

WARREN HOUSING AUTHORITY
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

WARREN HOUSING AUTHORITY

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WARREN HOUSING AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners
Warren Housing Authority
Warren, Rhode Island

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Warren Housing Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Warren Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Warren Housing Authority, as of June 30, 2023, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information presented on pages 42 through 46, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Warren Housing Authority's basic financial statements. The supplementary information on pages 47 through 51, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on pages 47 through 51, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated January 18, 2024 on our consideration of the Warren Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Warren Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Warren Housing Authority's internal control over financial reporting and compliance.

Marcum LLP

Boston, Massachusetts
January 18, 2024

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

The Warren Housing Authority (the Authority) is pleased to present its basic financial statements as of and for the year ended June 30, 2023, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the inclusion of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. In addition, GAAP requires the inclusion of this management's discussion and analysis (MD&A) section as required supplementary information.

The basic financial statements provide both long-term and short-term information about the Authority's overall financial condition. The basic financial statements also include notes that provide additional information.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation and amortization, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the year ended June 30, 2023, with comparative data for the year ended June 30, 2022. Please read this section in conjunction with the Authority's basic financial statements, which immediately follow this section.

HIGHLIGHTS

- Assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources at June 30, 2023 by \$4,364,258 (net position), representing an increase of \$234,711 from the prior year.
- Total revenues increased by \$219,273 from the prior year, while total expenses decreased by \$111,390.
- The Authority's current ratio that measures liquidity decreased during the year from 11.47 to 10.98.

WARREN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

OVERVIEW OF THE AUTHORITY'S OPERATIONS

The Authority was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. These services are provided through the administration of the following programs:

Federal Programs

Section 8 Housing Choice Voucher Program
Low Rent Public Housing Program
Public Housing Capital Fund Program

For additional information on the Authority's programs, see the notes to financial statements.

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

FINANCIAL ANALYSIS

Summary of Net Position

Presented below is the Authority's condensed summary of net position at June 30, 2023 compared to June 30, 2022. The statement of net position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the Authority at the end of the fiscal year. The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end of year data for assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (assets and deferred outflows of resources, minus liabilities and deferred inflows of resources).

SUMMARY OF NET POSITION

June 30, 2023 and 2022

	2023	2022	Change	% Change
Current Assets	\$ 1,840,886	\$ 2,000,200	\$ (159,314)	-7.96%
Capital Assets	3,058,643	2,807,757	250,886	8.94%
Other Noncurrent Assets	--	91,727	(91,727)	-100.00%
Total Assets	4,899,529	4,899,684	(155)	0.00%
Deferred Outflows of Resources	220,821	98,755	122,066	123.60%
Current Liabilities	167,703	174,360	(6,657)	-3.82%
Noncurrent Liabilities	442,449	352,456	89,993	25.53%
Total Liabilities	610,152	526,816	83,336	15.82%
Deferred Inflows of Resources	145,940	342,076	(196,136)	-57.34%
Investment in capital assets	3,058,643	2,807,757	250,886	8.94%
Restricted	--	211,719	(211,719)	-100.00%
Unrestricted	1,305,615	1,110,071	195,544	17.62%
Total Net Position	\$ 4,364,258	\$ 4,129,547	\$ 234,711	5.68%

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

Total assets of the Authority at June 30, 2023 and 2022 were \$4,899,529 and \$4,899,684, respectively, a change of 0%. The significant components of current assets are cash and receivables. The significant components of noncurrent assets are capital. Capital assets include land, buildings and building improvements, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation.

Total liabilities of the Authority at June 30, 2023 and 2022 were \$610,152 and \$526,816, respectively, a change of 15.82%. Current liabilities include accounts payable, accrued liabilities and unearned revenue. Noncurrent liabilities are primarily made up of the pension and OPEB liabilities.

Deferred inflows and outflows of resources relate to the Authority pension asset and to grants received for which all eligibility requirements except for time requirements have been met. In 2023, the Authority's deferred outflows increased by \$122,066 and deferred inflows decreased by \$196,136. These changes are the result of fluctuations in the actuarial valuations of the liabilities and the change in the value of pension assets.

Net position represents the Authority's equity, which is accounted for in three major categories. The first category, investment in capital assets, represents the Authority's equity in land, buildings and building improvements, construction in progress, and equipment. The next net position category is restricted net position; this shows the amounts subject to external restriction. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Authority. Unrestricted net position increased by \$195,544, or 17.62%, for the fiscal year.

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

Summary of Revenues, Expenses and Changes in Net Position

Presented below is the condensed summary of revenues, expenses and changes in net position information for fiscal year ended June 30, 2023 compared to the year ended June 30, 2022. The information reflects the results of operations for the Authority and displays the sources of revenue, the nature of expenses for the year and the resulting change in net position. All revenues and expenses are accounted for on an accrual basis. See notes to financial statements.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the years ended June 30, 2023 and 2022

	2023	2022	Change	% Change
Revenue				
Operating Revenues	\$ 3,002,510	\$ 2,965,725	\$ 36,785	1.24%
Non-operating Revenues	353,337	170,849	182,488	106.81%
Total Revenues	3,355,847	3,136,574	219,273	6.99%
Expenses				
Housing assistance payments	1,468,876	1,487,124	(18,248)	-1.23%
Administration	539,829	603,233	(63,404)	-10.51%
Repair and maintenance	434,055	427,393	6,662	1.56%
Utilities	266,890	286,022	(19,132)	-6.69%
Depreciation expense	225,324	231,827	(6,503)	-2.81%
Other general expenses	128,002	129,794	(1,792)	-1.38%
Insurance expense	54,580	63,961	(9,381)	-14.67%
Tenant services	3,580	3,172	408	12.86%
Total Expenses	3,121,136	3,232,526	(111,390)	-3.45%
Change in Net Position	234,711	(95,952)	330,663	-344.61%
Net Position - Beginning of Year	4,129,547	4,225,499	(95,952)	-2.27%
Net Position - End of Year	\$ 4,364,258	\$ 4,129,547	\$ 234,711	5.68%

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

Generally, operating revenues are amounts received for providing housing to the Authority's tenants as well as subsidies and grants received from the U.S. Department of Housing and Urban Development (HUD) that provide significant funding for the operations of the Authority's housing programs. Operating expenses are those incurred to operate, maintain, and repair the housing units and to provide supportive services to the tenants of the Authority. Nonoperating revenues are revenues earned for which goods and services are not provided, for example, interest income. Capital grants represent revenues earned for public housing capital repairs.

