

NIAGARA FALLS
HOUSING AUTHORITY
*Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Federal Awards Information
for the Years Ended March 31, 2019 and 2018
and Independent Auditors' Reports*

NIAGARA FALLS HOUSING AUTHORITY
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Years Ended March 31, 2019 and 2018

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Niagara Falls Housing Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Niagara Falls Housing Authority (the "Authority"), as of and for the years ended March 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of March 31, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended March 31, 2019 the Authority implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The Supplementary Information, as listed in the table of contents, the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and the Electronically Filed Financial Data Schedule (“Appendix A”), as required by the U.S. Department of Housing and Urban Development’s Real Estate Assessment Center, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, the Schedule of Expenditures of Federal Awards, and Appendix A are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, the Schedule of Expenditures of Federal Awards, and Appendix A are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2019, 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.

Drescher & Malecki LLP

October 8, 2019

NIAGARA FALLS HOUSING AUTHORITY
Management's Discussion and Analysis
Years Ended March 31, 2019 and 2018

As management of the Niagara Falls Housing Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended March 31, 2019 and 2018. This document should be read in conjunction with additional information that we have furnished in the Authority's financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

Financial Highlights

- The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$40,842,049 (net position) at March 31, 2019. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities by \$42,567,455 (as restated).
- The Authority's net position decreased by \$1,725,406 for the year ended March 31, 2019.
- At March 31, 2019, the Authority's net investment in capital assets, net of related debt, totaled \$11,104,849, which includes property and equipment, net of accumulated depreciation. The remaining portion of net position of \$29,737,200 represents the unrestricted net position available to maintain the Authority's continuing obligations to citizens and creditors.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise two components: 1) the Authority's financial statements and 2) the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial statements—The financial statements are prepared using the accrual basis of accounting. The financial statements are organized as follows:

The *statements of net position* on page 13 present information on all of the Authority's assets, liabilities, and deferred outflows/inflows of resources, with the differences reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statements of revenue, expenses, and changes in net position* on page 14 present information showing how the Authority's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *statements of cash flows* on pages 15-16 present the cash flow activities for the most recent reporting years and the effect that these activities had on the Authority's cash and cash equivalent balances.

The *notes to the financial statements* on pages 17-33 provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found following the financial statements section of this report.

Other information—In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning the Authority’s net pension liability and the changes in the Authority’s total other postemployment benefits (“OPEB”) obligation. Required supplementary information can be found on pages 34-37 of this report.

Other supplementary information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 38-41.

The Federal Awards Information section presents the Authority’s Schedule of Expenditures of Federal Awards. This section can be found on pages 42-49 of this report.

Financial Analysis

As noted earlier, net position over time may serve as useful indicator of an entity’s financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,842,049 at the close of the most recent fiscal year, as compared to \$42,567,455 at the close of the fiscal year ended March 31, 2018 (as restated).

Table 1, shown below, presents condensed statements of net position as of March 31, 2019 and March 31, 2018.

Table 1—Condensed Statements of Net Position

	March 31,	
	2019	2018 (restated)
Current assets	\$ 10,454,604	\$ 10,860,156
Noncurrent assets	38,644,504	39,423,170
Total assets	<u>49,099,108</u>	<u>50,283,326</u>
Deferred outflows of resources	661,676	803,608
Current liabilities	915,765	849,472
Noncurrent liabilities	7,603,000	7,545,372
Total liabilities	<u>8,518,765</u>	<u>8,394,844</u>
Deferred inflows of resources	399,970	124,635
Net position:		
Net investment in capital assets	11,104,849	11,883,515
Unrestricted	29,737,200	30,683,940
Total net position	<u>\$ 40,842,049</u>	<u>\$ 42,567,455</u>

(continued)

(concluded)

	March 31,	
	2018	2017
	(restated)	
Current assets	\$ 10,860,156	\$ 9,163,123
Noncurrent assets	39,423,170	40,490,502
Total assets	<u>50,283,326</u>	<u>49,653,625</u>
Deferred outflows of resources	803,608	1,466,529
Current liabilities	849,472	614,910
Noncurrent liabilities	7,545,372	1,955,556
Total liabilities	<u>8,394,844</u>	<u>2,570,466</u>
Deferred inflows of resources	124,635	150,894
Net position:		
Net investment in capital assets	11,883,515	12,950,847
Unrestricted	30,683,940	35,447,947
Total net position	<u>\$ 42,567,455</u>	<u>\$ 48,398,794</u>

For the year ended March 31, 2019, total assets decreased primarily due a decrease in capital assets from depreciation exceeding capital additions. Current liabilities increased due to an increase in accounts payable and other current liabilities. Long term liabilities increased primarily due to an increase in the Authority's other postemployment benefits ("OPEB") obligation, offset partially by a decrease in the net pension liability.

For the year ended March 31, 2018, total assets increased due to an increase in cash and cash equivalents due to operations, partially offset by a decrease in capital assets due to additional depreciation over additions. Current liabilities increased due to an increase in accounts payable and other current liabilities. Long term liabilities increased primarily due to the adoption of Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, which resulted in a restatement of the Authority's OPEB obligation at March 31, 2018.

Table 2, presented below, shows the changes in net position for the years ended March 31, 2019, 2018, and 2017.

Table 2—Condensed Statements of Changes in Net Position

	Year Ended March 31,	
	2019	2018 (restated)
Operating revenues	\$ 7,566,615	\$ 9,355,723
Operating expenses	9,980,821	9,355,525
Operating income (loss)	(2,414,206)	198
Nonoperating revenues (expenses)	170,209	49,031
Net income before capital contribution	(2,243,997)	49,229
Capital contribution	518,591	286,995
Change in net position	(1,725,406)	336,224
Net position—beginning, as restated	42,567,455	48,398,794
Restatement	-	(6,167,563)
Net position—ending	<u>\$ 40,842,049</u>	<u>\$ 42,567,455</u>

	Year Ended March 31,	
	2018 (restated)	2017
Operating revenues	\$ 9,355,723	\$ 8,192,587
Operating expenses	9,355,525	9,592,335
Operating income (loss)	198	(1,399,748)
Nonoperating revenues (expenses)	49,031	83,695
Net income before capital contribution	49,229	(1,316,053)
Capital contribution	286,995	340,907
Change in net position	336,224	(975,146)
Net position—beginning	48,398,794	49,373,940
Restatement	(6,167,563)	-
Net position—ending, as restated	<u>\$ 42,567,455</u>	<u>\$ 48,398,794</u>

Operating revenues decreased 19.1 percent during the current year ended March 31, 2019. In the prior year the Authority was awarded recapture money from HUD as a result of a settled lawsuit. Operating expenses increased 6.7 percent primarily due to an increase in the Authority’s health insurance and other postemployment benefits (“OPEB”) obligations.

Operating revenues increased 14.2 percent during the current year ended March 31, 2018 as the result of an increase in other income due to recapture money awarded from HUD as a result of a settled lawsuit. Operating expenses decreased 2.5 percent primarily as the result of decreases in general expenses as there was no pass through of funds to tax credit property in the current year. Tenant services increased while maintenance and operations decreased as a result of reallocation of expenses.

A summary of operating revenues for the years ended March 31, 2019, 2018 and 2017 is presented below in Table 3.

Table 3—Summary of Operating Revenues

	Year Ended March 31,		Increase/(Decrease)	
	2019	2018	Dollars	Percent (%)
Tenant rental revenue	\$ 2,334,457	\$ 2,227,334	\$ 107,123	4.8
Program grants/subsidies	4,823,394	4,807,011	16,383	0.3
Other income	408,764	2,321,378	(1,912,614)	(82.4)
Total operating revenues	<u>\$ 7,566,615</u>	<u>\$ 9,355,723</u>	<u>\$ (1,789,108)</u>	(19.1)

	Year Ended March 31,		Increase/(Decrease)	
	2018	2017	Dollars	Percent (%)
Tenant rental revenue	\$ 2,227,334	\$ 2,313,996	\$ (86,662)	(3.7)
Program grants/subsidies	4,807,011	5,403,216	(596,205)	(11.0)
Other income	2,321,378	475,375	1,846,003	388.3
Total operating revenues	<u>\$ 9,355,723</u>	<u>\$ 8,192,587</u>	<u>\$ 1,163,136</u>	14.2

Program grants/subsidies represent the majority of the Authority's revenue, which represent 63.7 percent, 51.4 percent and 66.0 percent of total operating revenues for the years ended March 31, 2019, 2018, and 2017, respectively.

A summary of operating expenses is for the years ended March 31, 2019, 2018 and 2017 is presented in Table 4 below and on the following page.

