

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
SARANAC LAKE, NEW YORK**

**REPORT ON INDEPENDENT AUDIT
OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

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FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners and
Sarah A. Clarkin, Executive Director
Harrietstown Housing Authority
14 Kiwassa Road, Suite 1
Saranac Lake, New York 12983-2373

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Harrietstown Housing Authority (the "Authority") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8–13, the schedule of the Authority's Proportionate Share of the Net Pension Liability (Schedule 1), the Schedule of the Authority's Pension Contributions (Schedule 2), and the Schedule of Changes in the Authority's Total OPEB Liability (Schedule 3), on pages 40–42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2023, 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 Authority's internal control over financial reporting and compliance.

R.A. Mercer & Co., P.C.

A handwritten signature in cursive script that reads "R.A. Mercer & Co., P.C.".

West Seneca, New York
July 11, 2023

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**HARRIETSTOWN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended December 31, 2022**

The management of the Harrietstown Housing Authority offers the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS:

The Harrietstown Housing Authority (the "Authority") strives to provide effectively managed low cost housing which is well maintained and aesthetically pleasing for those whose circumstances prevent them from competing in the general housing marketplace.

The Harrietstown Housing Authority, Saranac Lake, New York prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for establishing governmental accounting and financial reporting principles. The combined financial statements include the following programs:

- Federal Low-Income Housing
- Capital Fund
- Section 8 / Housing Choice Voucher

When fully staffed, four (4) administrative personnel (three full time and one part time) and three (3) full-time maintenance staff operate the Authority. During the fiscal year ended December 31, 2022 the Authority's Federal Low Income Housing program expended approximately \$26,974 in payments in lieu of taxes, \$1.6 million in operating expenses, and \$251,468 to purchase or construct fixed assets in the community of Saranac Lake.

The following general-purpose financial statements include the following:

Statement of Net Position

-The financial condition at December 31, 2022

Statement of Revenues, Expenses, and Changes in Net Position

- The activities for the twelve-month period ended December 31, 2022

Statement of Cash Flows

-The sources/uses of cash for the year ended December 31, 2022

FINANCIAL HIGHLIGHTS

- The Harrietstown Housing Authority's assets exceeded liabilities at the end of fiscal year December 31, 2022, by \$5,383,643.
- Operating grants received from HUD in 2022 totaled \$939,645. Capital grant funding included \$241,607 which helped to fund subsequent permanent improvements during the year and \$15,884 for operations included above.

COMPARISON CURRENT YEAR TO PRIOR YEAR

The composition of the Authority at fiscal year-end December 31, 2022 is similar to the prior fiscal year-end in that the Authority continues to receive Federal operating subsidies and grants in addition to tenant rental income. Operating revenues increased by \$116,343 as a result of proceeds from the HUD lawsuit in the amount of \$133,133 reduced by an decrease in CARES funding. Operating Grant Income includes the HUD Operating Subsidy, Section 8 funding as well as amounts drawn from the Capital Program to pay for operations. The Authority's expenditures include payroll, facility, maintenance, and general. Total operating expenditures increased by \$291,198, of which depreciation expense increased \$85,181.

TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES

The Authority's assets and deferred outflow of resources consist of the following:

<u>Account Description</u>	<u>2022</u>	<u>2021</u>
Total Cash and Investments	\$ 917,998	769,741
Total Tenant Receivables, Net of Allowances for Doubtful Accounts	28,561	33,561
Other Current Assets	42,546	94,339
Total Current Assets	989,105	897,641
Fixed Assets	11,602,853	11,351,385
Accumulated Depreciation	(6,100,822)	(5,922,732)
Net Pension Asset	55,384	-
Total Non-Current Assets	5,557,415	5,428,653
Deferred Outflow of Resources	186,248	289,489
Total Assets and Deferred Outflow of Resources	<u>\$6,732,768</u>	<u>6,615,783</u>

Changes in the fixed asset accounts are due to depreciation of equipment combined with the purchase or construction of new assets or improvements to existing facilities. These expenditures were funded by capital grants from HUD.

The account "Deferred Outflow of Resources" and the related "Deferred Inflow of Resources" (below) are disclosures required by GASB 68 and reflect the Authority's position with respect to the New York State & Local Retirement System. See the notes to the financial statements for further information.

TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES

The Authority's liabilities and deferred inflow of resources at fiscal year-end consist of the following:

<u>Account Description</u>	<u>2022</u>	<u>2021</u>
Total Current Liabilities	\$ 132,397	99,461
Total Non-Current Liabilities	629,727	718,637
Total Liabilities	762,124	818,098
Deferred Inflow of Resources	587,001	706,430
Total Liabilities and Deferred Inflow of Resources	<u>\$1,349,125</u>	<u>1,524,528</u>

The non-current liability includes the Authority's commitment for Other Post Retirement Employment Benefits \$629,727 as required by GASB 75. For 2022 this category doesn't include the Authority's share of the net pension liability with respect to the New York State & Local Retirement System as required by GASB 68. The NYS retirement system was overfunded, and a Net Pension Asset was recorded in the amount of \$55,384 at the measurement date. For more information, see the notes to the financial statements.

CONDENSED COMPARATIVE FINANCIAL INFORMATION

Unrestricted Net Position (resources available to finance daily operations) increased by \$153,981 as a result of current operating income/(loss). Restricted Net Position is HAP Equity (Section 8 program—unspent Housing Assistance Payments) which can only be used to fund future housing vouchers. This HAP Equity increased by \$65,029 in 2022.

<u>Account Description</u>	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Total Current Assets	\$ 989,105	897,641	91,464
Total Fixed Assets, Net of Accumulated Depreciation	5,557,415	5,428,653	128,762
Deferred Outflow of Resources	186,248	289,489	(103,241)
Total Assets/Deferred Outflow of Resources	<u>6,732,768</u>	<u>6,615,783</u>	<u>116,985</u>
Total Current Liabilities	132,397	99,461	32,936
Total Non-Current Liabilities	629,727	718,637	(88,910)
Deferred Inflow of Resources	587,001	706,430	(119,429)
Total Liabilities & Deferred Inflow of Resources	<u>1,349,125</u>	<u>1,524,528</u>	<u>(175,403)</u>
Net Investment in Capital Assets	5,502,031	5,428,653	73,378
Restricted Net Position	79,988	14,959	65,029
Unrestricted Net Position	<u>(198,376)</u>	<u>(352,357)</u>	<u>153,981</u>
Total Net Position	<u>\$ 5,383,643</u>	<u>5,091,255</u>	<u>292,388</u>

FINANCIAL POSITION AND RESULTS OF OPERATIONS

During the current year of operations, current assets increased by \$91,464 and current liabilities increased by \$32,936. This has resulted in a increase in the current ratio (an indicator of the Authority's ability to pay debt) from 11.08% in 2021 to 13.38% in 2022.

The unrestricted net position deficit of \$(198,376) indicates the Authority has no excess funds for future operations. This amount has been decreased by the recording of a liability for other postemployment benefits (OPEB) per GASB 75 of \$629,727.

SIGNIFICANT ASSETS AND LONG-TERM DEBT

Significant Capital Assets at December 31, 2022, and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Land	\$ 1,598,560	1,598,560	-
Building	9,473,219	9,221,751	251,468
Furniture, Equipment & Machinery - Dwelling	251,904	251,904	-
Furniture, Equipment & Machinery - Admin	279,170	279,170	-
Total Fixed Assets at Cost	<u>\$ 11,602,853</u>	<u>11,351,385</u>	<u>251,468</u>

The only long-time liabilities are for Other Postemployment benefits of \$629,727. The NYS Retirement system was overfunded, in turn a Net Pension Asset was recorded.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal year.