Significant changes in revenues and expenses from the fiscal year ended June 30, 2022 to June 30, 2023 include the following:

- Operating revenues increased by \$36,785, or 1.24%, due to increases in tenant rent revenues.
- Nonoperating revenues increased by \$182,488, or 106.81%, due to the timing of capital projects funded through the Public Housing Capital Fund Program. During fiscal year 2023, the Authority had a large fire alarm replacement project.
- Housing assistance payments decreased by \$18,248, or 1.23%, due to a decrease in the number of vouchers leased compared to the prior year. This was partially offset by an increase in contract rents for participants in the Housing Choice Voucher Program.
- Administrative expenses decreased by \$63,404, or 10.51%, due to a decrease in administrative salaries as the Authority had one less employee than the prior year. Office expenses also decreased due to one-time expenses of security cameras and new laptops in the prior year.
- Utilities decreased by \$19,132, or 6.69%, due to a change in electricity provider from National Grid to RI Energy. This resulted in decreases in fees / use charges on the monthly bills.

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, capital assets, net of accumulated depreciation was \$3,058,643 which includes land, buildings and building improvements, construction in progress, and equipment. The schedule below reflects the changes in capital assets, net of depreciation, from June 30, 2022 to June 30, 2023:

CAPITAL ASSET ANALYSIS

June 30, 2023 and 2022

	2023	2022	Change	% Change
Land	\$ 94,373	\$ 94,373	\$ --	0.00%
Buildings	5,298,389	5,278,689	19,700	0.37%
Furniture and equipment	261,975	234,512	27,463	11.71%
Leasehold improvements	3,866,847	3,866,847	--	0.00%
Construction in progress	450,162	21,115	429,047	2031.95%
Total capital assets	9,971,746	9,495,536	476,210	5.02%
Accumulated depreciation	(6,913,103)	(6,687,779)	(225,324)	3.37%
Capital assets, net of accumulated depreciation	<u>\$ 3,058,643</u>	<u>\$ 2,807,757</u>	<u>\$ 250,886</u>	8.94%

The majority of the additions were attributable to construction in progress. Additional information on the Authority's capital assets can be found at Note 7 in the notes to financial statements.

WARREN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2023

Long-Term Debt

At June 30, 2023, the Authority had no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Significant economic factors affecting the Authority's budget in the next year are as follows:

- The Authority is primarily dependent upon HUD for the funding of its federal programs; therefore, the Authority is affected more by the federal budget than by local economic conditions.
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and, therefore, the amount of rental income
- Inflationary pressure on utility rates, housing costs, supplies and other costs
- Current trends in the housing market
- Local and national property rental markets that determine Housing Assistance Payments

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for additional information should be addressed to Michael Abbruzzi, Executive Director, Warren Housing Authority, 20 Libby Lane, Warren, RI 02885.

WARREN HOUSING AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,663,303
Restricted cash	72,605
Accounts receivable, net	39,651
Prepaid expenses and other current assets	<u>65,327</u>
Total Current Assets	<u>1,840,886</u>

Noncurrent Assets

Capital assets, non-depreciable	544,535
Capital assets, net of accumulated depreciation	<u>2,514,108</u>
Total Noncurrent Assets	<u>3,058,643</u>

TOTAL ASSETS	<u>4,899,529</u>
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DEFERRED OUTFLOWS OF RESOURCES	<u>220,821</u>
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The accompanying notes are an integral part of these financial statements.

WARREN HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

LIABILITIES

Current Liabilities

Accounts payable, other government	\$ 59,159
Accrued wages and current portion of compensated absences	33,618
Other current liabilities	2,321
Tenant security deposits	<u>72,605</u>
Total Current Liabilities	<u>167,703</u>

Noncurrent Liabilities

Accrued compensated absences, net of current portion	55,257
Net pension liability	71,025
OPEB liability	<u>316,167</u>
Total Noncurrent Liabilities	<u>442,449</u>

TOTAL LIABILITIES	<u>610,152</u>
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DEFERRED INFLOWS OF RESOURCES	145,940
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NET POSITION

Investment in capital assets	3,058,643
Unrestricted	<u>1,305,615</u>

TOTAL NET POSITION	<u><u>\$ 4,364,258</u></u>
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The accompanying notes are an integral part of these financial statements.

WARREN HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUES

HUD grants	\$ 2,100,307
Tenant rental income	868,101
Other revenue	<u>34,102</u>
Total Operating Revenues	<u>3,002,510</u>

OPERATING EXPENSES

Housing assistance payments	1,468,876
Administration	539,829
Repair and maintenance	434,055
Utilities	266,890
Depreciation expense	225,324
Other general expenses	128,002
Insurance expense	54,580
Tenant services	<u>3,580</u>
Total Operating Expenses	<u>3,121,136</u>

Operating Loss	<u>(118,626)</u>
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NONOPERATING REVENUES

Interest and investment revenue	<u>23,340</u>
Total Nonoperating Revenues	<u>23,340</u>

Loss before Capital Grants	(95,286)
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CAPITAL GRANTS

HUD capital grants	<u>329,997</u>
Total Capital Grants	<u>329,997</u>

Change in Net Position	234,711
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Net Position, Beginning of Year	<u>4,129,547</u>
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Net Position, End of Year	<u><u>\$ 4,364,258</u></u>
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The accompanying notes are an integral part of these financial statements.

