\$ 529,680
Cash - tenant security deposits	-	-	-	-	1,287	1,029	600	2,916
Total cash	-	-	-	-	213,193	216,926	102,477	532,596
Accounts receivable - tenants	-	-	-	-	397	318	185	900
Prepaid expenses and other assets	-	-	-	-	2,299	1,839	1,073	5,211
Total current assets	-	-	-	-	215,889	219,083	103,735	538,707
Noncurrent assets:								
Capital assets, net	-	-	-	-	148,127	118,502	69,126	335,755
Total noncurrent assets	-	-	-	-	148,127	118,502	69,126	335,755
Total Assets	-	-	-	-	364,016	337,585	172,861	874,462
Deferred Outflows of Resources:								
Deferred outflows of resources for pension	-	-	-	-	33,758	27,007	15,754	76,519
Total Assets and Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ 397,774	\$ 364,592	\$ 188,615	\$ 950,981
Liabilities, Deferred Inflows of Resources, and Net Position								
Liabilities:								
Current liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,846	\$ 3,077	\$ 1,795	\$ 8,718
Accrued compensated absences - current	-	-	-	-	1,450	1,159	676	3,285
Accounts payable - other government	-	-	-	-	19,761	15,809	9,222	44,792
Tenant security deposits	-	-	-	-	1,287	1,029	600	2,916
Total current liabilities	-	-	-	-	26,344	21,074	12,293	59,711
Noncurrent liabilities:								
Accrued compensated absences - non-current	-	-	-	-	1,621	1,296	756	3,673
Net pension liability	-	-	-	-	27,544	22,035	12,854	62,433
Total noncurrent liabilities	-	-	-	-	29,165	23,331	13,610	66,106
Total Liabilities	-	-	-	-	55,509	44,405	25,903	125,817
Deferred Inflows of Resources:								
Deferred inflows of resources for pension	-	-	-	-	5,205	4,164	2,429	11,798
Net Position:								
Net investment in capital assets	-	-	-	-	148,127	118,502	69,126	335,755
Restricted	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	188,933	197,521	91,157	477,611
Total Net Position	-	-	-	-	337,060	316,023	160,283	813,366
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ -	\$ -	\$ -	\$ -	\$ 397,774	\$ 364,592	\$ 188,615	\$ 950,981

HOUSING AUTHORITY OF THE COUNTY OF ERIE

LOW RENT/CFP STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2023

	Salsbury	College View	Pleasant Manor	Center Place	Marvin J Schick	West Court	Random Court	Total
Operating Revenues:								
Net tenant revenue	\$ 242,453	\$ 119,345	\$ 116,213	\$ 82,634	\$ 47,949	\$ 29,480	\$ 4,424	\$ 642,498
HUD PHA operating grants	137,639	114,557	65,735	69,402	77,529	64,382	54,132	583,376
Other revenue	2,200	477	275	139	2,332	2,302	2,328	10,053
Total operating revenues	382,292	234,379	182,223	152,175	127,810	96,164	60,884	1,235,927
Operating Expenses:								
Administrative	91,952	57,228	41,510	36,396	17,775	14,220	8,295	267,376
Tenant services	162	99	75	65	37	30	17	485
Utilities	74,247	21,220	34,388	26,574	9,200	13,210	9,117	187,956
Maintenance and operations	170,209	89,189	64,878	55,877	43,545	26,045	14,915	464,658
Insurance premiums	29,122	17,922	13,441	11,649	6,721	5,376	3,136	87,367
Other general expenses	18,743	10,176	7,515	6,438	14,184	3,110	4,450	64,616
Total operating expenses	384,435	195,834	161,807	136,999	91,462	61,991	39,930	1,072,458
Operating Income (Loss)	(2,143)	38,545	20,416	15,176	36,348	34,173	20,954	163,469
Non-Operating Revenues (Expenses):								
Investment income - unrestricted	950	585	438	380	219	175	102	2,849
Investment income - restricted	4	2	1	1	1	1	-	10
RAD conversion expense	(113,193)	(69,657)	(52,243)	(45,277)	-	-	-	(280,370)
Depreciation expense	(118,168)	(72,718)	(54,539)	(47,728)	(3,483)	(2,786)	(1,625)	(301,047)
Total non-operating revenues (expenses)	(230,407)	(141,788)	(106,343)	(92,624)	(3,263)	(2,610)	(1,523)	(578,558)
Capital Contributions:								
HUD capital grants	100,759	51,871	3,600	-	2,150	43,000	-	201,380
Special items								
Special items (net gain/loss)	(1,176,123)	(753,500)	(521,326)	(445,717)	-	-	-	(2,896,666)
Transfer Between Programs	-	-	-	-	-	-	-	-
Change in Net Position	(1,307,914)	(804,872)	(603,653)	(523,165)	35,235	74,563	19,431	(3,110,375)
Net position - beginning	1,307,914	804,872	603,653	523,165	301,825	241,460	140,852	3,923,741
Net position - ending	\$ -	\$ -	\$ -	\$ -	\$ 337,060	\$ 316,023	\$ 160,283	\$ 813,366