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Operating Revenues			
Dwelling Rental and Other Income	\$ 412,467	412,799	(332)
HUD Operating Grants	939,645	975,567	(35,922)
Investment Income	5,044	7,364	(2,320)
Other Revenue	<u>330,670</u>	<u>175,753</u>	<u>154,917</u>
Total Operating Revenue	<u>1,687,826</u>	<u>1,571,483</u>	<u>116,343</u>
Non-Operating Revenue			
Management Fee Revenue	9,600	9,600	-
HUD Capital Grants/CDBG	<u>241,607</u>	<u>143,092</u>	<u>98,515</u>
Total Non-Operating Revenue	<u>251,207</u>	<u>152,692</u>	<u>98,515</u>
Operating Expenses			
Administration	380,475	327,599	(52,876)
Tenant Services	48,112	42,460	(5,652)
Utilities	144,841	130,319	(14,522)
Maintenance	291,090	222,261	(68,829)
General	163,849	105,680	(58,169)
Housing Assistance Payments	440,187	434,218	(5,969)
Depreciation	<u>178,091</u>	<u>92,910</u>	<u>(85,181)</u>
Total Operating Expenses	<u>1,646,645</u>	<u>1,355,447</u>	<u>(291,198)</u>
Operating Transfers Out			
Change in Net Position	292,388	368,728	(76,340)
Net Position-January 1	<u>5,091,255</u>	<u>4,722,527</u>	<u>368,728</u>
Net Position-December 31	<u>\$ 5,383,643</u>	<u>5,091,255</u>	<u>292,388</u>

Operating revenue increased by \$116,343 mainly due to proceeds received from HUD for the subsidy recapture lawsuit, offset by no HUD CARES Grant funds for 2022. HUD capital grant revenue is a function of both the timing of capital projects as well as the availability of HUD funding. The Authority's operating expenses increased by \$291,198 which includes an increase in administrative and maintenance expense, \$58,169 increase in general expenses, which includes \$21,000 paid to AHDC and \$52,128 in tenant bad debt allowance; a \$5,969 increase in Housing Assistance Payments in the Section 8 program and an increase of \$14,522 in utilities expense.

HUD Operating Grants	<u>2022</u>	<u>2021</u>
Section 8	\$ 523,027	499,945
Operating Subsidy	400,734	391,502
Operating Subsidy/CARES	-	77,143
Capital Grants - Operating	<u>15,884</u>	<u>6,977</u>
HUD Operating Grants	<u>\$ 939,645</u>	<u>975,567</u>

BUDGET TO ACTUAL PUBLIC HOUSING

The following schedule compares the revenues and expenses for Public Housing to approved budget

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Dwelling Rental	\$ 414,018	412,467	(1,551)
HUD Operating Grants	391,459	400,734	9,275
Investment Income	10,000	4,990	(5,010)
Other Revenue	<u>22,839</u>	<u>175,199</u>	152,360
Total Operating Revenue	<u>838,316</u>	<u>993,390</u>	155,074
Non-Operating Revenue			
Management Fee Revenue	142,782	142,481	(301)
Management Fees from CFP	<u>6,300</u>	<u>-</u>	(6,300)
Total Non-Operating Revenue	<u>149,082</u>	<u>142,481</u>	(6,601)
Operating Expenses			
Administration	463,869	429,503	34,366
Tenant Services	58,648	48,112	10,536
Utilities	112,064	113,420	(1,356)
Maintenance	282,441	322,511	(40,070)
General	<u>80,653</u>	<u>142,369</u>	(61,716)
Total Operating Expenses	<u>997,675</u>	<u>1,055,915</u>	(58,240)
Operating Transfers Out			
Transfer from CFP	<u>25,500</u>	<u>15,884</u>	(9,616)
Net Change	<u>\$ 15,223</u>	<u>95,840</u>	80,617

FACTS, DECISIONS, AND CONDITIONS

The Harrietstown Housing Authority (the Authority) is the owner, manager and administrator of subsidized, assisted housing projects and programs for the benefit of lower income individuals and families residing primarily within Saranac Lake, New York. These projects and programs, which are described hereinafter, receive financial subsidies and operate pursuant to the policies, rules and regulations of the United States Department of Housing and Urban Development (HUD).

The Harrietstown Housing Authority maintains two (2) Annual Contributions Contracts with the Department of Housing and Urban Development (HUD).

- The contract (NY-641) with HUD covers 113 dwelling units in the following developments:

<u>Project Name</u>	<u>Units</u>	<u>Type</u>
Lake Flower Apartments	78	Primarily One-Person Households
Algonquin Complex	35	Family

- The Contract (NY-1097) with HUD includes:

Section 8 Voucher Program	135 units
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Adirondack Housing Development Corporation: The Adirondack Housing Development Corporation (AHDC), established in 2009, is a 501(c)(3) non-profit organization whose revised mission is to improve the quality of life for low to moderate income Adirondack residents through quality, affordable housing.

In the year ending December 31, 2022, AHDC had a seven-member board comprised of three directors representing the Authority and four directors representing the community-at-large.

AHDC contracts with the Authority for staffing to assist in the advancement of its mission. In 2022, the Housing Authority received \$9,600 in management fees from AHDC. The Authority transferred \$21,000 to the AHDC from the proceeds of the HUD lawsuit, \$1,000 for the reimbursement of the initial legal fees to be part of the lawsuit and \$20,000 grant for their mission.

Economic Factors and Future Activities

At this time, three projects are in progress: the replacement of the Lake Flower awnings, the removal/purchase/installation of propane storage tank(s) at the Lake Flower property, and the repair of a damaged storm sewer at the Algonquin property. In late 2023/early 2024, the Housing Authority plans to undertake a physical needs assessment (PNA) of both properties. Its findings will guide the Housing Authority in its decisions regarding which projects should take place and when they should take place. A well-known priority need is the replacement of compromised domestic water and wastewater lines in the Lake Flower high rise. Other anticipated projects include the removal/replacement of paving at both the Lake Flower and Algonquin parking lots; repairs/replacement to stairs, walkways, and retaining walls at both properties; and, the redecorating of hallways in the Lake Flower high rise – flooring and walls.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Sarah Clarkin, Executive Director, Harrietstown Housing Authority, 14 Kiwassa Rd, Saranac Lake, NY 12983 or by calling (518) 891-3050.

FINANCIAL STATEMENTS

TOWN OF HARRIETSTOWN HOUSING AUTHORITY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022

	Major Funds					Statement of Net Position
	Total Projects	Business Activity	Central Office Cost Center	Housing Choice Voucher	Eliminations	
ASSETS						
CURRENT ASSETS						
Cash & Equivalents - Unrestricted	\$ 184,605	112,133	35,428	9,589	-	341,755
Cash & Equivalents - Restricted	43,888	-	-	79,988	-	123,876
Investments	452,367	-	-	-	-	452,367
Accounts Receivable	41,163	-	-	-	-	41,163
Interprogram Due From	-	-	14,790	-	(14,790)	-
Prepaid Expenses	29,543	-	401	-	-	29,944
Total Current Assets	751,566	112,133	50,619	89,577	(14,790)	989,105
NON CURRENT ASSETS						
CAPITAL ASSETS						
Land & Land Improvements	1,598,560	-	-	-	-	1,598,560
Buildings	9,473,219	-	-	-	-	9,473,219
Furniture & Equipment	515,360	-	7,682	8,032	-	531,074
Total	11,587,139	-	7,682	8,032	-	11,602,853
Less: Accumulated Depreciation	(6,091,642)	-	(6,755)	(2,425)	-	(6,100,822)
Net Pension Asset	5,495,497	-	927	5,607	-	5,502,031
	45,545	-	4,738	5,101	-	55,384
Total Non-Current Assets	5,541,042	-	5,665	10,708	-	5,557,415
TOTAL ASSETS	6,292,608	112,133	56,284	100,285	(14,790)	6,546,520
Deferred Outflow of Resources	152,626	-	16,468	17,154	-	186,248
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 6,445,234	112,133	72,752	117,439	(14,790)	6,732,768

See accompanying notes to the financial statements.

