

NIAGARA FALLS
HOUSING AUTHORITY
*Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Federal Awards Information
for the Years Ended March 31, 2021 and 2020
and Independent Auditors' Reports*

NIAGARA FALLS HOUSING AUTHORITY
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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, 2021 and 2020, 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of March 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 5, 2021 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 5, 2021

NIAGARA FALLS HOUSING AUTHORITY
Management's Discussion and Analysis
Years Ended March 31, 2021 and 2020

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, 2021 and 2020. This document should be read in conjunction with additional information that we have furnished in the Authority's financial statements, which follow this narrative.

Financial Highlights

- The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$38,224,096 (net position) at March 31, 2021, as compared to the prior year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,172,520.
- The Authority's net position decreased by \$948,424 for the year ended March 31, 2021.
- At March 31, 2021, the Authority's net investment in capital assets totaled \$10,878,585, which includes property and equipment, net of accumulated depreciation and related debt. The remaining portion of net position of \$27,345,511 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 and the related note to the 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.

Finally, the Electronically Filed Financial Data Schedule (Appendix A) can be found on pages 50-54 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 \$38,224,096 at the close of the most recent fiscal year, as compared to \$39,172,520 at the close of the fiscal year ended March 31, 2020.

Table 1, shown below, presents condensed statements of net position as of March 31, 2021, March 31, 2020 and March 31, 2019.

Table 1—Condensed Statements of Net Position

	March 31,	
	2021	2020
Current assets	\$ 11,267,304	\$ 10,941,562
Noncurrent assets	38,418,240	37,747,785
Total assets	<u>49,685,544</u>	<u>48,689,347</u>
Deferred outflows of resources	<u>4,274,453</u>	707,216
Current liabilities	1,042,560	1,154,964
Noncurrent liabilities	<u>14,633,426</u>	<u>8,873,592</u>
Total liabilities	<u>15,675,986</u>	<u>10,028,556</u>
Deferred inflows of resources	<u>59,915</u>	<u>195,487</u>
Net position:		
Net investment in capital assets	10,878,585	10,208,130
Unrestricted	<u>27,345,511</u>	<u>28,964,390</u>
Total net position	<u>\$ 38,224,096</u>	<u>\$ 39,172,520</u>

(continued)

(concluded)

	March 31,	
	2020	2019
Current assets	\$ 10,941,562	\$ 10,454,604
Noncurrent assets	37,747,785	38,644,504
Total assets	<u>48,689,347</u>	<u>49,099,108</u>
Deferred outflows of resources	<u>707,216</u>	<u>661,676</u>
Current liabilities	1,154,964	915,765
Noncurrent liabilities	<u>8,873,592</u>	<u>7,603,000</u>
Total liabilities	<u>10,028,556</u>	<u>8,518,765</u>
Deferred inflows of resources	<u>195,487</u>	<u>399,970</u>
Net position:		
Net investment in capital assets	10,208,130	11,104,849
Unrestricted	<u>28,964,390</u>	<u>29,737,200</u>
Total net position	<u>\$ 39,172,520</u>	<u>\$ 40,842,049</u>

For the year ended March 31, 2021 total assets increased primarily due to an increase in capital assets related to ongoing construction projects. Current liabilities decreased primarily due to a decrease in unearned revenue, while total liabilities increased due to increases in the Authority's other postemployment benefits ("OPEB") obligation and net pension liability. For the year ended March 31, 2020, total assets decreased primarily due to a decrease in capital assets from depreciation exceeding capital additions. Current liabilities increased due to an increase in unearned revenue. Long term liabilities increased primarily due to increases in the OPEB obligation and the net pension liability.

Table 2, presented below, shows the changes in net position for the years ended March 31, 2021, 2020, and 2019.

Table 2—Condensed Statements of Changes in Net Position

	Year Ended March 31,	
	2021	2020
Operating revenues	\$ 8,259,867	\$ 8,177,044
Operating expenses	11,372,448	10,415,968
Operating income (loss)	(3,112,581)	(2,238,924)
Nonoperating revenues	93,890	103,245
Net income (loss) before capital contribution	(3,018,691)	(2,135,679)
Capital contribution	2,070,267	466,150
Change in net position	(948,424)	(1,669,529)
Net position—beginning	39,172,520	40,842,049
Net position—ending	<u>\$ 38,224,096</u>	<u>\$ 39,172,520</u>

	Year Ended March 31,	
	2020	2019
Operating revenues	\$ 8,177,044	\$ 7,566,615
Operating expenses	10,415,968	9,980,821
Operating income (loss)	(2,238,924)	(2,414,206)
Nonoperating revenues	103,245	170,209
Net income (loss) before capital contribution	(2,135,679)	(2,243,997)
Capital contribution	466,150	518,591
Change in net position	(1,669,529)	(1,725,406)
Net position—beginning	40,842,049	42,567,455
Net position—ending	<u>\$ 39,172,520</u>	<u>\$ 40,842,049</u>

Operating revenues increased 1.0 percent during the current year ended March 31, 2021 due primarily to an increase in program grants/subsidies. Operating expenses increased 9.2 percent primarily due to an increase in the Authority’s OPEB obligation and net pension liability.

Operating revenues increased 8.1 percent during the year ended March 31, 2020 due primarily to increase in operating subsidy and an increase in other income related to a legal settlement. Operating expenses increased 4.4 percent primarily due to an increase in the Authority’s health insurance and OPEB obligations.

A summary of operating revenues for the years ended March 31, 2021, 2020 and 2019 is presented on the following page in Table 3.

Table 3—Summary of Operating Revenues

	Year Ended March 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Tenant rental revenue	\$ 2,276,085	\$ 2,349,811	\$ (73,726)	(3.1)
Program grants/subsidies	5,630,573	5,129,494	501,079	9.8
Other income	409,949	697,739	(287,790)	(41.2)
Total operating revenues	<u>\$ 8,316,607</u>	<u>\$ 8,177,044</u>	<u>\$ 139,563</u>	1.7

	Year Ended March 31,		Increase/(Decrease)	
	2020	2019	Dollars	Percent (%)
Tenant rental revenue	\$ 2,349,811	\$ 2,334,457	\$ 15,354	0.7
Program grants/subsidies	5,129,494	4,823,394	306,100	6.3
Other income	697,739	408,764	288,975	70.7
Total operating revenues	<u>\$ 8,177,044</u>	<u>\$ 7,566,615</u>	<u>\$ 610,429</u>	8.1

Program grants/subsidies represent the majority of the Authority's revenue, which represent 67.5 percent, 62.7 percent, and 63.7 percent of total operating revenues for the years ended March 31, 2021, 2020, and 2019, respectively.