HOUSING AUTHORITY OF THE COUNTY OF ERIE

ACTUAL MODERNIZATION COST CERTIFICATE

<u>2020 Capital Fund Program Grant</u>	<u>PA28P087501-20</u>
Funds Approved	\$ 641,816
Funds Disbursed	\$ 641,816
Funds Expended (Actual Modernization Cost)	\$ 641,816
Amount to be Recaptured	\$ -
Excess of Funds Disbursed	\$ -
<u>2021 Capital Fund Program Grant</u>	<u>PA28P087501-21</u>
Funds Approved	\$ 427,624
Funds Disbursed	\$ 427,624
Funds Expended (Actual Modernization Cost)	\$ 427,624
Amount to be Recaptured	\$ -
Excess of Funds Disbursed	\$ -
<u>2022 Capital Fund Program Grant</u>	<u>PA28P087501-22</u>
Funds Approved	\$ 58,210
Funds Disbursed	\$ 58,210
Funds Expended (Actual Modernization Cost)	\$ 58,210
Amount to be Recaptured	\$ -
Excess of Funds Disbursed	\$ -
<u>2023 Capital Fund Program Grant</u>	<u>PA28P087501-23</u>
Funds Approved	\$ 23,527
Funds Disbursed	\$ 23,527
Funds Expended (Actual Modernization Cost)	\$ 23,527
Amount to be Recaptured	\$ -
Excess of Funds Disbursed	\$ -

The distribution of costs as shown on the Actual Modernization Cost Certificates to HUD for approval are in agreement with the Authority's records.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Project Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor's No.</u>	<u>Total Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development:</u>				
Public and Indian Housing	14.850	N/A	\$ 497,777	\$ -
Total Public and Indian Housing			<u>497,777</u>	<u>-</u>
Public Housing Capital Fund (CFP)	14.872	N/A	286,979	-
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	<u>5,280,385</u>	<u>20,908</u>
Total Housing Voucher Cluster			<u>5,280,385</u>	<u>20,908</u>
Section 8 Project-Based Cluster:				
Section 8 New Construction and Substantial Rehabilitation	14.182	N/A	289,548	-
Section 8 Housing Assistance Payments Program	14.195	N/A	<u>245,544</u>	<u>-</u>
Total Section 8 Project-Based Cluster			<u>535,092</u>	<u>-</u>
Passed through the Commonwealth of Pennsylvania Department of Community and Economic Development:				
Community Development Block Grants	14.228	C000076102	18,886	-
Community Development Block Grants	14.228	C000082881	37,112	-
COVID-19 Community Development Block Grants	14.228	C000075517	188,700	-
Community Development Block Grants	14.228	C000084346	<u>17,312</u>	<u>-</u>
Total Community Development Block Grants			<u>262,010</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>6,862,243</u>	<u>20,908</u>
<u>U.S. Department of Health and Human Services:</u>				
Passed through the Commonwealth of Pennsylvania:				
Low-Income Home Energy Assistance	93.568	C000073871	<u>962,309</u>	<u>-</u>
Total Low-Income Home Energy Assistance			<u>962,309</u>	<u>-</u>
<u>U.S. Department of Energy:</u>				
Passed through the Commonwealth of Pennsylvania:				
Weatherization Assistance for Low-Income Persons	81.042	C000082833	<u>695,146</u>	<u>-</u>
Total Weatherization Assistance for Low-Income Persons			<u>695,146</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 8,519,698</u>	<u>\$ 20,908</u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Housing Authority of the County of Erie (Authority) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the net position, changes in net position, or cash flows of the Authority.

2. Summary of Significant Accounting Policies

The accompanying Schedule is presented using the accrual basis of accounting. Expenditures are recognized following the cost principles contained in the Uniform Guidance. The Authority has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE COUNTY OF ERIE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

3. Required by the Commonwealth of Pennsylvania Department of Community and Economic Development

	CDBG 2020 C000076102	CDBG 2020 (COVID) C000075517	CDBG 2021 C000082881	CDBG 2022 C000084346
Due from DCED at December 31, 2022	\$ 1,555	\$ -	\$ -	\$ -
Receipts	20,441	188,700	37,112	17,312
Disbursements	<u>18,886</u>	<u>188,700</u>	<u>37,112</u>	<u>17,312</u>
Due from DCED at December 31, 2023	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
	LIHEAP C000073871	Weatherization C000082833		
Due from DCED at December 31, 2022	\$ 26,620	\$ (16,116)		
Receipts	925,172	651,801		
Disbursements	<u>962,309</u>	<u>695,146</u>		
Due from DCED at December 31, 2023	<u><u>\$ 63,757</u></u>	<u><u>\$ 27,229</u></u>		

**Housing Authority of the
County of Erie**

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended December 31, 2023

**Independent Auditor's 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**

**Board of Directors
Housing Authority of the County of Erie**

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 the County of Erie (Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Board of Directors
Housing Authority of the County of Erie
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

Maher Duessel

Pittsburgh, Pennsylvania
May 31, 2024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**Board of Directors
Housing Authority of the County of Erie**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the County of Erie's (Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended December 31, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Board of Directors
Housing Authority of the County of Erie
Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Maher Duessel

Pittsburgh, Pennsylvania
May 31, 2024

HOUSING AUTHORITY OF THE COUNTY OF ERIE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2023

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles.

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?
☐ yes ☒ none reported

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?
☐ yes ☒ none reported

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

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ☐ yes ☒ no

7. Major Programs:

ALN(s)

14.871

Name of Federal Program or Cluster

Housing Voucher Cluster: Section 8 Housing Choice Vouchers

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? ☒ yes ☐ no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

**HOUSING AUTHORITY OF THE
COUNTY OF ERIE**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2023

NO FINDINGS IN PRIOR YEAR