Table 4—Summary of Operating Expenses

	Year Ended March 31,		Increase/(Decrease)	
	2019	2018	Dollars	Percent (%)
Administrative	\$ 3,438,428	\$ 3,044,291	\$ 394,137	12.9
Tenant services	939,647	863,925	75,722	8.8
Utilities	962,878	929,147	33,731	3.6
Maintenance and operations	2,402,371	2,266,680	135,691	6.0
General expenses	870,514	887,305	(16,791)	(1.9)
Depreciation	1,366,983	1,364,177	2,806	0.2
Total operating expenses	<u>\$ 9,980,821</u>	<u>\$ 9,355,525</u>	<u>\$ 625,296</u>	6.7

	Year Ended March 31,		Increase/(Decrease)	
	2018	2017	Dollars	Percent (%)
Administrative	\$ 3,044,291	\$ 3,016,001	\$ 28,290	0.9
Tenant services	863,925	1,262,945	(399,020)	(31.6)
Utilities	929,147	843,096	86,051	10.2
Maintenance and operations	2,266,680	1,682,401	584,279	34.7
General expenses	887,305	1,424,886	(537,581)	(37.7)
Depreciation	1,364,177	1,363,006	1,171	0.1
Total operating expenses	<u>\$ 9,355,525</u>	<u>\$ 9,592,335</u>	<u>\$ (236,810)</u>	(2.5)

Administrative expenses are the largest expense of the Authority and account for 34.4 percent, 32.5 percent, and 31.4 percent of the Authority's operating expenses for the years ended March 31, 2019, 2018, and 2017, respectively. For the years ended March 31, 2019, 2018 and 2017, the second largest operating expense was maintenance and operations, which accounted for 24.1 percent, 24.2 percent and 17.5 percent, respectively, of the Authority's operating expenses.

A condensed version of the Authority's statements of cash flows for the years ended March 31, 2019, 2018, and 2017 is presented in Table 5 below.

Table 5—Summary of Cash Flow Activities

	Year Ended March 31,		Increase/(Decrease)
	2019	2018	Dollars
Cash flows provided by (used for):			
Operating activities	\$ (378,448)	\$ 1,515,001	\$ (1,893,449)
Investing activities	93,959	83,623	10,336
Noncapital investing activities	6,288	(1,228)	7,516
Capital and related financing activities	<u>6,524</u>	<u>(44,442)</u>	<u>50,966</u>
Net increase (decrease) in cash and cash equivalents	(271,677)	1,552,954	(1,824,631)
Cash and cash equivalents—beginning	<u>9,434,870</u>	<u>7,881,916</u>	<u>1,552,954</u>
Cash and cash equivalents—ending	<u>\$ 9,163,193</u>	<u>\$ 9,434,870</u>	<u>\$ (271,677)</u>
	Year Ended March 31,		Increase/(Decrease)
	2018	2017	Dollars
Cash flows provided by (used for):			
Operating activities	\$ 1,515,001	\$ (156,693)	\$ 1,671,694
Investing activities	83,623	83,695	(72)
Noncapital investing activities	(1,228)	(1,730)	502
Capital and related financing activities	<u>(44,442)</u>	<u>(195,354)</u>	<u>150,912</u>
Net increase (decrease) in cash and cash equivalents	1,552,954	(270,082)	1,823,036
Cash and cash equivalents—beginning	<u>7,881,916</u>	<u>8,151,998</u>	<u>(270,082)</u>
Cash and cash equivalents—ending	<u>\$ 9,434,870</u>	<u>\$ 7,881,916</u>	<u>\$ 1,552,954</u>

During the year ended March 31, 2019, cash flows from operating activities decreased \$1,893,449 as the result of a decrease in other income due to recapture money awarded from HUD as a result of a settlement in the year ended March 31, 2018.

Capital Assets

The Authority's net investment in capital assets as of March 31, 2019 amounted to \$11,104,849 (net of accumulated depreciation) as compared to \$11,883,515 as of March 31, 2018 and \$12,950,847 as of March 31, 2017. This investment includes land, construction in progress, buildings, and equipment.

Presented in Table 6 below is a comparative summary of the Authority's capital assets. Additional information on the Authority's capital assets can be found in Note 6 to the financial statements.

Table 6—Summary of Capital Assets (Net of Accumulated Depreciation)

	March 31,	
	2019	2018
Capital assets not being depreciated:		
Land	\$ 773,409	\$ 773,409
Construction in progress	<u>1,104,079</u>	<u>585,488</u>
Total capital assets, not being depreciated	<u>1,877,488</u>	<u>1,358,897</u>
Capital assets being depreciated:		
Buildings	49,949,523	49,949,523
Equipment	<u>2,228,576</u>	<u>2,158,850</u>
Total capital assets, being depreciated	52,178,099	52,108,373
Less accumulated depreciation	<u>(42,950,738)</u>	<u>(41,583,755)</u>
Total capital assets, being depreciated, net	<u>9,227,361</u>	<u>10,524,618</u>
Total capital assets, net	<u>\$ 11,104,849</u>	<u>\$ 11,883,515</u>
	March 31,	
	2018	2017
Capital assets not being depreciated:		
Land	\$ 773,409	\$ 773,409
Construction in progress	<u>585,488</u>	<u>1,476,386</u>
Total capital assets, not being depreciated	<u>1,358,897</u>	<u>2,249,795</u>
Capital assets being depreciated:		
Buildings	49,949,523	48,881,190
Equipment	<u>2,158,850</u>	<u>2,129,331</u>
Total capital assets, being depreciated	52,108,373	51,010,521
Less accumulated depreciation	<u>(41,583,755)</u>	<u>(40,309,469)</u>
Total capital assets, being depreciated, net	<u>10,524,618</u>	<u>10,701,052</u>
Total capital assets, net	<u>\$ 11,883,515</u>	<u>\$ 12,950,847</u>

Debt Administration

At March 31, 2019, the Authority had long-term debt outstanding, including compensated absences, lease payable, notes payable, other postemployment benefits (“OPEB”) obligation and net pension liability, of \$7,628,775, as compared to \$7,568,915 at March 31, 2018 (as restated), and \$1,979,531 at March 31, 2017.

A summary of the Authority’s long-term outstanding debt is presented in Table 7 below:

Table 5—Summary of Long-Term liabilities

	March 31,		Increase/(Decrease)
	2019	2018 (as restated)	Dollars
Compensated absences	\$ 257,749	\$ 235,439	\$ 22,310
Notes payable	350,000	350,000	-
OPEB obligation, as restated	6,799,614	6,333,447	466,167
Net pension liability	221,412	650,029	(428,617)
Total	<u>\$ 7,628,775</u>	<u>\$ 7,568,915</u>	<u>\$ 59,860</u>

	March 31,		Increase/(Decrease)
	(as restated)	2017	Dollars
Compensated absences	\$ 235,439	\$ 239,742	\$ (4,303)
Notes payable	350,000	350,000	-
OPEB obligation, as restated	6,333,447	178,823	6,154,624
Net pension liability	650,029	1,210,966	(560,937)
Total	<u>\$ 7,568,915</u>	<u>\$ 1,979,531</u>	<u>\$ 5,589,384</u>

Economic Factors and Next Year’s Budgets and Rates

The Authority estimated the 2020 Housing and Urban Development (“HUD”) subsidy to be the same as 2019 due to proration by HUD to balance the federal budget.

The Authority has long recognized that, although our mission is to provide safe, affordable housing, a strong component of that success is the provision and or coordination of social services to help our residents achieve self-sufficiency and economic independence. The Grants Management area continues to seek funding to support the Authority’s programs that meet these goals.

Most of the Authority’s funding has typically come from the federal government, particularly from HUD. Over the coming year, the Grants Management area will attempt to identify, and will submit grant applications to, a more diversified group of funding sources. The following are some areas which the Authority is involved:

The Authority, in collaboration with the Niagara Falls City School District, received a grant in August 2014 (\$289,131) to utilize funds from the Statewide Universal Pre-K initiative to expand its Universal Pre-Kindergarten program by two classrooms, increasing the number of spaces available by 40, to 500. The expansion eliminates the 37-student waiting list. Children targeted for outreach to fill the slots will include children from economically disadvantaged neighborhoods, those who are eligible for free or reduced lunch, and those with other risk factors that create barriers to learning, such as ELL status or disability. The Niagara Falls Housing Authority will oversee the programs housed at the Authority's Doris W. Jones Family Resource Building and Abate Elementary School.

The Authority also provides a Summer Enrichment program throughout both family sites which runs for 5 weeks.

The Authority, in conjunction with SUNY, operates an Advanced Technology Training and Information Networking Lab at the Doris Jones Community Center.

The Authority, in partnership with the New York State Office of Children and Family Services ("NYSOCFS"), provides a variety of educational, recreational, cultural and age appropriate activities that allow the integration of life skills for K-12 students.

The New York State Department of Labor occupies space at the Community Center adjacent to Packard Court that provides job resource information to the public.

The Independent Health Foundation in conjunction with the Authority runs the "Good for the Neighborhood Program" featuring free health screenings, information on health insurance, health and wellness good practices, and cooking demonstrations.

The New York State Department of Health serves as an extension site and offers health and wellness information as well as assistance with soft skills, job readiness, and employment training.

The Authority also works with Heart Love and Soul and has been granted ROSS Funding from the U.S. Department of Housing and Urban Development for case management services to both the Authority's senior and disabled populations, and also at the family sites.

The Authority is currently partnering with the Niagara Falls School Board of Education, the City of Niagara Falls, and the Scouts of America, and many health and wellness organizations.

Requests for Information

This 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 of the information provided in this report or requests for additional financial information should be addressed to Mr. Scott Clifford (the Authority's Executive Director) in the Authority's Administration Building at 744 10th Street, Niagara Falls, New York 14301.