A summary of operating expenses for the years ended March 31, 2021, 2020 and 2019 is presented in Table 4 below:

Table 4—Summary of Operating Expenses

	Year Ended March 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Administrative	\$ 4,359,651	\$ 3,816,159	\$ 543,492	14.2
Tenant services	1,311,086	958,167	352,919	36.8
Utilities	924,351	892,400	31,951	3.6
Maintenance and operations	2,311,911	2,459,061	(147,150)	(6.0)
General expenses	1,065,637	927,312	138,325	14.9
Depreciation	1,399,812	1,362,869	36,943	2.7
Total operating expenses	<u>\$ 11,372,448</u>	<u>\$ 10,415,968</u>	<u>\$ 956,480</u>	9.2

	Year Ended March 31,		Increase/(Decrease)	
	2020	2019	Dollars	Percent (%)
Administrative	\$ 3,816,159	\$ 3,438,428	\$ 377,731	11.0
Tenant services	958,167	939,647	18,520	2.0
Utilities	892,400	962,878	(70,478)	(7.3)
Maintenance and operations	2,459,061	2,402,371	56,690	2.4
General expenses	927,312	870,514	56,798	6.5
Depreciation	1,362,869	1,366,983	(4,114)	(0.3)
Total operating expenses	<u>\$ 10,415,968</u>	<u>\$ 9,980,821</u>	<u>\$ 435,147</u>	4.4

Administrative expenses are the largest expense of the Authority and account for 38.3 percent, 36.6 percent, and 34.5 percent of the Authority’s operating expenses for the years ended March 31, 2021, 2020, and 2019, respectively. For the years ended March 31, 2021, 2020 and 2019, the second largest operating expense was maintenance and operations, which accounted for 20.3 percent, 23.6 percent and 24.1 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, 2021, 2020, and 2019 is presented in Table 5 below.

Table 5—Summary of Cash Flow Activities

	Year Ended March 31,		Increase/(Decrease)
	2021	2020	Dollars
Cash flows provided by (used for):			
Operating activities	\$ (278,001)	\$ 319,292	\$ (597,293)
Investing activities	93,890	103,245	(9,355)
Noncapital investing activities	<u>(4,234)</u>	<u>(7,720)</u>	<u>3,486</u>
Net increase (decrease) in cash and cash equivalents	(188,345)	414,817	(603,162)
Cash and cash equivalents—beginning	<u>9,578,010</u>	<u>9,163,193</u>	<u>414,817</u>
Cash and cash equivalents—ending	<u>\$ 9,389,665</u>	<u>\$ 9,578,010</u>	<u>\$ (188,345)</u>
	Year Ended March 31,		Increase/(Decrease)
	2020	2019	Dollars
Cash flows provided by (used for):			
Operating activities	\$ 319,292	\$ (378,448)	\$ 697,740
Investing activities	103,245	93,959	9,286
Noncapital investing activities	(7,720)	6,288	(14,008)
Capital and related financing activities	<u>-</u>	<u>6,524</u>	<u>(6,524)</u>
Net increase (decrease) in cash and cash equivalents	414,817	(271,677)	686,494
Cash and cash equivalents—beginning	<u>9,163,193</u>	<u>9,434,870</u>	<u>(271,677)</u>
Cash and cash equivalents—ending	<u>\$ 9,578,010</u>	<u>\$ 9,163,193</u>	<u>\$ 414,817</u>

During the year ended March 31, 2021, cash flows from operating activities decreased \$597,293 from the prior year primarily as the result of a decrease in cash flows from tenant rental revenue.

During the year ended March 31, 2020, cash flows from operating activities increased \$697,740 from the prior year as the result of advances received from HUD for operating subsidy and capital funds.

Capital Assets

The Authority's investment in capital assets as of March 31, 2021 amounted to \$10,878,585 (net of accumulated depreciation) as compared to \$10,208,130 as of March 31, 2020 and \$11,104,849 as of March 31, 2019. 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 5 to the financial statements.

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

	March 31,	
	2021	2020
Capital assets not being depreciated:		
Land	\$ 773,409	\$ 773,409
Construction in progress	2,305,819	422,956
Total capital assets, not being depreciated	<u>3,079,228</u>	<u>1,196,365</u>
Capital assets not being depreciated:		
Buildings	51,233,953	51,050,150
Equipment	2,271,577	2,275,222
Total capital assets, being depreciated	<u>53,505,530</u>	<u>53,325,372</u>
Less accumulated depreciation	<u>(45,706,173)</u>	<u>(44,313,607)</u>
Total capital assets, being depreciated, net	<u>7,799,357</u>	<u>9,011,765</u>
Total capital assets, net	<u>\$ 10,878,585</u>	<u>\$ 10,208,130</u>
	March 31,	
	2020	2019
Capital assets not being depreciated:		
Land	\$ 773,409	\$ 773,409
Construction in progress	422,956	1,104,079
Total capital assets, not being depreciated	<u>1,196,365</u>	<u>1,877,488</u>
Capital assets not being depreciated:		
Buildings	51,050,150	49,949,523
Equipment	2,275,222	2,228,576
Total capital assets, being depreciated	<u>53,325,372</u>	<u>52,178,099</u>
Less accumulated depreciation	<u>(44,313,607)</u>	<u>(42,950,738)</u>
Total capital assets, being depreciated, net	<u>9,011,765</u>	<u>9,227,361</u>
Total capital assets, net	<u>\$ 10,208,130</u>	<u>\$ 11,104,849</u>

Debt Administration

At March 31, 2021, the Authority had long-term debt outstanding, including compensated absences, notes payable, other postemployment benefits (“OPEB”) obligation and net pension liability, of \$14,660,327 as compared to \$8,897,536 at March 31, 2020, and \$7,628,775 at March 31, 2019.

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)
	2021	2020	Dollars
Compensated absences	\$ 269,005	\$ 239,442	\$ 29,563
Notes payable	350,000	350,000	-
OPEB obligation	12,046,449	7,747,407	4,299,042
Net pension liability	1,994,873	560,687	1,434,186
Total	<u>\$ 14,660,327</u>	<u>\$ 8,897,536</u>	<u>\$ 5,762,791</u>

	March 31,		Increase/(Decrease)
	2020	2019	Dollars
Compensated absences	\$ 239,442	\$ 257,749	\$ (18,307)
Notes payable	350,000	350,000	-
OPEB obligation, as restated	7,747,407	6,799,614	947,793
Net pension liability	560,687	221,412	339,275
Total	<u>\$ 8,897,536</u>	<u>\$ 7,628,775</u>	<u>\$ 1,268,761</u>

Economic Factors and Next Year’s Budgets and Rates

The Authority estimated the 2022 Housing and Urban Development (“HUD”) subsidy to be the same as 2021 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 has implanted nutrition programs feeding its seniors and disabled several time a week during COVID to ensure residents’ health is maintained. Funding was secured through HUD Subsidies for COVID expenses.

The Authority, in conjunction with the State University of New York, operates an Advanced Technology Training and Information Networking Lab at the Doris Jones Community Center.