WARREN HOUSING AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

HUD grants	\$ 2,112,221
Receipts from tenants	879,005
Other operating receipts	9,353
Payments to employees	(846,866)
Payments to suppliers	(725,648)
Payments to landlords	<u>(1,468,876)</u>
Net cash used in operating activities	<u>(40,811)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

HUD capital grants	329,997
Acquisitions of capital assets	<u>(476,210)</u>
Net cash used in capital and related financing activities	<u>(146,213)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	<u>23,340</u>
Net cash provided by investing activities	<u>23,340</u>

Net decrease in cash, cash equivalents and restricted cash (163,684)

Cash, cash equivalents and restricted cash, beginning of year 1,899,592

Cash, cash equivalents and restricted cash, end of year \$ 1,735,908

The accompanying notes are an integral part of these financial statements.

WARREN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Reconciliation of operating loss to net cash used in operating activities:

Operating Loss	\$ (118,626)
Adjustments:	
Depreciation	225,324
Change in assets and liabilities:	
(Increase) decrease in accounts receivable, tenants	(2,750)
(Increase) decrease in accounts receivable, other	(9,453)
(Increase) decrease in accounts receivable, HUD	11,914
(Increase) decrease in prepaid expenses and other current assets	(4,081)
(Decrease) increase in accounts payable	(2,589)
(Decrease) increase in accounts payable, other government	5,658
(Decrease) increase in compensated absences and accrued wages	6,372
(Decrease) increase in pension, OPEB liabilities, and deferred inflow/outflows of resources	(139,658)
(Decrease) increase in accrued expenses and other current liabilities	(12,563)
(Decrease) increase in tenant security deposits	(359)
Net cash used in operating activities	<u><u>\$ (40,811)</u></u>

Cash, cash equivalents and restricted cash per Statement of Net Position:

Cash and cash equivalents	\$ 1,663,303
Restricted cash - current	<u>72,605</u>
Total cash, cash equivalents and restricted cash per Statement of Net Position	<u><u>\$ 1,735,908</u></u>

The accompanying notes are an integral part of these financial statements.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – ORGANIZATION

The Warren Housing Authority (the Authority) was incorporated under the laws of the State of Rhode Island. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate-income families and elderly individuals.

The Authority maintains its accounting records by program and operates the following programs:

Federal Programs

Low Rent Public Housing – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low-income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income.

Public Housing Capital Fund – HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the Low Rent Public Housing Program. A portion of these funds may also be used to support operations and to make improvements in the management and operation of the Authority.

Section 8 Housing Choice Voucher – HUD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program, qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a predetermined payment standard.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING ENTITY

The Authority's financial statements include the accounts of all of the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based on the aforementioned criteria, the Authority has no component units.

BASIS OF PRESENTATION AND ACCOUNTING

The Authority is a special-purpose government entity engaged only in business-type activities and, as such, the financial statements are presented as a single enterprise fund utilizing the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows.

The Authority's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB). The Authority follows GASB as applied to governmental entities.

The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenses occur and/or the Authority has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Grants received in advance of expenses are recorded as a liability until earned.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING STANDARDS ADOPTED

During 2023, the Authority adopted the following accounting standards that did not impact the Authority's financial statements:

GASB Statement

Number	Name
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>
96	<i>Subscription-Based Information Technology Arrangements</i>

USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. Actual amounts could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Authority considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

ACCOUNTS RECEIVABLE

Accounts receivable from tenants are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts receivable. Accounts receivable from tenants are written off with board approval when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Allowances for other non-tenant receivables are reviewed annually. See Note 6 for details of accounts receivable and allowances at year end.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS

Capital assets include property, furniture, equipment and machinery with initial, individual costs that equal or exceed \$3,000 and estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of acquisition. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land and Building Improvements	10-40 years
Furniture, Equipment and Machinery	5-10 years

IMPAIRMENT OF CAPITAL ASSETS

Governmental Accounting Standards Board's, Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* requires certain note disclosures or recognition regarding impairments of capital assets. The Authority did not recognize any impairments of capital assets in fiscal year 2023.

COMPENSATED ABSENCES

Under the terms of the Authority's personnel policy, employees may earn up to five weeks of vacation leave, commensurate on experience, which may only be accumulated under extenuating circumstances up to a maximum of two weeks. Employees may earn sick leave at the rate of fifteen days per year, which may accumulate at a maximum of one hundred twenty days. Upon retirement or termination, employees are paid for 30% of any unused and accumulated sick leave. Total accrued compensated absences at June 30, 2023 aggregated \$78,939.

OPERATING REVENUES AND EXPENSES

Operating revenue includes operating grants and subsidies, rental income, management services provided and all other revenue relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities. Operating expenses include wages, housing assistance payments, utilities, maintenance, depreciation of capital assets, administrative expenses and all other expenses relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NON-OPERATING REVENUES AND EXPENSE

The Authority's nonoperating revenues relate primarily to capital grants provided by HUD and interest income. For reporting purposes, capital grant revenue is recognized when expenditures are incurred, and advance receipts are initially recorded as unearned revenue. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

ECONOMIC DEPENDENCY

The Authority's federal programs are economically dependent on grants and annual contributions from HUD. These programs operate at a loss prior to receiving these grants and contributions.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement system and additions/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the retirement system.

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Authority and are accounted for in accordance with the requirements of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. These consist of the deferral of the recognition of revenues and expenses until the future period to which the outflows and inflows are related. The Authority's deferred outflows and inflows of resources are related to pension. The following is a summary of deferred outflows and inflows of resources at June 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Related to Pensions	\$ 220,821	\$ 145,940

APPLICATION OF RESOURCES

The Authority would first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 18, 2024, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in these financial statements.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 3 – NET POSITION

Net position is reported in three categories:

Investment in Capital Assets consists of all capital assets, reduced by accumulated depreciation, the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. At June 30, 2023, the investment in capital assets was \$3,058,643.

Restricted Net Position consists of restricted assets, when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. At June 30, 2023, there was no restricted net position.

Unrestricted Net Position consists of net position that does not meet the definition of “investment in capital assets” or “restricted net position”. At June 30, 2023, unrestricted net position was \$1,305,615.

