

WARREN HOUSING AUTHORITY
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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 financial statements of the business-type activities of the Warren Housing Authority (the "Entity"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Entity'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 respective financial position of the business-type activities of the Entity, as of June 30, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Entity 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 Entity's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Entity'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 Entity'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 43 through 47, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Entity's basic financial statements. The supplementary information on pages 48 through 52, 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information on pages 48 through 52, 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 also issued our report dated February 27, 2025 on our consideration of the Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, MA
February 27, 2025

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2024

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, 2024, 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, 2024, with comparative data for the year ended June 30, 2023. 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, 2024 by \$4,464,810 (net position), representing an increase of \$100,552 from the prior year.
- Total revenues increased by \$333,448 from the prior year, while total expenses increased by \$467,607.
- The Authority's current ratio that measures liquidity decreased during the year from 10.98 to 8.49.

WARREN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2024

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, 2024

FINANCIAL ANALYSIS

Summary of Net Position

Presented below is the Authority’s condensed summary of net position at June 30, 2024 compared to June 30, 2023. 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, 2024 and 2023

	2024	2023	Change	% Change
Current Assets	\$ 1,995,647	\$ 1,840,886	\$ 154,761	8.41%
Capital Assets	3,071,780	3,058,643	13,137	0.43%
Total Assets	5,067,427	4,899,529	167,898	3.43%
Deferred Outflows of Resources	182,467	220,821	(38,354)	-17.37%
Current Liabilities	234,988	167,703	67,285	40.12%
Noncurrent Liabilities	428,848	442,449	(13,601)	-3.07%
Total Liabilities	663,836	610,152	53,684	8.80%
Deferred Inflows of Resources	121,248	145,940	(24,692)	-16.92%
Investment in capital assets	3,071,780	3,058,643	13,137	0.43%
Unrestricted	1,393,030	1,305,615	87,415	6.70%
Total Net Position	\$ 4,464,810	\$ 4,364,258	\$ 100,552	2.30%

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2024

Total assets of the Authority at June 30, 2024 and 2023 were \$5,067,427 and \$4,899,529, respectively, a change of 3.43%. The significant components of current assets are cash and receivables. The significant components of noncurrent assets are capital assets. 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, 2024 and 2023 were \$663,836 and \$610,152, respectively, a change of 8.80%. 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 2024, the Authority's deferred outflows decreased by \$38,354 and deferred inflows decreased by \$24,692. 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 \$87,415, or 6.70%, for the fiscal year.

WARREN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2024

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, 2024 compared to the year ended June 30, 2023. 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, 2024 and 2023

	2024	2023	Change	% Change
Revenue				
Operating Revenues	\$ 3,452,369	\$ 3,002,510	\$ 449,859	14.98%
Non-operating Revenues	236,926	353,337	(116,411)	-32.95%
Total Revenues	3,689,295	3,355,847	333,448	9.94%
Expenses				
Housing assistance payments	1,787,209	1,468,876	318,333	21.67%
Administration	579,475	539,829	39,646	7.34%
Repair and maintenance	462,524	434,055	28,469	6.56%
Utilities	339,067	266,890	72,177	27.04%
Depreciation expense	225,103	225,324	(221)	-0.10%
Other general expenses	134,161	128,002	6,159	4.81%
Insurance expense	59,363	54,580	4,783	8.76%
Tenant services	1,841	3,580	(1,739)	-48.58%
Total Expenses	3,588,743	3,121,136	467,607	14.98%
Change in Net Position	100,552	234,711	(134,159)	-57.16%
Net Position - Beginning of Year	4,364,258	4,129,547	234,711	5.68%
Net Position - End of Year	\$ 4,464,810	\$ 4,364,258	\$ 100,552	2.30%

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2024

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, 2023 to June 30, 2024 include the following:

- Operating revenues increased by \$449,859, or 14.98%, due to an increase in funding for the Housing Choice Voucher Program. This was used to offset an increase in housing assistance payments expense during the year. In addition, there was an increase in tenant rent revenues.
- Nonoperating revenues decreased by \$116,411, or 32.95%, due to the timing of capital projects funded through the Public Housing Capital Fund Program.
- Housing assistance payments increased by \$318,333, or 21.67%, due to increases in contract rents in the Town of Warren.
- Administrative expenses increased by \$39,646, or 7.34%, due to an increase in employee salaries and benefits. Employee benefits expense can fluctuate based on the amount of pension and OPEB expense recognized during the year. These expenses can fluctuate from year to year based on the results of the actuarial valuations.
- Utilities increased by \$72,177, or 27.04%, due to increases in electric utility rates.

WARREN HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, capital assets, net of accumulated depreciation was \$3,071,780 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, 2023 to June 30, 2024:

CAPITAL ASSET ANALYSIS June 30, 2024 and 2023

	2024	2023	Change	% Change
Land	\$ 94,373	\$ 94,373	\$ --	0.00%
Buildings	5,936,085	5,298,389	637,696	12.04%
Furniture and equipment	266,942	261,975	4,967	1.90%
Leasehold improvements	3,866,847	3,866,847	--	0.00%
Construction in progress	--	450,162	(450,162)	-100.00%
Total capital assets	10,164,247	9,971,746	192,501	1.93%
Accumulated depreciation	(7,092,467)	(6,913,103)	(179,364)	2.59%
Capital assets, net of accumulated depreciation	<u>\$ 3,071,780</u>	<u>\$ 3,058,643</u>	<u>\$ 13,137</u>	0.43%

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, 2024

Long-Term Debt

At June 30, 2024, 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, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,806,544
Restricted cash	77,316
Accounts receivable, net	43,084
Prepaid expenses and other current assets	<u>68,703</u>
Total Current Assets	<u>1,995,647</u>

Noncurrent Assets

Capital assets, non-depreciable	94,373
Capital assets, net of accumulated depreciation	<u>2,977,407</u>
Total Noncurrent Assets	<u>3,071,780</u>

TOTAL ASSETS 5,067,427

DEFERRED OUTFLOWS OF RESOURCES 182,467

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

WARREN HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2024

LIABILITIES

Current Liabilities

Accounts payable	\$	20,207
Accounts payable, other government		62,329
Accrued wages and current portion of compensated absences		34,293
Other current liabilities		16,106
Unearned revenue		24,737
Tenant security deposits		77,316
Total Current Liabilities		234,988

Noncurrent Liabilities

Accrued compensated absences, net of current portion		55,665
Net pension liability		57,905
OPEB liability		315,278
Total Noncurrent Liabilities		428,848

TOTAL LIABILITIES		663,836
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DEFERRED INFLOWS OF RESOURCES		121,248
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NET POSITION

Investment in capital assets		3,071,780
Unrestricted		1,393,030

TOTAL NET POSITION		\$ 4,464,810
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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, 2024

OPERATING REVENUES

HUD grants	\$ 2,439,751
Tenant rental income	962,357
Other revenue	41,803
Gain on sale of capital assets	8,458
Total Operating Revenues	<u>3,452,369</u>

OPERATING EXPENSES

Housing assistance payments	1,787,209
Administration	579,475
Repair and maintenance	462,524
Utilities	339,067
Depreciation expense	225,103
Other general expenses	134,161
Insurance expense	59,363
Tenant services	1,841
Total Operating Expenses	<u>3,588,743</u>

Operating Loss (136,374)

NONOPERATING REVENUES

Interest and investment revenue	<u>49,392</u>
Total Nonoperating Revenues	<u>49,392</u>

Loss before Capital Grants (86,982)