The Authority was awarded a grant by the State's Attorney for a consultant to help the Authority rehabilitate Jordan Gardens and address the long standing challenges in the Highland/Beech area. The Authority in conjunction with many of our partners have created the Highland/Beech 2023 Plan that focuses on blight elimination, improved curb appeal, single family homeownership opportunities, and ultimately identifying commercial/retail activity among other things. Over the next few months a major focus area of the housing authority will be centered in the North End.

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 Community Center 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 also partners 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. Clifford Scott (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, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,203,794	\$ 9,387,905
Restricted cash and cash equivalents	185,871	190,105
Receivables, net of allowance for doubtful accounts	1,507,447	987,966
Prepaid expenses	198,054	190,953
Inventory	<u>172,138</u>	<u>184,633</u>
Total current assets	<u>11,267,304</u>	<u>10,941,562</u>
Noncurrent assets:		
Notes receivable	27,539,655	27,539,655
Capital assets not being depreciated	3,079,228	1,196,365
Capital assets, being depreciated	<u>7,799,357</u>	<u>9,011,765</u>
Total noncurrent assets	<u>38,418,240</u>	<u>37,747,785</u>
Total assets	<u>49,685,544</u>	<u>48,689,347</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows—relating to pensions	1,610,850	707,216
Deferred outflows—relating to OPEB	<u>2,663,603</u>	<u>-</u>
Total deferred outflows of resources	<u>4,274,453</u>	<u>707,216</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	513,988	452,099
Tenant security deposits	185,871	190,105
Unearned revenue	77,825	316,394
Other current liabilities	237,975	172,422
Current portion of compensated absences	<u>26,901</u>	<u>23,944</u>
Total current liabilities	<u>1,042,560</u>	<u>1,154,964</u>
Noncurrent liabilities:		
Compensated absences	242,104	215,498
Notes payable	350,000	350,000
Other postemployment benefits obligation	12,046,449	7,747,407
Net pension liability	<u>1,994,873</u>	<u>560,687</u>
Total noncurrent liabilities	<u>14,633,426</u>	<u>8,873,592</u>
Total liabilities	<u>15,675,986</u>	<u>10,028,556</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows—relating to pensions	<u>59,915</u>	<u>195,487</u>
Total deferred inflows of resources	<u>59,915</u>	<u>195,487</u>
 NET POSITION		
Net investment in capital assets	10,878,585	10,208,130
Unrestricted	<u>27,345,511</u>	<u>28,964,390</u>
Total net position	<u>\$ 38,224,096</u>	<u>\$ 39,172,520</u>

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Tenant rental revenue	\$ 2,276,085	\$ 2,349,811
Program grants/subsidies	5,573,833	5,129,494
Other income	<u>409,949</u>	<u>697,739</u>
Total operating revenues	<u>8,259,867</u>	<u>8,177,044</u>
Operating expenses:		
Administrative	4,359,651	3,816,159
Tenant services	1,311,086	958,167
Utilities	924,351	892,400
Maintenance and operation	2,311,911	2,459,061
General expenses	1,065,637	927,312
Depreciation	<u>1,399,812</u>	<u>1,362,869</u>
Total operating expenses	<u>11,372,448</u>	<u>10,415,968</u>
Operating (loss)	<u>(3,112,581)</u>	<u>(2,238,924)</u>
Nonoperating revenues:		
Interest income	<u>93,890</u>	<u>103,245</u>
Total nonoperating revenues	<u>93,890</u>	<u>103,245</u>
Net (loss) before capital contributions	(3,018,691)	(2,135,679)
Capital contributions	<u>2,070,267</u>	<u>466,150</u>
Change in net position	(948,424)	(1,669,529)
Net position—beginning	<u>39,172,520</u>	<u>40,842,049</u>
Net position—ending	<u>\$ 38,224,096</u>	<u>\$ 39,172,520</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, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Tenant rental revenue	\$ 2,037,516	\$ 2,642,763
Program revenue and subsidies	5,054,352	5,106,864
Other income	409,949	697,739
Administrative expenses	(2,234,116)	(2,886,594)
Tenant service expenses	(1,311,086)	(958,167)
Utility expenses	(862,462)	(847,429)
Maintenance and operation expenses	(2,299,416)	(2,488,980)
General expenses	(1,072,738)	(946,904)
Net cash (used for) provided by operating activities	(278,001)	319,292
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	93,890	103,245
Net cash provided by investing activities	93,890	103,245
CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES		
Tenants' security deposits received, net	(4,234)	(7,720)
Net cash (used for) noncapital investing activities	(4,234)	(7,720)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	2,070,267	466,150
Purchase of capital assets	(2,070,267)	(466,150)
Net cash provided by capital and related financing activities	-	-
Net change in cash and cash equivalents	(188,345)	414,817
Cash and cash equivalents—beginning	9,578,010	9,163,193
Cash and cash equivalents—ending	\$ 9,389,665	\$ 9,578,010

(continued)

NIAGARA FALLS HOUSING AUTHORITY
Statements of Cash Flows
Years Ended March 31, 2021 and 2020

(concluded)

	2021	2020
Reconciliation of operating (loss) to net cash provided by operating activities		
Operating (loss)	\$ (3,112,581)	\$ (2,238,924)
Adjustments to reconcile operating (loss) to net cash (used for) provided by operating activities:		
Depreciation expense	1,399,812	1,362,869
(Increase) in deferred outflows of resources	(3,567,237)	(45,540)
(Decrease) in deferred inflows of resources	(135,572)	(204,483)
Changes in:		
(Increase) in receivables	(519,481)	(22,630)
(Increase) in prepaid expenses	(7,101)	(19,592)
Decrease (increase) in inventory	12,495	(29,919)
Increase in accounts payable	61,889	44,971
(Decrease) increase in unearned revenue	(238,569)	292,952
Increase (decrease) in other current liabilities	65,553	(89,173)
Increase (decrease) in compensated absences	29,563	(18,307)
Increase in other postemployment benefits obligation	4,299,042	947,793
Increase in net pension liability	1,434,186	339,275
Net cash (used for) provided by operating activities	\$ (278,001)	\$ 319,292

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, 2021 and 2020

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, 2021 and 2020 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.

Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources

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, 2021 or 2020; 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.

Notes Receivable—Represent funds advanced to Center Court I, LLC to finance the Center Court HOPE VI Revitalization and Cornerstone Townhomes, LLC.

Capital Assets—Property and equipment are recorded at cost or acquisition 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 two items that qualify for reporting in this category. The first 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. The second item represents the effects of the change in the Authority’s proportion of the collective OPEB liability and difference 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 OPEB liability.

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 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.

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 9.

Pension Plan—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 8.

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, 2020.

