

LANCASTER COUNTY HOUSING AUTHORITY
Lancaster, Pennsylvania

COMPARATIVE FINANCIAL STATEMENTS
December 31, 2024 and 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Lancaster County Housing Authority

As Management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this Report.

A - Financial Highlights

1 - The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,238,531 (net position) as opposed to \$892,148 for the prior fiscal year.

2 - As of the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Position of \$149,973 as opposed to \$343,225 in the prior fiscal year.

3 - The Authority's cash and cash equivalent balance at December 31, 2024 was \$2,300,945 (excluding FSS deposits) representing an increase of \$1,433,685 from the prior fiscal year primarily due to the expenditure of deferred revenues received for the Emergency Rental Assistance Program.

4 - The Authority had Total Operating Revenues of \$10,158,716 and total Operating Expenses of \$9,913,885 for the year ended December 31, 2024.

5 - The Authority had no capital outlays for the fiscal year ended December 31, 2024.

6 - The Authority's Expenditures of Federal Awards amounted to \$9,861,075 for the fiscal year.

B - Using the Annual Report

1 - Management's Discussion and Analysis

The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's statements and Notes to Financial Statements included in this Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

2 – Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of Comparative Statements of Net Position, Comparative Statements of Revenues, Expenses and Changes in Net Position and Comparative Statements of Cash Flows.

The Comparative Statements of Net Position present information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Comparative Statements of Revenues, Expenses and Changes in Net Position present information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g.; depreciation and earned but unused vacation leave).

The financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 8 through 10.

3 – Notes to Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The Notes to Financial Statements can be found in this Report after the financial statements.

4 – Supplemental Information

The Schedule of Expenditures of Federal awards is presented for purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards. The Schedule of Expenditures of Federal Awards can be found on page 21 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

C – The Authority as a Whole

The Authority's Net Position increased by \$346,383 during the fiscal year. The Authority's revenues are primarily subsidies and grants from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn received based on need against a pre-authorized funding level.

D – Budgetary Highlights

For the year ended December 31, 2024, individual program or grant budgets were prepared by the Authority and were approved by the Board of Directors. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

1 – Long Term Debt

The Authority does not have any long-term debt at this time.

E – Summary of Significant Changes

- 1 –Cash & Cash Equivalents - Increased by \$1,433,685 due to net cash provided by operating revenues exceeding operating expenses by \$1,442,167 during the current fiscal year.
- 2 – Accounts Receivable Other Government – Decreased by \$533,950 due to the ERAP Program incurring expenses that were not yet received during the prior fiscal year ended December 31, 2023.
- 3 – Unearned Revenue – Increased by \$684,769. This amount represents proceeds from the ERAP Grant that were received, but not spent prior to December 31, 2024. The decrease is due to recognizing the grant proceeds as revenue to offset the current year's expenditures.
- 4 - Right Of Use Asset- As described in the notes to the financial statements, the Authority was required to adopt GASB 87 "Leases" as of January1, 2022. As a result, the Authority was required to recognize the present value of its office lease payments as a right of use asset with a corresponding lease liability. The right of use asset is being amortized over the life of the lease.
- 5 – Treasury and State Grants – Decreased by \$2,902,163. The Authority received Emergency Rental Assistance Program (ERAP) Grant from the US Treasury. Additionally, Lancaster County formed an agreement with the Authority whereby the Authority would administer the County's allocation of ERAP funds from the US Treasury and a pass through ERAP grant from the County. As mentioned before, a majority of the ERAP funds were received during the prior fiscal years ended December 31, 2023 and December 31, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

- 6 - Tenant Services – Tenant Services represents the costs expended by the Authority in its administration of the ERAP grant. The expenses include payments to landlords and utility companies made on behalf of qualified applicants.

F – Economic Factors and Next Year's Budget Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending December 31, 2025.

- 1 – The state of the economy, particularly its effect on tenant incomes, which are used in determining tenant rents paid to the Authority.

- 2 – The use of the Authority's Unrestricted Net Position of \$149,973 to fund any shortfalls rising from a possible economic turndown and reduced subsidies and grants. The Authority's Unrestricted Net Position appears sufficient to cover any shortfalls.

G – Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Lancaster County Housing Authority, 28 Penn Square Suite 200, Lancaster, PA. 17603-3562, or call 717-394-0793.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Cash and Other Current Assets	\$ 2,564,796	\$ 1,744,018
Capital Assets - Net	152,881	181,518
Right of Use Assets	<u>954,908</u>	<u>1,047,355</u>
Total Assets	3,672,585	2,972,891
Current Liabilities	1,113,533	733,266
Non Current Liabilities	<u>1,320,521</u>	<u>1,347,477</u>
Total Liabilities	<u>2,434,054</u>	<u>2,080,743</u>
Net Position	<u>\$ 1,238,531</u>	<u>\$ 892,148</u>
Net Investment in Capital Assets	151,448	182,176
Restricted Net Assets	937,110	366,747
Unrestricted Net Assets	<u>149,973</u>	<u>343,225</u>
Total Net Position	<u>\$ 1,238,531</u>	<u>\$ 892,148</u>
Computations of Changes in Net Position are as follows:		
<u>Revenues</u>		
HUD Subsidies	\$ 9,032,130	\$ 8,093,228
Treasury Grants	828,945	3,731,108
Other Income	<u>297,641</u>	<u>250,925</u>
Total Operating Revenues	<u>10,158,716</u>	<u>12,075,261</u>
<u>Expenses</u>		
Housing Assistance Payments	7,886,333	7,435,141
Depreciation	123,175	107,675
Collection Losses	-	-
Operating Expenses	<u>1,904,377</u>	<u>4,519,558</u>
Total Operating Expenses	<u>9,913,885</u>	<u>12,062,374</u>
Excess/Deficiency of Operating Revenues Over Expenses	244,831	12,887
<u>Non Operating Revenues</u>		
Interest on Investments	87,948	11,916
Interest Income- Restricted	-	-
Excess/Deficiency of Revenues Over Expenses	332,779	24,803
Beginning Net Position Restated	<u>892,148</u>	<u>866,834</u>
Prior Period Adjustment	<u>13,604</u>	<u>511</u>
Total Net Position	<u>\$ 1,238,531</u>	<u>\$ 892,148</u>