CAPITAL GRANTS

HUD capital grants	<u>187,534</u>
Total Capital Grants	<u>187,534</u>

Change in Net Position 100,552

Net Position, Beginning of Year 4,364,258

Net Position, End of Year \$ 4,464,810

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

WARREN HOUSING AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

HUD grants	\$ 2,459,923
Receipts from tenants	996,543
Other operating receipts	13,028
Payments to employees	(753,960)
Payments to suppliers	(787,517)
Payments to landlords	<u>(1,787,209)</u>
Net cash provided by operating activities	<u>140,808</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

HUD capital grants	187,534
Proceeds from sale of capital assets	8,458
Acquisitions of capital assets	<u>(238,240)</u>
Net cash used in capital and related financing activities	<u>(42,248)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	<u>49,392</u>
Net cash provided by investing activities	<u>49,392</u>

Net increase in cash, cash equivalents and restricted cash 147,952

Cash, cash equivalents and restricted cash, beginning of year 1,735,908

Cash, cash equivalents and restricted cash, end of year \$ 1,883,860

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, 2024

Reconciliation of operating loss to net cash provided by operating activities:	
Operating Loss	\$ (136,374)
Adjustments:	
Depreciation	225,103
Gain on sale of capital assets	(8,458)
Change in assets and liabilities:	
(Increase) decrease in accounts receivable, tenants	2,887
(Increase) decrease in accounts receivable, other	(1,755)
(Increase) decrease in accounts receivable, HUD	(4,565)
(Increase) decrease in prepaid expenses and other current assets	(3,376)
(Decrease) increase in accounts payable	20,207
(Decrease) increase in accounts payable, other government	3,170
(Decrease) increase in compensated absences and accrued wages	1,083
(Decrease) increase in pension, OPEB liabilities, and deferred inflow/outflows of resources	(347)
(Decrease) increase in accrued expenses and other current liabilities	13,785
(Decrease) increase in tenant security deposits	4,711
(Decrease) increase in unearned operating revenue	24,737
Net cash provided by operating activities	<u>\$ 140,808</u>
 Cash, cash equivalents and restricted cash per Statement of Net Position:	
Cash and cash equivalents	\$ 1,806,544
Restricted cash - current	<u>77,316</u>
Total cash, cash equivalents and restricted cash per Statement of Net Position	<u><u>\$ 1,883,860</u></u>

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

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024

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, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING STANDARDS ADOPTED

During 2024, the Authority adopted GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, which did not impact the Authority's financial statements.

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, 2024

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 2024.

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, 2024 aggregated \$79,521.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The Authority routinely engages in subscription-based information technology arrangements (SBITA) to meet operating needs. A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Authority assessed that there were no material SBITAs requiring recognition or disclosure in the financial statements for the year ended June 30, 2024.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2024

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, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Related to Pensions	\$ 182,467	\$ 121,248

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 February 27, 2025, 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, 2024

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, 2024, the investment in capital assets was \$3,071,780.

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, 2024, 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, 2024, unrestricted net position was \$1,393,030.

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. Management believes that no significant risk exists with respect to cash balances as of June 30, 2024.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 5 – RESTRICTED CASH

The Authority's restricted cash balance consists of funds designated for tenant security deposits. These amounts support a corresponding liability. At June 30, 2024, restricted cash was \$77,316.

NOTE 6 – ACCOUNTS RECEIVABLE

The following is a listing of receivables for the Authority including the applicable allowances for uncollectible accounts at June 30, 2024.

<u>Category of Receivable</u>	<u>Amount</u>
HUD	\$ 25,316
PHA Projects	614
Miscellaneous	16,846
Tenants	<u>308</u>
Net Receivables	<u>\$ 43,084</u>