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, 2021, the Authority implemented GASB Statements No. 84, *Fiduciary Activities*; No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; No. 92, *Omnibus 2020* and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. GASB Statement No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 97 increases consistency and comparability related to the reporting of fiduciary component units, mitigates costs associated with the reporting of certain defined contribution plans and enhances the relevance, consistency and comparability of the accounting and reporting for internal Revenue Code Section 457 deferred compensation plans. The implementation of GASB Statements No. 84, 88, 92 and 97 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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; No. 93, *Replacement of Interbank Offered Rates*; and No. 98, *The Annual Comprehensive Financial Report* effective for the year ending March 31, 2022, No. 87, *Leases*; and No. 91, *Conduit Debt Obligations*, effective for the year ending March 31, 2023, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending March 31, 2024. The Authority is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 89, 91, 93, 94, 96 and 98 will have on its financial position and results of operations when such statements are adopted.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At March 31, 2021 and 2020, 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, 2021 and 2020.

Cash and equivalents at March 31, 2021 and 2020 consist of the following:

	March 31, 2021	
	Bank Amount	Carrying Amount
FDIC insured	\$ 992,632	\$ 992,043
Uninsured:		
Collateral held by pledging bank's agent in Authority's name	8,129,406	8,004,622
People and Possibilities	393,000	393,000
Total	\$ 9,515,038	\$ 9,389,665

	<u>March 31, 2020</u>	
	<u>Bank Amount</u>	<u>Carrying Amount</u>
FDIC insured	\$ 997,025	\$ 998,388
Uninsured:		
Collateral held by pledging bank's agent in Authority's name	8,280,338	8,190,494
People and Possibilities	<u>389,128</u>	<u>389,128</u>
Total	<u>\$ 9,666,491</u>	<u>\$ 9,578,010</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, 2021 and 2020, 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, 2021 and 2020, this amounted to \$185,871 and \$190,105, respectively.

Investments—The Authority had no investments at March 31, 2021 or 2020.

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.

3. RECEIVABLES

The Authority has the following receivables at March 31, 2021:

	<u>Receivables</u>	<u>Allowance for Doubtful Accounts</u>	<u>Total</u>
Tenant accounts receivable	\$ 165,040	\$ (118,509)	\$ 46,531
Interest receivable on notes	670,978	-	670,978
Developer fees receivable	38,326	-	38,326
Grants receivable	692,989	-	692,989
Other receivables	<u>58,623</u>	<u>-</u>	<u>58,623</u>
Total	<u>\$ 1,625,956</u>	<u>\$ (118,509)</u>	<u>\$ 1,507,447</u>

The Authority has the following accounts receivable at March 31, 2020:

	<u>Receivables</u>	<u>Allowance for Doubtful Accounts</u>	<u>Total</u>
Tenant accounts receivable	\$ 168,359	\$ (131,697)	\$ 36,662
Interest receivable on notes	609,700	-	609,700
Developer fees receivable	54,911	-	54,911
Grants receivable	285,652	-	285,652
Other receivables	<u>1,041</u>	<u>-</u>	<u>1,041</u>
Total	<u>\$ 1,119,663</u>	<u>\$ (131,697)</u>	<u>\$ 987,966</u>

4. NOTES RECEIVABLE

Notes receivable at March 31, 2021 and 2020 represent funds advanced to Center Court I, LLC to finance the Center Court HOPE VI Revitalization and Cornerstone Townhomes, LLC as presented below:

	<u>2021</u>	<u>2020</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.	211,000	211,000
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, 2021 and 2020, the Authority reported interest receivable on notes of \$670,978 and \$609,700, respectively.

5. CAPITAL ASSETS

Capital assets activity for the years ended March 31, 2021 and March 31, 2020 is presented below:

	Balance 4/1/2020	Increases	Decreases	Balance 3/31/2021
Capital assets, not being depreciated				
Land	\$ 773,409	\$ -	\$ -	\$ 773,409
Construction in progress	422,956	2,070,267	(187,404)	2,305,819
Total capital assets, not being depreciated	<u>1,196,365</u>	<u>2,070,267</u>	<u>(187,404)</u>	<u>3,079,228</u>
Capital assets, being depreciated:				
Buildings	51,050,150	184,884	(1,081)	51,233,953
Equipment	2,275,222	2,520	(6,165)	2,271,577
Total capital assets, being depreciated	<u>53,325,372</u>	<u>187,404</u>	<u>(7,246)</u>	<u>53,505,530</u>
Less accumulated depreciation	<u>(44,313,607)</u>	<u>(1,399,812)</u>	<u>7,246</u>	<u>(45,706,173)</u>
Total capital assets, being depreciated, net	<u>9,011,765</u>	<u>(1,212,408)</u>	<u>-</u>	<u>7,799,357</u>
Total capital assets, net	<u>\$ 10,208,130</u>	<u>\$ 857,859</u>	<u>\$ (187,404)</u>	<u>\$ 10,878,585</u>
	Balance 4/1/2019	Increases	Decreases	Balance 3/31/2020
Capital assets, not being depreciated				
Land	\$ 773,409	\$ -	\$ -	\$ 773,409
Construction in progress	1,104,079	466,150	(1,147,273)	422,956
Total capital assets, not being depreciated	<u>1,877,488</u>	<u>466,150</u>	<u>(1,147,273)</u>	<u>1,196,365</u>
Capital assets, being depreciated:				
Buildings	49,949,523	1,100,627	-	51,050,150
Equipment	2,228,576	46,646	-	2,275,222
Total capital assets, being depreciated	<u>52,178,099</u>	<u>1,147,273</u>	<u>-</u>	<u>53,325,372</u>
Less accumulated depreciation	<u>(42,950,738)</u>	<u>(1,362,869)</u>	<u>-</u>	<u>(44,313,607)</u>
Total capital assets, being depreciated, net	<u>9,227,361</u>	<u>(215,596)</u>	<u>-</u>	<u>9,011,765</u>
Total capital assets, net	<u>\$ 11,104,849</u>	<u>\$ 250,554</u>	<u>\$ (1,147,273)</u>	<u>\$ 10,208,130</u>

6. 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, 2021 and 2020 amounted to \$185,871 and \$190,105, respectively.

7. 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, 2021 and 2020, the Authority paid \$18,140 and \$14,247, respectively, of benefits for unemployment claims. At March 31, 2021 and 2020, the Authority did not report any liabilities for unpaid, unasserted claims.

8. PENSION PLAN

Plan Description and Benefits Provided

New York State and Local 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, 2021, 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2019, 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, 2020
Net pension liability	\$ 1,994,873
Authority's portion of the Plan's total net pension liability	0.0075333%

For the year ended March 31, 2021, the Authority recognized pension expenses of \$723,764 for ERS. At March 31, 2021, 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	\$ 117,406	\$ -
Changes of assumptions	40,167	34,684
Net difference between projected and actual earnings on pension plan investments	1,022,669	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	101,823	25,231
Authority contributions subsequent to the measurement date	<u>328,785</u>	<u>-</u>
Total	<u>\$ 1,610,850</u>	<u>\$ 59,915</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, 2022. 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>	
2022	\$ 224,302
2023	313,259
2024	384,830
2025	299,759

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using the actuarial valuation as noted in the table on the following page, 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, 2020
Actuarial valuation date	April 1, 2019
Interest rate	6.80%
Salary scale	4.20%
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, 2019 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</u> <u>Allocation</u>	<u>Long-Term Expected</u> <u>Real Rate of Return</u>
Measurement date	<u>March 31, 2020</u>	
Asset class:		
Domestic equities	36.0 %	4.1 %
International equities	14.0	6.2
Private equity	10.0	6.8
Real estate	10.0	4.9
Absolute return strategies	2.0	3.3
Opportunistic portfolio	3.0	4.7
Real assets	3.0	9.0
Bonds and mortgages	17.0	0.8
Cash	1.0	0.0
Inflation-indexed bonds	4.0	0.5
Total	<u>100.0 %</u>	

Discount Rate—The discount rate used to calculate the total pension liability was 6.8%. 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 to the Discount Rate Assumption—The chart below presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.8%) or one percentage-point higher (7.8%) than the current assumption.