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lancaster County Housing Authority
Lancaster, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Net Position, Revenue, Expenses, and Changes in Net Position, and Cash Flows of the Lancaster County Housing Authority, as of and for the years ended December 31, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Lancaster County Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of December 31, 2024, and 2023, and the changes in its net position and its cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lancaster County Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1–5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025, on our consideration of the Lancaster County Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lancaster County Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lancaster County Housing Authority's internal control over financial reporting and compliance.

Polcari & Company

POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 24, 2025

LANCASTER COUNTY HOUSING AUTHORITY
Lancaster, Pennsylvania
COMPARATIVE STATEMENTS OF NET POSITION
At December 31, 2024 and 2023

ASSETS

<u>CURRENT ASSETS</u>	2024	2023
Cash and Cash Equivalents - Unrestricted	\$ 1,335,581	\$ 554,174
Cash and Cash Equivalents - Restricted	965,364	313,086
Accounts Receivable - Other (Net of Allowance of \$59,694 & \$60,395)	27,042	105,999
Accounts Receivable - Other Government	236,809	770,759
Total Current Assets	<u>2,564,796</u>	<u>1,744,018</u>
 <u>FIXED ASSETS</u>		
Leasehold Improvements	241,705	241,705
Furniture, Equipment and Machinery	44,636	44,636
Total Fixed Assets	286,341	286,341
Less: Accumulated Depreciation	<u>(133,460)</u>	<u>(104,823)</u>
Net Fixed Assets	<u>152,881</u>	<u>181,518</u>
 <u>OTHER ASSETS</u>		
Right of Use Asset	954,908	1,047,355
Total Assets	<u>\$ 3,672,585</u>	<u>\$ 2,972,891</u>

LIABILITIES AND NET POSITION

<u>CURRENT LIABILITIES</u>		
Accounts Payable:		
Vendors and Contractors	\$ 6,700	\$ 57,845
Accrued Wages/Payroll Taxes	21,197	13,286
Due to HUD	232,984	134,563
Accrued Liabilities	62,593	455,151
Unearned Revenue	698,650	13,881
Current Portion of Leases Payable	76,803	47,530
Compensated Absences	14,606	11,010
Total Current Liabilities	<u>1,113,533</u>	<u>733,266</u>
 <u>NON CURRENT LIABILITIES</u>		
Lease Liability	1,205,863	1,248,387
Accrued Compensated Absences	<u>114,658</u>	<u>99,090</u>
 Total Liabilities	<u>2,434,054</u>	<u>2,080,743</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	151,448	182,176
Restricted	937,110	366,747
Unrestricted	149,973	343,225
Total Net Position	<u>\$ 1,238,531</u>	<u>\$ 892,148</u>

See Notes to Financial Statements

LANCASTER COUNTY HOUSING AUTHORITY
Lancaster, Pennsylvania
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2024 and 2023

<u>REVENUES</u>	<u>2024</u>	<u>2023</u>
HUD Grants	\$ 9,032,130	\$ 8,093,228
Treasury and Other State Grants	828,945	3,731,108
Other Income	297,641	250,925
Total Revenues	<u>10,158,716</u>	<u>12,075,261</u>
 <u>EXPENSES</u>		
Administration	1,345,937	1,974,387
Tenant Services	438,169	2,442,542
Housing Assistance Payments	7,886,333	7,435,141
General Expenses	46,518	72,976
Interest on Lease Payments	73,753	29,653
Depreciation and Amortization Expense	123,175	107,675
Total Operating Expenses	<u>9,913,885</u>	<u>12,062,374</u>
 OPERATING EXPENSES OVER REVENUES	<u>244,831</u>	<u>12,887</u>
 Interest Income - Unrestricted	87,948	11,916
Interest Income - Restricted	<u>-</u>	<u>-</u>
 INCREASE/(DECREASE) IN NET ASSETS	332,779	24,803
 Beginning Net Position	<u>892,148</u>	<u>866,834</u>
Prior Period Adjustment	13,604	511
Ending Net Position	<u>\$ 1,238,531</u>	<u>\$ 892,148</u>

See Notes to Financial Statements.