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BASIC FINANCIAL STATEMENTS

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NIAGARA FALLS HOUSING AUTHORITY
Statements of Net Position
March 31, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,965,368	\$ 9,243,333
Restricted cash and cash equivalents	197,825	191,537
Receivables, net of allowance for doubtful accounts	965,336	1,186,156
Prepaid expenses	171,361	116,879
Inventory, less allowance for obsolescence	154,714	122,251
Total current assets	10,454,604	10,860,156
Noncurrent assets:		
Notes receivable	27,539,655	27,539,655
Capital assets not being depreciated	1,877,488	1,358,897
Capital assets, being depreciated	9,227,361	10,524,618
Total noncurrent assets	38,644,504	39,423,170
Total assets	49,099,108	50,283,326
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows—relating to pensions	661,676	803,608
Total deferred outflows of resources	661,676	803,608
LIABILITIES		
Current liabilities:		
Accounts payable	407,128	366,356
Tenant security deposits	197,825	191,537
Unearned revenue	23,442	22,104
Other current liabilities	261,595	245,932
Current portion of compensated absences	25,775	23,543
Total current liabilities	915,765	849,472
Noncurrent liabilities:		
Compensated absences	231,974	211,896
Notes payable	350,000	350,000
Other postemployment benefits liability	6,799,614	6,333,447
Net pension liability	221,412	650,029
Total noncurrent liabilities	7,603,000	7,545,372
Total liabilities	8,518,765	8,394,844
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows—relating to pensions	399,970	124,635
Total deferred inflows of resources	399,970	124,635
NET POSITION		
Net investment in capital assets	11,104,849	11,883,515
Unrestricted	29,737,200	30,683,940
Total net position	\$ 40,842,049	\$ 42,567,455

The notes to the financial statements are an integral part of these statements.

NIAGARA FALLS HOUSING AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
Years Ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Tenant rental revenue	\$ 2,334,457	\$ 2,227,334
Program grants/subsidies	4,823,394	4,807,011
Other income	<u>408,764</u>	<u>2,321,378</u>
Total operating revenues	<u>7,566,615</u>	<u>9,355,723</u>
Operating expenses:		
Administrative	3,438,429	3,044,291
Tenant services	939,646	863,925
Utilities	962,878	929,147
Maintenance and operation	2,402,371	2,266,680
General expenses	870,514	887,305
Depreciation	<u>1,366,983</u>	<u>1,364,177</u>
Total operating expenses	<u>9,980,821</u>	<u>9,355,525</u>
Operating income (loss)	<u>(2,414,206)</u>	<u>198</u>
Nonoperating revenues (expenses):		
Gain (loss) on sale of capital assets	76,250	(34,592)
Interest income	<u>93,959</u>	<u>83,623</u>
Total nonoperating revenues (expenses)	<u>170,209</u>	<u>49,031</u>
Net income (loss) before capital contributions	(2,243,997)	49,229
Capital contributions	<u>518,591</u>	<u>286,995</u>
Change in net position	(1,725,406)	336,224
Net position—beginning, as restated	42,567,455	48,398,794
Restatement	<u>-</u>	<u>(6,167,563)</u>
Net position—ending	<u>\$ 40,842,049</u>	<u>\$ 42,567,455</u>

The notes to the financial statements are an integral part of these statements.

NIAGARA FALLS HOUSING AUTHORITY
Statements of Cash Flows
Years Ended March 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Tenant rental revenue	\$ 2,335,795	\$ 2,230,935
Program revenue and subsidies	5,044,214	4,619,862
Other income	408,764	2,321,378
Administrative expenses	(2,945,639)	(2,893,822)
Tenant service expenses	(939,646)	(863,925)
Utility expenses	(922,106)	(788,512)
Maintenance and operation expenses	(2,434,834)	(2,243,741)
General expenses	(924,996)	(867,174)
Net cash (used for) provided by operating activities	(378,448)	1,515,001
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	93,959	83,623
Net cash provided by investing activities	93,959	83,623
CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES		
Tenants' security deposits received, net	6,288	(1,228)
Net cash provided by (used for) noncapital investing activities	6,288	(1,228)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	518,591	286,995
Purchase of capital assets	(588,317)	(296,845)
Gain (loss) on sale of capital assets	76,250	(34,592)
Net cash provided by (used for) capital and related financing activities	6,524	(44,442)
Net (decrease) increase in cash and cash equivalents	(271,677)	1,552,954
Cash and cash equivalents—beginning	9,434,870	7,881,916
Cash and cash equivalents—ending	\$ 9,163,193	\$ 9,434,870

(continued)

NIAGARA FALLS HOUSING AUTHORITY
Statements of Cash Flows
Years Ended March 31, 2019 and 2018

	(concluded)	
	2019	2018
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities		
Operating (loss) income	\$ (2,414,206)	\$ 198
Adjustments to reconcile operating (loss) income to net cash (used for) provided by operating activities:		
Depreciation expense	1,366,983	1,364,177
Changes in:		
Decrease (increase) in receivables	220,820	(187,149)
(Increase) decrease in prepaid expenses	(54,482)	20,131
(Increase) decrease in inventory	(32,463)	22,939
Decrease in deferred outflows of resources	141,932	662,921
Increase in accounts payable	40,772	140,635
Increase in unearned revenue	1,338	3,601
Increase in other current liabilities	15,663	91,986
Increase (decrease) in compensated absences	22,310	(4,303)
Increase (decrease) in other postemployment benefit obligation	466,167	(12,939)
(Decrease) in net pension liability	(428,617)	(560,937)
Increase (decrease) in deferred inflows of resources	275,335	(26,259)
Net cash (used for) provided by operating activities	(378,448)	1,515,001
 Cash paid for interest	 \$ -	 \$ -

The notes to the financial statements are an integral part of these statements.

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NIAGARA FALLS HOUSING AUTHORITY
Notes to the Financial Statements
Years Ended March 31, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority’s accounting policies are described below.

Financial Reporting Entity—The Niagara Falls Housing Authority (the “Authority”) was created to meet the needs of the area. The Authority includes all of the programs relevant to the operation of the Authority, including Federal Public Housing Low-Rent and Comprehensive Grant Programs, Capital Grants, and Service Coordinator Programs, and its component unit, People & Possibilities, Inc.

The financial statements consist of the activities of the housing programs subsidized by the U.S. Department of Housing and Urban Development (“HUD”). A summary of each of these programs and the related contracts with HUD is provided below:

- ***Annual Contributions Contract NY-444***

Low Rent Public Housing - This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.

Modernization - Substantially all additions to land, buildings, and equipment are accomplished through the capital fund program. This program adds to, replaces or materially upgrades deteriorated portions of the Authority’s housing units. Funding is provided through programs established by HUD.

- ***Hope IV***—The Authority entered into a 54 month contract with HUD to demolish 134 units comprising Center Court. The Authority is then to construct 282 units of mixed-income rental and homeownership units, on and off-site, implement a Community Self Sufficiency Plan and then lease and sell the new dwelling units.

The financial reporting entity includes organizations, functions, and activities over which appointed officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The accompanying financial statements present the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units are, in substance, part of the primary entity’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the entity.

Blended Component Units—The blended component units, presented on the following page, are legally separate entities from the Authority, but are, in substance, part of the Authority’s operations and therefore data from the units are combined with data of the Authority.

- ***People and Possibilities, Inc.***—The Authority formed People & Possibilities, Inc. as a not-for-profit corporation which was incorporated on December 11, 2001, under the New York State Not-for-Profit Corporation Law and is exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code. The charitable services include Child Learning Center and Pre-K Daycare Center programs. Income and expenses from these activities are included in other income in the financial statements as a blended component unit.
- ***Center Court NF I Corp.***—The Authority formed Center Court NF I Corp., which is an administrative member in Center Court I, LLC. The entity was created to participate in the mixed finance transactions of Center Court I. Income and expenses from these activities are included in the Authority’s financial statements; however, during the years ended March 31, 2019 and 2018 there was no activity.

The activities of the Authority are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Transactions which are capital, financing or investing related are reported as nonoperating revenues. All expenses related to operating the system are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

Cash and Cash Equivalents—The Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Authority reports no investments at March 31, 2019 or 2018; however, it is the Authority’s policy to report investments as fair value in accordance with GASB.

Restricted Cash and Cash Equivalents—Represents cash and cash equivalents held by the Authority for tenant security deposits.

Receivables—Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Prepaid Expenses—Prepaid expenses consist primarily of certain payments reflecting costs applicable to future accounting periods.

Inventory—Inventories of supplies are stated at the lower of cost or market. Cost is determined by the first-in first-out method.

Capital Assets—Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated equipment. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenses for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of revenue, expenses and changes in net position. The estimated useful lives for equipment is 5 to 7 years and 15 to 40 years for buildings.

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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. This item is related to pensions reported on the statement of financial position. This represents the effect of the net change in the Authority's proportion of the collective net pension liability, the difference during the measurement period between the Authority's contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item which qualifies for reporting in this category. This item represents the effect of the net change in the Authority's proportion of the collective net pension liability and the difference during the measurement periods between the Authority's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the statement of net position.