NOTE 4 – CASH AND CASH EQUIVALENTS

The Authority has adopted HUD’s Investment Regulation PIH 1996-33 as its investment policy. HUD regulations require that all HUD deposits in financial institutions and investments be fully insured or collateralized, by U.S. Government obligations that have a fair value of not less than the principal amount of the deposits. The policy also requires that investments not have a maturity period longer than three years.

Custodial Credit Risk – Cash Deposits

At times, the Authority’s balances may exceed the Federal insurance limits; however, the Authority has not experienced any losses with respect to its bank balance in excess of government provided insurance. In addition, balances are fully collateralized through agreements with the financial institutions. Management believes that no significant risk exists with respect to cash balances as of June 30, 2023.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5 – RESTRICTED CASH

The Authority's restricted cash balance consists of funds restricted designated for tenant security deposits. This amount supports a corresponding liability. At June 30, 2023, restricted cash was \$72,605.

NOTE 6 – ACCOUNTS RECEIVABLE

The following is a listing of receivables for the Authority including the applicable allowances for uncollectible accounts at June 30, 2023.

Category of Receivable	Amount
HUD	\$ 20,751
Miscellaneous	15,705
Tenants	<u>3,195</u>
Net Receivables	<u><u>\$ 39,651</u></u>

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7 – CAPITAL ASSETS

The following is a summary of changes in capital assets and related accumulated depreciation.

	July 1, 2022	Increases	Decreases	June 30, 2023
Capital assets not being depreciated				
Land	\$ 94,373	\$ --	\$ --	\$ 94,373
Construction in progress	21,115	448,747	(19,700)	450,162
Total capital assets not being depreciated	115,488	448,747	(19,700)	544,535
Capital assets being depreciated				
Buildings	5,278,689	19,700	--	5,298,389
Leasehold improvements	3,866,847	--	--	3,866,847
Furniture, equipment & machinery	234,512	27,463	--	261,975
Total capital assets being depreciated	9,380,048	47,163	--	9,427,211
Less accumulated depreciation				
Buildings	6,687,779	225,324	--	6,913,103
Total accumulated depreciation	6,687,779	225,324	--	6,913,103
Capital Assets Net	<u>\$ 2,807,757</u>	<u>\$ 270,586</u>	<u>\$ (19,700)</u>	<u>\$ 3,058,643</u>
Depreciation expense was charged to:				
Federal Public Housing		<u>\$ 225,324</u>		

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2023 is as follows:

	July 1, 2022	Additions	Reductions	June 30, 2023	Amount due within one year
Compensated Absences	\$ 74,401	\$ 72,105	\$ (67,567)	\$ 78,939	\$ 23,682
Net Pension Liability (Asset)	(91,727)	197,475	(34,723)	71,025	--
OPEB Liability	<u>300,375</u>	<u>36,806</u>	<u>(21,014)</u>	<u>316,167</u>	<u>--</u>
Total	<u>\$ 283,049</u>	<u>\$ 306,386</u>	<u>\$ (123,304)</u>	<u>\$ 466,131</u>	<u>\$ 23,682</u>

NOTE 9 – REAL ESTATE TAXES

Property owned by the Authority is exempt from local real estate taxes. The Authority makes a payment in lieu of taxes equal to 10% of rental income charged less utility expenses annually for all of its properties constructed with and funded by HUD. The payment in lieu of taxes for the year ended June 30, 2023 aggregated \$59,159.

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN

PLAN DESCRIPTION

The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

BENEFITS PROVIDED

General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Compensation: Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable final average compensation (FAC) will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

GENERAL EMPLOYEES

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 as described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

OTHER BENEFIT PROVISIONS

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death. Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

- a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.
- b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.
- c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

PLAN MEMBERSHIP

At the June 30, 2021 valuation date, there are three inactive, five retirees and beneficiaries and eight active employees enrolled in the plan.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

CONTRIBUTIONS

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. The Authority contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Authority's actual contributions for the year ended June 30, 2023 were \$31,858. Employee contributions for the same period were \$9,368.

NET PENSION LIABILITY

The total pension liability was determined by actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2021.

Actuarial cost method	Entry Age Normal Cost Method
Investment rate of return	7.00%
Discount rate	7.00%
Inflation	2.50%
Salary increases	3.00% to 14.00% including inflation
Mortality rates	Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019). Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

ASSUMPTIONS (CONTINUED)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources.

The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Rate of Return
Global equity	40.00%	5.52-7.83%
Private growth	15.00%	4.80-9.42%
CLOs	2.00%	2.95%
Equity options	2.00%	5.25%
EMD	2.00%	1.82%
Liquid credit	3.00%	2.95%
Private credit	3.00%	2.95%
Crisis protection	10.00%	-0.44 - 3.33%
Inflation protection	8.00%	4.80-5.65%
Volatility protection	15.00%	-0.44 - 3.33%

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best estimate on arithmetic basis.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at 6/30/2021	\$ 1,244,653	\$ 1,336,380	\$ (91,727)
Changes for the year:			
Service cost	32,681	--	32,681
Interest	84,240	--	84,240
Differences between expected and actual experience	45,210	--	45,210
Assumption changes	--	--	--
Contributions - employer	--	25,439	(25,439)
Contributions - employee	--	9,284	(9,284)
Net investment income	--	(34,179)	34,179
Benefit payments	(115,144)	(115,144)	--
Administrative expense	--	(1,165)	1,165
Other changes	--	--	--
Net changes	46,987	(115,765)	162,752
Balance at 6/30/2022	<u>\$ 1,291,640</u>	<u>\$ 1,220,615</u>	<u>\$ 71,025</u>

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Authority's net pension liability (asset) calculated using the discount rate, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
Net pension liability (asset)	<u>\$ 198,347</u>	<u>\$ 71,025</u>	<u>\$ (44,664)</u>

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

For the year ended June 30, 2023, the Authority recognized pension expense of \$23,494. The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,143	\$
Changes of assumptions	--	18,312
Net difference between projected and actual earnings on pension plan investments	116,820	127,628
Contributions subsequent to the measurement date	<u>31,858</u>	<u>--</u>
Total	<u>\$ 220,821</u>	<u>\$ 145,940</u>

These amounts will be recognized as expense, or as a reduction of expense, as follows:

Year	Deferred Outflows (Inflows) of Resources
2024	\$ 34,643
2025	1,199
2026	(8,395)
2027	33,842
2028	9,242
Thereafter	<u>4,350</u>
Total	<u>\$ 74,881</u>

PAYABLES TO THE PENSION PLAN

As of June 30, 2023, the Authority had no outstanding payables to MERS.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

PLAN DESCRIPTION AND BENEFITS PROVIDED

The Authority's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the Authority. The OPEB plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

Employees are eligible for retiree health benefits for three years once they attain age 62 with 10 years of service. Once employees are eligible for Medicare at age 65, they no longer receive retiree health benefits. The Executive Director is eligible for retiree health benefits for three years upon retirement.