(Continued)

TOWN OF HARRIETSTOWN HOUSING AUTHORITY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022

	Major Funds					
	Total Projects	Business Activity	Central Office Cost Center	Housing Choice Voucher	Eliminations	Statement of Net Position
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	\$ 3,543	-	2,293	-	-	5,836
Accrued Expenses	37,669	-	4,436	1,274	-	43,379
Tenant Security Deposits	43,888	-	-	-	-	43,888
Unearned Revenue	27,000	-	-	-	-	27,000
Interprogram Due To	-	-	-	14,790	(14,790)	-
Accrued Compensated Absences	8,759	-	2,491	1,044	-	12,294
Total Current Liabilities	<u>120,859</u>	-	<u>9,220</u>	<u>17,108</u>	<u>(14,790)</u>	<u>132,397</u>
NON-CURRENT LIABILITIES						
Accrued Pension & OPEB Liabilities	504,922	-	66,802	58,003	-	629,727
Total Non-Current Liabilities	<u>504,922</u>	-	<u>66,802</u>	<u>58,003</u>	-	<u>629,727</u>
TOTAL LIABILITIES	<u>625,781</u>	-	<u>76,022</u>	<u>75,111</u>	<u>(14,790)</u>	<u>762,124</u>
Deferred Inflow of Resources	474,836	-	58,097	54,068	-	587,001
NET POSITION						
Net Investment in Capital Assets	5,495,497	-	927	5,607	-	5,502,031
Restricted	-	-	-	79,988	-	79,988
Unrestricted	(150,880)	112,133	(62,294)	(97,335)	-	(198,376)
	<u>5,344,617</u>	<u>112,133</u>	<u>(61,367)</u>	<u>(11,740)</u>	-	<u>5,383,643</u>
TOTAL LIABILITIES & NET POSITION	<u>\$ 6,445,234</u>	<u>112,133</u>	<u>72,752</u>	<u>117,439</u>	<u>(14,790)</u>	<u>6,732,768</u>

See accompanying notes to the financial statements.

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Major Funds					Total
	Total Projects	Business Activity	Central Office Cost Center	Housing Choice Voucher	Eliminations	
OPERATING REVENUES						
Dwelling Rental	\$ 412,467	-	-	-	-	412,467
Operating Grants - HUD	416,618	-	-	523,027	-	939,645
Fee Revenue	-	-	142,481	-	(132,881)	9,600
Other Income	159,999	133,133	15,200	22,338	-	330,670
Total Operating Revenue	<u>989,084</u>	<u>133,133</u>	<u>157,681</u>	<u>545,365</u>	<u>(132,881)</u>	<u>1,692,382</u>
OPERATING EXPENSES						
Administration	197,647	-	126,197	56,631	-	380,475
Fees for Services	105,659	-	-	27,222	(132,881)	-
Tenant Services	47,967	-	145	-	-	48,112
Utilities	142,727	-	2,114	-	-	144,841
Ordinary Maintenance & Oper.	289,531	-	1,559	-	-	291,090
General Expenses	140,656	21,000	1,713	480	-	163,849
Housing Assistance Payments	-	-	-	440,187	-	440,187
Depreciation	176,958	-	98	1,035	-	178,091
Total Operating Expenses	<u>1,101,145</u>	<u>21,000</u>	<u>131,826</u>	<u>525,555</u>	<u>(132,881)</u>	<u>1,646,645</u>
Operating Income (Loss)	(112,061)	112,133	25,855	19,810	-	45,737
NON-OPERATING INCOME/EXPENSE						
Interest Income - Unrestricted	4,990	-	45	9	-	5,044
Capital Grants - HUD	241,607	-	-	-	-	241,607
Total Non-Operating Inc/Exp	<u>246,597</u>	<u>-</u>	<u>45</u>	<u>9</u>	<u>-</u>	<u>246,651</u>
Change in Net Position	134,536	112,133	25,900	19,819	-	292,388
Net Position - January 1, 2022	<u>5,210,081</u>	<u>-</u>	<u>(87,267)</u>	<u>(31,559)</u>	<u>-</u>	<u>5,091,255</u>
Net Position - December 31, 2022	<u>\$ 5,344,617</u>	<u>112,133</u>	<u>(61,367)</u>	<u>(11,740)</u>	<u>-</u>	<u>5,383,643</u>

See accompanying notes to the financial statements.

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash from providing services	\$ 451,820
Cash received from HUD Operating Grants	957,133
Cash receipts - Other	340,270
Cash payments for goods/services	(973,660)
Cash payments - Employees/Ben.	(591,972)
Cash Payment - PILOT	<u>(30,516)</u>
Net Cash Provided by Operating Activities	<u>153,075</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	<u>5,044</u>
Net Cash Provided by Investing Activities	<u>5,044</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Cash received from Capital Grants	241,607
Purchase of fixed assets, net	<u>(251,468)</u>
Net Cash Used in Capital & Related Financing Activities	<u>(9,861)</u>
Net Increase (Decrease) in Cash	148,258
Cash at Beginning of Year	<u>769,740</u>
Cash at End of Year	<u>\$ 917,998</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ 45,737
Adjustments to Reconcile Operating Income to Net Cash:	
Less: Non operating item adjustments	
Decrease (Increase) Deferred Outflows	103,241
Increase (Decrease) in Deferred Inflows	(119,429)
Depreciation Expense	178,091
Decrease (Increase) in Accounts Receivable	12,353
Decrease (Increase) in Receivable - HUD	17,488
Decrease (Increase) Prepaid Expenses	26,952
Increase (Decrease) Accounts Payable	(2,151)
Increase (Decrease) Accrued Expenses	11,995
Increase (Decrease) Unearned Revenues	27,000
Increase (Decrease) in Tenant Security Deposits	(5,058)
Increase (Decrease) in Accrued Compensated Absences	1,150
Increase (Decrease) in OPEB Liability and NYS Pension	<u>(144,294)</u>
Total Adjustments	<u>107,338</u>
Net Cash Provided by Operating Activities	<u>\$ 153,075</u>
Cash and Cash Equivalents	
Unrestricted Cash	\$ 341,755
Restricted Cash	123,876
Investments (Certificates of Deposit)	<u>452,367</u>
Total	<u>\$ 917,998</u>

See accompanying notes to the financial statements

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**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION

Organization – The Town of Harrietstown Housing Authority (“the Authority”) was established pursuant to the laws of the State of New York to provide low rent housing for qualified individuals in accordance with rules and regulations prescribed by the Department of Housing and Urban Development and other federal agencies.

