

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
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FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
the Housing Authority of the County of Cumberland:

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the County of Cumberland (the "Authority") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority, as of June 30, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2022 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogradac & Company LLP

January 3, 2022
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

As management of the Housing Authority of the Cumberland County (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial statements for the fiscal years ended June 30, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Authority's Executive Director or the Finance Director.

FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2021

In addition to the following highlights, more description and explanations of the following items are contained throughout this report:

- The assets of the Authority exceeded its liabilities as of June 30, 2021 by \$6,378,034 (net position)
- The Authority's operating cash balance increased by \$371,326 from \$2,061,703 as of June 30, 2020 to \$2,433,029 as of June 30, 2021
- Total assets increased by \$14,851,230 from \$7,988,726 as of June 30, 2020 to \$22,839,956 as of June 30, 2021
- Total liabilities increased by \$15,045,300 from \$1,416,622 as of June 30, 2020 to \$16,461,922 as of June 30, 2021
- Total revenues increased by \$2,435,821 from \$11,350,360 as of June 30, 2020 to \$13,786,181 as of June 30, 2021
- Total expenses increased by \$2,530,930 from \$11,449,321 as of June 30, 2020 to \$13,980,251 as of June 30, 2021

FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2020

In addition to the following highlights, more description and explanations of the following items are contained throughout this report:

- The assets of the Authority exceeded its liabilities as of June 30, 2020 by \$6,572,104 (net position)
- The Authority's operating cash balance increased by \$348,337 from \$1,713,366 as of June 30, 2019 to \$2,061,703 as of June 30, 2020
- Total assets decreased by \$55,686 from \$8,044,412 as of June 30, 2019 to \$7,988,726 as of June 30, 2020
- Total liabilities increased by \$43,275 from \$1,373,347 as of June 30, 2019 to \$1,416,622 as of June 30, 2020
- Total revenues increased by \$169,109 from \$11,181,251 as of June 30, 2019 to \$11,350,360 as of June 30, 2020
- Total expenses increased by \$80,605 from \$11,368,716 as of June 30, 2019 to \$11,449,321 as of June 30, 2020

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

PROGRAM SUMMARIES

Programs of the Authority include:

Public and Indian Housing Program

The Authority owns and manages 208 units of public housing. Operating assistance is provided by the U.S. Department of Housing and Urban Development ("HUD") to cover Housing Authority expense in excess of tenant rents. Tenant rents are capped at 30% of tenant income or in some cases, a flat rent that approximates the fair market rent for the area.

Section 8 Housing Choice Voucher Program (HCV)

The Authority has a Housing Assistance Payment (HAP) contract to provide rental assistance to 1,331 households in Cumberland and Perry Counties. HUD provides funds to the Authority to subsidize rents for low income tenants who are leasing from private landlords. The staff continues to monitor the lease-up based on available funding.

Section 8 Moderate Rehabilitation SRO Program (MR-SRO)

This program provided rental assistance to twelve (12) households residing in three (3) structures. All units are owned by private non-profit corporations. In all structures, there are shared kitchen and bath facilities.

Shelter Plus Care Program (S+C)

S+C provides twenty-six (26) units of permanent, subsidized housing for homeless individuals and families with a mental health or chronic substance abuse disability. This program operates in Cumberland and Perry counties and participants rent from private landlords in an amount not to exceed 30% of their income. The balance of the rent is covered by the subsidy.

Capital Fund Program (CFP)

This program provides an annual grant to the Authority for the modernization and operations of Public and Indian Housing.

Revolving Homeownership Program (RHO)

These funds are generated when the Authority sells homeownership properties. The funds are then used to support additional homeownership initiatives for low and/or moderate income households.

Emergency Rental Assistance Program (ERA)

The funding provided by the ERA programs will among other things, assist eligible households that have difficulty making timely payments of rent and utilities due to the COVID-19 pandemic. There are two ERA programs, which are ERA 1 and ERA 2. The programs will provide financial assistance including payment of rent, rental arrears, utilities, home energy costs, utilities and home energy costs arrears and other costs related to housing, and housing stability services to eligible households, as well as cover the costs for other affordable rental housing and eviction prevention activities for eligible households.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

PROGRAM SUMMARIES (continued)

Continuum of Care Program (CoC)

The CoC is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and Local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

I. OVERVIEW OF FINANCIAL STATEMENTS

A. ANALYSIS OF ASSETS AND LIABILITIES

A summary of the Authority's Statements of Net Position as of June 30, 2021 and 2020 is as follows:

Assets

	June 30, 2021	June 30, 2020	NET CHANGE	VARIANCE
Cash	2,433,029	2,061,703	371,326	18.01%
Security Deposits	65,223	64,429	794	1.23%
Accounts Rec.	360,960	229,078	131,882	57.57%
Other Current Assets	179,640	171,136	8,504	4.97%
Current Assets	3,038,852	2,526,346	512,506	20.29%
Non-current Assets	19,801,104	5,462,380	14,338,724	262.50%
Total Assets	22,839,956	7,988,726	14,851,230	185.90%

AS OF JUNE 30, 2021

The increase in cash was primarily due to the receipt of \$58,836 more Public and Indian Housing Grants and \$89,510 more Capital Fund Operating grants during FY 2021 than in FY 2020.

The substantial increase in non-current assets is primarily due to the receipt of Emergency Rental Assistance grants in advance in the amount of \$14,971,328.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

A. ANALYSIS OF ASSETS AND LIABILITIES (continued)

Assets

	June 30, 2020	June 30, 2019	NET CHANGE	VARIANCE
Cash	2,061,703	1,713,366	348,337	20.33%
Security Deposits	64,429	62,681	1,748	2.79%
Accounts Rec.	229,078	252,868	(23,790)	(9.41)%
Other Current Assets	171,136	152,014	19,122	12.58%
Current Assets	2,526,346	2,180,929	345,417	15.83%
Non-current Assets	5,462,380	5,863,483	(401,103)	(6.84)%
Total Assets	7,988,726	8,044,412	(55,686)	(0.69)%

AS OF JUNE 30, 2020

The positive net change in cash was due to an increase in the administrative reserves of the Section 8 Housing Choice Vouchers program.

The substantial decrease in non-current Assets is primarily due to the depreciation of the public housing fixed assets.

Liabilities and Equity

	June 30, 2021	June 30, 2020	NET CHANGE	VARIANCE
Current Liabilities	15,779,801	584,489	15,195,312	2,599.76%
Non-current Liabilities	682,121	832,133	(150,012)	(18.03)%
Total Liabilities	16,461,922	1,416,622	15,045,300	1,062.05%
Total Equity	6,378,034	6,572,104	(194,070)	(2.95)%

AS OF JUNE 30, 2021

Total liabilities increased by \$15,045,300 primarily due to the receipt of Emergency Rental Assistance grants in advance in the amount of \$15,077,579. The Authority also received Section 8 Housing Choice Vouchers CARES Act funding in advance in the amount of \$238,001, which was an increase of \$54,961 from FY 2020.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

A. ANALYSIS OF ASSETS AND LIABILITIES (continued)

Liabilities and Equity

	June 30, 2020	June 30, 2019	NET CHANGE	VARIANCE
Current Liabilities	584,489	382,444	202,045	52.83%
Non-current Liabilities	832,133	990,903	(158,770)	(16.02)%
Total Liabilities	1,416,622	1,373,347	43,275	3.15%
Total Equity	6,572,104	6,671,065	(98,961)	(1.48)%

AS OF JUNE 30, 2020

Total liabilities increased by \$43,275 due primarily to the net change of two factors. The outstanding principal balance on the capital debt associated with the energy performance improvements decreased by \$126,651 which was offset by an increase in other current liabilities in the amount of \$202,045. This increase in other current liabilities was related to revenue received in advance (deferred revenue) in the amount of \$183,040 related to CARES Act funding.