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7 – CAPITAL ASSETS

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

	July 1, 2023	Increases	Decreases	June 30, 2024
Capital assets not being depreciated				
Land	\$ 94,373	\$ --	\$ --	\$ 94,373
Construction in progress	<u>450,162</u>	<u>187,534</u>	<u>(637,696)</u>	<u>--</u>
Total capital assets not being depreciated	<u>544,535</u>	<u>187,534</u>	<u>(637,696)</u>	<u>94,373</u>
Capital assets being depreciated				
Buildings	5,298,389	637,696	--	5,936,085
Leasehold improvements	3,866,847	--	--	3,866,847
Furniture, equipment & machinery	<u>261,975</u>	<u>50,706</u>	<u>(45,739)</u>	<u>266,942</u>
Total capital assets being depreciated	<u>9,427,211</u>	<u>688,402</u>	<u>(45,739)</u>	<u>10,069,874</u>
Less accumulated depreciation				
Buildings	6,738,606	201,646	--	6,940,252
Furniture, equipment & machinery	<u>174,497</u>	<u>23,457</u>	<u>(45,739)</u>	<u>152,215</u>
Total accumulated depreciation	<u>6,913,103</u>	<u>225,103</u>	<u>(45,739)</u>	<u>7,092,467</u>
Capital Assets Net	<u>\$ 3,058,643</u>	<u>\$ 650,833</u>	<u>\$ (637,696)</u>	<u>\$ 3,071,780</u>
Depreciation expense was charged to:				
Federal Public Housing		<u>\$ 225,103</u>		

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2024 is as follows:

	July 1, 2023	Additions	Reductions	June 30, 2024	Amount due within one year
Compensated Absences	\$ 78,939	\$ 71,020	\$ (70,438)	\$ 79,521	\$ 23,856
Net Pension Liability	71,025	123,367	(136,487)	57,905	--
OPEB Liability	<u>316,167</u>	<u>47,114</u>	<u>(48,003)</u>	<u>315,278</u>	<u>--</u>
Total	<u>\$ 466,131</u>	<u>\$ 241,501</u>	<u>\$ (254,928)</u>	<u>\$ 452,704</u>	<u>\$ 23,856</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, 2024 aggregated \$63,291.

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, 2024

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. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Monthly benefits are based on one-twelfth of this amount.

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).

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2024

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).

Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

a. 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%

b. 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 \$27,608 for 2021, \$27,901 for 2022 and \$28,878 for 2023.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

PLAN MEMBERSHIP

At the June 30, 2023 valuation date, there are three inactive, five retirees and beneficiaries and eight active employees enrolled in the plan.

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 contributed \$29,098 in the year ended June 30, 2023 which was 6.37% of annual covered payroll.

NET PENSION LIABILITY

The total pension liability was determined by actuarial valuations performed as of June 30, 2022 and rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2023 measurement date (June 30, 2022 valuation rolled forward to June 30, 2023)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.25% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2023 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System’s Board on May 17, 2023.

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 42 sources. The June 30, 2023 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity		
US Equity	25.10%	6.46%
International Developed Equity	10.70%	6.91%
Emerging Markets Equity	4.20%	8.92%
<i>Subtotal</i>	40.00%	
Private Growth		
Private Equity	12.50%	10.30%
Non-Core Real Estate	2.50%	5.01%
<i>Subtotal</i>	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	6.20%
Liquid Credit	5.00%	4.56%
Private Credit	3.00%	4.56%
CLO's	2.00%	4.56%
<i>Subtotal</i>	12.00%	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	5.00%	0.76%
Systematic Trend	5.00%	4.07%
<i>Subtotal</i>	10.00%	
Inflation Protection		
Core Real Estate	4.00%	5.01%
Private Infrastructure	4.00%	5.91%
<i>Subtotal</i>	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	2.46%
Securitized Credit	3.25%	2.46%
Absolute Return	6.50%	4.07%
Cash	2.00%	0.76%
<i>Subtotal</i>	15.00%	
Total	100.00%	

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

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 an arithmetic basis.