LANCASTER COUNTY HOUSING AUTHORITY
Lancaster, Pennsylvania
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received:		
From Government Agencies for Operating Grants	\$ 10,825,825	\$ 8,827,579
For Other Operating Revenues	831,591	(504,660)
Cash Paid:		
To Employees for Operations	(647,184)	(815,467)
To Suppliers for Operations	(1,243,563)	(1,095,860)
For ERAP Payments	(438,169)	(2,442,542)
For Housing Assistance Payments	<u>(7,886,333)</u>	<u>(7,435,141)</u>
Net Cash Provided by Operating Activities	<u>1,442,167</u>	<u>(3,466,091)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Cash Paid for Principal Lease Payments	<u>(96,430)</u>	<u>(80,785)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(96,430)</u>	<u>(80,785)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash use for the Acquisition of Capital Assets	-	-
Investment Income	<u>87,948</u>	<u>11,916</u>
Net Cash Provided by Investing Activities	<u>87,948</u>	<u>11,916</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,433,685	(3,534,960)
Cash and Equivalents at Beginning of Period	<u>867,260</u>	<u>4,402,220</u>
Cash and Equivalents at End of Period	<u>\$ 2,300,945</u>	<u>\$ 867,260</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</u>		
Operating Income/(Loss)	244,831	12,887
Depreciation and Amortization	123,175	107,675
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities		
Decrease/(Increase) in Assets		
Accounts Receivable-Other	533,950	(755,585)
Accounts Receivable-HUD	-	-
Increase/(Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	(443,703)	166,094
Due to HUD	98,421	(19,224)
Accrued Compensated Absences	19,164	(405)
Unearned Revenue	684,769	(2,971,899)
Other Liabilities	<u>181,560</u>	<u>(6,145)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,442,167</u>	<u>\$ (3,466,602)</u>

See Notes to Financial Statements

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 –Summary of Organization, Activities Basis of Accounting and Significant Accounting Policies:

1. **Organization** – The Authority was created through a resolution of the County of Lancaster. It was organized as a public housing authority as defined by the Commonwealth of Pennsylvania. The Authority is governed by a board of five members. The governing board is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development. An Executive Director is appointed by the housing authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance and management of a Section 8 Housing Choice Voucher Program for low- and moderate-income families. Housing Assistance Payments are passed through the Authority by the federal government.

The Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity. The Authority has concluded that it is excluded from the County's reporting entity since the County does not designate management, does not influence operations, does not have responsibility for fiscal matters and does not have a funding relationship with the Authority.

2. **Activities** – At December 31, 2024, the HUD-funded programs or activities administered by the Authority were:

<u>Program</u>	<u>Contract No.</u>	<u>Project No.</u>	<u>Units Authorized</u>
Section 8 Housing Choice vouchers	P-4655	PA 26-V-090	868
Section 8 MOD Rehab K-001	P-4655	PA 26-V-090-001	27
Section 8 MOD Rehab K-001	P-4655	PA 26-V-090-002	23
Section 8 MOD Rehab	P-4655	PA 26-V-090-004	52

Additionally, the Authority received an Emergency Rental Assistance Program (ERAP) grant to assist county residents with rental arrears, forward rent, and utilities to avoid evictions and stabilize family households.

3. **Basis of Accounting**

The financial statements of the Authority are prepared using the accrual basis of accounting in order to recognize the flow of economic resources. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses recognized in the period incurred, if measurable. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities. All assets, liabilities, net position, revenue and expenses are accounted for using a single enterprise fund for the primary government.

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 –Summary of Organization, Activities Basis of Accounting and Significant Accounting Policies:

4. Report Presentation

The financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to governmental entities for Proprietary Fund Types. The Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (Statement No. 34). The Authority also adopted the provisions of Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38 "Certain Financial Statement Note Disclosures", which supplement Statement No. 34. Statement No. 34 established standards for all state and local governmental entities that includes a statement of net assets, a statement of activities and a statement of cash flows. It requires the classification of net assets into three components – Invested in Capital Assets, Net of Related Debt: Restricted Net Assets and Unrestricted Net Assets. Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources and Net Position" requires the re-naming of the Statement of Net Assets to the Statement of Net Position. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position. These classifications are defined as follows:

Net Investment in Capital Assets – This component consists of land, construction in progress and depreciable assets, net of accumulated depreciation and net of the related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of Invested in Capital Assets, Net of Related Debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted Net Position – This component includes net position subject to restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component consists of net position that does not meet the definition of Restricted Net Position or Net Investment in Capital Assets. The adoption of Governmental Accounting Standards Board Statements 34, 37 and 38 have no significant effect on the basic financial statements, except for the classification of net position in accordance with Statement No. 34.

5. Significant Accounting Policies

Revenue – The major sources of revenue are various subsidies and grants received from the United States Department of Housing and Urban Development.

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 –Summary of Organization, Activities Basis of Accounting and Significant Accounting Policies: (Continued)

5. Significant Accounting Policies – (Continued)

Federal Grant Revenue –Section Eight housing assistance grants received from HUD are recorded under the accrual method of accounting and are recognized in the period earned in accordance with applicable HUD guidelines. Under the Section 8 Moderate Rehabilitation Program, a year end settlement is computed, and the over – funded or under – funded amount, if any, is considered to be an amount due to or from HUD. Advance payments received for the subsequent fiscal year are recorded as deferred revenue.

Right to Use Assets—The Authority has recorded a right to use lease assets as a result of implementing GASB Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus any ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include cash in banks, petty cash and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Fixed Assets – The Authority capitalizes fixed assets when they meet the capitalization dollar threshold. Fixed assets are depreciated on a straight-line basis over the asset's useful

The Authority is subsidized by the Federal Government. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal and State income tax returns.

Operating subsidies received from HUD are recorded as income when earned.

The cost of accumulated unpaid compensated absences, including fringe benefits, are reported in the period earned rather than in the period paid.

Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

Inventories in the Proprietary Fund consist of supplies and are recorded at the lower of first-in first-out, cost or market.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

The Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of accounting Procedure issued after November 30, 1989.

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 –Summary of Organization, Activities Basis of Accounting and Significant Accounting Policies:

5. Significant Accounting Policies – (Continued)

The Authority does not have any infrastructure assets for its Proprietary Fund.

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which the transactions are executed.