B. ANALYSIS OF OVERALL REVENUES AND EXPENDITURES

A summary of the Authority's Statement of Income and Expenses for the period ending June 30, 2021 follows:

Revenues

	June 30, 2021	June 30, 2020	NET CHANGE	VARIANCE
Tenant Revenue	845,078	816,635	28,443	3.48%
HUD Grants	10,772,276	10,230,274	542,002	5.30 %
Other Governmental Grants	1,586,643	-	1,586,643	100%
HUD Capital Grants	14,806	34,201	(19,395)	(56.71)%
Investment Income	5,353	19,424	(14,071)	(72.44)%
Other Revenue	562,025	249,826	312,199	124.97%
Total Revenue	13,786,181	11,350,360	2,435,821	21.46%

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

B. ANALYSIS OF OVERALL REVENUES AND EXPENDITURES (continued)

FOR THE YEAR ENDED JUNE 30, 2021

Total revenue increased as a result of an increase in Emergency Rental Assistance grants during the current fiscal year, which are included in Other Governmental Grants.

Revenues

	June 30, 2020	June 30, 2019	NET CHANGE	VARIANCE
Tenant Revenue	816,635	883,278	(66,643)	(7.54)%
HUD Grants	10,230,274	9,871,771	358,503	3.63%
HUD Capital Grants	34,201	236,332	(202,131)	(85.53)%
Investment Income	19,424	16,554	2,870	17.34%
Other Revenue	249,826	173,316	76,510	44.14%
Total Revenue	11,350,360	11,181,251	169,109	1.51%

FOR THE YEAR ENDED JUNE 30, 2020

Total revenue increased as a result of an increase in Section 8 Housing Choice Vouchers grant income during the fiscal year

Expenses

	June 30, 2021	June 30, 2020	NET CHANGE	VARIANCE
Administrative	1,711,238	1,611,643	99,595	6.18%
Tenant Services	179,947	4,768	175,179	3,674.06%
Utilities	204,271	202,283	1,988	0.98%
Ordinary Maint/Oper	783,094	699,705	83,389	11.92%
General	184,577	164,578	19,999	12.15%
Extraordinary Maint	452,998	34,555	418,443	1,210.95%
Housing Asst Pymts	9,789,277	8,015,257	1,774,020	22.13%
Depreciation Expense	645,776	679,803	(34,027)	(5.01)%
Interest Expense	29,073	36,729	(7,656)	(20.84)%
Total Expenses	13,980,251	11,449,321	2,530,930	22.11%

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

B. ANALYSIS OF OVERALL REVENUES AND EXPENDITURES (continued)

Total Authority expenses increased by \$2,530,930 or 22.11%, for the period ending June 30, 2021. This was the result of increases in housing assistance payments related to the Emergency Rental Assistance grant, and increased tenant services expenses associated with the Section 8 Housing Choice Vouchers – CARES Act funding.

Expenses

	June 30, 2020	June 30, 2019	NET CHANGE	VARIANCE
Administrative	1,611,643	1,650,201	(38,558)	(2.34)%
Tenant Services	4,768	7,228	(2,520)	(34.58)%
Utilities	202,283	177,582	24,701	13.91%
Ordinary Maint/Oper	699,705	648,466	51,239	7.90%
General	164,578	145,061	19,517	13.45%
Extraordinary Maint	34,555	4,810	29,745	618.40%
Housing Asst Pymts	8,015,257	8,022,424	(7,167)	(.09)%
Depreciation Expense	679,803	671,596	8,207	1.22%
Interest Expense	36,729	41,288	(4,559)	(11.04)%
Total Expenses	11,449,321	11,368,716	80,605	.71%

FOR THE YEAR ENDED JUNE 30, 2020

Total Authority expenses increased by \$80,605 or .71%, for the period ending June 30, 2020. This was the result of increases in the Public and Indian Housing program ordinary maintenance and operations – materials, Section 8 Housing Choice Vouchers ordinary maintenance and operations – contract costs, and water utility rates during the year.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

C. DISCUSSION OF REVENUES BY PROGRAM

Three major programs, the Public and Indian Housing Program, Section 8 Housing Choice Vouchers Program, and the Emergency Rental Assistance Program, constitute approximately 86.11% of the revenues of the Authority.

The revenues for Section 8 Housing Choice Vouchers, Section 8 Housing Choice Vouchers – CARES Act, Shelter Plus Care, Business Activities, Public and Indian Housing, Public and Indian Housing – CARES Act, and Capital Fund recorded increases in revenues during the current year.

During the current fiscal year, the Authority began administering two Emergency Rental Assistance Programs (ERA) on behalf of the County of Cumberland. The first program was funded from the U.S. Department of Treasury in the amount of \$7,549,648, and the second from the PA Department of Human Services in the amount of \$9,114,574. The Authority recognized \$1,586,643 of grant income in FY 2021, and the remaining balance of \$15,077,579 was deferred as of June 30, 2021.

Revenues by Program

Program	Total Revenues June 30, 2021	% of Total Revenues	Total Revenues June 30, 2020	% of Total Revenues
Public and Indian Housing	1,706,308	12.38	1,614,635	14.23
Public and Indian Housing – CARES Act	101,725	0.74	22,736	0.20
Section 8 Housing Choice Voucher	8,577,972	62.22	8,212,784	72.36
Section 8 Housing Choice Voucher – CARES Act	174,330	1.26	816	0.01
Section 8 Moderate Rehabilitation SRO	23,363	0.17	37,802	0.33
Shelter Plus Care	53,359	0.39	42,915	0.38
Continuum of Care	729,035	5.29	953,739	8.40
Capital Fund	373,165	2.71	303,050	2.67
Emergency Rental Assistance	1,586,643	11.51	0	0
Business Activities	460,281	3.34	161,883	1.42
Total Revenues	13,786,181	100.00	11,350,360	100.00

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

D. REVENUES AND EXPENSES BY MAJOR PROGRAM

Public and Indian Housing Program

Line Item	Total June 30, 2021	Total June 30, 2020	Difference
Revenues			
Tenant Revenue	845,078	816,635	28,443
HUD Grants	841,438	782,602	58,836
Investment Income	2,638	6,600	(3,962)
Other Revenue	17,154	8,798	8,356
Total Revenues	1,706,308	1,614,635	91,673
Expenses			
Administrative	283,346	329,914	(46,568)
Tenant Services	5,617	3,952	1,665
Utilities	204,271	202,283	1,988
Ordinary Maintenance/ Operations	601,396	554,274	47,122
General Expense	98,483	121,381	(22,898)
Total Operating Expenses	1,193,113	1,211,804	(18,691)
Excess Operating Revenue over Operating Expenses	513,195	402,831	110,364
Depreciation	645,776	679,803	(34,027)
Interest	29,073	36,729	(7,656)
Total Expenses	1,867,962	1,928,336	(60,374)
Excess Revenues Over Expenses	(161,654)	(313,701)	152,047