DISCOUNT RATE

The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)			
	Total Liability	Pension	Plan Fiduciary Net Position	Net Liability
Balance at 07/01/2022	\$ 1,291,640		\$ 1,220,615	\$ 71,025
Changes for the year:				
Service cost		32,693	--	32,693
Interest		87,420	--	87,420
Differences between expected and actual experience		14,981	--	14,981
Assumption changes		(12,784)	--	(12,784)
Contributions - employer		--	29,098	(29,098)
Contributions - employee		--	9,194	(9,194)
Net investment income		--	98,195	(98,195)
Benefit payments		(118,256)	(118,256)	--
Administrative expense		--	(1,057)	1,057
Other changes		--	--	--
Net changes		<u>4,054</u>	<u>17,174</u>	<u>(13,120)</u>
Balance at 06/30/2023	<u>\$ 1,295,694</u>		<u>\$ 1,237,789</u>	<u>\$ 57,905</u>

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 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>\$ 185,896</u>	<u>\$ 57,905</u>	<u>\$ (58,393)</u>

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

For the year ended June 30, 2024, the employer recognized pension expense of \$29,411. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,247	\$ --
Changes of assumptions	--	23,693
Net difference between projected and actual earnings on pension plan investments	82,591	97,555
Contributions subsequent to the measurement date	<u>31,629</u>	<u>--</u>
Total	<u>\$ 182,467</u>	<u>\$ 121,248</u>

\$31,629 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 – AGENT DEFINED BENEFIT PENSION PLAN (CONTINUED)

PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES (CONTINUED)

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Deferred (Inflows) of Resources	Outflows of Resources
2025	\$	(1,544)
2026		(11,138)
2027		31,099
2028		6,501
2029		4,672
Thereafter		<u> --</u>
Total	<u>\$</u>	<u>29,590</u>

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.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

PLAN MEMBERSHIP

At June 30, 2024, there are 7 active employees and - retired employees enrolled in the plan.

TOTAL OPEB LIABILITY

The Authority's total OPEB liability of \$315,278 was determined using the alternative measurement method based on a calculation as of June 30, 2024.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

	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:
Cost Method	<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	4.21% based on the S&P Municipal Bond 20-Year High Grade Rate Index
Discount Rate	4.21%
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
Post-Retirement Mortality	RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2016.
Mortality Experience Study	The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.
Healthcare Trend	8.00% for FY 2025 then increasing at a decreasing rate from 8.00% 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 1.8% with 20 years of service. This is based on the RI MERS actuarial valuation as of June 30, 2023.
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, 2024

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

CHANGES IN THE TOTAL OPEB LIABILITY

Balance at beginning of year	\$	316,167
Changes for the year:		
Service cost		23,953
Interest		14,047
Difference between expected and actual experience		(48,003)
Changes of Assumptions		9,114
Net changes		(889)
Balance at end of year	\$	<u>315,278</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 4.21% 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 3.21%	Current Discount 4.21%	1% Increase 5.21%
Total OPEB liability	<u>\$ 327,981</u>	<u>\$ 315,278</u>	<u>\$ 303,431</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 6.00%	Current Trend 7.00%	1% Increase 8.00%
Total OPEB liability	<u>\$ 300,862</u>	<u>\$ 315,278</u>	<u>\$ 331,752</u>

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, the Authority recognized OPEB expenses of \$889. At June 30, 2024, the Authority did not have any deferred outflow or inflows related to OPEB.

NOTE 12 – DEFINED CONTRIBUTION PLAN

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% to 1.5% depending on years of service of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The Authority recognized pension expense of \$5,239, for the fiscal year ended June 30, 2024.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

WARREN HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 SEVEN 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
2024	\$ 316,167	\$ 23,953	\$ 14,047	\$ --	\$ (48,003)	\$ 9,114	\$ --	\$ (889)	\$ 315,278
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
2024	\$ 509,213	61.91%
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 TEN FISCAL YEARS