Surviving spouses of retirees are eligible to remain on the plan for the same duration as the retiree. They are required to contribute the same amount as the retiree while alive.

The Authority currently contributes 90% of premium for non-union retirees and 80% for union retirees and the Executive Director. Upon retirement, non-union employees contribute 10% of the premium while union employees contribute 20% of the premium. The Executive Director contributes 20% of the premium upon retirement.

PLAN MEMBERSHIP

At June 30, 2023, there are 8 active employees and no retired employees enrolled in the plan.

TOTAL OPEB LIABILITY

The Authority's total OPEB liability of \$316,167 was determined using the alternative measurement method based on a calculation as of June 30, 2023.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined using the alternative measurement method based on a calculation as of June 30, 2023.

Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: <ul style="list-style-type: none">• Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and• Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.
Municipal Bond Rate	4.13% based on the S&P Municipal Bond 20-Year High Grade Rate Index
Discount Rate	4.13%
Inflation	2.50%
Salary Increase	3.00%
Mortality Rates	Active employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
Healthcare Trend	7.00% for FY 2024 then increasing at a decreasing rate from 7.00% to 4.50%. The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgement. The ultimate trend rate was selected based on historical medical CPI information
Turnover Rates	Plan participants are expected to withdraw from the plan based on years of service ranging from 17.5% with 0 years of service to 1.5% with 20 years of service. This is based on the RI MERS actuarial valuation as of June 30, 2021.
Retirement Rates	Each general employee is assumed to retire at age 62 or upon meeting the minimum age/service requirement, whichever is later. If the employee is currently over the age of 62, and he has met the minimum age/service requirement, he is assumed to retire immediately. Retirement rates are based on the eligibility requirements and the requirements of the Alternative Measurement Method.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

Balance at beginning of year	\$	300,375
Changes for the year:		
Service cost		23,557
Interest		13,249
Difference between expected and actual experience		(20,464)
Changes of Assumptions		(550)
Net changes		<u>15,792</u>
Balance at end of year	\$	<u>316,167</u>

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the Plan's total OPEB liability, calculated using the discount rate of 4.13% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower, or 1 percentage-point higher, than the current rate.

	1% Decrease 3.13%	Current Discount 4.13%	1% Increase 5.13%
Total OPEB liability	<u>\$ 330,318</u>	<u>\$ 316,167</u>	<u>\$ 302,874</u>

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE TREND RATE

The following table presents the net other postemployment benefit liability, calculated the healthcare trend rate if it was 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1% Decrease	Current Trend	1% Increase
Total OPEB liability	<u>\$ 296,133</u>	<u>\$ 316,167</u>	<u>\$ 338,782</u>

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2023, the Authority recognized OPEB expenses of \$15,792. At June 30, 2023, the Authority did not have any deferred outflow or inflows related to OPEB.

NOTE 12 – DEFINED CONTRIBUTION PLAN

In accordance with Rhode Island General Law Section 36-10.3-4 and 36-10.3-5, both employees and the Authority are required to contribute to a defined contribution plan managed by TIAA-CREF. Employees are required to contribute 5.00%. The Authority's contribution ranges from 1.00% to 1.50% based upon years of eligible service for employees as of June 30, 2012. Employee contributions for 2023 were \$23,419. The Authority contributed \$4,682 during 2023.

NOTE 13 – RISK MANAGEMENT

LITIGATION

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the Authority.

GRANTS

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

WARREN HOUSING AUTHORITY

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SIX FISCAL YEARS

Year	Total OPEB Liability - Beginning	Service cost	Interest	Changes of benefit terms	Difference between expected and actual experience	Changes of Assumptions	Benefit payments	Net Change in Total OPEB Liability	Total OPEB Liability - Ending
2023	\$ 300,375	\$ 23,557	\$ 13,249	\$ --	\$ (20,464)	\$ (550)	\$ --	\$ 15,792	\$ 316,167
2022	\$ 299,606	\$ 41,829	\$ 7,477	\$ --	\$ (28,447)	\$ (20,090)	\$ --	\$ 769	\$ 300,375
2021	\$ 243,475	\$ 38,887	\$ 7,511	\$ 15,743	\$ (12,500)	\$ 6,490	\$ --	\$ 56,131	\$ 299,606
2020	\$ 175,904	\$ 29,028	\$ 7,193	\$ 35,413	\$ (13,090)	\$ 9,027	\$ --	\$ 67,571	\$ 243,475
2019	\$ 145,311	\$ 28,275	\$ 6,718	\$ --	\$ (8,165)	\$ 3,765	\$ --	\$ 30,593	\$ 175,904
2018	\$ 163,541	\$ 26,584	\$ 6,806	\$ (8,910)	\$ (44,550)	\$ 1,840	\$ --	\$ (18,230)	\$ 145,311

Year	Covered Payroll	OPEB Liability as a Percentage of Covered Payroll
2023	\$ 488,096	64.78%
2022	\$ 501,887	59.85%
2021	\$ 456,139	65.68%
2020	\$ 442,853	54.98%
2019	\$ 344,451	51.07%
2018	\$ 316,380	45.93%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