Reporting Entity – The Authority is governed by a Board of Commissioners, five are appointed by the Mayor and two are elected by the tenants and have governance responsibilities over all activities related to low rent housing within the Town of Harrietstown Housing Authority. The Authority receives funding from federal government sources and must comply with the applicable requirements of those funding sources. The Authority is not included in any other governmental “reporting entity” as defined in Section 2100 “Codification of Governmental Accounting and Financial Reporting Standards” since the board members have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The criteria used in determining the scope of the entity for financial reporting purposes are as follows:

- The ability of the Board to exercise supervision of a component unit’s financial independency.
- The Board’s governing authority extends to financial decision-making authority and is held primarily accountable for decisions.
- The Board appoints the management of the agency, who is responsible for the day-to-day operations, and this management reports directly to the Board.
- The ability of the Board to significantly influence operations through budgetary approvals, signing and authorizing contracts, exercising control over facilities, and approving the hiring or retention of key managerial personnel.
- The ability of the Board to have absolute authority over all funds of the agency and to have accountability in fiscal matters.

Basis of Accounting – The accompanying financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has determined that the applicable measurement focus (flow of economic resources) and accounting basis (accrual) is similar to that of a commercial enterprise. As such, the use of enterprise (proprietary) funds best reflects the activities of the Authority. Entities using this method observe all Financial Accounting Standards Board (FASB) Statements and Interpretations in the preparation of financial statements, unless the GASB has specifically addressed the accounting issue in one of its own pronouncements. As permitted by GASB Statement No. 62 – “Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989, FASB and AICPA Pronouncements”, this statement codifies all sources of

accounting principles generally accepted in the United States of America into the GASBS authoritative literature. The Authority applies all applicable FASB pronouncements in accounting and reporting for its proprietary operation. Specifically, all FASB's issued after November 30, 1989, have been reflected in these financial statements. Significant accounting policies are as follows:

- Buildings and equipment are carried at cost, less accumulated depreciation. Donated assets are carried at fair market value at the date of donation less accumulated depreciation. Maintenance and repairs are charged to operations. Gains and losses from the sale of equipment are included in income. Depreciation is calculated on a straight-line basis utilizing the assets' estimated useful lives.
- Premiums and discounts on bonds are recognized as income or expense in the year sold.
- Collection losses on accounts receivable are charged against income using the allowance method.
- The Authority is a non-profit corporation which is subsidized by the federal government. The Authority is not subject to federal or state income taxes, nor is it required to file federal and state income tax returns.
- Subsidies received from the Department of Housing and Urban Development or other grantor agencies, for operation purposes, are recorded as revenues for operating expenditures.
- Investments are limited to U.S. Government Securities, are classified as Held to Maturity, and are stated at cost. Accrued interest is recorded as of the balance sheet date, and the corresponding interest income is recorded in the period earned.
- Interest expense on notes and bonds and interest income on the related debt proceeds are capitalized during the project development period through the date of full availability in accordance with regulations from the Department of Housing and Urban Development.
- Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Authority, but which will only be resolved when one or more future events occur or fail to occur. The Authority's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Authority or unasserted claims that may result in such proceedings, the Authority's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Authority's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve

guarantees, in which case the nature of the guarantee would be disclosed.

- Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized. Liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site-specific costs. Generally, such recognition coincides with the Authority's commitment to a formal plan of action. Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized.
- Interfund payables and receivables usually arise when one program acts as a common paymaster, particularly for expenditures which are properly spread over more than one program. The Authority is not involved in internal sales activity, and thus no elimination is required on the Statement of Income and Expenses. Gross interfund receivables for each program are reflected as a current asset under the caption "Interprogram – due from". Gross interfund payables for each program are reflected as a current liability under the caption "Interprogram – due to".

New Accounting Standards Implemented

GASB Statement No. 87 - "Leases". This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result, this Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. Management evaluated the potential impact of this statement and determined it to not be significant.

GASB Statement No. 89 – "Accounting for Interest Cost Incurred Before the End of a Construction Period". The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Management evaluated the potential impact of this statement and determined it to not be significant.

GASB Statement No.91 – "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Management evaluated the potential impact of this statement and determined it to not be significant.

GASB Statement No. 92 – “Omnibus 2020”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management evaluated the potential impact of this statement and determined it to not be significant.

GASB Statement No. 93 – “Replacement of Interbank Offered Rates”. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. Management evaluated the potential impact of this statement and determined it to not be significant.

GASB Statement 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 supersession of GASB Statement No. 32. This Statement has a dual effective date with a portion of it effective immediately and the remainder effective for the year ending December 31, 2022. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Management evaluated the potential impact of this statement and determined it to not be significant.

GASB Statement No. 98 – “The Annual Comprehensive Financial Report”. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Management evaluated the potential impact of this statement and determined it to not be significant.

GASB Statement No. 99 – “Omnibus 99”. This Statement has a multi effective date; a portion of it effective immediately, a portion effective for the period beginning January 1, 2023, and a portion effective for the period beginning January 1, 2024. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management evaluated the potential impact of this statement and determined it to not be significant.

Financial Reporting Entity: The financial reporting entity consists of (a) the primary government which is the Harrietstown Housing Authority, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14, 39, 61 and 90.

The decision to include a potential unit in the Authority's reporting entity is based on several criteria set forth in GASB Statements, including legal standing, fiscal dependency, and financial accountability.

Use of estimates: The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to allowance for uncollectible accounts receivable, inventory obsolescence, depreciation, intangible asset valuations and useful lives, employee benefit plans, environmental accruals, taxes, contingencies, and costs to complete long-term contracts. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

Cash and Equivalents: For the purposes of the statements of cash flows, the Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Receivables: Receivables are reflected at the amount management deems to be collectible.

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

Capitalization and Depreciation: Capital assets are recorded at cost or fair market value at the date of the gift in the case of donated equipment. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures 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 Statement of Revenue, Expenses and Changes in Net Position.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 40 years, with a capitalization threshold of \$2,500 as follows:

	Estimated Useful Lives
Buildings and Improvements	40 years
Appliances	10 years
Furniture and Fixtures	7 years
Machinery and Equipment	5-7 years

Long-Lived Assets: The Authority reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the Authority compares the sum of expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At December 31, 2022, no impairment in value has been recognized.

Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category. The first item is related to OPEB, and pensions reported in the Statement of Net Position. This represents the effect of the net change in the Authority's proportion of the collective net OPEB and pension asset or liability and difference during the measurement period between the Authority's contributions and its proportion share of total contributions to the OPEB and pension system not included in pension expense. The second item is the Authority's contributions to the pension system (ERS System) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report 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 that qualifies for reporting in this category. The item is related to OPEB, and pensions reported in the Statement of Net Position. This represents the effect of the net change in the Authority's proportion of the collective net OPEB and pension liability and difference during the measurement periods between the Authority's contributions and its proportion share of total contributions to the OPEB and pension systems not included in expense.

Net Position: Net position represents the difference between assets and liabilities. GASB Statement No. 63 reports equity as "net position" rather than "net assets." Net position is classified into three categories according to external donor restrictions or availability of assets for satisfaction of Authority obligations. The Authority's net position is classified as follows:

1. Investment in Net Capital Assets

This represents the Authority's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of Investment in Net Capital Assets.

2. Restricted Net Position

This includes resources that are restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

3. Unrestricted Net Position

This represents resources derived from operating revenue. These resources are used for transactions relating to the general operations of the Authority and may be used at the discretion of management to meet current expenses.

Unearned Revenue and Revenue Recognition: Tenant rental revenue is recognized when services are rendered. Rents received in advance are recorded as unearned revenue.

Expense Allocation: The costs of providing programs and other activities have been adequately detailed in the statements 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.

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 insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

Income Taxes: The Authority is a quasi-governmental organization. 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.

Summary of HUD Programs: The accompanying financial statements consist of the activities of the housing programs subsidized by HUD. A summary of each of these programs and the related contracts with HUD are provided below.