Measurement Period Ending June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 32,693	\$ 32,681	\$ 31,766	\$ 30,723	\$ 29,516	\$ 28,994	\$ 15,396	\$ 18,548	\$ 21,525	\$ 27,357
Interest on the total pension liability	87,420	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	14,981	45,210	22,772	16,944	22,672	59,472	(67,431)	(3,230)	22,438	--
Assumption changes	(12,784)	--	--	(33,966)	--	--	69,353	--	--	4,278
Benefit payments	(118,256)	(115,144)	(113,489)	(112,191)	(110,613)	(109,213)	(110,865)	(111,041)	(114,354)	(127,562)
Net Change in Total Pension Liability	4,054	46,987	23,658	(14,833)	23,593	57,291	(9,773)	(11,012)	38,710	(13,403)
Total Pension Liability - Beginning	<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>	<u>1,150,422</u>
Total Pension Liability - Ending (a)	<u>\$ 1,295,694</u>	<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	\$ 29,098	\$ 25,439	\$ 19,475	\$ 10,789	\$ 1,993	\$ 11,017	\$ 6,887	\$ 14,938	\$ 18,647	\$ 18,450
Employee contributions	9,194	9,284	9,038	8,667	8,302	7,361	4,406	4,955	6,124	5,466
Pension plan net investment income	98,195	(34,179)	289,040	41,379	73,496	90,833	129,039	(404)	29,413	175,337
Benefit payments	(118,256)	(115,144)	(113,489)	(112,191)	(110,613)	(109,213)	(110,865)	(111,041)	(114,354)	(127,562)
Pension plan administrative expense	(1,057)	(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	17,174	(115,765)	202,963	(52,497)	(27,972)	(1,211)	52,628	(92,637)	(61,350)	101,687
Plan Fiduciary Net Position - Beginning	<u>1,220,615</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>	<u>1,214,769</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,237,789</u>	<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>\$ 57,905</u>	<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	95.53%	94.50%	107.37%	92.83%	95.96%	100.14%	105.21%	99.81%	106.75%	115.78%
Covered Payroll	\$ 456,606	\$ 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	12.68%	15.30%	-20.30%	20.21%	12.02%	-0.43%	-27.23%	0.91%	-26.35%	-65.66%

See Notes to Required Supplementary Information

WARREN HOUSING AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

LAST TEN FISCAL YEARS

Measurement Period Ending June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 29,098	\$ 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>29,098</u>	<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>	<u>\$ --</u>
Covered Employee Payroll	\$ 456,606	\$ 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	6.37%	5.48%	4.31%	2.49%	0.48%	2.90%	3.12%	6.07%	6.19%	6.75%

See Notes to Required Supplementary Information

WARREN HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

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, 2024;

- Discount rate is 4.21%, previously 4.13%

NOTE 2 – PENSION PLAN SCHEDULES

DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of the Proportionate Share of the Net Pension Liability presents multi-year trend information on the Authority's share of the Net Pension Liability 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 the Proportionate Share of the Net Pension Liability and the Schedule of Contributions are intended to present information for 10 years.