See Notes to Required Supplementary Information

WARREN HOUSING AUTHORITY

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

LAST NINE FISCAL YEARS

Measurement Period Ending June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 32,681	\$ 31,766	\$ 30,723	\$ 29,516	\$ 28,994	\$ 15,396	\$ 18,548	\$ 21,525	\$ 27,357
Interest on the total pension liability	84,240	82,609	83,657	82,018	78,038	83,774	84,711	81,795	82,524
Benefit changes	--	--	--	--	--	--	--	27,306	--
Difference between expected and actual experience	45,210	22,772	16,944	22,672	59,472	(67,431)	(3,230)	22,438	--
Assumption changes	--	--	(33,966)	--	--	69,353	--	--	4,278
Benefit payments	(115,144)	(113,489)	(112,191)	(110,613)	(109,213)	(110,865)	(111,041)	(114,354)	(127,562)
Net Change in Total Pension Liability	46,987	23,658	(14,833)	23,593	57,291	(9,773)	(11,012)	38,710	(13,403)
Total Pension Liability - Beginning	<u>1,244,653</u>	<u>1,220,995</u>	<u>1,235,828</u>	<u>1,212,235</u>	<u>1,154,944</u>	<u>1,164,717</u>	<u>1,175,729</u>	<u>1,137,019</u>	<u>1,150,422</u>
Total Pension Liability - Ending (a)	<u>\$ 1,291,640</u>	<u>\$ 1,244,653</u>	<u>\$ 1,220,995</u>	<u>\$ 1,235,828</u>	<u>\$ 1,212,235</u>	<u>\$ 1,154,944</u>	<u>\$ 1,164,717</u>	<u>\$ 1,175,729</u>	<u>\$ 1,137,019</u>
Plan Fiduciary Net Position									
Employer contributions	\$ 25,439	\$ 19,475	\$ 10,789	\$ 1,993	\$ 11,017	\$ 6,887	\$ 14,938	\$ 18,647	\$ 18,450
Employee contributions	9,284	9,038	8,667	8,302	7,361	4,406	4,955	6,124	5,466
Pension plan net investment income	(34,179)	289,040	41,379	73,496	90,833	129,039	(404)	29,413	175,337
Benefit payments	(115,144)	(113,489)	(112,191)	(110,613)	(109,213)	(110,865)	(111,041)	(114,354)	(127,562)
Pension plan administrative expense	(1,165)	(1,101)	(1,140)	(1,148)	(1,209)	(1,219)	(1,085)	(1,181)	(1,098)
Other changes in plan fiduciary net position	--	--	(1)	(2)	--	24,380	--	1	31,094
Net Change in Plan Fiduciary Net Position	(115,765)	202,963	(52,497)	(27,972)	(1,211)	52,628	(92,637)	(61,350)	101,687
Plan Fiduciary Net Position - Beginning	<u>1,336,380</u>	<u>1,133,417</u>	<u>1,185,914</u>	<u>1,213,886</u>	<u>1,215,097</u>	<u>1,162,469</u>	<u>1,255,106</u>	<u>1,316,456</u>	<u>1,214,769</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,220,615</u>	<u>\$ 1,336,380</u>	<u>\$ 1,133,417</u>	<u>\$ 1,185,914</u>	<u>\$ 1,213,886</u>	<u>\$ 1,215,097</u>	<u>\$ 1,162,469</u>	<u>\$ 1,255,106</u>	<u>\$ 1,316,456</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 71,025</u>	<u>\$ (91,727)</u>	<u>\$ 87,578</u>	<u>\$ 49,914</u>	<u>\$ (1,651)</u>	<u>\$ (60,153)</u>	<u>\$ 2,248</u>	<u>\$ (79,377)</u>	<u>\$ (179,437)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.50%	107.37%	92.83%	95.96%	100.14%	105.21%	99.81%	106.75%	115.78%
Covered Payroll	\$ 464,223	\$ 451,864	\$ 433,322	\$ 415,129	\$ 380,499	\$ 220,888	\$ 246,001	\$ 301,193	\$ 273,301
Net Pension Liability/(Asset) as a Percentage of Employee Payroll	15.30%	-20.30%	20.21%	12.02%	-0.43%	-27.23%	0.91%	-26.35%	-65.66%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

See Notes to Required Supplementary Information

WARREN HOUSING AUTHORITY

SCHEDULE OF PENSION CONTRIBUTIONS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

LAST NINE FISCAL YEARS

Measurement Period Ending June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 25,439	\$ 19,475	\$ 10,789	\$ 1,993	\$ 11,017	\$ 6,887	\$ 14,938	\$ 18,647	\$ 18,450
Contributions in relation to the actuarially determined contribution	<u>25,439</u>	<u>19,475</u>	<u>10,789</u>	<u>1,993</u>	<u>11,017</u>	<u>6,887</u>	<u>14,938</u>	<u>18,647</u>	<u>18,450</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered Employee Payroll	\$ 464,223	\$ 451,864	\$ 433,322	\$ 415,129	\$ 380,499	\$ 220,888	\$ 246,001	\$ 301,193	\$ 273,301
Contributions as a Percentage of Covered Employee Payroll	5.48%	4.31%	2.49%	0.48%	2.90%	3.12%	6.07%	6.19%	6.75%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

See Notes to Required Supplementary Information

WARREN HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2023

NOTE 1 – OTHER POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the Total OPEB Liability and Related Ratios details the Plan's other postemployment benefit liability and the covered employee payroll. It demonstrates the Plan's total liability and the Plan's liability as a percentage of covered payroll.

10-YEAR TREND INFORMATION

The Schedule of Changes in the Total OPEB Liability and Related Ratios is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

CHANGES IN BENEFIT TERMS

There were no changes in benefit terms from the prior measurement date.

CHANGES IN ASSUMPTIONS

Effective June 30, 2023;

- Discount rate is 4.13%, previously 4.09%

NOTE 2 – PENSION PLAN SCHEDULES

DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios presents multi-year trend information on the Authority's net pension liability (asset) and related ratios.