Unearned Revenue—Grant awards accounted for as exchange transactions are recorded as revenue when expenses have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statements of net position as unearned revenue. Tenant rental revenue is recognized when services are rendered. When applicable, rents received in advance are recorded as unearned revenue.

Compensated Absences—Authority employees are granted annual vacation leave which may be carried into a subsequent year. In the event of termination, or upon retirement, certain employees are entitled to payment for accumulated vacation leave. Financial information regarding compensated absences is included in 11.

Pensions—The Authority is mandated by New York State law to participate in the New York State Local Employees' Retirement System. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plan, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 9.

Other Postemployment Benefits—In addition to providing pension benefits, the Authority provides health insurance benefits for retired employees as required by the union contracts. The employees become eligible for these benefits if they reach normal retirement age while working for the Authority. More information regarding OPEB is included in Note 10.

Notes Payable—Represent a note with the Federal Home Loan Bank, subject to the terms of the Affordable Housing Program ("AHP") recapture agreement which requires the Authority to comply with certain affordability requirements through July 2025.

Revenues and Expenses

Expense Allocation—The costs of providing programs and other activities have been adequately detailed in the statement of revenue, expenses and changes in net position. Allocation of management and general expenses among program and supporting services is not considered significant to the operations of the Authority, therefore, no such allocation has been provided. All expenses incurred by the Authority are related to the Authority's operations.

Litigation Losses—The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable and the loss is reasonably estimable.

Income Taxes—The Authority is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns, therefore, no provision for income taxes is reflected in the financial statements.

People & Possibilities, Inc., is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes is reflected in the financial statements. People & Possibilities, Inc. has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. People & Possibilities, Inc. discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. All applicable tax forms for People & Possibilities, Inc. have been filed and accepted by the Internal Revenue Service through the year ended March 31, 2018.

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, deferred outflows of resources, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended March 31, 2019, the Authority implemented GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*; No. 85, *Omnibus 2017*; and No. 86, *Certain Debt Extinguishment Issues*. GASB Statement No. 75 improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). GASB Statement No. 85 addressed practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Other than the matter discussed in Note 2, the implementation of GASB Statements No. 75, 85 and 86 did not have a material impact on the Authority's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Authority has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 83, *Certain Asset Retirement Obligations*; No. 84, *Fiduciary Activities*; No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; and No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, effective for the year ending March 31, 2020, No. 87, *Leases*; and No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the year ending March 31, 2021, and No. 91, *Conduit Debt Obligations*, effective for the year ending March 31, 2022. The Authority is, therefore, unable to disclose the impact that adopting GASB Statements No. 83, 84, 87, 88, 89, 90 and 91 will have on its financial position and results of operations when such statements are adopted.

2. RESTATEMENT OF NET POSITION

During the year ended March 31, 2019, the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of GASB Statement No. 75 requires the Authority’s net OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. As a result of the implementation, the OPEB liability was restated from \$165,884 to \$6,333,447 at March 31, 2018.

The Authority’s net position as of March 31, 2018 has been restated as follows:

Net position—March 31, 2018, as previously stated	\$ 48,735,018
GASB Statement No. 75 implementation	<u>(6,167,563)</u>
Net position—March 31, 2018, as restated	<u>\$ 42,567,455</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At March 31, 2019 and 2018, the Authority’s primary government’s financial institution cash account balances included checking accounts, money market funds, and certificates of deposits. Deposits in bank accounts and investments in the Authority and its component unit’s name in financial institutions are covered by federal depository insurance and other collateral which has been assigned to funds over the FDIC coverage at March 31, 2019 and 2018.

Cash and equivalents at March 31, 2019 and 2018 consist of the following:

	<u>March 31, 2019</u>	
	<u>Bank Amount</u>	<u>Carrying Amount</u>
FDIC insured	\$ 1,003,566	\$ 1,004,055
Uninsured:		
Collateral held by pledging bank's agent in Authority's name	8,076,729	7,971,703
People and Possibilities	<u>187,435</u>	<u>187,435</u>
Total	<u>\$ 9,267,730</u>	<u>\$ 9,163,193</u>

	March 31, 2018	
	Bank Amount	Carrying Amount
FDIC insured	\$ 996,637	\$ 998,151
Uninsured:		
Collateral held by pledging bank's agent in Authority's name	7,920,073	7,851,657
People and Possibilities	585,062	585,062
Total	<u>\$ 9,501,772</u>	<u>\$ 9,434,870</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. As of March 31, 2019 and 2018, the Authority’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Authority’s name, with the exception of the deposits of People and Possibilities, which are not required to be collateralized.

Restricted Cash and Cash Equivalents—The Authority reports monies related to tenant security deposits held as restricted cash and cash equivalents. At March 31, 2019 and 2018, this amounted to \$197,825 and \$191,537, respectively.

Investments—The Authority had no investments at March 31, 2019 or 2018.

Interest Rate Risk—In accordance with its investment policy, the Authority manages exposure by limiting the investments to low risk type investments governed by New York State statute.

4. RECEIVABLES

The Authority has the following receivables at March 31, 2019:

	Receivables	Allowance for Doubtful Accounts	Total
Tenant accounts receivable	\$ 150,056	\$ (103,305)	\$ 46,751
Interest receivable on notes	538,871	-	538,871
Developer fees receivable	59,310	-	59,310
Grants receivable	319,288	-	319,288
Other receivables	1,116	-	1,116
Total	<u>\$ 1,068,641</u>	<u>\$ (103,305)</u>	<u>\$ 965,336</u>

The Authority has the following accounts receivable at March 31, 2018:

	Receivables	Allowance for Doubtful Accounts	Total
Tenant accounts receivable	\$ 134,806	\$ (81,563)	\$ 53,243
Interest receivable on notes	459,021	-	459,021
Developer fees receivable	61,297	-	61,297
Grants receivable	610,999	-	610,999
Other receivables	1,596	-	1,596
Total	<u>\$ 1,267,719</u>	<u>\$ (81,563)</u>	<u>\$ 1,186,156</u>

5. NOTES RECEIVABLE

Notes receivable at March 31, 2019 and 2018 represent funds advanced to Center Court I, LLC to finance the Center Court HOPE VI Revitalization and Cornerstone Townhomes, LLC as presented below:

	<u>2019</u>	<u>2018</u>
Bond receivable - Niagara County Industrial Development Agency (NCIDA). Repayment of principal and interest due August 1, 2043. Interest accruing at 3.94% per annum with repayment of principal pursuant to the terms of lease agreement and assignment of rents with Center Court I, LLC. The note is secured by the property of Center Court I, LLC.	\$ 1,367,740	\$ 1,367,740
Note due and payable upon completion of the project, with interest at 0.1%. Center Court I, LLC shall make annual payments from cash flows pursuant to the terms of the regulatory and operating agreement. Any remaining principal and interest will be due upon the maturity date of November 30, 2047. The note is secured by the property of Center Court I, LLC.	14,360,063	14,360,063
Note due and payable upon completion of the Project, with interest at 0.1%. Center Court II, LLC shall make annual payments from cash flows pursuant to the terms of the regulatory and operating agreement. Any remaining principal and interest will be due upon the maturity date of November 30, 2047. The note is secured by the property of Center Court II, LLC.	11,250,852	11,250,852
Demand note receivable bearing interest at 1% per annum with a balloon payment of principal and interest due in July 2025. The note is secured by the property of Center Court I, LLC.	350,000	350,000
Demand note receivable bearing interest at 1% per annum with a balloon payment of principal and interest due in December 27, 2046. The note is secured by the property of Cornerstone Townhomes LLC.	<u>211,000</u>	<u>211,000</u>
Total	<u>\$27,539,655</u>	<u>\$27,539,655</u>

Center Court I, LLC, Center Court II, LLC, and Cornerstone Townhomes LLC will make annual payments from cash flow pursuant to the terms of the regulatory and operating agreement. Any remaining principal and interest will be due upon the maturity date.

The Authority reports interest receivable on the notes receivable that is expected to be collected. At March 31, 2019 and 2018, the Authority reported interest receivable on notes of \$538,871 and \$459,021, respectively.