Budgetary Policy Control

The Authority prepares an annual operating budget in accordance with HUD requirements. However, HUD no longer approves the budgets. It is formally adopted by resolution of the Authority's Board of Directors. Once adopted, the Board of Directors may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund's budget is prepared on a detailed line-item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

Leases

On July 1, 2021, the Authority was required to adopt Governmental Accounting Standards Board No. 87, Leases. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, the lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Additional information regarding the Authority's lease receivables and lease liabilities can be found in Note 15 to these financial statements.

NOTE 2 – Cash and Cash Equivalents

The Authority maintains cash and cash equivalents in local banks. Cash and Cash Equivalents of \$2,300,945 and \$867,260 at December 31, 2024 and 2023, respectively consisted of the following:

	Cash and Cash Equivalents 12/31/2024	Cash and Cash Equivalents 12/31/2023
Checking Accounts	<u>\$ 2,300,945</u>	<u>\$ 867,260</u>
	<u>\$ 2,300,945</u>	<u>\$ 867,260</u>

The carrying amount of the Authority's cash and cash equivalents as of December 31, 2024, was \$2,300,945 and the bank balances were \$2,308,123. Of the bank balances, \$500,000 was covered by FDIC insurance and \$1,808,123 was covered by a collateral pool maintained by the banks as required by Pennsylvania statute. Cash, and Cash equivalents, except petty cash are held in the Authority's name.

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 – Cash and Cash Equivalents - Continued

The Authority's cash and cash equivalents are categorized as prescribed in GASB 40 to give an indication of the level of risk assumed by the Authority. As described on the preceding paragraph, \$1,808,123 of the authority's deposits exceeded FDIC insurance and were covered under Pennsylvania statute Act 72 which collateralizes securities held by the pledging institutions trust department but are not in the Authority's name.

Note 3 – Accounts Receivable – Net

Accounts Receivable – Net, of \$263,851 and \$867,758 at December 31, 2024 and 2023 respectively, consisted of the following:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Account Receivable - HUD	\$ 237	\$ 553
Account Receivable - Other Government	236,809	770,759
Accrued Interest Receivable	16,894	21,944
Fraud Recovery (Net of \$56,694 and \$60,395 allowance)	-	-
Due from the Redevelopment	<u>9,911</u>	<u>83,502</u>
Total	<u>\$ 263,851</u>	<u>\$ 876,758</u>

NOTE 4 – Fixed Assets

Fixed Assets consist primarily of expenditures to acquire, construct place in operation and improve the facilities of the Authority and are stated a cost, less accumulated depreciation. The following summary of the changes in general fixed assets for the fiscal years ended December 31, 2024 and 2023:

	<u>Balance at 1/1/2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Other</u>	<u>Balance at 12/31/2024</u>
Furniture & Equipment	\$ 44,636	\$ -	\$ -	\$ -	\$ 44,636
Leasehold Improvements	241,705	-	-	-	241,705
Subtotal	286,341	-	-	-	286,341
Accumulated Depreciation	(104,823)	(28,637)	-	-	(133,460)
Net	<u>\$ 181,518</u>	<u>\$ (28,637)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,881</u>

	<u>Balance at 1/1/2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Other</u>	<u>Balance at 12/31/2023</u>
Furniture & Equipment	\$ 44,636	\$ -	\$ -	\$ -	\$ 44,636
Site Improvements	241,705	-	-	-	241,705
Subtotal	286,341	-	-	-	286,341
Accumulated Depreciation	(76,186)	(28,637)	-	-	(104,823)
Net	<u>\$ 210,155</u>	<u>\$ (28,637)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,518</u>

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 – Fixed Assets - Continued

Depreciation expense for the years ended December 31, 2024, and 2023 was \$28,637 and \$28,637 respectively. Expenditures are capitalized when they meet the Authority's Capitalization Policy requirements. Depreciation of Capital Assets is provided using the straight-line method for reporting purposes at rates based upon the following estimated useful lives:

	<u>Years</u>
Leasehold Improvements	10
Office Furniture	10

NOTE 5 – Family Self Sufficiency Escrow

The Family Self Sufficiency (FSS) Escrow of \$0 at December 31, 2024 and 2023, represents amounts held in escrow on behalf of tenants enrolled in the Authority's FSS Program and will be released to the tenant upon satisfactory completion of the program. The authority does not currently meet the FSS threshold required by HUD, however, has received a three-year exemption to temporarily exempt them from implementing the FSS program. The Authority is currently negotiating with HUD to extend the exemption through December 31, 2026.

NOTE 6 – Accrued Compensated Absences

Accrued compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service, based on the accumulated vacation leave balance at the current rate of pay. Employees may be compensated for accumulated sick leave in the event of retirement or termination from service for a maximum of 30 days. In 2007, the Authority purchased a disability policy which will pay employees 60% of wages in the event they become disabled. However, employees may still elect to use their medical leave they have accrued if it provides a greater benefit. The Authority has determined that the potential liability for accumulated vacation and sick time at December 31, 2024 and 2023 is \$129,264 and \$110,100 respectively.

NOTE 7 – Unearned Revenue

Unearned revenue at December 31, 2024 and 2023 was \$698,650 and \$13,881 respectively. Of those amounts \$637,105 and \$0 represent deferred revenues from the Emergency Rental Assistance Program for 2024 and 2023 respectively.

NOTE 8 – Pension Plan

The Authority provides a defined contribution pension plan for eligible full-time and part-time employees. The plan is administered by ADP and was established by a resolution of the board of directors. Any changes to the plan can only be enacted by board resolution. Under the plan, the Authority matches employee contributions up to 7.00%. The Authority's contribution to the plan for the fiscal years ended December 31, 2024 and 2023 totaled \$38,988 and \$36,416 respectively.

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 9 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. During the years ended December 31, 2024, and December 31, 2023, the Authority's risk management program, in order to deal with potential liabilities, consisted of various insurance policies for fire, general liability, crime, auto and public-officials' errors and omissions. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Settled claims relating to the commercial insurance have not exceeded the amount of insurance in any of the past three fiscal years.

NOTE 10 – Unrestricted Net Position & Restricted Net Position – HCV Program

Prior to January 1, 2005, excess funds advanced by HUD to the Authority for the payment of housing assistance payments were returned to HUD at the end of the Authority's fiscal year. In accordance with HUD's PIH Notice 2006-03, starting January 1, 2005, excess funds disbursed by HUD to the Authority for the payment of Housing Assistance Payments that are not so utilized are not returned to HUD, but become part of the undesignated fund balance and may only be used to assist additional families up to the number of units under contract. As of November 2007, HUD is reverting to treating these funds as restricted in order to comply with generally accepted accounting principles. HUD has indicated that any HAP amounts received by a PHA and not expended should be reported as restricted cash and restricted net position.

Administrative fees paid by HUD to the Authority in excess of administrative expenses are part of the undesignated fund balance and are considered to be "administrative fee reserves". Administrative fee reserves accumulated prior to January 1, 2005, are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR982.155 – i.e. "other housing purposes permitted by state or local law". Excess administrative fees earned in 2005 and subsequent years must be used for activities related to the provision of tenant-based rental assistance authorized under Section 8 of the United States Housing Act of 1937, including related development activities.

In accordance with HUD requirements, the Agency's restricted and unrestricted fund balance consists of the following components as of December 31, 2024, and December 31, 2023:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Administrative Fee Equity	\$ 32,918	\$ 126,151
Housing Assistance Payments Equity	<u>937,110</u>	<u>366,747</u>
Total Voucher Equity	<u>\$ 970,028</u>	<u>\$ 492,898</u>

NOTE 11 – Contingencies

Amounts received from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

Note 12 – Economic Dependency

For the Year ended December 31, 2024, and 2023, the Authority's revenues were primarily received from HUD, which are subject to the availability of funds based on congressional approval, and the Authority's compliance with Federal rules and regulations.

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 13 – Redevelopment Authority of Lancaster County

The Authority is co-located with the Redevelopment Authority of the County of Lancaster. Common costs for payroll, rent, and other administrative costs are paid through a Revolving Fund in accordance with an equitable pro-ration policy established and agreed to by the participating Authorities. Activities concerning the Redevelopment Authority of the County of Lancaster and the Revolving Fund are covered under a separate audit report. During the year ended, \$845,905 in salary and benefits were allocated to the Housing Authority.

Note 14 – Lease Commitments

As described in Note 3, the Authority was required to adopt GASB 87 as of January 1, 2022. The Authority has entered into two operating leases with a third party for office space it co-leases with the Lancaster County Redevelopment Authority. The leases consist of office space on both the first and second floors and include price escalations each year. The second-floor lease began on March 1, 2017, and the second-floor lease began in May of 2022. Both leases now provide for a termination date of April 30, 2037, and provide for incremental increases on the anniversary of the adjusted start date in May.

The lease liability is measured at a discount rate of 6%. As a result, the Authority has recorded a right to use asset with a net book value of \$954,908 and \$1,047,355 as of December 31, 2024, and 2023 respectively. The right of use asset activity is reflected in the capital asset section of this report. The weighted average of the remaining monthly lease payments at December 31, 2024 is \$4,074.

The Housing Authority's present value future annual payments are broken out as follows:

First Floor Lease

	<u>Total</u>	<u>Housing Authority</u>	<u>Redevelopment Authority</u>
2025	47,226	22,196	25,030
2026	53,644	25,213	28,431
2027	60,763	28,559	32,204
2028	68,330	32,115	36,215
2029	76,487	35,949	40,538
Thereafter	<u>875,423</u>	<u>411,449</u>	<u>463,974</u>
	<u>\$ 1,181,873</u>	<u>\$ 555,480</u>	<u>\$ 626,393</u>

2nd Floor Lease

	<u>Total</u>	<u>Housing Authority</u>	<u>Redevelopment Authority</u>
2025	55,297	25,990	29,307
2026	62,930	29,577	33,353
2027	71,160	33,445	37,715
2028	80,022	37,610	42,412
2029	89,570	42,098	47,472
Thereafter	<u>1,024,895</u>	<u>481,701</u>	<u>543,194</u>
	<u>\$ 1,383,874</u>	<u>\$ 650,421</u>	<u>\$ 733,453</u>

LANCASTER COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 15 - Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated subsequent events through September 24, 2025, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

LANCASTER COUNTY HOUSING AUTHORITY
Lancaster, Pennsylvania
SCHEDULE OF EXPENDITURES OF FEDERAL and STATE AWARDS
At December 31, 2024

DIRECT FEDERAL FINANCIAL ASSISTANCE

SECTION 8 MODERATE REHABILITATION	
Rental Assistance Expenditures (CFDA# 14.856)	\$ 679,918
Emergency Rental Assistance Program (CFDA# 21.023)	-
Emergency Housing Voucher (CFDA# 14.EHV)	363,663
Housing Choice Voucher (CFDA# 14.871)	<u>7,988,549</u>
 TOTAL DIRECT FEDERAL FINANCIAL ASSISTANCE	 <u>9,032,130</u>

INDIRECT FEDERAL FINANCIAL ASSISTANCE

Emergency Rental Assistance Program (CFDA# 21.023)	<u>828,945</u>
Passed through the County of Lancaster	
 TOTAL DIRECT AND INDIRECT FEDERAL FINANCIAL ASSISTANCE	 <u>\$ 9,861,075</u>

State Awards

Pennsylvania Department of Health and Human Services	
Passed through UMPC for You Inc.	<u>\$ -</u>
 Total Federal and State Awards	 <u>\$ 9,861,075</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation - The Schedule of Expenditures of Federal Awards is presented in accordance with generally accepted accounting principles and is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.
2. There were no subrecipient activities during the audit period.
3. The Authority has elected not to use the 10% de minimis cost rate.
4. The Authority received no non-cash assistance.
5. The Authority did not have any HUD issued mortgages or loans.

Lancaster County Housing Authority (PA090)
Lancaster, PA
Entity Wide Balance Sheet Summary
Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2024

	21.023 Emergency Rental Assistance Program	14.670 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$438,090	\$1,627	\$75,684	\$302,183	\$517,997	\$1,335,581		\$1,335,581
112 Cash - Restricted - Modernization and Development					\$0			
113 Cash - Other Restricted				\$960,022	\$0	\$960,022		\$960,022
114 Cash - Tenant Security Deposits					\$0			
115 Cash - Restricted for Payment of Current Liabilities			\$5,342		\$0	\$5,342		\$5,342
100 Total Cash	\$438,090	\$1,627	\$81,026	\$1,262,205	\$517,997	\$2,300,945		\$2,300,945
121 Accounts Receivable - PHA Projects				\$9,911	\$0	\$9,911		\$9,911
122 Accounts Receivable - HUD Other Projects					\$237	\$237		\$237
124 Accounts Receivable - Other Government	\$221,635			\$15,174	\$0	\$236,809		\$236,809
125 Accounts Receivable - Miscellaneous				\$11,714	\$2,500	\$14,214		\$14,214
126 Accounts Receivable - Tenants				\$0	\$0	\$0		\$0
126.1 Allowance for Doubtful Accounts - Tenants	\$0			\$0	\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					\$0			
128 Fraud Recovery				\$49,514	\$10,160	\$59,694		\$59,694
128.1 Allowance for Doubtful Accounts - Fraud				-\$49,514	-\$10,160	-\$59,694		-\$59,694
129 Accrued Interest Receivable					\$0			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$221,635	\$0	\$0	\$36,799	\$2,737	\$261,171		\$261,171
131 Investments - Unrestricted					\$0			
132 Investments - Restricted					\$0			
135 Investments - Restricted for Payment of Current Liability					\$0			
142 Prepaid Expenses and Other Assets				\$2,680	\$0	\$2,680		\$2,680
143 Inventories					\$0			
143.1 Allowance for Obsolete Inventories					\$0			
144 Inter Program Due From					\$0			
145 Assets Held for Sale					\$0			
150 Total Current Assets	\$659,725	\$1,627	\$81,026	\$1,301,684	\$520,734	\$2,564,796		\$2,564,796
161 Land					\$0			
162 Buildings					\$0			
163 Furniture, Equipment & Machinery - Dwellings					\$0			
164 Furniture, Equipment & Machinery - Administration				\$39,001	\$5,635	\$44,636		\$44,636
165 Leasehold Improvements				\$232,696	\$9,009	\$241,705		\$241,705
166 Accumulated Depreciation				-\$121,313	-\$12,147	-\$133,460		-\$133,460
167 Construction in Progress					\$0			
168 Infrastructure					\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$150,384	\$2,497	\$152,881		\$152,881
171 Notes, Loans and Mortgages Receivable - Non-Current					\$0			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					\$0			
173 Grants Receivable - Non Current					\$0			
174 Other Assets				\$954,908	\$0	\$954,908		\$954,908
176 Investments in Joint Ventures					\$0			
180 Total Non-Current Assets	\$0	\$0	\$0	\$1,105,292	\$2,497	\$1,107,789		\$1,107,789
200 Deferred Outflow of Resources					\$0			
290 Total Assets and Deferred Outflow of Resources	\$659,725	\$1,627	\$81,026	\$2,406,976	\$523,231	\$3,672,585		\$3,672,585
311 Bank Overdraft					\$0			
312 Accounts Payable <= 90 Days	\$738		\$5,479	\$241	\$242	\$6,700		\$6,700
313 Accounts Payable >90 Days Past Due					\$0			
321 Accrued Wage/Payroll Taxes Payable	\$2,772		\$39	\$17,138	\$1,248	\$21,197		\$21,197
322 Accrued Compensated Absences - Current Portion				\$12,387	\$2,219	\$14,606		\$14,606
324 Accrued Contingency Liability					\$0			
325 Accrued Interest Payable					\$0			
331 Accounts Payable - HUD PHA Programs			\$3,225		\$229,759	\$232,984		\$232,984
332 Account Payable - PHA Projects				\$52,860	\$3,624	\$56,484		\$56,484
333 Accounts Payable - Other Government					\$22	\$22		\$22
341 Tenant Security Deposits					\$0			
342 Unearned Revenue	\$637,105	\$1,627	\$59,918		\$0	\$698,650		\$698,650
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					\$0			
344 Current Portion of Long-term Debt - Operating Borrowings					\$0			
345 Other Current Liabilities					\$0			
346 Accrued Liabilities - Other	\$19,110		\$13	\$57,449	\$231	\$76,803		\$76,803
347 Inter Program - Due To			\$933		\$5,154	\$6,087		\$6,087
348 Loan Liability - Current					\$0			
310 Total Current Liabilities	\$659,725	\$1,627	\$69,607	\$140,075	\$242,499	\$1,113,533		\$1,113,533
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					\$0			
352 Long-term Debt, Net of Current - Operating Borrowings					\$0			
353 Non-current Liabilities - Other				\$1,205,863	\$0	\$1,205,863		\$1,205,863

Lancaster County Housing Authority (PA090)
Lancaster, PA
Entity Wide Balance Sheet Summary
Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2024

	21.023 Emergency Rental Assistance Program	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section B Moderate	Subtotal	ELIM	Total
354 Accrued Compensated Absences - Non Current				\$94,691	\$19,967	\$114,658		\$114,658
355 Loan Liability - Non Current					\$0			
356 FASB 5 Liabilities					\$0			
357 Accrued Pension and OPEB Liabilities					\$0			
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$1,300,554	\$19,967	\$1,320,521		\$1,320,521
300 Total Liabilities	\$659,725	\$1,627	\$69,607	\$1,440,629	\$262,466	\$2,434,054		\$2,434,054
400 Deferred Inflow of Resources					\$0			
508.4 Net Investment in Capital Assets	\$0	\$0	\$0	\$150,384	\$1,064	\$151,448		\$151,448
511.4 Restricted Net Position	\$0	\$0	\$0	\$937,110	\$0	\$937,110		\$937,110
512.4 Unrestricted Net Position	\$0	\$0	\$11,419	-\$121,147	\$259,701	\$149,973		\$149,973
513 Total Equity - Net Assets / Position	\$0	\$0	\$11,419	\$966,347	\$260,765	\$1,238,531		\$1,238,531
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$659,725	\$1,627	\$81,026	\$2,406,976	\$523,231	\$3,672,585		\$3,672,585

Lancaster County Housing Authority (PA090)
Lancaster, PA
Entity Wide Revenue and Expense Summary
Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2024

	21.023 Emergency Rental Assistance Program	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue					\$0			
70400 Tenant Revenue - Other					\$0			
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants			\$363,663	\$7,988,549	\$879,918	\$9,032,130		\$9,032,130
70610 Capital Grants					\$0			
70710 Management Fee					\$0			
70720 Asset Management Fee					\$0			
70730 Book Keeping Fee					\$0			
70740 Front Line Service Fee					\$0			
70750 Other Fees					\$0			
70700 Total Fee Revenue					\$0	\$0	\$0	\$0
70800 Other Government Grants	\$828,945				\$0	\$828,945		\$828,945
71100 Investment Income - Unrestricted	\$38,894			\$25,797	\$23,257	\$87,948		\$87,948
71200 Mortgage Interest Income					\$0			
71300 Proceeds from Disposition of Assets Held for Sale					\$0			
71310 Cost of Sale of Assets					\$0			
71400 Fraud Recovery			\$4,075	\$64,314	\$3,146	\$71,535		\$71,535
71500 Other Revenue				\$226,106	\$0	\$226,106		\$226,106
71600 Gain or Loss on Sale of Capital Assets					\$0			
72000 Investment Income - Restricted					\$0			
70000 Total Revenue	\$867,839	\$0	\$367,738	\$8,304,766	\$706,321	\$10,246,664	\$0	\$10,246,664
91100 Administrative Salaries	\$131,052		\$12,419	\$443,503	\$79,374	\$666,348		\$666,348
91200 Auditing Fees	\$4,838		\$540	\$9,918	\$916	\$16,312		\$16,312
91300 Management Fee					\$0			
91310 Book-keeping Fee					\$0			
91400 Advertising and Marketing					\$0			
91500 Employee Benefit contributions - Administrative	\$40,208		\$4,162	\$123,931	\$11,256	\$179,557		\$179,557
91600 Office Expenses	\$45,071		\$2,939	\$206,292	\$17,271	\$271,573		\$271,573
91700 Legal Expense	\$6,344			\$3,432	\$314	\$10,090		\$10,090
91800 Travel					\$0			
91810 Allocated Overhead					\$0			
91900 Other	\$202,057				\$0	\$202,057		\$202,057
91000 Total Operating - Administrative	\$429,670	\$0	\$20,060	\$787,076	\$109,131	\$1,345,937	\$0	\$1,345,937
92000 Asset Management Fee					\$0			
92100 Tenant Services - Salaries					\$0			
92200 Relocation Costs					\$0			
92300 Employee Benefit Contributions - Tenant Services					\$0			
92400 Tenant Services - Other	\$438,169				\$0	\$438,169		\$438,169
92500 Total Tenant Services	\$438,169	\$0	\$0	\$0	\$0	\$438,169	\$0	\$438,169
93100 Water					\$0			
93200 Electricity					\$0			
93300 Gas					\$0			
93400 Fuel					\$0			
93500 Labor					\$0			
93600 Sewer					\$0			
93700 Employee Benefit Contributions - Utilities					\$0			
93800 Other Utilities Expense					\$0			
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor					\$0			
94200 Ordinary Maintenance and Operations - Materials and Other					\$0			
94300 Ordinary Maintenance and Operations Contracts					\$0			
94500 Employee Benefit Contributions - Ordinary Maintenance					\$0			
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95100 Protective Services - Labor					\$0			
95200 Protective Services - Other Contract Costs					\$0			
95300 Protective Services - Other					\$0			
95500 Employee Benefit Contributions - Protective Services					\$0			
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					\$0			
96120 Liability Insurance			\$277	\$14,973	\$2,514	\$17,764		\$17,764
96130 Workmen's Compensation					\$0			
96140 All Other Insurance					\$0			
96100 Total Insurance Premiums	\$0	\$0	\$277	\$14,973	\$2,514	\$17,764	\$0	\$17,764

Lancaster County Housing Authority (PA090)
Lancaster, PA
Entity Wide Revenue and Expense Summary
Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2024

	21.023 Emergency Rental Assistance Program	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	Subtotal	ELIM	Total
96200 Other General Expenses			\$101	\$10,607	\$746	\$11,454		\$11,454
96210 Compensated Absences				\$16,348	\$954	\$17,300		\$17,300
96300 Payments in Lieu of Taxes					\$0			
96400 Bad debt - Tenant Rents					\$0			
96500 Bad debt - Mortgages					\$0			
96600 Bad debt - Other					\$0			
96800 Severance Expense					\$0			
96900 Total Other General Expenses	\$0	\$0	\$101	\$26,953	\$1,700	\$28,754	\$0	\$28,754
96710 Interest of Mortgage (or Bonds) Payable					\$0			
96720 Interest on Notes Payable (Short and Long Term)				\$73,753	\$0	\$73,753		\$73,753
96730 Amortization of Bond Issue Costs					\$0			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$73,753	\$0	\$73,753	\$0	\$73,753
96900 Total Operating Expenses	\$867,839	\$0	\$20,438	\$902,755	\$113,345	\$1,904,377	\$0	\$1,904,377
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$347,300	\$7,402,011	\$592,976	\$8,342,287	\$0	\$8,342,287
97100 Extraordinary Maintenance					\$0			
97200 Casualty Losses - Non-capitalized					\$0			
97300 Housing Assistance Payments			\$347,300	\$6,613,736	\$716,484	\$7,677,520		\$7,677,520
97350 HAP Portability-In				\$208,813	\$0	\$208,813		\$208,813
97400 Depreciation Expense				\$119,617	\$3,558	\$123,175		\$123,175
97500 Fraud Losses					\$0			
97600 Capital Outlays - Governmental Funds					\$0			
97700 Debt Principal Payment - Governmental Funds					\$0			
97800 Dwelling Units Rent Expense					\$0			
99000 Total Expenses	\$867,839	\$0	\$367,738	\$7,844,921	\$833,387	\$9,913,885	\$0	\$9,913,885
10010 Operating Transfer In					\$0			
10020 Operating transfer Out					\$0			
10030 Operating Transfers from/to Primary Government					\$0			
10040 Operating Transfers from/to Component Unit					\$0			
10050 Proceeds from Notes, Loans and Bonds					\$0			
10060 Proceeds from Property Sales					\$0			
10070 Extraordinary Items, Net Gain/Loss					\$0			
10080 Special Items (Net Gain/Loss)					\$0			
10091 Inter Project Excess Cash Transfer In					\$0			
10092 Inter Project Excess Cash Transfer Out					\$0			
10093 Transfers between Program and Project - In					\$0			
10094 Transfers between Project and Program - Out					\$0			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	\$0	\$0	\$458,845	-\$127,068	\$332,779	\$0	\$332,779
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$0	\$0	\$11,419	\$492,898	\$387,831	\$892,148		\$892,148
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				\$13,604	\$0	\$13,604		\$13,604
11050 Changes in Compensated Absence Balance					\$0			
11060 Changes in Contingent Liability Balance					\$0			
11070 Changes in Unrecognized Pension Transition Liability					\$0			
11080 Changes in Special Term/Severance Benefits Liability					\$0			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					\$0			
11100 Changes in Allowance for Doubtful Accounts - Other					\$0			
11170 Administrative Fee Equity				-\$29,768	\$0	-\$29,768		-\$29,768
11180 Housing Assistance Payments Equity				\$996,113	\$0	\$996,113		\$996,113
11190 Unit Months Available			428	10608	1238	12270		12270
11210 Number of Unit Months Leased			406	8731	1132	10269		10269
11270 Excess Cash					\$0			
11610 Land Purchases					\$0			
11620 Building Purchases					\$0			
11630 Furniture & Equipment - Dwelling Purchases					\$0			
11640 Furniture & Equipment - Administrative Purchases					\$0			
11650 Leasehold Improvements Purchases					\$0			
11660 Infrastructure Purchases					\$0			
13510 CFFP Debt Service Payments					\$0			
13901 Replacement Housing Factor Funds					\$0			



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

Board of Directors
Lancaster County Housing Authority
Lancaster, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lancaster County Housing Authority ("the Program") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Lancaster County Housing Authority's basic financial statements and have issued our report thereon dated September 24, 2025.

Internal Control over Financial Reporting

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

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 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lancaster County Housing Authority financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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. The 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.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 24, 2025



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

Board of Directors
Lancaster County Housing Authority
Lancaster, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Lancaster County Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lancaster County Housing Authority's major federal programs for the year ended December 31, 2024. Lancaster County Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Lancaster County Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

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

Report on Internal Control over Compliance

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

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

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

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


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 24, 2025

LANCASTER COUNTY HOUSING AUTHORITY
Lancaster, Pennsylvania
December 31, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION 1 - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified

Internal Control over Financial Reporting:

Significant Deficiency(ies) Identified?

_____ yes X no

Significant Deficiency(ies) identified that are
considered to be material weakness(es)?

_____ yes X none reported

Noncompliance Material to Financial Statements Noted?

_____ yes X no

Federal Awards

Internal Control over Major Programs:

Significant Deficiency(ies) Identified?

_____ yes X no

Significant Deficiency(ies) identified that are
considered to be material weakness(es)?

_____ yes X none reported

Type of audit report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)
of the Uniform Guidance

_____ yes X no

Identification of Major Programs

CFDA

Number Name of Federal Program or Cluster

21.023 Emergency Rental Assistance Program

14.871 Housing Choice Vouchers

Dollar Threshold used to distinguish a type A Program

\$750,000

Auditee qualified as low-risk?

 X yes _____ no

SECTION 2 – FINANCIAL STATEMENT FINDINGS

None