FOR THE YEARS ENDED JUNE 30, 2021 and 2020

Total Revenues increased by \$91,673, or 5.68%, for the Public and Indian Housing Program for the 12-month period ending June 30, 2021, and the Total Expenses decreased by \$60,374, or 3.13 % for this time period.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

D. REVENUES AND EXPENSES BY MAJOR PROGRAM (continued)

Section 8 Housing Choice Vouchers Program

Line Item	Total June 30, 2021	Total June 30, 2020	Difference
Revenues			
HUD Grants	8,490,704	8,121,659	369,045
Investment Income	2,165	10,807	(8,642)
Fraud Recovery	9,816	4,149	5,667
Other Revenue	75,287	76,169	(882)
Total Revenue	8,577,972	8,212,784	365,188
Expenses			
Administrative	909,463	869,472	39,991
Ordinary Maintenance/Operations	79,329	61,045	18,284
General Expenses	42,052	43,197	(1,145)
Total Operating Expenses	1,030,844	973,714	57,130
Excess Operating Revenue Over Operating Expenses	7,547,128	7,239,070	308,058
Housing Assistance Payments	7,560,271	7,160,866	399,405
Total Expenses	8,591,115	8,134,580	456,535
Excess Revenues Over Expenses	(13,143)	78,204	(91,347)

FOR THE YEARS ENDED JUNE 30, 2021 and 2020

Section 8 Housing Choice Vouchers Program revenues increased by \$365,188 or 4.45% for the year ended June 30, 2021, primarily due to an increase in the administrative fees earned.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

E. DISCUSSION OF ACTUAL VERSUS BUDGETED REVENUES AND EXPENSES FOR MAJOR PROGRAMS

Actual versus budgeted revenues and expenses for the Public and Indian Housing Program for the year ending June 30, 2021 were as follows:

Public and Indian Housing Program

Line Item	Actual June 30, 2021	Budget June 30, 2021	Variance
Revenues			
Tenant Revenue	845,078	983,971	(138,893)
HUD Grants	841,438	785,451	55,987
Investment Income	2,638	8,000	(5,362)
Other Revenue	17,154	10,000	7,154
Total Revenues	1,706,308	1,787,422	(81,114)
Expenses			
Administrative	283,346	352,262	(68,916)
Tenant Services	5,617	12,300	(6,683)
Utilities	204,271	179,820	24,451
Ordinary Maintenance/ Operation	601,396	706,110	(104,714)
General Expense	98,483	129,355	(30,872)
Total Operating Expenses	1,193,113	1,379,847	(186,734)
Depreciation	645,776	650,000	(4,224)
Interest	29,073	29,073	0
Total Expenses	1,867,962	2,058,920	(190,958)
Excess Revenues Over Expenses	(161,654)	(271,498)	109,844

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

I. OVERVIEW OF FINANCIAL STATEMENTS (continued)

E. DISCUSSION OF ACTUAL VERSUS BUDGETED REVENUES AND EXPENSES FOR MAJOR PROGRAMS (continued)

FOR THE YEAR ENDED JUNE 30, 2021

Actual revenues were less than budgeted revenues by \$81,114 for the Public and Indian Housing Program for the fiscal year ending June 30, 2021, due primarily to Tenant Revenue as a result of vacancies. The lease-up percentage was 97.97% for the 12-month period ending June 30, 2021. The actual operating expenses (before depreciation and interest expense) were less than budgeted operating expenses by \$186,734, or 13.53% under budget for the current 12-month period. This budget variance was primarily due to a lower than projected increase in the health insurance costs.

II. DESCRIPTION OF CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Authority's assets include 208 public housing units, 60 West Penn Street, Carlisle (the Public Housing site office), and a variety of office and mobile equipment associated with the administration and operation of its various programs. The Authority also jointly owns 114 and 108 North Hanover Street, Carlisle, with the Redevelopment Authority. There is no debt associate with these assets.

In addition, energy related capital improvements were made to the public housing units in 2010 as part of the Energy Services Agreement (ESA) and associated debt was incurred as a result of the authority's Master Equipment Lease-Purchase Agreement with PNC Equipment Finance. The Authority contracted with Constellation (previously PEPCO Energy Services) to perform and complete the acquisition, installation and servicing of certain energy efficient equipment for the purpose of achieving energy savings within the units. Annually, Constellation prepares a Measurement & Verification (M&V) Report related to the efficiencies and savings of the energy improvements. The report is issued to HUD to verify utility savings impacting the Authority's operating subsidy calculation.

III. DESCRIPTION ON EFFECT OF INFRASTRUCTURE ASSETS

There is no known effect on infrastructure assets of the Authority for the period ended June 30, 2021.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

IV. DESCRIPTION OF ANY CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS EXPECTED TO HAVE A SIGNIFICANT EFFECT ON NEXT YEAR AND BEYOND.

At this time, the issues that would have a significant effect next year and beyond, are funding fluctuations to the Section 8 programs as well as the Operating Fund Calculation of the Public Housing Operating Subsidy as a result of the federal budget. HUD funds both programs on a 12-month calendar year basis rather than a 12 month Housing Authority fiscal year. This will allow HUD to better monitor the funding of all federal housing programs. As indicated earlier, this makes it important for the Authority to continue to diversify its funding sources in the future.

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 2,433,029	\$ 2,061,703
Tenant security deposits	65,223	64,429
Investments	82,010	82,010
Accounts receivable, net	360,960	229,078
Prepaid expenses and other current assets	41,491	36,894
Inventory	<u>56,139</u>	<u>52,232</u>
Total current assets	<u>3,038,852</u>	<u>2,526,346</u>
Non-current assets:		
Restricted cash	15,258,023	288,329
Capital assets, net	<u>4,543,081</u>	<u>5,174,051</u>
Total non-current assets	<u>19,801,104</u>	<u>5,462,380</u>
Total assets	<u>\$ 22,839,956</u>	<u>\$ 7,988,726</u>

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
STATEMENTS OF NET POSITION (continued)
AS OF JUNE 30, 2021 AND 2020

LIABILITIES

	<u>2021</u>	<u>2020</u>
Current liabilities:		
Accounts payable	\$ 68,549	\$ 82,079
Accrued compensated absences, current portion	2,827	2,420
Tenant security deposits	65,223	64,429
Prepaid rent	12,245	9,465
Unearned revenue	15,315,580	183,040
Capital lease payable, current portion	146,809	136,471
Other current liabilities	<u>168,568</u>	<u>106,585</u>
Total current liabilities	<u>15,779,801</u>	<u>584,489</u>
Non-current liabilities:		
Accrued compensated absences, net of current portion	25,437	21,779
Capital lease, net of current portion	623,888	773,437
FSS program escrows	<u>32,796</u>	<u>36,917</u>
Total non-current liabilities	<u>682,121</u>	<u>832,133</u>
Total liabilities	<u>16,461,922</u>	<u>1,416,622</u>