1. Low Rent Housing Assistance Program - 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.
2. Public Housing Capital Fund - 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.
3. Section 8 Housing Choice Voucher Program - This type of housing supported by HUD provides rental subsidies for standard-quality units that are chosen by the tenant in the private market. These subsidies are awarded through tenant-based vouchers which are calculated based upon a payment standard set by the Public Housing Agency between 90 percent and 110 percent of the fair market rent.

NOTE II. CASH & CASH EQUIVALENTS:

Authority monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Executive Director is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the US Treasury and US agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposits at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Cash and Deposits

The Authority's policies regarding deposits of cash are discussed above. The table presented below is designed to disclose the level of custody credit risk assumed by the Authority based upon how its deposits were insured or secured with collateral at December 31, 2022. The categories of credit risk are defined as follows:

Category 1 - insured by FDIC or collateralized with securities held by the Authority or by its agent in the Authority's name

Category 2 - uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name

Category 3 - uninsured and uncollateralized

Type of Deposit	Total Bank Balance	Credit Risk Category			Total Carrying Value
		1	2	3	
Demand Deposits	\$ 498,899	295,565	203,334	-	465,356
Cash on Hand	-	-	-	-	275
	<u>\$ 498,899</u>	<u>295,565</u>	<u>203,334</u>	<u>-</u>	<u>465,631</u>
Unrestricted Cash					\$ 341,755
Restricted Cash					<u>123,876</u>
					<u>\$ 465,631</u>

NOTE III. INVESTMENTS

In accordance with Government Accounting Standards, investment accounts are recorded at fair market value and are categorized (CAT) as either (1) insured or registered, or investments held by the Authority or the Authority's agent in the Authority's name, (2) uninsured and unregistered, with the investments held by the financial institution's trust department or agent in the Authority's name, or (3) uninsured and unregistered, with investments held by the financial institution, or by its trust department or agent, but not in the Authority's name.

The Authority has investments in Certificates of Deposits with an original maturity of over 3 months. The investments are collateralized or secured as CAT 1. A summary of the investments as of December 31, 2022, is as follows:

Unrestricted	Cost	Accrued Interest		Fair Market Value
		Realized	Unrealized	
Certificates of Deposit	\$ 447,388	4,979	375	452,367

Accrued interest of \$375 is included in Accounts Receivable.

NOTE IV. ACCOUNTS RECEIVABLE/DUE FROM HUD

Accounts receivable at December 31, 2022, consisted of the following:

	Low-Rent Public Housing
Tenants	\$ 105,041
Allowance for Doubtful Accounts	(76,480)
HUD	12,227
Accrued Interest	375
	<u>\$ 41,163</u>

Due from the Department of Housing and Urban Development

As of December 31, 2022, the amount due from HUD was \$12,227. The total consists of requisitions submitted to the Department for the reimbursement of costs and improvements incurred by the Capital Fund Program.

NOTE V. FIXED ASSETS

Land, structures, and equipment are stated at cost. Donated assets are stated at fair market value as of the date of donation. Renewals and betterments that materially extend the life of the assets are capitalized. The capitalization threshold for fixed assets is \$2,500.

Depreciation is computed for financial statement purposes on a straight-line basis over the estimated useful lives of the related assets. The estimated useful lives of the depreciable assets are:

	Estimated Useful Lives
Buildings and Improvements	40 years
Appliances	10 years
Furniture and Fixtures	7 years
Machinery and Equipment	5-7 years

The changes in fixed assets, net of accumulated depreciation, are as follows:

	Balance			Balance
	1/1/2022	Additions	Deletions	12/31/2022
Non-Depreciable:				
Land	\$ 1,598,560	-	-	1,598,560
Subtotal Non-Depreciable	<u>1,598,560</u>	<u>-</u>	<u>-</u>	<u>1,598,560</u>
Depreciable:				
Building	9,221,751	251,468	-	9,473,219
Furniture & Equipment	<u>531,074</u>	<u>-</u>	<u>-</u>	<u>531,074</u>
Subtotal Depreciable	<u>9,752,825</u>	<u>251,468</u>	<u>-</u>	<u>10,004,293</u>
Accumulated Depreciation	<u>(5,922,732)</u>	<u>(178,090)</u>	<u>-</u>	<u>(6,100,822)</u>
Capital Assets, Net	<u>\$ 5,428,653</u>	<u>73,378</u>	<u>-</u>	<u>5,502,031</u>

NOTE VI. TENANT SECURITY DEPOSITS

The Authority collects a security deposit from each tenant upon signing a lease. Such deposits are maintained in separate cash accounts. The liability for security deposits at December 31, 2022, amounted to \$43,888.

NOTE VII. COMMITMENTS

The Authority is engaged in various modernization programs, funded through capital grants. In conjunction therewith, the Authority has entered into various construction contracts. The Authority has also engaged various vendors and service providers to support the Authority operations.

NOTE VIII. ACCRUED PAYMENT IN LIEU OF TAXES

In connection with the Owned Housing Program (NY-641) and as part of the Cooperation Agreement with the Village of Saranac Lake, the Authority is obligated to make annual payments in lieu of property taxes based on the lesser of assessable value times the current tax rate or 10% of the dwelling rents net of utilities expense. At December 31, 2022, \$26,974 has been accrued for the fiscal year then ended.

NOTE IX. COMPENSATED ABSENCES

Employees of the Authority are entitled to compensated absences depending on job classification, length of service, and other factors. There was \$12,294 accumulated, accrued compensated absences at December 31, 2022.

NOTE X. CONTINGENCIES

The Authority receives significant assistance from the Federal government in the form of grants and entitlements. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit Act or to financial and compliance audits by grantor agencies of the Federal government or their designees. Disallowances by Federal program officials as a result of these audits may become liabilities of the Authority.

NOTE XI. CONCENTRATION OF RISK

The risk of loss in the operation of a housing authority is significant. The Authority has addressed these risks through the purchase of a liability insurance policy covering buildings and personal property (this also covers boilers, machines and inland marine). The Authority also purchased a Public Officials liability policy, a general liability policy and automobile policy with specific coverages.

NOTE XII. PENSION PLAN

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple employer retirement system. ERS is included in the State's financial report as a pension trust fund.

Plan Description

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 net assets and record changes in plan 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. The Comptroller shall adopt and may amend the rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244 or it can be found at www.osc.state.ny.us/retire/publications/index.php

Funding Policies

The System is non-contributory, except for employees who joined the New York State and Local Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership and employees who joined on or after January 1, 2010, who generally contribute 3% of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. Under the Authority of the NYSRSSL, the Comptroller annually certifies the rates expressed used in computing the employers' contributions.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending as follows:

	<u>Contribution</u>	
2022	\$	36,308
2021	\$	45,178
2020	\$	43,211

All of these required contributions were paid in full during the respective year they were due.

Pension liabilities, pension expenses, and deferred outflows of resources and deferred inflows of resources

At December 31, 2022, The Authority reported the following liability for its proportionate share of the net pension liability for the ERS System. The net pension liability was measured as of March 31, 2022, for ERS, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Authority's proportion of the net pension liability was based on a projection 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 ERS System in a report provided to the Authority.

	ERS - 2022
Actuarial Valuation Date	April 1, 2021
Net Pension Liability (Asset)	\$ (55,384)
Authority's Portion of the Plan's Total	
Net Pension Liability	0.0006775%

For the year ended December 31, 2022, the Authority recognized pension expense of \$8,347. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	<u>ERS Deferred</u>	
	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 4,194	5,440
Change of assumptions	92,432	1,560
Net difference between projected and actual earnings on pension plan investments	-	181,363
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	27,225	14,868
Authority's contributions subsequent to the measurement date	36,308	-
Total	<u>\$ 160,159</u>	<u>203,231</u>

Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 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:

2023	\$	(8,893)
2024		(16,820)
2025		(45,596)
2026		(8,071)
2027		-
Thereafter		-

Actuarial Assumptions

The total pension liability at December 31, 2022, was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to December 31, 2022. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>
Measurement Date	March 31, 2022
Actuarial Valuation Date	April 1, 2021
Interest Rate	5.90%
Salary Scale	4.40%
Decrement Tables	April 1, 2015 - March 31, 2020
Inflation Rate	2.70%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The actuarial assumptions used in the April 1, 2021; valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. The long term expected 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 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 target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table.

Measurement Date	March 31, 2022	
Asset Type	<u>Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32%	3.30%
International Equity	15%	5.85%
Private Equity	10%	6.50%
Real Estate	9%	5.00%
Opportunistic/Absolute Return Strategies	3%	4.10%
Credit	4%	3.78%
Real Assets	3%	5.58%
Fixed Income	23%	0.00%
Cash	1%	-1.00%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 5.9%, 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 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension Liability (Asset) - December 31, 2022	\$ 142,561	(55,384)	(220,958)

Pension Plan Fiduciary Net Position: The components of the current-year net pension liability (asset) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Millions)
Measurement Date	3/31/2022
Employers' total net pension liability	\$ (223,874)
Plan Net Assets	<u>232,049</u>
Employers' net pension asset (liability)	<u>\$ 8,175</u>
 Ration of plan net position to the employers' total pension liability	 103.65%

Tiers

Membership Tiers – Pension legislation enacted in 1973, 1976, 1983, 2009, and 2012 established distinct classes of membership. The tier status of a member determines eligibility for benefits, formula used in the calculation of benefits, death benefit coverage, service crediting, whether or not a member has required contributions, and member loan provisions. Listed below are the tiers for ERS members:

- Tier 1 – Members who enrolled before July 1, 1973
- Tier 2 – July 1, 1973, through July 26, 1976
- Tier 3 – July 27, 1976, through August 31, 1983
- Tier 4 – September 1, 1983, through December 31, 2009

Tier 5 – January 1, 2010, through March 31, 2012
Tier 6 – April 2012 and after

Vesting

All members who joined ERS need five years of service to be 100% vested.

Benefits

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, members must be at least 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, members must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than twenty years. If the member retires with more than twenty years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members aged 55 or older with thirty or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999, through October 1, 2000, received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of twenty-four additional months. Final average salary is the average of wages earned in the three highest consecutive years. For Tier 1 members who joined on or after September 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than twenty years. If the member retires with between twenty and thirty years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than thirty years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over thirty years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55, with reduced benefits. Tier 3 and 4 members aged 55 or older with thirty or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages of earned in the highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with twenty years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than twenty years of service, an additional benefit of 2% of final average salary is applied for each year of service over twenty years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

NOTE XIII. POSTEMPLOYMENT BENEFITS

Plan Description

Effective January 1, 2022, the Authority amended its policy to offer an annual allowance regardless of the date of retirement and subject to eligibility requirements noted in the policy. A chart is provided to note the annual allowance based on years of full-time service to the Authority.

Benefits Provided

The choice of medical coverage is at the discretion of the retiree. The retiree can select their own plan or participate in the Authority's plan. Depending on the premium, the allowance will cover all or some of the cost. The retiree is responsible for any uncovered costs.

Employees Covered by Benefit Terms

At December 31, 2022, the total number of participants in the OPEB plan were comprised as follows:

Active employees, not eligible to retire	4
Active employees, eligible to retire	2
Retired employees and surviving spouses	5
Retiree spouses covered	-
Total	<u>11</u>

Total OPEB Liability

The Authority's total OPEB liability of \$629,727 was measured as of January 1, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the January 1, 2022 – December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rates – the following assumptions are used for the annual healthcare cost inflation (trend):

	<u>Year</u>	<u>Pre-65</u>	<u>Post 65</u>
Year 1 Trend	January 1, 2022	7.00%	7.00%
Ultimate Trend	January 1, 2033 & Later	4.50%	4.50%
Grading Per Trend		0.25%	0.25%

Salary increases – 3.0%

Mortality – Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Discount rate – 4.18% based on an average of two 20-year municipal bond indices as of December 31, 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	\$ 717,905
Changes for the year:	
Service cost	25,005
Interest	29,638
Changes in Assumptions	(125,099)
Benefit Payments	(17,722)
Net changes	(88,178)
Net OPEB obligation at end of year	<u>\$ 629,727</u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate

The following table presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point higher or lower than the current discount rate.

	1%		
	Decrease	Discount Rate	1% Increase
	3.18%	4.18%	5.18%
Total OPEB Liability	\$ 728,313	629,727	548,655

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a rate that is 1% higher or lower than the current healthcare trend rates:

	1% Decrease	Healthcare Cost Trend	1% Increase
	<u>3.18%</u>	<u>4.18%</u>	<u>5.18%</u>
Total OPEB Liability	\$ 533,882	629,727	748,593

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Authority recognized an decrease of the OPEB expense in the amount of \$114,801. At December 31, 2022, the Authority reported deferred outflows of resources of \$26,089 and \$383,770 in deferred inflows of resources related to OPEB as December 31, 2022.

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending	
<u>December 31,</u>	<u>Amount</u>
2023	\$ (194,126)
2024	(129,559)
2025	(30,945)
2026	(3,051)
Thereafter	-

NOTE XIV. INTERNAL BALANCES

All inter program balances were eliminated for the year ending December 31, 2022.

NOTE XV. ECONOMIC DEPENDENCY

For the year ended December 31, 2022, the Authority's revenues were primarily received from tenant rents. Federal awards, which are subject to availability of funds, have historically been the primary revenue source. Recent governmental sequestration and reserve recapture has caused a downward funding trend. The Authority's operations are concentrated in the low-income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little or no notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE XVI. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Agreements, effective for the year ending December 31, 2023; GASB Statement No. 96, Subscription-Based Information Technology Arrangements, effective for the year ended December 31, 2023; GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective for the year ended December 31, 2024; and GASB Statement No. 101, Compensated Absences, effective for the year ended December 31, 2024. The Authority is, therefore, unable to disclose the impact that adopting GASB Statements Nos. 94, 96, 100 and 101 will have on its financial position and results of operations.

NOTE XVII. SUBSEQUENT EVENTS

The Authority has evaluated events after December 31, 2022, and through July 11, 2023, which is the date the financial statements were available to be issued and determined that any events or transactions occurring during this period that would require recognition or disclosure are properly addressed in these financial statements.

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TOWN OF HARRIETSTOWN HOUSING AUTHORITY
 SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 DECEMBER 31, 2022

NYSLRS Pension Plan
 Last 8 Fiscal Years

Amounts presented were determined as of the System's measurement date.

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Authority's proportion of the net pension liability (asset)	(55,384)	732	227,654	65,196	31,322	95,074	174,020	36,324
Authority's proportionate share of the net pension liability (asset)	0.0006775%	0.0007356%	0.0008597%	0.0009201%	0.0009705%	0.0010118%	0.0108420%	0.0010752%
Authority's covered-employee payroll	313,440	282,187	314,441	345,812	335,498	316,586	304,257	291,380
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-17.67%	0.26%	72.40%	18.85%	9.34%	30.03%	57.20%	12.47%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

The accompanying independent auditors' report should be read in conjunction with these financial statements.

TOWN OF HARRIETSTOWN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
DECEMBER 31, 2022

NYSLRS Pension Plan

Last 8 Fiscal Years

Amounts presented for each fiscal year were determined as of the fiscal year end.

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 36,308	45,178	43,262	47,582	46,007	43,852	42,515	48,432
Contribution in relation to the Contractually required contribution	<u>36,308</u>	<u>45,178</u>	<u>43,262</u>	<u>47,582</u>	<u>46,007</u>	<u>43,852</u>	<u>42,515</u>	<u>48,432</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's covered-employee payroll	\$ 313,400	282,187	314,441	345,812	335,498	316,586	304,257	291,380
Contributions as a percentage of covered-employee payroll	11.59%	16.01%	13.76%	13.76%	13.71%	13.85%	13.97%	16.62%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

The accompanying independent auditors' report should be read in conjunction with these financial statements.

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS***

	<u>Year Ended 12/31/2022'</u>	<u>Year Ended 12/31/2021'</u>	<u>Year Ended 12/31/2020'</u>	<u>Year Ended 12/31/2019'</u>	<u>Year Ended 12/31/2018'</u>
Measurement Date	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Total OPEB Liability					
Service Cost	\$ 25,005	21,060	20,597	37,805	32,640
Interest	29,638	14,242	30,571	43,687	46,167
Differences Between Expected and Actual Experience in the Measurement of the Total OPEB Liability	-	-	-	-	-
Changes in Assumptions or Other Inputs	(125,099)	(3,781)	(853,678)	226,778	-
Benefit Payments	<u>(17,722)</u>	<u>(16,732)</u>	<u>(15,607)</u>	<u>(33,009)</u>	<u>(33,200)</u>
Net Change in OPEB Liability	(88,178)	14,789	(818,117)	275,261	45,607
Total OPEB Liability - Beginning, as Restated	<u>717,905</u>	<u>703,116</u>	<u>1,521,233</u>	<u>1,245,972</u>	<u>1,200,365</u>
Total OPEB Liability - Ending	<u>629,727</u>	<u>717,905</u>	<u>703,116</u>	<u>1,521,233</u>	<u>1,245,972</u>
Covered Payroll	\$ 313,400	282,187	314,441	345,812	335,498
Total OPEB Liability as a Percentage of Covered Payroll	200.93%	254.41%	223.61%	439.90%	371.38%

Notes to Schedule

Changes of assumptions- Changes of assumptions and other inputs reflect the effect of the discount rate each period. The following is the discount rate used in the period:

2022	4.18%
2021	2.05%
2020	2.02%
2019	2.90%
2018	3.90%

* Ten years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The accompanying independent auditors' report should be read in conjunction with these financial statements.

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
STATEMENT OF CAPITAL FUND PROGRAM COSTS UNCOMPLETED
AS OF DECEMBER 31, 2022**

	<u>NY06P087501-21</u>	<u>NY06P087501-20</u>	<u>NY06P087501-19</u>	<u>TOTAL</u>
Budget	\$ 274,898	265,612	248,001	788,511
Revenues	105,207	108,254	136,147	349,608
Expenses	(116,573)	(108,254)	(137,008)	(361,835)
Excess (Deficiency) of Funds Advanced	<u>\$ (11,366)</u>	<u>-</u>	<u>(861)</u>	<u>(12,227)</u>

The Accompanying independent auditors' report should be read in conjunction with these financial statements.

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF ACTUAL
CAPITAL FUND PROGRAM COSTS
AS OF DECEMBER 31, 2022**

1. The actual Capital Grant Program costs are as follows:

	<u>NY06P087501-18</u>
Funds Approved	\$ 240,154
Funds Expended	<u>(240,154)</u>
Excess of Funds Approved	<u>-</u>
Funds Advanced	240,154
Funds Expended	<u>(240,154)</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>

2. The distribution of costs by projects as shown on the Actual Modernization Cost Certificates, dated February 23, 2023, submitted to HUD for approval are in agreement with the Authority's records as of December 31, 2022.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment as of December 31, 2022.

The accompanying independent auditors report should be read in conjunction with these financial statements.

Harriestown Housing Authority (NY087)
Saranac Lake, NY
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$183,799	\$112,939	\$9,589	\$35,428	\$341,755		\$341,755
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			\$79,988		\$79,988		\$79,988
114 Cash - Tenant Security Deposits	\$43,888				\$43,888		\$43,888
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$227,687	\$112,939	\$89,577	\$35,428	\$465,631	\$0	\$465,631
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$12,227				\$12,227		\$12,227
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	\$48,023				\$48,023		\$48,023
126.1 Allowance for Doubtful Accounts - Tenants	-\$19,462				-\$19,462		-\$19,462
126.2 Allowance for Doubtful Accounts - Other	\$0				\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery	\$57,018				\$57,018		\$57,018
128.1 Allowance for Doubtful Accounts - Fraud	-\$57,018				-\$57,018		-\$57,018
129 Accrued Interest Receivable	\$375				\$375		\$375
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$41,163	\$0	\$0	\$0	\$41,163	\$0	\$41,163
131 Investments - Unrestricted	\$452,367				\$452,367		\$452,367
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$29,543			\$401	\$29,944		\$29,944
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From	\$0			\$14,790	\$14,790	-\$14,790	\$0
145 Assets Held for Sale							
150 Total Current Assets	\$750,760	\$112,939	\$89,577	\$50,619	\$1,003,895	-\$14,790	\$989,105
161 Land	\$1,598,560				\$1,598,560		\$1,598,560
162 Buildings	\$9,473,219				\$9,473,219		\$9,473,219
163 Furniture, Equipment & Machinery - Dwellings	\$251,904				\$251,904		\$251,904
164 Furniture, Equipment & Machinery - Administration	\$263,456		\$8,032	\$7,682	\$279,170		\$279,170
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$6,091,642		-\$2,425	-\$6,755	-\$6,100,822		-\$6,100,822
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,496,497	\$0	\$5,607	\$927	\$5,502,031	\$0	\$5,502,031
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets	\$45,545		\$5,101	\$4,738	\$55,384		\$55,384
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$5,541,042	\$0	\$10,708	\$5,665	\$5,557,415	\$0	\$5,557,415
200 Deferred Outflow of Resources	\$152,626		\$17,154	\$16,468	\$186,248		\$186,248
290 Total Assets and Deferred Outflow of Resources	\$6,444,428	\$112,939	\$117,439	\$72,752	\$6,747,558	-\$14,790	\$6,732,768
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$3,543			\$2,293	\$5,836		\$5,836
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$10,695		\$1,274	\$4,436	\$16,405		\$16,405
322 Accrued Compensated Absences - Current Portion	\$8,759		\$1,044	\$2,491	\$12,294		\$12,294
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	\$26,974				\$26,974		\$26,974
341 Tenant Security Deposits	\$43,888				\$43,888		\$43,888
342 Unearned Revenue	\$27,000				\$27,000		\$27,000
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To			\$14,790		\$14,790	-\$14,790	\$0

348	Loan Liability - Current							
310	Total Current Liabilities	\$120,859	\$0	\$17,108	\$9,220	\$147,187	-\$14,790	\$132,397
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							
352	Long-term Debt, Net of Current - Operating Borrowings							
353	Non-current Liabilities - Other							
354	Accrued Compensated Absences - Non Current							
355	Loan Liability - Non Current							
356	FASB 5 Liabilities							
357	Accrued Pension and OPEB Liabilities	\$504,922		\$58,003	\$66,802	\$629,727		\$629,727
350	Total Non-Current Liabilities	\$504,922	\$0	\$58,003	\$66,802	\$629,727	\$0	\$629,727
300	Total Liabilities	\$625,781	\$0	\$75,111	\$76,022	\$776,914	-\$14,790	\$762,124
400	Deferred Inflow of Resources	\$474,836		\$54,068	\$58,097	\$587,001		\$587,001
508.4	Net Investment in Capital Assets	\$5,495,497		\$5,607	\$927	\$5,502,031		\$5,502,031
511.4	Restricted Net Position			\$79,988		\$79,988		\$79,988
512.4	Unrestricted Net Position	-\$151,686	\$112,939	-\$97,335	-\$62,294	-\$198,376		-\$198,376
513	Total Equity - Net Assets / Position	\$5,343,811	\$112,939	-\$11,740	-\$61,367	\$5,383,643	\$0	\$5,383,643
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$6,444,428	\$112,939	\$117,439	\$72,752	\$6,747,558	-\$14,790	\$6,732,768

Harrietstown Housing Authority (NY087)
Saranac Lake, NY

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$412,467				\$412,467		\$412,467
70400 Tenant Revenue - Other							
70500 Total Tenant Revenue	\$412,467	\$0	\$0	\$0	\$412,467	\$0	\$412,467
70600 HUD PHA Operating Grants	\$416,618		\$523,027		\$939,645		\$939,645
70610 Capital Grants	\$241,607				\$241,607		\$241,607
70710 Management Fee				\$99,491	\$99,491	-\$99,491	\$0
70720 Asset Management Fee				\$13,560	\$13,560	-\$13,560	\$0
70730 Book Keeping Fee				\$19,830	\$19,830	-\$19,830	\$0
70740 Front Line Service Fee							
70750 Other Fees				\$9,600	\$9,600		\$9,600
70700 Total Fee Revenue				\$142,481	\$142,481	-\$132,881	\$9,600
70800 Other Government Grants							
71100 Investment Income - Unrestricted	\$4,990		\$9	\$45	\$5,044		\$5,044
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery							
71500 Other Revenue	\$159,193	\$133,939	\$22,338	\$15,200	\$330,670		\$330,670
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	\$1,234,875	\$133,939	\$545,374	\$157,726	\$2,071,914	-\$132,881	\$1,939,033
91100 Administrative Salaries	\$115,844		\$32,334	\$77,149	\$225,327		\$225,327
91200 Auditing Fees	\$10,875		\$1,625		\$12,500		\$12,500
91300 Management Fee	\$82,739		\$16,752		\$99,491	-\$99,491	\$0
91310 Book-keeping Fee	\$9,360		\$10,470		\$19,830	-\$19,830	\$0
91400 Advertising and Marketing	\$2,572				\$2,572		\$2,572
91500 Employee Benefit contributions - Administrative	\$27,808		\$8,542	\$7,846	\$44,196		\$44,196

91600 Office Expenses	\$6,226			\$27,797	\$34,023		\$34,023
91700 Legal Expense	\$9,731			\$349	\$10,080		\$10,080
91800 Travel							
91810 Allocated Overhead							
91900 Other	\$24,591	\$14,130		\$13,056	\$51,777		\$51,777
91000 Total Operating - Administrative	\$289,746	\$83,853	\$0	\$126,197	\$499,796	-\$119,321	\$380,475
92000 Asset Management Fee	\$13,560				\$13,560	-\$13,560	\$0
92100 Tenant Services - Salaries	\$24,222				\$24,222		\$24,222
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services	\$6,773			\$145	\$6,918		\$6,918
92400 Tenant Services - Other	\$16,972				\$16,972		\$16,972
92500 Total Tenant Services	\$47,967	\$0	\$0	\$145	\$48,112	\$0	\$48,112
93100 Water	\$50,808			\$831	\$51,639		\$51,639
93200 Electricity	\$48,706			\$1,283	\$49,989		\$49,989
93300 Gas	\$6,206				\$6,206		\$6,206
93400 Fuel	\$5,587				\$5,587		\$5,587
93500 Labor	\$24,224				\$24,224		\$24,224
93600 Sewer							
93700 Employee Benefit Contributions - Utilities	\$7,196				\$7,196		\$7,196
93800 Other Utilities Expense							
93000 Total Utilities	\$142,727	\$0	\$0	\$2,114	\$144,841	\$0	\$144,841
94100 Ordinary Maintenance and Operations - Labor	\$107,005				\$107,005		\$107,005
94200 Ordinary Maintenance and Operations - Materials and Other	\$46,737			\$1,559	\$48,296		\$48,296
94300 Ordinary Maintenance and Operations Contracts	\$101,363				\$101,363		\$101,363
94500 Employee Benefit Contributions - Ordinary Maintenance	\$34,426				\$34,426		\$34,426
94000 Total Maintenance	\$289,531	\$0	\$0	\$1,559	\$291,090	\$0	\$291,090
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$56,529			\$1,435	\$57,964		\$57,964
96120 Liability Insurance							
96130 Workmen's Compensation	\$3,444			\$748	\$4,192		\$4,192

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**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
Harrietstown Housing Authority
Saranac Lake, New York 12983-2373

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Harrietstown Housing Authority (Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, and have issued our report thereon dated July 11, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

R.A. Mercer & Co., P.C.

A handwritten signature in black ink that reads "R.A. Mercer & Co., P.C." in a cursive style.

West Seneca, New York
July 11, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
 AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners
 Harrietstown Housing Authority
 Saranac Lake, New York 12983-2373

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Harrietstown Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the year ended December 31, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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



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

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

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

Report on Internal Control over Compliance

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

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

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

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

R.A. Mercer & Co., P.C.



West Seneca, New York
July 11, 2023

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Grantor/Program Title</u>	<u>CFDA #</u>	<u>Grant ID No.</u>	<u>Program or Award Amount</u>	<u>Expenditures/ Disbursements</u>	<u>Expenditures to Subrecipients</u>
<u>Department of Housing and Urban Development</u>					
Direct Programs:					
Public and Indian Housing	14.850	NY087-00000117D	\$ 549	549	-
		NY087-00000217D	402	402	-
		NY087-00000118D	41	41	-
		NY087-00000218D	26	26	-
		NY087-00000119D	32	32	-
		NY087-00000219D	18	18	-
		NY087-00000122D	215,729	215,729	-
		NY087-00000222D	183,937	<u>183,937</u>	-
				400,734	-
<u>Housing Voucher Cluster</u>					
Section 8 Housing Choice Vouchers *	14.871	NY087VO0099/108	523,027	<u>523,027</u>	-
Total Cluster				523,027	-
Capital Fund Program	14.872	NY06P087501-18	240,154	139,289	-
		NY06P087501-19	248,001	12,769	-
		NY06P087501-20	265,612	15,571	-
		NY06P087501-21	274,898	<u>89,862</u>	-
				<u>257,491</u>	-
Total Federal Expenditures			<u>\$ 1,952,426</u>	<u>\$ 1,181,252</u>	<u>-</u>

* Major Program

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Harrietstown Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the 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.

NOTE C – INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented. The Authority did not elect to use the 10 per cent de minimum indirect cost rate as permitted under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of Auditors Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes x No

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

Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major programs;

Material weakness(es) identified? _____ Yes x No

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

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

Any audit findings disclosed that are required to be reported in accordance with §2 CRF Section 200.516(a) of OMB Uniform Guidance? _____ Yes x No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher Cluster

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

Auditee qualified as low risk auditee? x Yes _____ No

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

**TOWN OF HARRIETSTOWN HOUSING AUTHORITY
STATUS OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

There were no findings and questioned costs with regard to the prior year financial statements dated December 31, 2021.

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.