The Schedule of Contributions presents multiyear trend information for the Authority's required and actual contributions relating to the pension plan.

10-YEAR TREND INFORMATION

The Schedules of Changes in the Net Pension Liability (Asset) and Related Ratio and the Schedule of Contributions are intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

WARREN HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2023

NOTE 2 – PENSION PLAN SCHEDULES (CONTINUED)

CHANGES IN BENEFIT TERMS

There were no changes in benefit terms from the prior measurement date.

CHANGES IN ASSUMPTIONS

There were no changes in assumption from the prior measurement date.

WARREN HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE

JUNE 30, 2023

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	Total
111	Cash - Unrestricted	1,222,703	440,600	1,663,303
114	Cash - Tenant Security Deposits	72,605	--	72,605
100	Total Cash	1,295,308	440,600	1,735,908
122	Accounts Receivable - HUD Other Projects	812	19,939	20,751
125	Accounts Receivable - Miscellaneous	15,705	--	15,705
126	Accounts Receivable - Tenants	2,195	1,000	3,195
120	Total Receivables, Net of Allowances for Doubtful Accounts	18,712	20,939	39,651
142	Prepaid Expenses and Other Assets	65,327	--	65,327
150	Total Current Assets	1,379,347	461,539	1,840,886
161	Land	94,373	--	94,373
162	Buildings	5,298,389	--	5,298,389
164	Furniture, Equipment & Machinery - Administration	261,975	--	261,975
165	Leasehold Improvements	3,866,847	--	3,866,847
166	Accumulated Depreciation	(6,913,103)	--	(6,913,103)
167	Construction in Progress	450,162	--	450,162
160	Total Capital Assets, Net of Accumulated Depreciation	3,058,643	--	3,058,643
180	Total Non-Current Assets	3,058,643	--	3,058,643
200	Deferred Outflow of Resources	158,398	62,423	220,821
290	Total Assets and Deferred Outflow of Resources	4,596,388	523,962	5,120,350
321	Accrued Wage/Payroll Taxes Payable	9,936	--	9,936
322	Accrued Compensated Absences - Current Portion	23,682	--	23,682
333	Accounts Payable - Other Government	59,159	--	59,159
341	Tenant Security Deposits	72,605	--	72,605
345	Other Current Liabilities	--	2,321	2,321
310	Total Current Liabilities	165,382	2,321	167,703
354	Accrued Compensated Absences - Non Current	55,257	--	55,257
357	Accrued Pension and OPEB Liabilities	270,875	116,317	387,192
350	Total Non-Current Liabilities	326,132	116,317	442,449
300	Total Liabilities	491,514	118,638	610,152
400	Deferred Inflow of Resources	103,170	42,770	145,940
508.4	Net Investment in Capital Assets	3,058,643	--	3,058,643
512.4	Unrestricted Net Position	943,061	362,554	1,305,615

See Independent Auditors' Report

WARREN HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE

JUNE 30, 2023

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	Total
513	Total Equity - Net Assets / Position	4,001,704	362,554	4,364,258
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	4,596,388	523,962	5,120,350
70300	Net Tenant Rental Revenue	868,101	--	868,101
70500	Total Tenant Revenue	868,101	--	868,101
70600	HUD PHA Operating Grants	399,214	1,701,093	2,100,307
70610	Capital Grants	329,997	--	329,997
70700	Total Fee Revenue	--	--	--
71100	Investment Income - Unrestricted	17,814	5,526	23,340
71400	Fraud Recovery	3,432	11,864	15,296
71500	Other Revenue	12,126	43,091	55,217
70000	Total Revenue	1,630,684	1,761,574	3,392,258
91100	Administrative Salaries	141,448	100,617	242,065
91200	Auditing Fees	7,300	7,300	14,600
91500	Employee Benefit contributions - Administrative	61,948	57,384	119,332
91600	Office Expenses	59,240	38,182	97,422
91700	Legal Expense	23,896	7,185	31,081
91900	Other	13,312	22,017	35,329
91000	Total Operating - Administrative	307,144	232,685	539,829
92400	Tenant Services - Other	3,580	--	3,580
92500	Total Tenant Services	3,580	--	3,580
93100	Water	34,792	--	34,792
93200	Electricity	226,845	--	226,845
93400	Fuel	5,253	--	5,253
93000	Total Utilities	266,890	--	266,890
94100	Ordinary Maintenance and Operations - Labor	174,704	--	174,704
94200	Ordinary Maintenance and Operations - Materials and Other	56,630	--	56,630
94300	Ordinary Maintenance and Operations Contracts	92,802	--	92,802
94500	Employee Benefit Contributions - Ordinary Maintenance	109,919	--	109,919
94000	Total Maintenance	434,055	--	434,055
95000	Total Protective Services	--	--	--
96110	Property Insurance	44,336	--	44,336
96120	Liability Insurance	1,898	--	1,898
96130	Workmen's Compensation	5,452	2,894	8,346
96100	Total insurance Premiums	51,686	2,894	54,580

See Independent Auditors' Report

WARREN HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE

JUNE 30, 2023

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	Total
96210	Compensated Absences	67,560	--	67,560
96300	Payments in Lieu of Taxes	59,159	--	59,159
96400	Bad debt - Tenant Rents	1,283	--	1,283
96000	Total Other General Expenses	128,002	--	128,002
96700	Total Interest Expense and Amortization Cost	--	--	--
96900	Total Operating Expenses	1,191,357	235,579	1,426,936
97000	Excess of Operating Revenue over Operating Expenses	439,327	1,525,995	1,965,322
97300	Housing Assistance Payments	--	1,468,876	1,468,876
97350	HAP Portability-In	--	36,411	36,411
97400	Depreciation Expense	225,324	--	225,324
90000	Total Expenses	1,416,681	1,740,866	3,157,547
10010	Operating Transfer In	5,000	--	5,000
10020	Operating transfer Out	(5,000)	--	(5,000)
10100	Total Other financing Sources (Uses)	--	--	--
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	214,003	20,708	234,711
11030	Beginning Equity	3,787,701	341,846	4,129,547
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	--	--	--
11170	Administrative Fee Equity	--	352,061	352,061
11190	Unit Months Available	1,836	1,983	3,819
11210	Number of Unit Months Leased	1,817	1,983	3,800
11620	Building Purchases	329,997	--	329,997