WARREN HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2024

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, 2024

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	Total
111	Cash - Unrestricted	1,347,202	459,342	1,806,544
114	Cash - Tenant Security Deposits	77,316	--	77,316
100	Total Cash	1,424,518	459,342	1,883,860
121	Accounts Receivable - PHA Projects	--	614	614
122	Accounts Receivable - HUD Other Projects	--	25,316	25,316
125	Accounts Receivable - Miscellaneous	16,846	--	16,846
126	Accounts Receivable - Tenants	308	--	308
120	Total Receivables, Net of Allowances for Doubtful Accounts	17,154	25,930	43,084
142	Prepaid Expenses and Other Assets	67,703	1,000	68,703
150	Total Current Assets	1,509,375	486,272	1,995,647
161	Land	94,373	--	94,373
162	Buildings	5,936,085	--	5,936,085
164	Furniture, Equipment & Machinery - Administration	266,942	--	266,942
165	Leasehold Improvements	3,866,847	--	3,866,847
166	Accumulated Depreciation	(7,092,467)	--	(7,092,467)
160	Total Capital Assets, Net of Accumulated Depreciation	3,071,780	--	3,071,780
180	Total Non-Current Assets	3,071,780	--	3,071,780
200	Deferred Outflow of Resources	131,566	50,901	182,467
290	Total Assets and Deferred Outflow of Resources	4,712,721	537,173	5,249,894
312	Accounts Payable <= 90 Days	18,267	1,940	20,207
321	Accrued Wage/Payroll Taxes Payable	10,437	--	10,437
322	Accrued Compensated Absences - Current Portion	23,856	--	23,856
333	Accounts Payable - Other Government	62,329	--	62,329
341	Tenant Security Deposits	77,316	--	77,316
342	Unearned Revenue	24,737	--	24,737
345	Other Current Liabilities	16,106	--	16,106
310	Total Current Liabilities	233,048	1,940	234,988
354	Accrued Compensated Absences - Non Current	55,665	--	55,665
357	Accrued Pension and OPEB Liabilities	261,074	112,109	373,183
350	Total Non-Current Liabilities	316,739	112,109	428,848
300	Total Liabilities	549,787	114,049	663,836
400	Deferred Inflow of Resources	85,896	35,352	121,248

WARREN HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE

JUNE 30, 2024

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	Total
508.4	Net Investment in Capital Assets	3,071,780	--	3,071,780
512.4	Unrestricted Net Position	1,005,258	387,772	1,393,030
513	Total Equity - Net Assets / Position	4,077,038	387,772	4,464,810
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	4,712,721	537,173	5,249,894
70300	Net Tenant Rental Revenue	962,357	--	962,357
70500	Total Tenant Revenue	962,357	--	962,357
70600	HUD PHA Operating Grants	406,992	2,032,759	2,439,751
70610	Capital Grants	187,534	--	187,534
70700	Total Fee Revenue	--	--	--
71100	Investment Income - Unrestricted	38,966	10,426	49,392
71300	Proceeds from Disposition of Assets Held for Sale	8,458	--	8,458
71400	Fraud Recovery	12,006	15,014	27,020
71500	Other Revenue	10,463	57,963	68,426
70000	Total Revenue	1,626,776	2,116,162	3,742,938
91100	Administrative Salaries	148,683	105,844	254,527
91200	Auditing Fees	7,600	7,600	15,200
91500	Employee Benefit contributions - Administrative	78,719	57,735	136,454
91600	Office Expenses	36,738	22,995	59,733
91700	Legal Expense	21,680	6,385	28,065
91800	Travel	2,527	863	3,390
91900	Other	36,766	45,340	82,106
91000	Total Operating - Administrative	332,713	246,762	579,475
92400	Tenant Services - Other	1,841	--	1,841
92500	Total Tenant Services	1,841	--	1,841
93100	Water	37,233	--	37,233
93200	Electricity	295,731	--	295,731
93400	Fuel	6,103	--	6,103
93000	Total Utilities	339,067	--	339,067
94100	Ordinary Maintenance and Operations - Labor	193,571	--	193,571
94200	Ordinary Maintenance and Operations - Materials and Other	62,384	--	62,384
94300	Ordinary Maintenance and Operations Contracts	106,863	--	106,863
94500	Employee Benefit Contributions - Ordinary Maintenance	99,706	--	99,706
94000	Total Maintenance	462,524	--	462,524
95000	Total Protective Services	--	--	--