6. CAPITAL ASSETS

Capital assets activity for the years ended March 31, 2019 and March 31, 2018 is presented below:

	Balance 4/1/2018	Increases	Decreases	Balance 3/31/2019
Capital assets, not being depreciated				
Land	\$ 773,409	\$ -	\$ -	\$ 773,409
Construction in progress	<u>585,488</u>	<u>518,591</u>	<u>-</u>	<u>1,104,079</u>
Total capital assets, not being depreciated	<u>1,358,897</u>	<u>518,591</u>	<u>-</u>	<u>1,877,488</u>
Capital assets, being depreciated:				
Buildings	49,949,523	-	-	49,949,523
Equipment	<u>2,158,850</u>	<u>69,726</u>	<u>-</u>	<u>2,228,576</u>
Total capital assets, being depreciated	<u>52,108,373</u>	<u>69,726</u>	<u>-</u>	<u>52,178,099</u>
Less accumulated depreciation	<u>(41,583,755)</u>	<u>(1,366,983)</u>	<u>-</u>	<u>(42,950,738)</u>
Total capital assets, being depreciated, net	<u>10,524,618</u>	<u>(1,297,257)</u>	<u>-</u>	<u>9,227,361</u>
Total capital assets, net	<u>\$ 11,883,515</u>	<u>\$ (778,666)</u>	<u>\$ -</u>	<u>\$ 11,104,849</u>
	Balance 4/1/2017	Increases	Decreases	Balance 3/31/2018
Capital assets, not being depreciated				
Land	\$ 773,409	\$ -	\$ -	\$ 773,409
Construction in progress	<u>1,476,386</u>	<u>313,870</u>	<u>(1,204,768)</u>	<u>585,488</u>
Total capital assets, not being depreciated	<u>2,249,795</u>	<u>313,870</u>	<u>(1,204,768)</u>	<u>1,358,897</u>
Capital assets, being depreciated:				
Buildings	48,881,190	1,210,017	(141,684)	49,949,523
Equipment	<u>2,129,331</u>	<u>31,150</u>	<u>(1,631)</u>	<u>2,158,850</u>
Total capital assets, being depreciated	<u>51,010,521</u>	<u>1,241,167</u>	<u>(143,315)</u>	<u>52,108,373</u>
Less accumulated depreciation	<u>(40,309,469)</u>	<u>(1,364,177)</u>	<u>89,891</u>	<u>(41,583,755)</u>
Total capital assets, being depreciated, net	<u>10,701,052</u>	<u>(123,010)</u>	<u>(53,424)</u>	<u>10,524,618</u>
Total capital assets, net	<u>\$ 12,950,847</u>	<u>\$ 190,860</u>	<u>\$ (1,258,192)</u>	<u>\$ 11,883,515</u>

7. TENANT SECURITY DEPOSITS

The Authority collects a security deposit from each tenant upon signing a lease. Such deposits are maintained in a separate cash account. The liability for security deposits at March 31, 2019 and 2018 amounted to \$197,825 and \$191,537, respectively.

8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurances coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

The Authority provides unemployment insurance through direct billings from the New York State Unemployment Insurance Fund. For the years ended March 31, 2019 and 2018, the Authority paid \$18,986 and \$44,875, respectively, of benefits for unemployment claims. At March 31, 2019 and 2018, the Authority did not report any liabilities for unpaid, unasserted claims.

9. PENSION PLAN

Plan Descriptions and Benefits Provided

Employees' Retirement System ("ERS")—The Authority participates in the ERS (the "System"). The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The Systems are included in the State's financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3.0%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3.0%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At March 31, 2019, the Authority reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total net pension liability to the measurement date. The Authority’s proportion of the net pension liability was based on projections of the Authority’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Authority.

	<u>ERS</u>
Measurement date	March 31, 2018
Net pension liability	\$ 221,412
Authority's portion of the Plan's total net pension liability	0.0068603%

For the year ended March 31, 2019, the Authority recognized pension expenses of \$306,743 for ERS. At March 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experiences	\$ 78,970	\$ 65,258
Changes of assumptions	146,814	-
Net difference between projected and actual earnings on pension plan investments	-	313,189
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	117,803	21,523
Authority contributions subsequent to the measurement date	<u>318,089</u>	<u>-</u>
Total	<u>\$ 661,676</u>	<u>\$ 399,970</u>

Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2020. 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 March 31,</u>	
2020	\$ 86,465
2021	66,137
2022	(144,726)
2023	(64,259)

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using the actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the actuarial assumptions presented on the following page.

Measurement date	March 31, 2018
Actuarial valuation date	April 1, 2017
Interest rate	7.00%
Salary scale	3.80%
Decrement tables	April 1, 2010- March 31, 2015
Inflation rate	2.5%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Measurement date	<u>March 31, 2018</u>	
Asset class:		
Domestic equities	36.0 %	4.6 %
International equities	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	<u>100.0 %</u>	

Discount Rate—The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the Authority’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0%, as well as what the Authority’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.0%) or one percentage-point higher (8.0%) than the current assumption.

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability/(asset)	\$ 1,675,259	\$ 221,412	\$ (1,008,486)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liabilities of the employers as of the valuation date, were as follows:

	<u>(Dollars in Thousands)</u>
	<u>ERS</u>
Valuation date	April 1, 2017
Employers' total pension liability	\$ 183,400,590
Plan fiduciary net position	<u>180,173,145</u>
Employers' net pension liability	<u>\$ 3,227,445</u>
System fiduciary net position as a percentage of total pension liability	98.2%

10. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—The Authority provides postemployment health insurance coverage to its retired employees in accordance with the provisions of the employment contract negotiated between the Authority and its employee groups. Employees become eligible for benefits based on original hire date, completed years of service and accumulated sick days.

Employees Covered by Benefit Terms—At March 31, 2019, the following employees were covered by the benefit terms:

Inactive employees	24
Active employees	<u>34</u>
Total	<u><u>58</u></u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability

The Authority's total OPEB liability of \$6,799,614 was measured as of March 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the March 31, 2019 actuarial valuation, the Entry Age Normal Method was used. The long-term bond rate is based on the 20-year tax exempt municipal bond yield as of the measurement date, which decreased from 4.00% to 3.89% at March 31, 2019. Mortality rates were updated to rates based on the RP2000 Mortality Table for Males and Females Projected 18 years, not including a margin for future improvements in mortality. Finally, the healthcare cost trend rate for medical has an initial rate of 4.60% and an ultimate rate of 4.70%.

Changes in the Total OPEB Liability—The following table presents the change to the total OPEB liability during the fiscal year, by source:

	<u>Total OPEB Liability</u>
Balance at March 31, 2018, as restated	<u>\$ 6,333,447</u>
Changes for the year:	
Service cost	2,800
Interest	248,631
Effect of economic/demographic gains or losses	371,030
Changes in assumptions	87,058
Benefit payments	<u>(243,352)</u>
Net changes	<u>466,167</u>
Balance at March 31, 2019	<u>\$ 6,799,614</u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the net OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the net OPEB liability.

	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$ 7,675,435	\$ 6,799,614	\$ 6,066,571

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in the initial (4.60%)/ultimate (4.70%) healthcare cost trend rates.

	1% Decrease <u>(3.60%/3.70%)</u>	Healthcare Cost Trend Rates <u>(4.60%/4.70%)</u>	1% Increase <u>(3.60%/3.70%)</u>
Total OPEB liability	\$ 5,986,065	\$ 6,799,614	\$ 7,771,255

Funding Policy—Authorization for the Authority to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the Authority Board. The Authority recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. The Authority’s contributions totaled \$243,352 for the fiscal year ended March 31, 2019. For the year ended March 31, 2019, the Authority recognized OPEB expense of \$709,518. The Authority’s contributions to the OPEB plan are based on negotiated contracts with two bargaining units, as discussed in Note 13. Any amendments to the employer’s contributions are subject to the collective bargaining agreements.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The Authority reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability are required to be determined. As of March 31, 2019, the Authority reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

11. LONG-TERM LIABILITIES

The Authority’s outstanding long-term liabilities include compensated absences, notes payable, other postemployment benefits (“OPEB”) and net pension liability.

A summary of changes in the Authority’s long-term liabilities at March 31, 2019 and 2018 are presented below and on the following page:

	Year Ended March 31, 2019			
	Beginning Balance (as restated)	Additions	Reductions	Ending Balance
Compensated absences	\$ 235,439	\$ 62,891	\$ 40,581	\$ 257,749
Notes payable	350,000	-	-	350,000
OPEB obligation, as restated	6,333,447	709,518	243,351	6,799,614
Net pension liability*	<u>650,029</u>	<u>-</u>	<u>428,617</u>	<u>221,412</u>
Total	<u>\$ 7,568,915</u>	<u>\$ 772,409</u>	<u>\$ 712,549</u>	<u>\$ 7,628,775</u>

(*Reductions to the net pension liability are presented net of additions.)

	Year ended March 31, 2018			
	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 239,742	\$ 37,551	\$ 41,854	\$ 235,439
Notes payable	350,000	-	-	350,000
OPEB obligation	178,823	6,404,268	249,644	6,333,447
Net pension liability*	<u>1,210,966</u>	<u>-</u>	<u>560,937</u>	<u>650,029</u>
Total	<u>\$ 1,979,531</u>	<u>\$ 6,441,819</u>	<u>\$ 852,435</u>	<u>\$ 7,568,915</u>

(*Reductions to the net pension liability are presented net of additions.)

Compensated Absences—The Authority reports a liability for compensated absences, \$257,749 at March 31, 2019. This liability represents amounts relating to accumulated unpaid sick time and vacation pay, including payroll taxes. Payments of these liabilities are dependent upon many factors (including retirement, termination, or employees leaving) and, therefore, timing of future payments of such are not readily determinable.

Notes Payable—Notes payable of \$350,000 represent a note with the Federal Home Loan Bank, subject to the terms of the Affordable Housing Program (“AHP”) recapture agreement which requires the Authority to comply with certain affordability requirements through July 2025. Compliance with the affordability requirements will result in the amount being deemed repaid by the Authority otherwise non-compliance will result in the entire amount due.

OPEB Obligation—As explained in Note 10, the Authority provides health insurance coverage for certain retirees. The long-term OPEB liability is estimated to be \$6,799,614 at March 31, 2019.