NET POSITION

Net position:		
Net investment in capital assets	3,772,384	4,264,143
Restricted	15,898	68,372
Unrestricted	<u>2,589,752</u>	<u>2,239,589</u>
Total net position	<u>6,378,034</u>	<u>6,572,104</u>
Total liabilities and net position	<u>\$ 22,839,956</u>	<u>\$ 7,988,726</u>

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Tenant revenue	\$ 845,078	\$ 816,635
HUD operating grants	10,772,276	10,230,274
Other government grants	1,586,643	-
Other revenues	<u>562,025</u>	<u>249,826</u>
Total operating revenues	<u>13,766,022</u>	<u>11,296,735</u>
Operating expenses:		
Administrative	1,711,238	1,611,643
Tenant services	179,947	4,768
Utilities	204,271	202,283
Ordinary maintenance and operations	783,094	699,705
Insurance	90,377	91,578
General	94,200	73,000
Extraordinary maintenance	452,998	34,555
Housing assistance payments	9,789,277	8,015,257
Depreciation	<u>645,776</u>	<u>679,803</u>
Total operating expenses	<u>13,951,178</u>	<u>11,412,592</u>
Operating income (loss)	<u>(185,156)</u>	<u>(115,857)</u>
Non-operating revenues (expenses):		
Investment income	5,353	19,424
Interest expense	<u>(29,073)</u>	<u>(36,729)</u>
Net non-operating expenses	<u>(23,720)</u>	<u>(17,305)</u>
Loss before capital grants	(208,876)	(133,162)
Capital grants	<u>14,806</u>	<u>34,201</u>
Change in net position	(194,070)	(98,961)
Total net position, beginning of year	<u>6,572,104</u>	<u>6,671,065</u>
Total net position, end of year	<u>\$ 6,378,034</u>	<u>\$ 6,572,104</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Cash received from tenants and others	\$ 1,268,681	\$ 1,288,951
Cash received from grantors	27,680,863	10,224,870
Cash paid to suppliers	(11,723,781)	(9,563,445)
Cash paid to employees	<u>(1,721,018)</u>	<u>(1,211,836)</u>
Net cash provided by operating activities	<u>15,504,745</u>	<u>738,540</u>
Cash Flows from Capital and Related Financing Activities:		
Property and equipment purchases	(14,806)	(59,166)
Capital grants received	14,806	34,201
Interest paid on capital leases	(29,073)	(36,729)
Principal payments on capital leases	<u>(139,211)</u>	<u>(126,651)</u>
Net cash used in capital and related financing activities	<u>(168,284)</u>	<u>(188,345)</u>
Cash Flows from Investing Activities:		
Interest income	<u>5,353</u>	<u>19,424</u>
Net cash provided by investing activities	<u>5,353</u>	<u>19,424</u>
Net increase in cash, cash equivalents, and restricted cash	15,341,814	569,619
Cash, cash equivalents, and restricted cash beginning of year	<u>2,414,461</u>	<u>1,844,842</u>
Cash, cash equivalents, and restricted cash end of year	<u>\$ 17,756,275</u>	<u>\$ 2,414,461</u>
Reconciliation of Cash, Cash Equivalents, and Restricted Cash to the Statements of Net Position:		
Cash and cash equivalents	\$ 2,433,029	\$ 2,061,703
Tenant security deposits	65,223	64,429
Restricted cash	<u>15,258,023</u>	<u>288,329</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 17,756,275</u>	<u>\$ 2,414,461</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (185,156)	\$ (115,857)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	645,776	679,803
Bad debt expense	2,064	-
Changes in assets and liabilities:		
Accounts receivable, net	(133,946)	23,790
Prepaid tenant rent	2,780	3,798
Prepaid expenses and other current assets	(4,597)	(5,603)
Inventory	(3,907)	(13,519)
Accounts payable	(13,530)	(6,357)
Accrued compensated absences	4,065	3,224
Other liabilities	(125,178)	167,513
Unearned revenue	15,315,580	-
Tenant security deposits	<u>794</u>	<u>1,748</u>
Net cash provided by operating activities	<u>\$ 15,504,745</u>	<u>\$ 738,540</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the County of Cumberland (the "Authority") is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in Cumberland County, Pennsylvania ("the County"). The Authority is responsible for operating certain low-rent housing programs in the County under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of directors which is essentially autonomous, but is responsible to HUD. An executive director is appointed by the Authority's board of directors to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include management's discussion and analysis as part of the Required Supplemental Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, ("GASB 33") grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued *PIH Notice 2008-9*, which requires housing assistance payments ("HAP"), under proprietary funds be reported as restricted net position, with the associated cash and investments also being reported on HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the FDS as unrestricted.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions, as defined by GASB 33, are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting. Any investment income earned on these funds is reflected in the net position account on which the investment income was earned. That is, investment income earned on HAP cash balances is credited to the HAP restricted net position account and investment income earned on administrative fee cash balances is credited to the unrestricted net position account.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes all programs and activities operated by the Authority. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year.

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing

The Public and Indian Housing program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income from tenants, are available solely to meet the operating expenses of the program.

Business Activities

The Authority administers a revolving homeownership program under an approved plan from HUD. The funds are used to promote homeownership for first-time low and moderate income households. The funds are usually provided to private non-profit organizations as part of a public financing package, which allows them to acquire and rehabilitate houses or to construct new houses. The houses are then sold to income-eligible households at affordable prices. In limited instances, the funds are provided to the non-profit organization as a grant, rather than a loan. The revolving funds are also used by the Authority to acquire houses throughout the County which it rehabilitates for income-eligible first-time buyers.

Shelter Plus Care

The Authority administers a Shelter Plus Care Program. The purpose of this program is to provide rental assistance for homeless individuals with disabilities who are moving from homelessness to permanent housing. The funding for this program comes from HUD.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

Section 8 Moderate Rehabilitation Program - Single Room Occupancy

Provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and HUD subsidizes rents once the units are occupied in such amounts sufficient to cover the developers' debt service payments on the financing.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Continuum of Care Program

The Continuum of Care Program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Emergency Rental Assistance Program ("ERA")

The funding provided by the ERA programs will among other things, assist eligible households that have difficulty making timely payments of rent and utilities due to the COVID-19 pandemic. There are two ERA programs, which are ERA 1 and ERA 2. The programs will provide financial assistance including payment of rent, rental arrears, utilities, home energy costs, utilities and home energy costs arrears and other costs related to housing, and housing stability services to eligible households, as well as cover the costs for other affordable rental housing and eviction prevention activities for eligible households.

CARES Act Funding Programs

During the year ended June 30, 2021, the Authority was awarded CARES Act funding as part of the Section 8 Housing Choice Vouchers Program and Public and Indian Housing Program. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

E. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment and contingencies. Actual results could differ significantly from these estimates.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents

HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit, or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority. For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

G. Investments

Investments consist of certificates of deposit and are valued at their cost which approximates their market value.

H. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

The Authority also recognizes a receivable from HUD and other government agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

I. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

J. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Inventory

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at the lower of cost or market and the Authority uses the first-in, first-out flow assumption in determining cost. The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory and charged to expenditures when used.

Management estimates that all inventory items are carried at their net realizable value and therefore no allowance for obsolescence has been recorded.

L. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes; however, they are reflected in the accompanying financial data schedule as required by HUD.

M. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of fixed assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- Buildings 40 Years
- Furniture and Equipment 3 - 5 Years

The Authority has established a capitalization threshold of \$5,000.

N. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other than temporary, then an impairment loss will be recorded in the Authority's financial statements. As of June 30, 2021 and 2020, no impairment losses were recorded in the financial statements.

O. Prepaid Rent

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Unearned Revenue

The Authority's unearned revenue primarily consists of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

Q. Taxes

The Authority is a unit of local government and is exempt from real estate, sales and income taxes. However, the Authority is required to make a payment in lieu of taxes for the PHA owned project in accordance with the provisions of a Cooperation Agreement. Under the Cooperation Agreement, the Authority must pay the municipality the lesser of 10% of its net shelter rent or the approximate full real property taxes.

R. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as sick and vacation leave. The Authority uses the vesting method for the recording of compensated absences. Benefits are accrued as of the net position date for which payment is probable. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights and benefits. Since all Authority personnel are employees of the Redevelopment Authority of Cumberland County, compensated absences costs are allocated to the Authority based on actual time spent.

S. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

T. Equity Classifications

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving federal awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

V. Economic Dependency

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

W. Risk Management

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 2. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

As of June 30, 2021 and 2020, the Authority had funds on deposit in money market and checking accounts. The carrying amount of the Authority's cash was \$17,756,275 and \$2,414,461, respectively, and the bank balances were \$18,001,529 and \$2,524,099, respectively. Cash and cash equivalents (including restricted cash) consisted of the following:

<u>Cash Category</u>	<u>2021</u>	<u>2020</u>
Unrestricted	\$ 2,433,029	\$ 2,061,703
Tenant Security Deposits	65,223	64,429
Restricted	<u>15,258,023</u>	<u>288,329</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 17,756,275</u>	<u>\$ 2,414,461</u>

Of the bank balances, \$282,796 and \$286,918 were covered by federal depository insurance and the remaining \$17,718,733 and \$2,237,181 were collateralized with the pledging financial institution as of June 30, 2021 and 2020, respectively.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2021, the Authority's bank balances were not exposed to custodial credit risk.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 3. INVESTMENTS

Investments, stated at fair value in accordance with GASB 40, *Deposit and Investment Risk Disclosures, an amendment of GASB 3*, consisted of the following at June 30, 2021 and 2020, respectively:

Investment Type	Fair Value 2021	Maturity
Certificates of Deposit:		
Orrstown Bank	\$ <u>82,010</u>	February 2, 2022
Investment Type	Fair Value 2020	Maturity
Certificates of Deposit:		
Orrstown Bank	\$ <u>82,010</u>	November 2, 2020

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - All investments are in financial instruments in accordance with HUD regulations. Certificates of Deposit held in the name of the Authority are covered by FDIC up to \$250,000. The Authority does not have an investment policy that would further limit its investment choices and it places no limit on the amount that can be invested with any one issuer.

NOTE 4. ACCOUNTS RECEIVABLE, NET

As of June 30, 2021 and 2020, accounts receivable consisted of the following:

	<u>2021</u>	<u>2020</u>
Accounts receivable - HUD	\$ -	\$ 7,162
Accounts receivable - tenants, net	3,612	5,038
Accounts receivable - PHA Projects	-	2,952
Accounts receivable - misc	<u>357,348</u>	<u>213,926</u>
Total accounts receivable, net	<u>\$ 360,960</u>	<u>\$ 229,078</u>

A. Accounts receivable - HUD

Accounts receivable - HUD represents amounts due to the Authority under various HUD programs. As of June 30, 2021 and 2020, accounts receivable - HUD amounted to \$- and \$7,162, respectively. The Authority considers these amounts to be fully collectible and accordingly, has made no allowance for doubtful accounts.

B. Accounts Receivable - Tenants, net

Accounts receivable - tenants, net equal \$3,612 and \$5,038 respectively, and are recorded net of an allowance for doubtful accounts of \$6,841 and \$9,198 as of June 30, 2021 and 2020, respectively.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 4. ACCOUNTS RECEIVABLE, NET (continued)

C. Accounts receivable - PHA Projects

Accounts receivable - PHA Projects consists of amounts owed to the Authority by other PHAs. Management believes these receivables are fully collectible and as such, no allowance for doubtful accounts is necessary.

D. Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists mainly of amounts due from the Redevelopment Authority of Cumberland County for costs advanced by the Authority. Management believes these receivables are fully collectible and as such, no allowance for doubtful accounts is necessary.

NOTE 5. RESTRICTED DEPOSITS

Restricted deposits consist of the following at June 30, 2021 and 2020:

<u>Cash Category</u>	<u>2021</u>	<u>2020</u>
Tenant Security Deposits	\$ 65,223	\$ 64,429
Housing Assistance Payment (HAP) Reserves	15,898	68,372
Family Self Sufficiency Deposits	32,796	36,917
Emergency Rental Assistance funding	14,971,328	-
CARES Act Funding	<u>238,001</u>	<u>183,040</u>
 Total restricted deposits	 <u>\$ 15,323,246</u>	 <u>\$ 352,758</u>

Tenant security deposits represents cash held in escrow for the refund to tenants upon move out of their unit and may not be used to fund operations.

HAP reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for tenant rents.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Section 8 Housing Choice Vouchers and Public and Indian Housing Programs by FSS program participants.

Emergency rental assistance funding are funds received in advance and are restricted for future expenditures in accordance with Emergency Rental Assistance grant requirements.

CARES Act funding are funds received in advance and are restricted for future expenditures in accordance with CARES Act requirements.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 6. CAPITAL ASSETS, NET

A summary of the changes in capital assets for the years ended June 30, 2021 and 2020 is as follows:

Description	June 30, 2020	Additions	Dispositions	Transfers	June 30, 2021
<u>Non-depreciable:</u>					
Land	597,466	-	-	-	597,466
Construction in progress	221,283	14,806	-	(126,784)	109,305
Total	<u>818,749</u>	<u>14,806</u>	<u>-</u>	<u>(126,784)</u>	<u>706,771</u>
<u>Depreciable:</u>					
Buildings and improvements	18,701,659	-	-	126,784	18,828,443
Furniture and equipment	594,924	-	-	-	594,924
Total	<u>19,296,583</u>	<u>-</u>	<u>-</u>	<u>126,784</u>	<u>19,423,367</u>
Less: accumulated depreciation	<u>14,941,281</u>	<u>645,776</u>	<u>-</u>	<u>-</u>	<u>15,587,057</u>
Total depreciable assets, net	<u>4,355,302</u>	<u>(645,776)</u>	<u>-</u>	<u>126,784</u>	<u>3,836,310</u>
Net capital assets	<u>5,174,051</u>	<u>(630,970)</u>	<u>-</u>	<u>-</u>	<u>4,543,081</u>