WARREN HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE

JUNE 30, 2024

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	Total
96110	Property Insurance	48,311	--	48,311
96120	Liability Insurance	2,781	1,854	4,635
96130	Workmen's Compensation	4,941	1,476	6,417
96100	Total insurance Premiums	56,033	3,330	59,363
96210	Compensated Absences	70,438	--	70,438
96300	Payments in Lieu of Taxes	63,291	--	63,291
96400	Bad debt - Tenant Rents	432	--	432
96000	Total Other General Expenses	134,161	--	134,161
96700	Total Interest Expense and Amortization Cost	--	--	--
96900	Total Operating Expenses	1,326,339	250,092	1,576,431
97000	Excess of Operating Revenue over Operating Expenses	300,437	1,866,070	2,166,507
97300	Housing Assistance Payments	--	1,787,209	1,787,209
97350	HAP Portability-In	--	53,643	53,643
97400	Depreciation Expense	225,103	--	225,103
90000	Total Expenses	1,551,442	2,090,944	3,642,386
10010	Operating Transfer In	2,382	--	2,382
10020	Operating transfer Out	(2,382)	--	(2,382)
10100	Total Other financing Sources (Uses)	--	--	--
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	75,334	25,218	100,552
11030	Beginning Equity	4,001,704	362,554	4,364,258
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	--	--	--
11190	Unit Months Available	1,836	1,928	3,764
11210	Number of Unit Months Leased	1,810	1,928	3,738

WARREN HOUSING AUTHORITY
SCHEDULE OF ACTUAL MODERNIZATION COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Project:	RI01P022501-21
Modernization Funds Approved	\$ 267,292
Modernization Funds Expended	<u>267,292</u>
Excess of Modernization Funds Approved	<u>\$ --</u>
Modernization Funds Advanced	\$ 267,292
Modernization Funds Expended	<u>267,292</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

SCHEDULE OF ACTUAL MODERNIZATION COSTS – UNCOMPLETED

FOR THE YEAR ENDED JUNE 30, 2024

Project:	RI01P022501-22	RI01P022501-23
Modernization Funds Approved	\$ 325,561	\$ 319,101
Modernization Funds Expended	<u>305,228</u>	<u>--</u>
Excess of Modernization Funds Approved	<u>\$ 20,333</u>	<u>\$ 319,101</u>
Modernization Funds Advanced	\$ 305,228	\$ --
Modernization Funds Expended	<u>305,228</u>	<u>--</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, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through		Total Federal Expenditures
		Entity Identifying Number	Provided to recipients	
Department of Housing & Urban Development (HUD)				
Housing Voucher Cluster				
Housing Choice Vouchers	14.871	--	\$ --	\$ 2,032,759
Total Housing Voucher Cluster			--	<u>2,032,759</u>
Public and Indian Housing	14.850	--	--	404,610
Public Housing Capital Fund (CFP)	14.872	--	--	<u>189,916</u>
Total Department of Housing & Urban Development			--	<u>2,627,285</u>
Total Expenditures of Federal Awards			\$ --	<u><u>\$ 2,627,285</u></u>

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, 2024

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, 2024. 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 in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the 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*"), the financial statements of the business-type activities of Warren Housing Authority (the "Entity"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements, and have issued our report thereon dated **February 27, 2025**.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, MA
February 27, 2025

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 Warren Housing Authority (the "Entity")'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 Entity's major federal programs for the year ended June 30, 2024. The Entity's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Entity 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, 2024.

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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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 "Auditors' Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Entity 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Entity'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 Entity's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Entity'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 GAAS, *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 Entity's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Entity'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 Entity'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 Entity'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.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, MA
February 27, 2025

WARREN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

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 procedures described in the second paragraph, 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), solely to assist them in determining whether the electronic submission of certain information that was included with the related hard copy documents within the OMB Uniform Guidance reporting package. The Warren Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. 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 "*UFRS Rule Information*" column with the corresponding printed documents listed in the "*Hard Copy Documents*" column. The results of the performance of our agreed-upon procedures indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in attached the chart.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) for the Authority as of and for the year ended June 30, 2024 and have issued our reports thereon dated February 27, 2025. 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 supplementary information dated February 27, 2025, 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.

This report is intended solely for the information and use of the Authority and U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, MA
February 27, 2025

Attachment to *Independent Accountants' Report on Applying Agreed-Upon Procedures*

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	FINDING
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, If applicable	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
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