See Independent Auditors' Report

WARREN HOUSING AUTHORITY

STATEMENT OF ACTUAL MODERNIZATION COSTS

FOR THE YEAR ENDED JUNE 30, 2023

Project:	RI01P022501-20
Modernization Funds Approved	\$ 253,898
Modernization Funds Expended	<u>253,898</u>
Excess of Modernization Funds Approved	<u>\$ --</u>
Modernization Funds Advanced	\$ 253,898
Modernization Funds Expended	<u>253,898</u>
Excess of Modernization Funds Advanced	<u>\$ --</u>

Based on our review of the completed projects:

- 1) All work in connection with the projects is complete.
- 2) All liabilities have been incurred and discharged through payment.

See Independent Auditors' Report

WARREN HOUSING AUTHORITY

STATEMENT OF ACTUAL MODERNIZATION COSTS – UNCOMPLETED

FOR THE YEAR ENDED JUNE 30, 2023

Project:	RI01P022501-21	RI01P022501-22
Modernization Funds Approved	\$ 266,071	\$ 324,400
Modernization Funds Expended	<u>247,471</u>	<u>135,133</u>
Excess of Modernization Funds Approved	<u>\$ 18,600</u>	<u>\$ 189,267</u>
Modernization Funds Advanced	\$ 247,471	\$ 135,133
Modernization Funds Expended	<u>247,471</u>	<u>135,133</u>
Excess of Modernization Funds Advanced	<u>\$ --</u>	<u>\$ --</u>

See Independent Auditors' Report

WARREN HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
Department of Housing & Urban Development (HUD)				
Housing Voucher Cluster				
Housing Choice Vouchers	14.871	--	\$ --	\$ 1,701,093
Total Housing Voucher Cluster			--	1,701,093
Public and Indian Housing	14.850	--	--	394,214
Public Housing Capital Fund (CFP)	14.872	--	--	334,997
Total Department of Housing & Urban Development			--	2,430,304
Total Expenditures of Federal Awards			\$ --	\$ 2,430,304

See Notes to the Schedule of Expenditures of Federal Awards

WARREN HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Warren Housing Authority, under programs of the federal government for the year ended June 30, 2023. 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 Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Warren Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of Warren Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. For cost-reimbursement awards, 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. For performance-based awards, expenditures reported represent amounts earned.

NOTE 3 – INDIRECT COST RATE

The Warren Housing Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To The Board of Commissioners
Warren Housing Authority
Warren, Rhode Island

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Warren Housing Authority as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Warren Housing Authority's basic financial statements, and have issued our report thereon dated January 18, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Warren Housing Authority's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Warren Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Warren Housing 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 Warren Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Warren Housing Authority's financial statements are free of 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 Warren Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Warren Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Boston, Massachusetts
January 18, 2024

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

To The Board of Commissioners
Warren Housing Authority
Warren, Rhode Island

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Warren Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Warren Housing Authority's major federal program for the year ended June 30, 2023. The Warren Housing Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Warren Housing 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Marcum LLP

Boston, Massachusetts
January 18, 2024

WARREN HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

FEDERAL AWARDS

Internal control over the major federal program:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditors' report issued on compliance for the major federal program: *Unmodified Opinion*

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

Identification of the major federal program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
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14.871	Housing Voucher Cluster
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Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

WARREN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II - FINANCIAL STATEMENTS FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No prior audit findings.

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

To The Board of Commissioners
Warren Housing Authority
Warren, Rhode Island

We have performed the procedure described in the second paragraph of this report, which was agreed to by the Warren Housing Authority (the Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the audit reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of the Authority and REAC. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

<u>PROCEDURE</u>	<u>UFRS RULE INFORMATION</u>	<u>HARD COPY DOCUMENTS</u>	<u>FINDINGS</u>
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees

<u>PROCEDURE</u>	<u>UFRS RULE INFORMATION</u>	<u>HARD COPY DOCUMENTS</u>	<u>FINDINGS</u>
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column in the agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance)*, by the Authority as of and for the year ended June 30, 2023 and have issued our reports thereon dated January 18, 2024. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Authority's supplementary information dated January 18, 2024, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package required by the OMB Uniform Guidance, which includes the auditors' reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Boston, Massachusetts
January 18, 2024

January 18, 2024

Members of the Board of Commissioners
Warren Housing Authority
20 Libby Lane
Warren, RI 02885

We have audited the financial statements of the business-type activities of Warren Housing Authority for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and the Uniform Guidance

As stated in our engagement letter dated July 18, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider Warren Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether Warren Housing Authority's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about Warren Housing Authority's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on Warren Housing Authority's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on Warren Housing Authority's compliance with those requirements

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management's Discussion and analysis, which supplements the basic financial statements, was to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental financial data schedule, statement of actual modernization costs, and the schedule of expenditures of federal awards which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management Override of Internal Controls
- Improper Revenue Recognition

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Warren Housing Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of

existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by Warren Housing Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the OPEB and pension liabilities are based on actuarial valuations prepared to calculate the Authority's liability. We evaluated the key factors and assumptions used to develop the OPEB and pension liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Independence

During the year ended June 30, 2023, we were engaged to provide financial statement preparation, assist with the preparation of the data collection form, and assist with the REAC Agreed-Upon Procedures. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the

financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Warren Housing Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Warren Housing Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our procedures, we noted that the Authority has not performed a formal security training to employees within the last year. Industry best practices recommend that employers provide for formal IT security training on at least an annual basis. We recommend that the Authority implement or provide for a means for formal IT security training at least annually to all employees to reduce and/or mitigate potential future cybersecurity risks.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Changes in the Net Pension Liability, and Schedule of Pension Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary financial data schedule, statement of actual modernization costs, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally

accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Commissioners and management of Warren Housing Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Marcum LLP

Marcum LLP