Net Pension Liability—The Authority reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$221,412 at March 31, 2019. Refer to Note 9 for additional information related to the Authority’s net pension liability.

12. NET POSITION

The Authority's financial statements utilize a net position presentation. Net position is categorized into net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets—This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. At March 31, 2019, the Authority's net investment in capital assets totals \$11,104,849.

Restricted Net Position—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments or entities and restrictions imposed by law through constitutional provisions or enabling legislation. At March 31, 2019, the Authority reports no restricted net position.

Unrestricted Net Position—This category represents the amount of net position the Authority has not restricted for any project or other purpose. The Authority reports unrestricted net position of \$29,737,200 at March 31, 2019.

13. LABOR RELATIONS

Employees of the Authority are represented by two bargaining units. Some individuals are governed by Authority policies and employment contracts. The AFSCME has a contract through March 31, 2022 and the CSEA has a contract through March 31, 2024.

14. CONTINGENCIES AND COMMITMENTS

Contingencies—The Authority has entered into construction contracts for modernization of projects that are funded entirely by the Federal Capital Grant programs. The Authority has pending litigation claims for which management has indicated that liabilities, if any, will be fully covered by their insurance coverage. The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years.

Annual Contribution Contracts—Annual contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the annual contribution contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

Contingent Liability—As described in Note 11, the Federal Home Loan Bank of New York (FHLB) has provided \$350,000 to the Authority as a pass-through for Unity Park LLC (the Project) to construct and operate the residential townhouse-style complex of 40 units to be rented to eligible persons. The mortgage is for fifteen years at no interest, with no scheduled payments, and will be forgiven at the end of the term (November 20, 2025). If the project does not comply with the terms of the regulatory agreement, the amount provided will be considered to be in default and the original amount provided shall be immediately due and payable.

Concentrations—The Authority’s operations are concentrated in the low-income real estate market in Niagara Falls, New York. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations and 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, including the additional administrative burden, to comply with a change.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 8, 2019, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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NIAGARA FALLS HOUSING AUTHORITY
Schedule of the Authority's Proportionate Share of the
Net Pension Liability—Employees' Retirement System
Last Five Fiscal Years*

	Year Ended March 31,				
	2019	2018	2017	2016	2015
Measurement date	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Authority's proportion of the net pension liability	0.0068603%	0.0069180%	0.0075448%	0.7887400%	0.0078874%
Authority's proportionate share of the net pension liability	<u>\$ 221,412</u>	<u>\$ 650,029</u>	<u>\$ 1,210,967</u>	<u>\$ 266,457</u>	<u>\$ 356,422</u>
Authority's covered payroll	\$ 2,206,607	\$ 2,150,690	\$ 2,480,168	\$ 2,520,179	n/a
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	10.0%	30.2%	48.8%	10.6%	n/a
Plan fiduciary net position as a percentage of the total net pension liability	98.2%	94.7%	90.7%	97.9%	97.2%

*Information prior to the year ended March 31, 2015 is not available.

NIAGARA FALLS HOUSING AUTHORITY
Schedule of Authority's Contributions—
Employees' Retirement System
Last Five Fiscal Years*

	Year Ended March 31,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 318,089	\$ 325,341	\$ 329,183	\$ 408,841	\$ 441,283
Contributions in relation to the contractually required contribution	<u>(318,089)</u>	<u>(325,341)</u>	<u>(329,183)</u>	<u>(408,841)</u>	<u>(441,283)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 2,267,323	\$ 2,206,607	\$ 2,150,690	\$ 2,480,168	\$ 2,520,179
Contributions as a percentage of covered payroll	14.0%	14.7%	15.3%	16.5%	17.5%

*Information prior to the year ended March 31, 2015 is not available.

NIAGARA FALLS HOUSING AUTHORITY
Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios
Year Ended March 31, 2019

Total OPEB Liability	
Service cost	\$ 2,800
Interest	248,631
Effect of economic/demographic gains or losses	371,030
Changes in assumptions	87,058
Benefit payments	<u>(243,352)</u>
Net change in total OPEB liability	<u>466,167</u>
Total OPEB liability—beginning, as restated	<u>6,333,447</u>
Total OPEB liability—ending	<u>\$ 6,799,614</u>
 Plan Fiduciary Net Position	
Contributions—employer	\$ 243,352
Benefit payments	(243,352)
Net change in plan fiduciary net position	-
Plan fiduciary net position—beginning	<u>-</u>
Plan fiduciary net position—ending	<u>\$ -</u>
 Authority's net OPEB liability—ending	 <u>\$ 6,799,614</u>
 Plan's fiduciary net position as a percentage of the total OPEB liability	 0.0%
 Covered-employee payroll	 \$ 2,694,822
 Total OPEB liability as a percentage of covered-employee payroll	 252.3%

The note to the required supplementary information is an integral part of this schedule.

NIAGARA FALLS HOUSING AUTHORITY
Note to the Required Supplementary Information
Year Ended March 31, 2019

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond rate, the mortality rate, and the healthcare cost trend rate. The long-term bond rate is based on the 20-year tax exempt municipal bond yield as of the measurement date, which decreased from 4.00% to 3.89% at March 31, 2019. Mortality rates were updated to rates based on the RP2000 Mortality Table for Males and Females Projected 18 years, not including a margin for future improvements in mortality. Finally, the healthcare cost trend rate for medical has an initial rate of 4.60% and an ultimate rate of 4.70%.

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SUPPLEMENTARY INFORMATION

NIAGARA FALLS HOUSING AUTHORITY
Statement of Public Housing Capital Funds
Advanced with Costs—Uncompleted (2014)
As of March 31, 2019

	Public Housing Capital Fund Program NY06P011501-14
Funds approved	\$ 1,106,432
Funds expended (including retention)	<u>1,106,432</u>
Excess of funds approved	<u><u>\$ -</u></u>
Funds advanced	\$ 1,106,432
Funds expended (including retention)	<u>1,106,432</u>
Deficit of funds advanced	<u><u>\$ -</u></u>

NIAGARA FALLS HOUSING AUTHORITY
Statement of Public Housing Capital Funds
Advanced with Costs—Uncompleted (2015)
As of March 31, 2019

	Public Housing Capital Fund Program <u>NY06P011501-15</u>
Funds approved	\$ 1,182,423
Funds expended (including retention)	<u>1,107,311</u>
Excess of funds approved	<u>\$ 75,112</u>
Funds advanced	\$ 1,018,462
Funds expended (including retention)	<u>1,107,311</u>
Deficit of funds advanced	<u>\$ (88,849)</u>

NIAGARA FALLS HOUSING AUTHORITY
Statement of Public Housing Capital Funds
Advanced with Costs—Uncompleted (2016)
As of March 31, 2019

	Public Housing Capital Fund Program NY06P011501-16
Funds approved	\$ 1,199,815
Funds expended (including retention)	<u>501,263</u>
Excess of funds approved	<u>\$ 698,552</u>
Funds advanced	\$ 482,115
Funds expended (including retention)	<u>501,263</u>
Deficit of funds advanced	<u>\$ (19,148)</u>

NIAGARA FALLS HOUSING AUTHORITY
Statement of Public Housing Capital Funds
Advanced with Costs—Uncompleted (2017)
As of March 31, 2019

	Public Housing Capital Fund Program NY06P011501-17
Funds approved	\$ 1,100,096
Funds expended (including retention)	<u>258,663</u>
Excess of funds approved	<u>\$ 841,433</u>
Funds advanced	\$ 244,787
Funds expended (including retention)	<u>258,663</u>
Deficit of funds advanced	<u>\$ (13,876)</u>

FEDERAL AWARDS INFORMATION

NIAGARA FALLS HOUSING AUTHORITY
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2019

Federal Grantor/Pass-through Grantor Program or Cluster Title (1a)	Federal CFDA Number (1b)	Pass-Through Entity's Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Programs:</i>				
Public and Indian Housing - Operating Subsidy	14.850	NY-444	\$ -	\$ 3,893,155
Capital Fund Program:				
Public Housing Capital Fund Program	14.872	NY06P011501-14	-	76,689
Public Housing Capital Fund Program	14.872	NY06P011501-15	-	500,894
Public Housing Capital Fund Program	14.872	NY06P011501-16	-	214,074
Public Housing Capital Fund Program	14.872	NY06P011501-17	-	258,663
Total Capital Fund Program			-	1,050,320
Community Development Block Grant	14.219	n/a	-	52,107
Resident Opportunities and Self Sufficiency	14.870	NY011RPS031A014	-	55,039
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	5,050,621
TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)			<u>\$ -</u>	<u>\$ 5,050,621</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

NIAGARA FALLS HOUSING AUTHORITY
Notes to the Schedule of Expenditures of Federal Awards
Year Ended March 31, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Niagara Falls Housing Authority (the “Authority”) under programs of the federal government for the year ended March 31, 2019. 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 select portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority. The following notes were identified on the Schedule:

- a) Includes all federal award programs of the Authority.
- b) Source: Catalog of Federal Domestic Assistance.
- c) Pass-through entity identifying numbers are presented where available.
- d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- e) A reconciliation to the basic financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not elected to use the 10 percent de minimus indirect cost rate as allowable under the Uniform Guidance.