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's proportionate share of the net pension liability	\$ 3,661,155	\$ 1,994,873	\$ 460,220

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:

	(Dollars in Thousands)
	<u>ERS</u>
Valuation date	April 1, 2019
Employers' total pension liability	\$ 194,596,261
Plan fiduciary net position	<u>168,115,682</u>
Employers' net pension liability	<u>\$ 26,480,579</u>
System fiduciary net position as a percentage of total pension liability	86.4%

9. 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, 2021, the following employees were covered by the benefit terms:

Inactive employees	39
Active employees	<u>40</u>
Total	<u><u>79</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 \$12,046,449 was measured as of December 31, 2021, 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, 2021 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 2.88% at March 31, 2020 to 2.00% at March 31, 2021. The salary scale assumed to increase at 3.11% per year. Mortality rates were updated to rates based on the Pub-2010 Public Retirement Plans Mortality Tables, adjusted for mortality improvements with scale MP-2020 on a fully generational basis. Finally, the healthcare cost trend rate for medical has an initial rate of 4.18% and an ultimate rate of 5.20%. An inflation rate of 2.22% was assumed for developing the rate of increase in healthcare costs.

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, 2020	<u>\$ 7,747,407</u>
Changes for the year:	
Service cost	126,275
Interest	216,901
Differences between expected and actual experienc	2,525,884
Changes in assumptions	1,772,364
Benefit payments	<u>(342,382)</u>
Net changes	<u>4,299,042</u>
Balance at March 31, 2021	<u>\$12,046,449</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 total OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability.

	1% Decrease (1.00%)	Current Discount Rate (2.00%)	1% Increase (3.00%)
Total OPEB liability	\$ 14,270,278	\$ 12,046,449	\$ 10,289,738

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (4.18%)/ultimate (5.20%) healthcare cost trend rates.

	1% Decrease <u>(3.18%/4.20%)</u>	Healthcare Cost Trend Rates <u>(4.18%/5.20%)</u>	1% Increase <u>(5.18%/6.20%)</u>
Total OPEB liability	\$ 10,230,429	\$ 12,046,449	\$ 14,335,662

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 \$342,382 for the fiscal year ended March 31, 2021. For the year ended March 31, 2021, the Authority recognized OPEB expense of \$2,062,476. The Authority’s contributions to the OPEB plan are based on negotiated contracts with two bargaining units, as discussed in Note 12. Any amendments to the employer’s contributions are subject to the collective bargaining agreements.

OPEB Expense and Deferred Outflows of Resources Related to OPEB—The Authority reports deferred outflows 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. The table below presents the Authority’s deferred outflows of resources at March 31, 2021.

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 1,515,530
Changes of assumptions	1,063,418
Benefit payments subsequent to the measurement date	<u>84,655</u>
Total	<u>\$ 2,663,603</u>

The Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending March 31, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending March 31,</u>	
2022	\$ 1,719,300
2023	859,648

10. LONG-TERM LIABILITIES

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

A summary of changes in the Authority's long-term liabilities for the years ended March 31, 2021 and 2020 are presented below:

	Year Ended March 31, 2021			
	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 239,442	\$ 67,799	\$ 38,236	\$ 269,005
Notes payable	350,000	-	-	350,000
OPEB obligation	7,747,407	4,641,424	342,382	12,046,449
Net pension liability*	560,687	1,434,186	-	1,994,873
Total	<u>\$ 8,897,536</u>	<u>\$ 6,143,409</u>	<u>\$ 380,618</u>	<u>\$ 14,660,327</u>

(*Additions to the net pension liability are presented net of reductions.)

	Year ended March 31, 2020			
	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 257,749	\$ 17,015	\$ 35,322	\$ 239,442
Notes payable	350,000	-	-	350,000
OPEB obligation	6,799,614	1,353,939	406,146	7,747,407
Net pension liability*	221,412	339,275	-	560,687
Total	<u>\$ 7,628,775</u>	<u>\$ 1,710,229</u>	<u>\$ 441,468</u>	<u>\$ 8,897,536</u>

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

Compensated Absences—The Authority reports a liability for compensated absences, \$269,005 at March 31, 2021. 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 9, the Authority provides health insurance coverage for certain retirees. The long-term OPEB liability is estimated to be \$12,046,449 at March 31, 2021.

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 \$1,994,873 at March 31, 2021. Refer to Note 8 for additional information related to the Authority's net pension liability.

11. 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, 2021, the Authority's net investment in capital assets totals \$10,878,585.

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, 2021, 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 \$27,345,511 at March 31, 2021.

12. 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.

13. 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 10, 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.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2021, 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 Seven Fiscal Years*

	Year Ended March 31,						
	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Authority's proportion of the net pension liability	0.0075333%	0.0079134%	0.0068603%	0.006918%	0.0075448%	0.0078874%	0.0078874%
Authority's proportionate share of the net pension liability	<u>\$ 1,994,873</u>	<u>\$ 560,887</u>	<u>\$ 221,412</u>	<u>\$ 650,027</u>	<u>\$ 1,210,967</u>	<u>\$ 266,457</u>	<u>\$ (678,053)</u>
Authority's covered payroll	\$ 2,475,099	\$ 2,267,323	\$ 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	80.6%	24.7%	10.2%	30.2%	48.8%	10.6%	n/a
Plan fiduciary net position as a percentage of the total pension liability	86.4%	96.3%	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 the Authority's Contributions—
Employees' Retirement System
Last Seven Fiscal Years*

	Year Ended March 31,						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 328,785	\$ 330,573	\$ 318,089	\$ 325,341	\$ 329,183	\$ 408,841	\$ 488,499
Contributions in relation to the contractually required contribution	<u>(328,785)</u>	<u>(330,573)</u>	<u>(318,089)</u>	<u>(325,341)</u>	<u>(329,183)</u>	<u>(408,841)</u>	<u>(488,499)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 2,378,050	\$ 2,475,049	\$ 2,267,323	\$ 2,206,607	\$ 2,150,690	\$ 2,480,168	\$ 2,520,179
Contributions as a percentage of covered payroll	13.8%	13.4%	14.0%	14.7%	15.3%	16.5%	19.4%