Description	June 30, 2019	Additions	Dispositions	Transfers	June 30, 2020
<u>Non-depreciable:</u>					
Land	597,466	-	-	-	597,466
Construction in progress	311,582	34,201	-	(124,500)	221,283
Total	<u>909,048</u>	<u>34,201</u>	<u>-</u>	<u>(124,500)</u>	<u>818,749</u>
<u>Depreciable:</u>					
Buildings and improvements	18,577,159	-	-	124,500	18,701,659
Furniture and equipment	569,959	24,965	-	-	594,924
Total	<u>19,147,118</u>	<u>24,965</u>	<u>-</u>	<u>124,500</u>	<u>19,296,583</u>
Less: accumulated depreciation	<u>14,261,478</u>	<u>679,803</u>	<u>-</u>	<u>-</u>	<u>14,941,281</u>
Total depreciable assets, net	<u>4,885,640</u>	<u>(654,838)</u>	<u>-</u>	<u>124,500</u>	<u>4,355,302</u>
Net capital assets	<u>5,794,688</u>	<u>(620,637)</u>	<u>\$ -</u>	<u>-</u>	<u>5,174,051</u>

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$645,776 and \$679,803, respectively.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 7. ACCOUNTS PAYABLE

As of June 30, 2021 and 2020, accounts payable consisted of the following:

	<u>2021</u>	<u>2020</u>
Accounts payable - operations	\$ 16,616	\$ 26,396
Accounts payable - other government	36,683	43,428
Accounts payable - HUD PHA programs	<u>15,250</u>	<u>12,255</u>
Total accounts payable	<u>\$ 68,549</u>	<u>\$ 82,079</u>

Accounts Payable - Operations

Accounts payable - operations represents amounts due to suppliers and vendors for operating expenses.

Accounts Payable - Other Government

Represents amount owed to the Borough of Carlisle for the Authority's payment in lieu of taxes (PILOT).

Accounts Payable - HUD PHA Programs

Amount represents amounts due back to HUD for operating grants received in advance from the Section 8 Moderate Rehabilitation program and excess set aside funds in the Section 8 Housing Choice Vouchers Program.

NOTE 8. CAPITAL LEASE PAYABLE

As of June 30, 2021 and 2020, the Authority has an outstanding capital lease as follows:

	<u>2021</u>	<u>2020</u>
The Authority (lessee) has entered into a Master Equipment Lease-Purchase Agreement with PNC Equipment Finance (lessor) and U.S. National Bank (escrow agent) on September 29, 2010 for a total financed amount of \$1,897,811. Interest is calculated by the daily balance method (365 days) by applying a daily periodic rate to the principal balance in the account each day. The agreement matures on February 28, 2026 and is secured by the underlying equipment.	\$ 770,697	\$ 909,908
Less: current portion of capital lease	<u>146,809</u>	<u>136,471</u>
Capital lease, net of current portion	<u>\$ 623,888</u>	<u>\$ 773,437</u>

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 8. CAPITAL LEASE PAYABLE (continued)

The following is a schedule of required principal and interest payments for the next five years:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 146,809	\$ 26,519	\$ 173,328
2023	158,235	20,120	178,355
2024	169,164	14,750	183,914
2025	178,380	8,888	187,268
2026	<u>118,109</u>	<u>1,713</u>	<u>119,822</u>
	<u>\$ 770,697</u>	<u>\$ 71,990</u>	<u>\$ 842,687</u>

NOTE 9. NON-CURRENT LIABILITIES

Activity for the years ended June 30, 2021 and 2020 consisted of the following:

Description	June 30, 2020	Additions	Principal Payments / Reductions	June 30, 2021	Amount due Currently
FSS Escrows	\$ 36,917	\$ -	\$ (4,121)	\$ 32,796	\$ -
Accrued compensated absences	24,199	4,065	-	28,264	2,827
Capital lease payable	<u>909,908</u>	<u>-</u>	<u>(139,211)</u>	<u>770,697</u>	<u>146,809</u>
Total	<u>\$ 971,024</u>	<u>\$ 4,065</u>	<u>\$ (143,332)</u>	<u>\$ 831,757</u>	<u>\$ 149,636</u>

Description	June 30, 2019	Additions	Principal Payments / Reductions	June 30, 2020	Amount due Currently
FSS Escrows	\$ 61,118	\$ -	\$ (24,201)	\$ 36,917	\$ -
Accrued compensated absences	20,975	3,224	-	24,199	2,420
Capital lease payable	<u>1,036,559</u>	<u>-</u>	<u>(126,651)</u>	<u>909,908</u>	<u>136,471</u>
Total	<u>\$ 1,118,652</u>	<u>\$ 3,224</u>	<u>\$ (150,852)</u>	<u>\$ 971,024</u>	<u>\$ 138,891</u>

NOTE 10. RELATED PARTY TRANSACTIONS

The Redevelopment Authority of Cumberland County ("CCRA") is an entity under common control with the Authority. The Authority utilizes employees from CCRA and reimburses CCRA monthly for employee salaries, payroll taxes and employee benefits.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 11. RESTRICTED NET POSITION

At June 30, 2021 and 2020, restricted net position consisted of housing assistance payment reserves which are restricted for use only in the Section 8 Housing Choice Vouchers Program for tenant rents.

NOTE 12. LEASING ACTIVITIES

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause. Revenues associated with these leases are recorded in the financial statements and schedules as "Tenant Revenue". Tenant Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

NOTE 13. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of June 30, 2021 and 2020, the Authority estimates that no material liabilities will result from such audits.

Vulnerability – Impact of COVID-19

The severity of the impact of COVID-19 on the Authority's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Authority's tenants and grantors, all of which are uncertain and cannot be predicted. The Authority's future results could be adversely impacted by delays in rent collections, portability payments from certain PHA's as well as grant reimbursements. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

NOTE 14. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through January 3, 2022 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**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 Directors of
the Housing Authority of the County of Cumberland:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the County of Cumberland (the "Authority") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated January 3, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Novogradec & Company LLP

January 3, 2022
Toms River, New Jersey

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
the Housing Authority of the County of Cumberland:

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the County of Cumberland's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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.

Novogradec & Company LLP

January 3, 2022
Toms River, New Jersey

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	\$	\$ 8,591,115
Section 8 Housing Choice Vouchers - CARES Act	14.HCC	<u> </u>	<u>174,330</u>
Total Housing Voucher Cluster		<u> </u>	<u>8,765,445</u>
Section 8 Project Based Cluster			
Section 8 Moderate Rehabilitation SRO Program	14.249	<u> </u>	<u>23,326</u>
Total Section 8 Project Based Cluster		<u> </u>	<u>23,326</u>
Public and Indian Housing	14.850		841,438
Public and Indian Housing - CARES Act	14.PHC		101,725
Public Housing Capital Fund Program	14.872		373,165
Continuum of Care	14.267	207,996	729,035
Shelter Plus Care Program	14.238	<u> </u>	<u>53,359</u>
Total U.S. Department of Housing and Urban Development Expenditures		<u>207,996</u>	<u>10,887,493</u>
Department of the Treasury			
Pass-Through Programs From:			
County of Cumberland, Pennsylvania - Emergency Rental Assistance:	21.023	<u> </u>	<u>1,586,643</u>
Total Expenditures of Federal Awards		<u>\$ 207,996</u>	<u>\$ 12,474,136</u>

See Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Authority under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of operations of Authority, it is not intended to and does not present the net position, changes in net position or cash flows of Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on 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 3. INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4. SCHEDULE OF CAPITAL FUND COSTS AND ADVANCES