Certified Public Accountants

**INDEPENDENT AUDITORS' 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**

To the Board of Commissioners
Niagara Falls Housing Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Niagara Falls Housing Authority (the "Authority") as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 8, 2019 (which report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 75).

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") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 than severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Authority'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.

Drescher & Malecki LLP

October 8, 2019

Certified Public Accountants

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

To the Board of Commissioners
Niagara Falls Housing Authority:

Report on Compliance for Each Major Federal Program

We have audited the Niagara Falls Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2019. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

The Authority's management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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 March 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Drescher & Malecki LLP

October 8, 2019

NIAGARA FALLS HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended March 31, 2019

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of report the auditor issued: Unmodified*
 *(which report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 75)

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported
Noncompliance material to the financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported

Type of report the auditor issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_____ <input checked="" type="checkbox"/> No
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Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.850	Public and Indian Housing - Operating Subsidy
14.872	Public Housing Capital Fund Program

Dollar threshold used to distinguish between Type A and Type B programs?	\$ <u>750,000</u>
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Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/> Yes	_____ <input type="checkbox"/> No
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Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

NIAGARA FALLS HOUSING AUTHORITY
Summary Schedule of Prior Year Audit Findings
Year Ended March 31, 2019
(Follow-up on March 31, 2018 Findings)

No findings were reported.

ELECTRONICALLY FILED
FINANCIAL DATA SCHEDULE
(APPENDIX A)

Niagara Falls Housing Authority (NY011)

NIAGARA FALLS, NY

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

	Project Total	14.219 Community Development Block Grants/Small Cities Program	14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	14.866 Revitalization of Severely Distressed Public Housing	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$6,168,543			\$205,735	\$1,583,497	\$1,890,131		\$9,847,906	-\$4,942,602	\$4,905,304
112 Cash - Restricted - Modernization and Development										
113 Cash - Other Restricted							\$71,823	\$71,823		\$71,823
114 Cash - Tenant Security Deposits	\$197,884							\$197,884		\$197,884
115 Cash - Restricted for Payment of Current Liabilities										
100 Total Cash	\$6,366,427	\$0	\$0	\$205,735	\$1,583,497	\$1,890,131	\$71,823	\$10,117,613	-\$4,942,602	\$5,175,011
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects	\$96,347	\$49,623	\$5,816	\$141,975			\$25,526	\$319,287		\$319,287
124 Accounts Receivable - Other Government						\$1,041		\$1,041		\$1,041
125 Accounts Receivable - Miscellaneous	\$75					\$59,310		\$59,385		\$59,385
126 Accounts Receivable - Tenants	\$150,056							\$150,056		\$150,056
126.1 Allowance for Doubtful Accounts - Tenants	-\$103,305							-\$103,305		-\$103,305
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0			\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery										
128.1 Allowance for Doubtful Accounts - Fraud										
129 Accrued Interest Receivable	\$536,188						\$2,683	\$538,871		\$538,871
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$679,361	\$49,623	\$5,816	\$141,975	\$0	\$60,351	\$28,209	\$965,335	\$0	\$965,335
131 Investments - Unrestricted							\$3,988,183			\$3,988,183
132 Investments - Restricted										
133 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$79,170			\$1,704		\$1,161	\$89,326	\$171,361		\$171,361
143 Inventories	\$144,370						\$10,344	\$154,714		\$154,714
143.1 Allowance for Obsolete Inventories	\$0					\$0	\$0	\$0		\$0
144 Inter Program Due From	\$4,467					\$184,776	\$85,058	\$274,301	-\$274,301	\$0
145 Assets Held for Sale										
150 Total Current Assets	\$7,273,795	\$49,623	\$5,816	\$349,414	\$1,583,497	\$2,136,419	\$4,272,943	\$15,671,507	-\$5,216,903	\$10,454,604
161 Land	\$634,348						\$154,001	\$788,349		\$788,349
162 Buildings	\$16,456,629						\$229,599	\$16,686,228		\$16,686,228
163 Furniture, Equipment & Machinery - Dwellings	\$739,567						\$22,726	\$762,293		\$762,293
164 Furniture, Equipment & Machinery - Administration	\$756,975			\$7,242			\$702,064	\$1,466,281		\$1,466,281
165 Leasehold Improvements	\$29,873,467						\$3,374,890	\$33,248,357		\$33,248,357
166 Accumulated Depreciation	-\$39,564,063			-\$7,242			-\$3,379,433	-\$42,950,738		-\$42,950,738
167 Construction in Progress	\$1,017,918						\$86,161	\$1,104,079		\$1,104,079
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$9,914,841	\$0	\$0	\$0	\$0	\$0	\$1,190,008	\$11,104,849	\$0	\$11,104,849
171 Notes, Loans and Mortgages Receivable - Non-Current	\$26,978,655					\$211,000	\$350,000	\$27,539,655		\$27,539,655
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due										
173 Grants Receivable - Non Current										
174 Other Assets										

176 Investments in Joint Ventures											
180 Total Non-Current Assets	\$36,893,496	\$0	\$0	\$0	\$0	\$211,000	\$1,540,008	\$38,644,504	\$0	\$38,644,504	
200 Deferred Outflow of Resources	\$600,811						\$382,448	\$983,259		\$983,259	
290 Total Assets and Deferred Outflow of Resources	\$44,768,102	\$49,623	\$5,816	\$349,414	\$1,583,497	\$2,347,419	\$6,195,399	\$55,299,270	-\$5,216,903	\$50,082,367	
311 Bank Overdraft							\$4,942,602	\$4,942,602	-\$4,942,602	\$0	
312 Accounts Payable <= 90 Days							\$407,129	\$407,129		\$407,129	
313 Accounts Payable >90 Days Past Due											
321 Accrued Wage/Payroll Taxes Payable	\$2,933						\$119,179	\$122,112		\$122,112	
322 Accrued Compensated Absences - Current Portion	\$18,827						\$6,949	\$25,776		\$25,776	
324 Accrued Contingency Liability											
325 Accrued Interest Payable											
331 Accounts Payable - HUD PHA Programs											
332 Account Payable - PHA Projects											
333 Accounts Payable - Other Government	\$139,482							\$139,482		\$139,482	
341 Tenant Security Deposits	\$197,825							\$197,825		\$197,825	
342 Unearned Revenue	\$23,442							\$23,442		\$23,442	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue											
344 Current Portion of Long-term Debt - Operating Borrowings											
345 Other Current Liabilities											
346 Accrued Liabilities - Other											
347 Inter Program - Due To		\$49,623	\$5,816	\$194,074			\$24,788	\$274,301	-\$274,301	\$0	
348 Loan Liability - Current											
310 Total Current Liabilities	\$382,509	\$49,623	\$5,816	\$194,074	\$0	\$0	\$5,500,647	\$6,132,669	-\$5,216,903	\$915,766	
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							\$350,000	\$350,000		\$350,000	
352 Long-term Debt, Net of Current - Operating Borrowings											
353 Non-current Liabilities - Other											
354 Accrued Compensated Absences - Non Current	\$169,437						\$62,536	\$231,973		\$231,973	
356 FASB 5 Liabilities											
357 Accrued Pension and OPEB Liabilities	\$168,279						\$6,852,753	\$7,021,026		\$7,021,026	
350 Total Non-Current Liabilities	\$337,710	\$0	\$0	\$0	\$0	\$0	\$7,265,289	\$7,602,999	\$0	\$7,602,999	
300 Total Liabilities	\$720,219	\$49,623	\$5,816	\$194,074	\$0	\$0	\$12,765,936	\$13,735,668	-\$5,216,903	\$8,518,765	
400 Deferred Inflow of Resources	\$525,659						\$195,894	\$721,553		\$721,553	
508.4 Net Investment in Capital Assets	\$9,914,841						\$1,190,008	\$11,104,849		\$11,104,849	
511.4 Restricted Net Position											
512.4 Unrestricted Net Position	\$33,607,983	\$0	\$0	\$155,340	\$1,583,497	\$2,347,419	-\$7,956,439	\$29,737,200		\$29,737,200	
513 Total Equity - Net Assets / Position	\$43,522,224	\$0	\$0	\$155,340	\$1,583,497	\$2,347,419	-\$6,766,431	\$40,842,049	\$0	\$40,842,049	
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$44,768,102	\$49,623	\$5,816	\$349,414	\$1,583,497	\$2,347,419	\$6,195,399	\$55,299,270	-\$5,216,903	\$50,082,367	

Niagara Falls Housing Authority (NY011)