*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
Last Three Fiscal Years*

	Year Ended March 31,		
	2021	2020	2019
Total OPEB Liability			
Service cost	\$ 126,275	\$ 115,923	\$ 2,800
Interest	216,901	271,560	248,631
Effect of economic/demographic gains or losses	-	(150,556)	371,030
Differences between expected and actual experience	2,525,884	-	-
Changes in assumptions	1,772,364	966,456	87,058
Benefit payments	<u>(342,382)</u>	<u>(255,590)</u>	<u>(243,352)</u>
Net change in total OPEB liability	<u>4,299,042</u>	<u>947,793</u>	<u>466,167</u>
Total OPEB liability—beginning, as restated	<u>7,747,407</u>	<u>6,799,614</u>	<u>6,333,447</u>
Total OPEB liability—ending	<u>\$ 12,046,449</u>	<u>\$ 7,747,407</u>	<u>\$ 6,799,614</u>
Plan fiduciary net position			
Contributions—employer	\$ 342,382	\$ 255,590	\$ 243,352
Benefit payments	(342,382)	(255,590)	(243,352)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position—beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position—ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's net OPEB liability—ending	<u>\$ 12,046,449</u>	<u>\$ 7,747,407</u>	<u>\$ 6,799,614</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 2,190,130	\$ 2,689,585	\$ 2,694,822
Authority's net OPEB liability as a percentage of covered-employee payroll	550.0%	288.1%	252.3%

*Information prior to the year ended March 31, 2019 is not available.

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, 2021

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 2.88% at March 31, 2020 to 2.00% at March 31, 2021. Mortality rates were updated to rates based on the Pub-2010 Public Retirement Plans Mortality Tables, adjusted for mortality improvements with scale MP-2020 on a fully generational basis. Finally, the healthcare cost trend rate for medical has an initial rate of 4.18% and an ultimate rate of 5.20%. An inflation rate of 2.22% was assumed for developing the rate of increase in healthcare costs.

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SUPPLEMENTARY INFORMATION

NIAGARA FALLS HOUSING AUTHORITY
Statement and Certification of Actual
Capital Fund Program Costs
As of March 31, 2021

1. Actual Capital Grant program costs are as follows:

	Public Housing Capital Fund Program NY06P011501-16
Funds approved	\$ 1,199,815
Funds expended (including retention)	1,199,815
Excess of funds approved	\$ -
Funds advanced	\$ 1,199,815
Funds expended (including retention)	1,199,815
Deficit of funds advanced	\$ -

2. The distribution of costs by projects as shown on the Actual Modernization Cost Certificates, dated November 23, 2020, submitted to HUD for approval are in agreement with the Authority's records as of March 31, 2021.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment as of March 31, 2021.

NIAGARA FALLS HOUSING AUTHORITY
Statement of Public Housing Capital Funds
Advanced with Costs—Uncompleted (2017)
As of March 31, 2021

	Public Housing Capital Fund Program NY06P011501-17
Funds approved	\$ 1,100,096
Funds expended (including retention)	<u>974,420</u>
Excess of funds approved	<u>\$ 125,676</u>
Funds advanced	\$ 963,238
Funds expended (including retention)	<u>974,420</u>
Deficit of funds advanced	<u>\$ (11,182)</u>

NIAGARA FALLS HOUSING AUTHORITY
Statement of Public Housing Capital Funds
Advanced with Costs—Uncompleted (2018)
As of March 31, 2021

	Public Housing Capital Fund Program NY06P011501-18
Funds approved	\$ 1,801,171
Funds expended (including retention)	<u>1,663,614</u>
Excess of funds approved	<u>\$ 137,557</u>
Funds advanced	\$ 1,435,943
Funds expended (including retention)	<u>1,663,614</u>
Deficit of funds advanced	<u>\$ (227,671)</u>

NIAGARA FALLS HOUSING AUTHORITY
Statement of Public Housing Capital Funds
Advanced with Costs—Uncompleted (2019)
As of March 31, 2021

	Public Housing Capital Fund Program NY06P011501-19
Funds approved	\$ 1,684,001
Funds expended (including retention)	<u>780,999</u>
Excess of funds approved	<u>\$ 903,002</u>
Funds advanced	\$ 336,800
Funds expended (including retention)	<u>780,999</u>
Deficit of funds advanced	<u>\$ (444,199)</u>

FEDERAL AWARDS INFORMATION

NIAGARA FALLS HOUSING AUTHORITY
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2021

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	\$ -	\$ 4,246,196
Public and Indian Housing - Operating Subsidy CARES Act	14.850	NY-444	-	642,001
<i>Capital Fund Program:</i>				
Public Housing Capital Fund Program	14.872	NY06P011501-16	-	191,286
Public Housing Capital Fund Program	14.872	NY06P011501-17	-	469,389
Public Housing Capital Fund Program	14.872	NY06P011501-18	-	1,265,520
Public Housing Capital Fund Program	14.872	NY06P011501-19	-	780,999
Total Capital Fund Program			-	2,707,194
Resident Opportunities and Self Sufficiency	14.870	NY011RPS031A014	-	48,709
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	7,644,100
TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)			<u>\$ -</u>	<u>\$ 7,644,100</u>

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

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NIAGARA FALLS HOUSING AUTHORITY
Notes to the Schedule of Expenditures of Federal Awards
Year Ended March 31, 2021

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, 2021. 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 minimis indirect cost rate as allowable under the Uniform Guidance.

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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, 2021, 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 5, 2021.

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 severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

October 5, 2021

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, 2021. 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.

Auditors' 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, 2021.

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 5, 2021

NIAGARA FALLS HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended March 31, 2021

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes _____ No

Significant deficiency(ies) identified? _____ Yes _____ None reported

Noncompliance material to the financial statements noted? _____ Yes _____ No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes _____ No

Significant deficiency(ies) identified? _____ Yes _____ None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes _____ No

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

Dollar threshold used to distinguish between Type A and Type B programs? \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes _____ No

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, 2021
(Follow-up on March 31, 2020 Findings)

No findings were reported.

Niagara Falls Housing Authority (NY011)
 NIAGARA FALLS, NY
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.870 Resident Opportunity and Supportive Services	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$6,169,162		\$393,000		\$1,896,919	\$1,127,305			\$9,696,386	-\$382,591	\$9,203,795
112 Cash - Restricted - Modernization and Development											
113 Cash - Other Restricted	\$185,871								\$185,871		\$185,871
114 Cash - Tenant Security Deposits											
115 Cash - Restricted for Payment of Current Liabilities											
100 Total Cash	\$6,355,033	\$0	\$393,000	\$0	\$1,896,919	\$1,127,305	\$0	\$0	\$9,772,257	-\$382,591	\$9,389,666
121 Accounts Receivable - PHA Projects											
122 Accounts Receivable - HUD Other Projects	\$671,006						\$9,637	\$12,045	\$692,988		\$692,988
124 Accounts Receivable - Other Government								\$31,227	\$31,227		\$31,227
125 Accounts Receivable - Miscellaneous	\$26,355				\$39,367			\$18	\$85,740		\$85,740
126 Accounts Receivable - Tenants	\$165,022								\$165,022		\$165,022
126.1 Allowance for Doubtful Accounts - Tenants	-\$18,509								-\$18,509		-\$18,509
126.2 Allowance for Doubtful Accounts - Other	\$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	\$667,595							\$3,383	\$670,978		\$670,978
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,411,469	\$0	\$0	\$0	\$39,367	\$0	\$9,637	\$46,673	\$1,507,446	\$0	\$1,507,446
131 Investments - Unrestricted											
132 Investments - Restricted											
135 Investments - Restricted for Payment of Current Liability											
142 Prepaid Expenses and Other Assets	\$53							\$198,001	\$198,054		\$198,054
143 Inventories	\$156,204							\$15,934	\$172,138		\$172,138
143.1 Allowance for Obsolete Inventories	\$0							\$0	\$0		\$0
144 Inter Program Due From	\$0				\$72,052			\$319,347	\$391,399	-\$391,399	\$0
145 Assets Held for Sale											
150 Total Current Assets	\$7,922,759	\$0	\$393,000	\$0	\$2,008,338	\$1,127,305	\$9,637	\$579,955	\$12,041,284	-\$773,990	\$11,267,304
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	\$788,553								\$788,553		\$788,553
164 Furniture, Equipment & Machinery - Administration	\$758,234							\$724,790	\$1,483,024		\$1,483,024
165 Leasehold Improvements	\$31,070,800							\$3,461,985	\$34,532,785		\$34,532,785
166 Accumulated Depreciation	-\$42,129,345							-\$3,576,828	-\$45,706,173		-\$45,706,173
167 Construction in Progress	\$2,305,819								\$2,305,819		\$2,305,819
168 Infrastructure											
160 Total Capital Assets, Net of Accumulated Depreciation	\$9,885,038	\$0	\$0	\$0	\$0	\$0	\$0	\$993,547	\$10,878,585	\$0	\$10,878,585
171 Notes, Loans and Mortgages Receivable - Non-Current	\$26,976,655				\$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	\$36,863,693	\$0	\$0	\$0	\$211,000	\$0	\$0	\$1,343,547	\$38,418,240	\$0	\$38,418,240
200 Deferred Outflow of Resources	\$3,497,872							\$776,582	\$4,274,454		\$4,274,454

290 Total Assets and Deferred Outflow of Resources	\$48,633,300	\$0	\$393,000	\$0	\$2,219,338	\$1,127,305	\$9,937	\$2,700,084	\$55,082,964	-\$1,122,966	\$53,959,998
311 Bank Overdraft								\$382,591	\$382,591	-\$382,591	\$0
312 Accounts Payable <= 90 Days								\$513,989	\$513,989		\$513,989
313 Accounts Payable >90 Days Past Due											
321 Accrued Wage/Payroll Taxes Payable								\$34,972	\$34,972		\$34,972
322 Accrued Compensated Absences - Current Portion	\$16,550				\$1,005			\$9,346	\$26,901		\$26,901
324 Accrued Contingency Liability											
325 Accrued Interest Payable											
331 Accounts Payable - HUD PHA Programs											
332 Account Payable - PHA Projects											
333 Accounts Payable - Other Government	\$136,708								\$136,708		\$136,708
341 Tenant Security Deposits	\$185,871								\$185,871		\$185,871
342 Unearned Revenue	\$32,825							\$45,000	\$77,825		\$77,825
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue											
344 Current Portion of Long-term Debt - Operating Borrowings											
345 Other Current Liabilities	\$33,225								\$33,225		\$33,225
346 Accrued Liabilities - Other	\$33,070								\$33,070		\$33,070
347 Inter Program - Due To	\$411,249		\$261,675			\$57,514	\$9,937		\$740,375	-\$740,375	\$0
348 Loan Liability - Current											
310 Total Current Liabilities	\$849,498	\$0	\$261,675	\$0	\$1,005	\$57,514	\$9,937	\$985,898	\$2,165,527	-\$1,122,966	\$1,042,561
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	\$157,903				\$9,049			\$75,152	\$242,104		\$242,104
355 Loan Liability - Non Current											
356 FASB 5 Liabilities											
357 Accrued Pension and OPEB Liabilities	\$12,427,124							\$1,614,198	\$14,041,322		\$14,041,322
350 Total Non-Current Liabilities	\$12,585,027	\$0	\$0	\$0	\$9,049	\$0	\$0	\$2,039,350	\$14,633,426	\$0	\$14,633,426
300 Total Liabilities	\$13,434,525	\$0	\$261,675	\$0	\$10,054	\$57,514	\$9,937	\$3,025,248	\$16,798,953	-\$1,122,966	\$15,675,987
400 Deferred Inflow of Resources	\$4,550							\$55,365	\$59,915		\$59,915
508.4 Net Investment in Capital Assets	\$9,885,038							\$993,547	\$10,878,585		\$10,878,585
511.4 Restricted Net Position								\$0	\$0		\$0
512.4 Unrestricted Net Position	\$25,309,187	\$0	\$131,325	\$0	\$2,209,284	\$1,069,791	\$0	-\$1,374,076	\$27,345,511		\$27,345,511
513 Total Equity - Net Assets / Position	\$35,194,225	\$0	\$131,325	\$0	\$2,209,284	\$1,069,791	\$0	-\$380,529	\$38,224,096	\$0	\$38,224,096
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$48,633,300	\$0	\$393,000	\$0	\$2,219,338	\$1,127,305	\$9,937	\$2,700,084	\$55,082,964	-\$1,122,966	\$53,959,998