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended June 30, 2021 are provided herein:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Totals</u>
<u>Budget</u>	\$ <u>268,673</u>	\$ <u>414,968</u>	\$ <u>430,189</u>	\$ <u>430,043</u>	\$ <u>1,543,873</u>
<u>Advances:</u>					
Cumulative through 6/30/20	\$ 226,365	\$ 385,650	\$ 240,827	\$ -	\$ 852,842
Current Year	<u>15,612</u>	<u>19,963</u>	<u>24,131</u>	<u>313,459</u>	<u>373,165</u>
Cumulative through 6/30/21	<u>241,977</u>	<u>405,613</u>	<u>264,958</u>	<u>313,459</u>	<u>1,226,007</u>
<u>Costs:</u>					
Cumulative through 6/30/20	226,365	385,650	240,827	-	852,842
Current Year	<u>15,612</u>	<u>19,963</u>	<u>24,131</u>	<u>313,459</u>	<u>373,165</u>
Cumulative through 6/30/21	<u>241,977</u>	<u>405,613</u>	<u>264,958</u>	<u>313,459</u>	<u>1,226,007</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

I. Summary of Auditors' Results

Financial Statements

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards

- | | | |
|----|--|---------------|
| 1. | Internal control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.023	Emergency Rental Assistance
14.871	Section 8 Housing Choice Vouchers Program
14.HCC	Section 8 Housing Choice Vouchers Program - CARES Act

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee? | No |

**HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2021**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Federal Audit Findings

None.

Housing Authority of the County of Cumberland											
PA075											
Financial Data Schedule (FDS)											
June 30, 2021											
Line Item #	Account Description	Projects	14-PHC Public Housing CARES Act Funding	14-871 Housing Choice Vouchers	14-HCC HCV CARES Act Funding	14-238 Shelter Plus Care	1 Business Activities	14-267 Continuum of Care	21-023 Emergency Rental Assistance	ELIM	TOTAL
ASSETS:											
CURRENT ASSETS:											
111	Cash - unrestricted	\$ 1,178,054	\$ -	\$ 915,756	\$ -	\$ -	\$ -	\$ 35,701	\$ -	\$ -	\$ 2,133,029
112	Cash - restricted - modernization and development	-	-	-	238,001	-	-	-	-	-	238,001
113	Cash - other restricted	30,540	-	18,154	-	-	-	-	14,971,328	-	15,020,022
114	Cash - tenant security deposits	65,223	-	-	-	-	-	-	-	-	65,223
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-	-	-
100	Total cash	1,273,817	-	933,910	238,001	-	-	35,701	14,971,328	-	17,756,275
Accounts and notes receivables:											
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	40,845	-	147,267	-	-	-	-	106,251	-	357,348
126	Accounts receivable - tenants	3,612	-	-	-	-	-	-	-	-	3,612
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	44,457	-	147,267	-	-	-	-	106,251	-	360,960
Current investments											
131	Investments - unrestricted	82,010	-	-	-	-	-	-	-	-	82,010
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	39,008	-	2,483	-	-	-	-	-	-	41,491
143	Inventories	56,139	-	-	-	-	-	-	-	-	56,139
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	1,495,431	-	1,083,660	238,001	-	-	35,701	15,077,579	-	18,296,875
NONCURRENT ASSETS:											
Fixed assets:											
161	Land	-	-	-	-	-	-	-	-	-	-
162	Buildings	597,466	-	-	-	-	-	-	-	-	597,466
163	Furniture, equipment & machinery - dwellings	16,903,173	-	-	-	-	41,459	-	-	-	16,944,632
164	Furniture, equipment & machinery - administration	314,928	-	279,996	-	-	-	-	-	-	594,924
165	Leasehold improvements	1,883,811	-	-	-	-	-	-	-	-	1,883,811
166	Accumulated depreciation	(15,307,061)	-	(279,996)	-	-	-	-	-	-	(15,587,057)
167	Construction in Progress	109,305	-	-	-	-	-	-	-	-	109,305
168	Infrastructure	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	4,501,622	-	-	-	-	41,459	-	-	-	4,543,081
Other non-current assets:											
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	4,501,622	-	1,083,660	238,001	-	41,459	35,701	15,077,579	-	22,839,956
190	TOTAL ASSETS	\$ 5,997,053	\$ -	\$ 1,083,660	\$ 238,001	\$ 107,940	\$ 300,022	\$ 35,701	\$ 15,077,579	\$ -	\$ 22,839,956

Housing Authority of the County of Cumberland												
PA075												
Financial Data Schedule (FDS)												
June 30, 2021												
Line Item #	Account Description	Projects	14-PHC Public Housing CARES Act Funding	14-871 Housing Choice Vouchers	14-HCC HCV CARES Act Funding	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	14,238 Shelter Plus Care	1 Business Activities	14,267 Continuum of Care	21,023 Emergency Rental Assistance	ELIM	TOTAL
LIABILITIES AND EQUITY:												
Liabilities:												
Current Liabilities:												
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	16,616	-	-	-	-	-	-	-	-	-	16,616
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	1,034	-	1,793	-	-	-	-	-	-	-	2,827
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	1,530	-	13,720	-	-	-	-	-	15,250
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	36,683	-	-	-	-	-	-	-	-	-	36,683
341	Tenant security deposits	65,223	-	-	-	-	-	-	-	-	-	65,223
342	Deferred revenue	12,245	-	238,001	-	-	-	-	15,077,579	-	-	15,327,825
343	Current portion of L-T debt - capital projects	146,809	-	-	-	-	-	-	-	-	-	146,809
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	808	-	-	-	-	5,612	68,071	94,077	-	-	168,568
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-	-	-	-	-	-	-
348	Interprogram - due from	-	-	-	-	-	-	-	-	-	-	-
348	Loan liability - Current	-	-	-	-	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	279,418	-	3,323	238,001	13,720	5,612	68,071	94,077	15,077,579	-	15,779,801
NONCURRENT LIABILITIES:												
351	Long-term debt, net of current - capital projects	623,888	-	-	-	-	-	-	-	-	-	623,888
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	30,540	-	2,256	-	-	-	-	-	-	-	32,796
354	Accrued compensated absences - noncurrent	9,303	-	16,134	-	-	-	-	-	-	-	25,437
355	Loan Liability- Non Current	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	663,731	-	18,390	-	-	-	-	-	-	-	682,121
300	TOTAL LIABILITIES	943,149	-	21,713	238,001	13,720	5,612	68,071	94,077	15,077,579	-	16,461,922
EQUITY:												
508.1	Invested in Capital Assets, Net of Retired Debt	3,730,925	-	-	-	-	-	41,459	-	-	-	3,772,384
511.1	Restricted Net Assets	-	-	15,898	-	-	-	-	-	-	-	15,898
512.1	Unrestricted Net Assets	1,322,979	-	1,046,049	-	94,220	(5,612)	190,492	(58,376)	-	-	2,589,752
513	TOTAL EQUITY	5,053,904	-	1,061,947	-	94,220	(5,612)	231,951	(58,376)	-	-	6,378,034
600	TOTAL LIABILITIES AND EQUITY	5,997,053	\$ -	1,083,660	\$ 238,001	107,940	\$ -	300,022	\$ 35,701	15,077,579	\$ -	22,839,956
Proof of concept												