NIAGARA FALLS, NY

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

	Project Total	14.219 Community Development Block Grants/Small Cities Program	14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	14.866 Revitalization of Severely Distressed Public Housing	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,280,620							\$2,280,620		\$2,280,620
70400 Tenant Revenue - Other	\$53,837							\$53,837		\$53,837
70500 Total Tenant Revenue	\$2,334,457	\$0	\$0	\$0	\$0	\$0	\$0	\$2,334,457	\$0	\$2,334,457
70600 HUD PHA Operating Grants	\$4,320,707	\$52,107	\$55,039				\$105,294	\$4,533,147		\$4,533,147
70610 Capital Grants	\$502,940						\$15,651	\$518,591		\$518,591
70710 Management Fee							\$458,025	\$458,025	-\$458,025	\$0
70720 Asset Management Fee							\$83,770	\$83,770	-\$83,770	\$0
70730 Book Keeping Fee							\$60,330	\$60,330	-\$60,330	\$0
70740 Front Line Service Fee										
70750 Other Fees										
70700 Total Fee Revenue							\$602,125	\$602,125	-\$602,125	\$0
70800 Other Government Grants				\$290,247				\$290,247		\$290,247
71100 Investment Income - Unrestricted					\$5,713	\$525	\$8,221	\$14,459		\$14,459
71200 Mortgage Interest Income	\$79,500							\$79,500		\$79,500
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery										
71500 Other Revenue	\$386,745			\$9,252		\$1,000	\$11,767	\$408,764		\$408,764
71600 Gain or Loss on Sale of Capital Assets	\$12,673			\$63,577				\$76,250		\$76,250
72000 Investment Income - Restricted										
70000 Total Revenue	\$7,637,022	\$52,107	\$55,039	\$363,076	\$5,713	\$1,525	\$743,058	\$8,857,540	-\$602,125	\$8,255,415
91100 Administrative Salaries	\$507,698			\$121,025		\$45,753	\$508,238	\$1,182,714		\$1,182,714
91200 Auditing Fees	\$21,200						\$5,300	\$26,500		\$26,500
91300 Management Fee	\$458,025						\$458,025	\$458,025	-\$458,025	\$0
91310 Book-keeping Fee	\$60,331						\$60,331	\$60,331	-\$60,330	\$1
91400 Advertising and Marketing										
91500 Employee Benefit contributions - Administrative	\$318,492			\$43,986		\$14,278	\$535,698	\$912,454		\$912,454
91600 Office Expenses	\$54,502			\$54,697			\$15,557	\$124,756		\$124,756
91700 Legal Expense	\$116,394			\$2,670			\$1,469	\$120,533		\$120,533
91800 Travel	\$11,582			\$8,446		\$1,500	\$171	\$21,699		\$21,699
91900 Other	\$990,629					\$8,951	\$50,192	\$1,049,772		\$1,049,772
91000 Total Operating - Administrative	\$2,538,653	\$0	\$0	\$230,824	\$0	\$70,482	\$1,116,625	\$3,956,784	-\$518,355	\$3,438,429
92000 Asset Management Fee	\$83,770							\$83,770	-\$83,770	\$0
92100 Tenant Services - Salaries	\$484,464	\$26,517						\$510,981		\$510,981
92200 Relocation Costs										
92300 Employee Benefit Contributions - Tenant Services	\$289,591	\$2,029						\$291,620		\$291,620
92400 Tenant Services - Other	\$53,013	\$23,561	\$55,039	\$161		\$5,271		\$137,045		\$137,045
92500 Total Tenant Services	\$827,068	\$52,107	\$55,039	\$161	\$0	\$5,271	\$0	\$939,646	\$0	\$939,646

93100 Water	\$265,324			\$653			\$857	\$266,834		\$266,834
93200 Electricity	\$458,360			\$4,417			\$9,711	\$472,488		\$472,488
93300 Gas	\$216,195			\$1,088			\$6,273	\$223,556		\$223,556
93400 Fuel										
93500 Labor										
93600 Sewer										
93700 Employee Benefit Contributions - Utilities										
93800 Other Utilities Expense										
93000 Total Utilities	\$939,879	\$0	\$0	\$6,158	\$0	\$0	\$16,841	\$962,878	\$0	\$962,878
94100 Ordinary Maintenance and Operations - Labor	\$945,102							\$945,102		\$945,102
94200 Ordinary Maintenance and Operations - Materials and Other	\$319,125			\$856		\$78	\$4,723	\$324,782		\$324,782
94300 Ordinary Maintenance and Operations Contracts	\$522,147	\$0		\$54,162		\$6,500	\$12,247	\$596,056		\$596,056
94500 Employee Benefit Contributions - Ordinary Maintenance	\$537,431							\$537,431		\$537,431
94000 Total Maintenance	\$2,323,805	\$0	\$0	\$55,018	\$0	\$6,578	\$16,970	\$2,402,371	\$0	\$2,402,371
95100 Protective Services - Labor				\$976				\$976		\$976
95200 Protective Services - Other Contract Costs										
95300 Protective Services - Other	\$223,851						\$718	\$224,569		\$224,569
95500 Employee Benefit Contributions - Protective Services										
95000 Total Protective Services	\$223,851	\$0	\$0	\$976	\$0	\$0	\$718	\$225,545	\$0	\$225,545
96110 Property Insurance										
96120 Liability Insurance	\$193,372						\$6,404	\$199,776		\$199,776
96130 Workmen's Compensation	\$115,155			\$14,832		\$2,303	\$18,832	\$151,122		\$151,122
96140 All Other Insurance	\$34,360			\$8,305		\$49	\$6,840	\$49,554		\$49,554
96100 Total insurance Premiums	\$342,887	\$0	\$0	\$23,137	\$0	\$2,352	\$32,076	\$400,452	\$0	\$400,452
96200 Other General Expenses	\$700							\$700		\$700
96210 Compensated Absences	\$29,606						-\$7,296	\$22,310		\$22,310
96300 Payments in Lieu of Taxes	\$139,482						-\$1,684	\$137,798		\$137,798
96400 Bad debt - Tenant Rents	\$83,709							\$83,709		\$83,709
96500 Bad debt - Mortgages										
96800 Severance Expense										
96000 Total Other General Expenses	\$253,497	\$0	\$0	\$0	\$0	\$0	-\$8,980	\$244,517	\$0	\$244,517
96710 Interest of Mortgage (or Bonds) Payable										
96720 Interest on Notes Payable (Short and Long Term)										
96730 Amortization of Bond Issue Costs										
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$7,533,610	\$52,107	\$55,039	\$316,274	\$0	\$84,683	\$1,174,250	\$9,215,963	-\$602,125	\$8,613,838
97000 Excess of Operating Revenue over Operating Expenses	\$103,412	\$0	\$0	\$46,802	\$5,713	-\$83,156	-\$431,192	-\$358,423	\$0	-\$358,423
97100 Extraordinary Maintenance										
97200 Casualty Losses - Non-capitalized										
97300 Housing Assistance Payments										
97350 HAP Portability-In										
97400 Depreciation Expense	\$1,269,278						\$97,705	\$1,366,983		\$1,366,983
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										

97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense											
90000 Total Expenses	\$8,802,888	\$52,107	\$55,039	\$316,274	\$0	\$84,683	\$1,271,955	\$10,582,946	-\$602,125	\$9,980,821	
10010 Operating Transfer In	\$220,019				\$551,530			\$771,549	-\$771,549	\$0	
10020 Operating transfer Out	-\$220,019					-\$391,861	-\$159,669	-\$771,549	\$771,549	\$0	
10030 Operating Transfers from/to Primary Government											
10040 Operating Transfers from/to Component Unit											
10050 Proceeds from Notes, Loans and Bonds											
10060 Proceeds from Property Sales											
10070 Extraordinary Items, Net Gain/Loss											
10080 Special Items (Net Gain/Loss)											
10091 Inter Project Excess Cash Transfer In	\$500,000							\$500,000	-\$500,000	\$0	
10092 Inter Project Excess Cash Transfer Out	-\$500,000							-\$500,000	\$500,000	\$0	
10093 Transfers between Program and Project - In											
10094 Transfers between Project and Program - Out											
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$551,530	-\$391,861	-\$159,669	\$0	\$0	\$0	
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$1,165,866	\$0	\$0	\$46,802	\$557,243	-\$475,019	-\$688,566	-\$1,725,406	\$0	-\$1,725,406	
11020 Required Annual Debt Principal Payments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
11030 Beginning Equity	\$44,688,090	\$0	\$0	\$108,538	\$1,026,254	\$2,822,438	\$89,698	\$48,735,018		\$48,735,018	
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					\$0		-\$6,167,563	-\$6,167,563		-\$6,167,563	
11050 Changes in Compensated Absence Balance											
11060 Changes in Contingent Liability Balance											
11070 Changes in Unrecognized Pension Transition Liability											
11080 Changes in Special Term/Severance Benefits Liability											
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents											
11100 Changes in Allowance for Doubtful Accounts - Other											
11170 Administrative Fee Equity											
11180 Housing Assistance Payments Equity											
11190 Unit Months Available	10128							10128		10128	
11210 Number of Unit Months Leased	9868							9868		9868	
11270 Excess Cash	\$6,113,175							\$6,113,175		\$6,113,175	
11610 Land Purchases	\$0						\$0	\$0		\$0	
11620 Building Purchases	\$0						\$0	\$0		\$0	
11630 Furniture & Equipment - Dwelling Purchases	\$0						\$0	\$0		\$0	
11640 Furniture & Equipment - Administrative Purchases	\$0						\$0	\$0		\$0	
11650 Leasehold Improvements Purchases	\$502,940						\$15,651	\$518,591		\$518,591	
11660 Infrastructure Purchases	\$0						\$0	\$0		\$0	
13510 CFFP Debt Service Payments	\$0						\$0	\$0		\$0	
13901 Replacement Housing Factor Funds	\$0						\$0	\$0		\$0	

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