Niagara Falls Housing Authority (NY011)
 NIAGARA FALLS, NY
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.870 Resident Opportunity and Supportive Services	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,226,171								\$2,226,171		\$2,226,171
70400 Tenant Revenue - Other	\$49,914								\$49,914		\$49,914
70500 Total Tenant Revenue	\$2,276,085	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,276,085	\$0	\$2,276,085
70600 HUD PHA Operating Grants	\$4,774,219	\$642,001					\$48,709	\$108,906	\$5,573,835		\$5,573,835
70610 Capital Grants	\$2,070,266								\$2,070,266		\$2,070,266
70710 Management Fee								\$960,217	\$960,217	-\$960,217	\$0
70720 Asset Management Fee								\$101,760	\$101,760	-\$101,760	\$0
70730 Book Keeping Fee								\$74,070	\$74,070	-\$74,070	\$0
70740 Front Line Service Fee											
70750 Other Fees											
70700 Total Fee Revenue								\$1,136,047	\$1,136,047	-\$1,136,047	\$0
70800 Other Government Grants											
71100 Investment Income - Unrestricted	\$3				\$576	\$1,376		\$12,435	\$14,390		\$14,390
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	\$327,855		\$3,479	\$30,000				\$78,616	\$439,950	-\$30,000	\$409,950
71600 Gain or Loss on Sale of Capital Assets											
72000 Investment Income - Restricted											
70000 Total Revenue	\$9,527,928	\$642,001	\$3,479	\$30,000	\$576	\$1,376	\$48,709	\$1,336,004	\$11,590,073	-\$1,166,047	\$10,424,026
91100 Administrative Salaries	\$788,408				\$66,156			\$428,096	\$1,282,660		\$1,282,660
91200 Auditing Fees	\$19,452							\$3,738	\$23,190		\$23,190
91300 Management Fee	\$960,216	\$30,000							\$990,216	-\$990,217	-\$1
91310 Book-keeping Fee	\$74,070								\$74,070	-\$74,070	\$0
91400 Advertising and Marketing											
91500 Employee Benefit contributions - Administrative	\$1,471,895		\$5,647		\$22,310			\$463,329	\$1,963,181		\$1,963,181
91600 Office Expenses	\$117,901		\$11,074		\$253			\$55,119	\$184,347		\$184,347
91700 Legal Expense	\$28,962		\$2,586					\$35,802	\$67,350		\$67,350
91800 Travel	\$4,345							\$145	\$4,490		\$4,490
91810 Allocated Overhead											
91900 Other	\$835,403							\$4	\$835,407		\$835,407
91000 Total Operating - Administrative	\$4,300,652	\$30,000	\$19,307	\$0	\$88,719	\$0	\$0	\$986,233	\$5,424,911	-\$1,064,287	\$4,360,624
92000 Asset Management Fee	\$101,760								\$101,760	-\$101,760	\$0
92100 Tenant Services - Salaries	\$613,307	\$417,720		\$25,000			\$31,674		\$1,087,701		\$1,087,701
92200 Relocation Costs											
92300 Employee Benefit Contributions - Tenant Services		\$18,196		\$5,000			\$7,035		\$30,231		\$30,231
92400 Tenant Services - Other	\$5,818	\$176,085	\$1,250				\$10,000		\$193,153		\$193,153
92500 Total Tenant Services	\$619,125	\$612,001	\$1,250	\$30,000	\$0	\$0	\$48,709	\$0	\$1,311,085	\$0	\$1,311,085
93100 Water	\$282,086							\$758	\$282,844		\$282,844
93200 Electricity	\$423,856							\$9,582	\$433,438		\$433,438
93300 Gas	\$203,059							\$5,009	\$208,068		\$208,068
93400 Fuel											

93500 Labor												
93600 Sewer												
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense												
93000 Total Utilities	\$909,001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,349	\$924,350	\$0	\$924,350
94100 Ordinary Maintenance and Operations - Labor	\$1,472,928									\$1,472,928		\$1,472,928
94200 Ordinary Maintenance and Operations - Materials and Other	\$273,708		\$73			\$750			\$21,039	\$295,570		\$295,570
94300 Ordinary Maintenance and Operations Contracts	\$484,858								\$57,585	\$542,443		\$542,443
94500 Employee Benefit Contributions - Ordinary Maintenance												
94000 Total Maintenance	\$2,231,494	\$0	\$73	\$0	\$750	\$0	\$0	\$0	\$78,624	\$2,310,941	\$0	\$2,310,941
95100 Protective Services - Labor												
95200 Protective Services - Other Contract Costs												
95300 Protective Services - Other	\$296,928								\$87,677	\$384,605		\$384,605
95500 Employee Benefit Contributions - Protective Services												
95000 Total Protective Services	\$296,928	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,677	\$384,605	\$0	\$384,605
96110 Property Insurance	\$124,143									\$124,143		\$124,143
96120 Liability Insurance	\$102,686								\$6,949	\$109,635		\$109,635
96130 Workmen's Compensation	\$121,272					\$2,606			\$4,933	\$128,811		\$128,811
96140 All Other Insurance	\$27,191					\$42			\$7,594	\$34,827		\$34,827
96100 Total Insurance Premiums	\$375,292	\$0	\$0	\$0	\$2,648	\$0	\$0	\$0	\$19,476	\$397,416	\$0	\$397,416
96200 Other General Expenses									\$39	\$39		\$39
96210 Compensated Absences	-\$17,552					\$7,852			\$39,263	\$29,563		\$29,563
96300 Payments in Lieu of Taxes	\$136,708								-\$1,535	\$135,173		\$135,173
96400 Bad debt - Tenant Rents	\$118,843									\$118,843		\$118,843
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	\$237,999	\$0	\$0	\$0	\$7,852	\$0	\$0	\$0	\$37,767	\$283,618	\$0	\$283,618
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	\$0	\$0
96900 Total Operating Expenses	\$9,072,251	\$642,001	\$20,630	\$30,000	\$99,969	\$0	\$48,709	\$1,225,126	\$11,138,686	-\$1,166,047	\$9,972,639	
97000 Excess of Operating Revenue over Operating Expenses	\$455,677	\$0	-\$17,151	\$0	-\$99,393	\$1,376	\$0	\$110,878	\$451,387	\$0	\$451,387	
97100 Extraordinary Maintenance												
97200 Casualty Losses - Non-capitalized												
97300 Housing Assistance Payments												
97350 HAP Portability-In												
97400 Depreciation Expense	\$1,298,865								\$100,945	\$1,399,810		\$1,399,810
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$10,371,116	\$642,001	\$20,630	\$30,000	\$99,969	\$0	\$48,709	\$1,326,071	\$12,538,496	-\$1,166,047	\$11,372,449	
10010 Operating Transfer In									\$336,800	\$336,800	-\$336,800	\$0
10020 Operating transfer Out									-\$336,800	-\$336,800	\$336,800	\$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	\$439,125							\$439,125	-\$439,126	-\$1	
10092	Inter Project Excess Cash Transfer Out	-\$439,126							-\$439,126	\$439,126	\$0	
10093	Transfers between Program and Project - In							\$482,838	\$482,838	-\$482,838	\$0	
10094	Transfers between Project and Program - Out					-\$388,343	-\$94,495		-\$482,838	\$482,838	\$0	
10100	Total Other financing Sources (Uses)	-\$1	\$0	\$0	\$0	-\$388,343	-\$94,495	\$0	\$482,838	-\$1	\$0	-\$1
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$843,189	\$0	-\$17,151	\$0	-\$487,736	-\$93,119	\$0	\$492,771	-\$948,424	\$0	-\$948,424
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$43,010,080	\$0	\$148,476	\$0	\$2,697,020	\$1,162,910	\$0	-\$7,845,966	\$39,172,520		\$39,172,520
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$6,972,666							\$6,972,666	\$0		\$0
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	10176							10176			10176
11210	Number of Unit Months Leased	10026							10026			10026
11270	Excess Cash	\$6,619,521							\$6,619,521			\$6,619,521
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	\$2,070,266						\$0	\$2,070,266			\$2,070,266
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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