Housing Authority of the County of Cumberland												
PA075 Financial Data Schedule (FDS)												
June 30, 2021												
Line Item #	Account Description	Operating	Capital	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.239 Section 8 Moderate Rehabilitation Single Room Occupancy	14.238 Shelter Plus Care	1 Business Activities	14.267 Continuum of Care	21.023 Emergency Rental Assistance	TOTAL
	REVENUE:											
70300	Net tenant rental revenue	\$ 561,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,626
70400	Tenant revenue - other	283,452	-	-	-	-	-	-	-	-	-	283,452
70500	Total tenant revenue	845,078	-	-	-	-	-	-	-	-	-	845,078
70600	HUD PHA grants	841,438	358,359	101,725	8,490,704	174,330	23,326	53,359	-	729,035	-	10,772,276
70610	Capital grants	-	14,806	-	-	-	-	-	-	-	-	14,806
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	1,586,643	1,586,643
71100	Investment income - unrestricted	2,638	-	-	2,107	-	37	-	513	-	-	5,295
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	6,713	-	-	9,816	-	-	-	-	-	-	16,529
71500	Other revenue	10,441	-	-	75,287	-	-	-	459,768	-	-	545,496
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	58	-	-	-	-	-	-	58
70000	TOTAL REVENUE	1,706,308	373,165	101,725	8,577,972	174,330	23,363	53,359	460,281	729,035	1,586,643	13,786,181
	EXPENSES:											
	Administrative											
91100	Administrative salaries	147,880	3,790	1,433	545,640	-	2,965	85	48,502	145,611	-	895,906
91200	Auditing fees	4,032	-	-	25,196	-	76	-	-	-	-	29,304
91300	Outside management fees	-	-	-	-	-	-	-	-	-	-	-
91310	Book-keeping fee	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	46,321	1,665	-	219,815	-	-	-	-	-	-	267,801
91600	Office expenses	-	-	-	-	-	-	-	-	-	-	-
91700	Legal expenses	3,120	-	-	-	-	-	-	-	-	-	3,120
91800	Travel	2,604	-	-	-	-	-	-	-	-	-	2,604
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-
91900	Other	79,389	271,479	42,823	118,812	-	-	-	-	-	-	512,503
	Total administrative	283,346	276,934	44,256	909,463	-	3,041	85	48,502	145,611	-	1,711,238
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-

Housing Authority of the County of Cumberland												
Financial Data Schedule (FDS)												
June 30, 2021												
Line Item #	Account Description	Operating	Capital	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.238 Shelter Plus Care	1 Business Activities	14.267 Continuum of Care	21.023 Emergency Rental Assistance	ELIM	TOTAL
	Tenant services											
92100	Tenant services - salaries	1,800	-	-	-	-	-	-	-	-	-	1,800
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions-tenant services	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	3,817	-	-	-	174,330	-	-	-	-	-	178,147
	Total tenant services	5,617	-	-	-	174,330	-	-	-	-	-	179,947
	Utilities											
93100	Water	142,160	-	-	-	-	-	-	-	-	-	142,160
93200	Electricity	36,858	-	-	-	-	-	-	-	-	-	36,858
93300	Gas	15,782	-	-	-	-	-	-	-	-	-	15,782
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-
	Sewer	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions-utilities	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	9,471	-	-	-	-	-	-	-	-	-	9,471
	Total utilities	204,271	-	-	-	-	-	-	-	-	-	204,271
	Ordinary maintenance & operation											
94100	Ordinary maintenance and operations - labor	268,044	-	2,520	-	-	-	-	-	-	-	270,564
94200	Ordinary maintenance and operations - materials & other	98,127	24,937	54,949	-	-	-	-	-	-	-	178,013
94300	Ordinary maintenance and operations - contract costs	149,201	19,963	-	79,329	-	-	-	-	-	-	248,493
94500	Employee benefit contributions- ordinary maintenance	86,024	-	-	-	-	-	-	-	-	-	86,024
	Total ordinary maintenance	601,396	44,900	57,469	79,329	-	-	-	-	-	-	783,094
	Protective services											
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-
	Total protective services	-	-	-	-	-	-	-	-	-	-	-
	General expenses											
96110	Property insurance	57,640	-	-	-	-	-	-	-	-	-	57,640
96120	Liability insurance	-	-	-	32,737	-	-	-	-	-	-	32,737
96200	Other general expenses	-	-	-	7,165	-	-	-	-	44,042	-	51,207
96210	Compensated absences	1,914	-	-	2,150	-	-	-	-	-	-	4,064
96300	Payments in lieu of taxes	36,865	-	-	-	-	-	-	-	-	-	36,865
96400	Bad debt - tenant tents	2,064	-	-	-	-	-	-	-	-	-	2,064
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-	-	-	-	-
96710	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (short and long term)	29,073	-	-	-	-	-	-	-	-	-	29,073
96800	Severance expense	127,556	-	-	-	-	-	-	-	-	-	127,556
	Total general expenses	1,222,186	321,834	101,725	1,030,844	174,330	85	48,502	145,611	44,042	-	3,092,200
	TOTAL OPERATING EXPENSES	484,122	51,331	-	7,547,128	-	20,322	411,779	583,424	1,542,601	-	10,693,981

Housing Authority of the County of Cumberland													
PA075 Financial Data Schedule (FDS)													
June 30, 2021													
Line Item #	Account Description	Operating	Capital	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.239 Section 8 Moderate Rehabilitation Single Room Occupancy	14.238 Shelter Plus Care	1 Business Activities	14.267 Continuum of Care	21.023 Emergency Rental Assistance	ELIM	TOTAL
97100	Extraordinary maintenance	-	-	-	-	-	-	-	452,998	-	-	-	452,998
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	7,491,905	-	9,395	53,359	-	623,651	1,542,601	-	9,720,911
97350	HAP Portability - in	-	-	-	68,366	-	-	-	-	-	-	-	68,366
97400	Depreciation expense	645,776	-	-	-	-	-	-	-	-	-	-	645,776
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-
99000	TOTAL EXPENSES	1,867,962	321,834	101,725	8,591,115	174,330	12,436	53,444	501,500	769,262	1,586,643	-	13,980,251
OTHER FINANCING SOURCES (USES)													
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(161,654)	51,331	-	(13,143)	(85)	10,927	(85)	(41,219)	(40,227)	-	-	(194,070)
MEMO ACCOUNT INFORMATION:													
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning equity	5,215,558	(51,331)	-	1,075,090	-	83,293	(5,527)	273,170	(18,149)	-	-	6,572,104
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	2,508	-	-	15,972	-	84	72	-	912	-	-	19,548
11210	Number of unit months leased	2,451	-	-	14,735	-	46	68	-	806	-	-	18,106
Equity Roll Forward Test:													
	Equity Roll Forward Test:												
	Calculation from R/E Statement	\$ 5,053,904	\$ -	\$ -	\$ 1,061,947	\$ -	\$ 94,220	\$ (5,612)	\$ 231,951	\$ (58,376)	\$ -	\$ -	\$ 6,378,034
	B/S Line 513	\$ 5,053,904	\$ -	\$ -	\$ 1,061,947	\$ -	\$ 94,220	\$ (5,612)	\$ 231,951	\$ (58,376)	\$ -	\$ -	\$ 6,378,034
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -