

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND SINGLE AUDIT**

FOR THE YEAR ENDED MARCH 31, 2025

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MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
210 N. Charles Richard Beall Blvd.
DeBary, Florida 32713

Phone (386) 668-6464 Fax (386) 668-6463

office@malcolmjohnsoncompany.com
www.malcolmjohnsoncompany.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Peekskill Housing Authority
Peekskill, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Peekskill Housing Authority (the Authority) as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of March 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 - 8, and the New York State and Local Retirement System information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and 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 December 1, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025

As management of Peekskill Housing Authority (“the Authority”), we offer the readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2025. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements as presented elsewhere in this report.

Financial Highlights

1. As of the close of the current fiscal year, the Authority's net position is \$1,329,293 compared to \$975,046 for the prior year.
2. The Authority's unrestricted cash and cash equivalent and investment balance at March 31, 2025 was \$1,015,297, an increase of \$613,384 from the prior fiscal year.
3. The Authority had total revenues of \$5,238,350 and total expenses of \$4,884,103 for the year ended March 31, 2025.
4. The Authority's capital outlays for the fiscal year were \$1,299,420, which was funded by grants received from the U.S. Department of Housing and Urban Development (HUD) as well as operating funds.
5. The Authority's Expenditures of Federal Awards amounted to \$3,063,035 for the fiscal year.
6. The Authority's total operating expenses were \$4,090,685 as compared to \$3,616,762 from the previous year. The major costs by category are as follows:
 - a. Administrative expense increased from \$669,134 in 2024 to \$710,018 in 2025.
 - b. Tenant services expense decreased from \$100,843 in 2024 to \$87,598 in 2025.
 - c. Utilities expense increased from \$1,024,843 in 2024 to \$1,044,998 in 2025.
 - d. Maintenance expenses increased from \$1,461,931 in 2024 to \$1,729,117 in 2025.
 - e. Protective services decreased from \$975 in 2024 to \$400 in 2025.
 - f. Insurance costs decreased from \$246,573 in 2024 to \$205,111 in 2025.
 - g. General expenses increased from \$112,463 in 2024 to \$313,443 in 2025.
7. Net income for the year was \$354,247 compared to \$411,733 in the prior year.
8. Total net investment in capital assets was \$5,368,981 at year end as compared to \$5,345,532 for the prior year.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025

Using the Annual Report

1. The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's basic financial statements and Notes to the Basic 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.
2. 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 the Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash Flows.

The Statement of Net Position presents 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 Statement of Revenue, Expenses and Changes in Net Position presents 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 the 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 Statement of Cash Flows reports the Authority's cash flows from operating, investing, capital and non-capital activities.

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.

3. The Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.
4. Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Guidance.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025

The Authority as a Whole

The Authority's net position increased during the fiscal year as detailed below. The Authority's revenues are primarily tenant rents and grants received from HUD. The Authority receives an operating subsidy each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. The Authority's operating revenues covered all operating expenses during the fiscal year excluding depreciation.

By far, the largest portion of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, equipment, and construction in progress). The Authority uses these capital assets to provide housing services to its tenants. Currently, the Authority does not have unrestricted net position available for future use to provide program services.

On an overall basis, the net income of the Authority decreased from the prior year. Net income was \$354,247, compared to \$411,733 for the prior year.

Tenants accounts receivable, gross, increased by \$437,621, compared to a decrease of \$122,773 for the prior year. A significant number of tenants stopped paying rent early in the pandemic when a rent moratorium was declared. However, net tenants accounts receivable increased by \$52,442, after an increase in the allowance for doubtful accounts. Lower ERAP payments and collections contributed. Prepays and maintenance inventories decreased during the year by \$13,749.

Current liabilities of the Authority decreased \$261,670 over 2024, as capital projects payables were paid down.

Unrestricted net position increased by \$330,798 compared to 2024.

Tenant rental revenue increased by a strong \$342,359, or 20%, compared to the prior year. Part of the increase was attributable to a 2% increase in unit months leased. As noted previously, receivables also increased. Operating subsidy decreased slightly, \$25,764, while capital grants funding increased \$224,242. This funding is driven by the timing of capital expenditures. Administrative costs increased overall by \$40,884, or 6%. An assistant director's first full year salary plus increases overcame other decreases. Non-cash benefit accrual costs were down in 2025. Utility costs overall increased 2% as fuel oil price decreases nearly offset increases across all other categories. Labor increases and overtime accounted for an 11% rise over 2024. Materials costs increased \$51,727, or 38%, as more repair functions were completed by maintenance staff. Unanticipated electrical costs nearly offset prior year unanticipated plumbing costs, while landscaping and routine maintenance costs saw significant increases. Unit turnaround costs continue to be a significant driver of total contract costs, coming in at 29%. Routine and turnaround costs combined are 48% of total contract costs. Labor benefit costs decreased slightly due to much lower non-cash accruals. Insurance costs decreased \$41,462 on lower liability premiums. A 2024 overall credit in bad debt expense was not repeated, as 2025 saw costs of \$178,392, which were attributable to the large increase in tenant account receivables. The Authority received \$76,507 in ROSS grant funding which supports a coordinator position. CDBG funding of \$160,888 supported capital expenditures.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025

Computations of Net Position are as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
ASSETS				
Current assets	\$ 1,672,630	\$ 1,659,696	\$ 12,934	0.78%
Capital assets, net	5,368,981	5,345,532	23,449	0.44%
Other assets	-	-	-	100.00%
Total assets	<u>7,041,611</u>	<u>7,005,228</u>	<u>36,383</u>	<u>0.52%</u>
Deferred Outflow of Resources	<u>1,176,854</u>	<u>1,209,849</u>	<u>(32,995)</u>	<u>-2.73%</u>
Total Assets and Deferred Outflow of Resources	<u><u>8,218,465</u></u>	<u><u>8,215,077</u></u>	<u><u>3,388</u></u>	<u><u>0.04%</u></u>
LIABILITIES				
Current liabilities	447,762	709,432	(261,670)	-36.88%
Noncurrent liabilities	4,395,049	4,332,665	62,384	1.44%
Total Liabilities	<u>4,842,811</u>	<u>5,042,097</u>	<u>(199,286)</u>	<u>-3.95%</u>
Deferred Inflow of Resources	<u>2,046,361</u>	<u>2,197,934</u>	<u>(151,573)</u>	<u>-6.90%</u>
Total Liabilities and Deferred Inflow of Resources	<u><u>6,889,172</u></u>	<u><u>7,240,031</u></u>	<u><u>(350,859)</u></u>	<u><u>-4.85%</u></u>
NET POSITION				
Net Investment in Capital Assets	5,368,981	5,345,532	23,449	0.44%
Unrestricted Net Position	<u>(4,039,688)</u>	<u>(4,370,486)</u>	<u>330,798</u>	<u>-7.57%</u>
Total Net Position	<u>1,329,293</u>	<u>975,046</u>	<u>354,247</u>	<u>36.33%</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u><u>\$ 8,218,465</u></u>	<u><u>\$ 8,215,077</u></u>	<u><u>\$ 3,388</u></u>	<u><u>0.04%</u></u>

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025

Computations of Changes in Net Position are as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Revenue				
Rental revenue	\$ 2,086,699	\$ 1,771,167	\$ 315,532	17.81%
HUD grants	2,338,433	2,294,302	44,131	1.92%
Other revenue	81,381	90,519	(9,138)	-10.10%
Total revenues	4,506,513	4,155,988	350,525	8.43%
Expenses:				
Administrative	710,018	669,134	40,884	6.11%
Tenant services	87,598	100,843	(13,245)	-13.13%
Utilities	1,044,998	1,024,843	20,155	1.97%
Ordinary maintenance and operation	1,729,117	1,461,931	267,186	18.28%
Protective services	400	975	(575)	-58.97%
Insurance	205,111	246,573	(41,462)	-16.82%
General expense	313,443	112,463	200,980	178.71%
Extraordinary maintenance			-	0.00%
Depreciation	793,418	661,878	131,540	19.87%
Total expenses	4,884,103	4,278,640	605,463	14.15%
Operating income (loss)	(377,590)	(122,652)	(254,938)	207.85%
Nonoperating revenues (expenses)				
Interest revenue	7,235	6,566	669	10.19%
Income (loss) before contributions	(370,355)	(116,086)	(254,269)	219.04%
Capital contributions	724,602	527,819	196,783	37.28%
Increase (decrease) in net position	354,247	411,733	(57,486)	-13.96%
Net position, beginning of year	975,046	563,313	411,733	73.09%
Prior period adjustments	-	-	-	0.00%
Restated net position, beginning of year	975,046	563,313	411,733	73.09%
Net position, end of year	\$ 1,329,293	\$ 975,046	\$ 354,247	36.33%

Budgetary Highlights

For the year ended March 31, 2025, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the procedures prescribed by the applicable funding agency.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025

Capital Asset and Debt Activity

Capital Asset activity during the fiscal year ended March 31, 2025 is as follows:

	Balance March 31, 2024	Additions	Retirements & Dispositions	Transfers	Balance March 31, 2025
Not being depreciated:					
Land	\$ 131,611	\$ -	\$ -	\$ -	\$ 131,611
Construction in progress	482,553	160,888	-	(643,441)	-
Total not being depreciated	614,164	160,888	-	(643,441)	131,611
Depreciable:					
Buildings & improvements	27,952,536	417,130	-	643,441	29,013,107
Accumulated depreciation	(23,313,021)	(727,261)	-	-	(24,040,282)
Net buildings & improvements	4,639,515	(310,131)	-	643,441	4,972,825
Equipment	932,936	238,849	(2,272)	-	1,169,513
Accumulated depreciation	(841,083)	(66,157)	2,272	-	(904,968)
Net equipment	91,853	172,692	-	-	264,545
Net depreciable assets	4,731,368	(137,439)	-	643,441	5,237,370
TOTAL	\$ 5,345,532	\$ 23,449	\$ -	\$ -	\$ 5,368,981

Capital asset additions totaled \$1,299,420. Improvements (all at Dunbar Heights) consisted of an oil tank replacement, bathroom revitalization, new appliances, parking lot repaving and related A&E fees. Operating funds as well as Capital Funds and CDBG Funds were used.

Debt: As of March 31, 2023, the Authority recorded debt related to equipment leases in accordance with GASB-87 standards. Total outstanding debt at March 31, 2025, is \$3,927, with \$2,735 due within the next 12 months.

Economic Factors and Next Year's Budgets and Rates

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

- The state of the economy, including its impact on rental income. Tenant rental payments are based on tenant income,
- The need for Congress to fund programs and potential cutbacks on HUD subsidies and grants,
- The availability of unrestricted net position to fund any shortfalls from a possible economic downturn and reduced subsidies and grants.

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 Ms. Janneyn Phalen, Executive Director, Peekskill Housing Authority, 807 Main Street, Peekskill, New York 10566.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

STATEMENT OF NET POSITION
MARCH 31, 2025

ASSETS	
Current assets	
Cash and cash equivalents, unrestricted	\$ 928,865
Cash and cash equivalents, restricted	86,432
Accounts receivable, net of allowance	204,769
Due from other governments	343,995
Inventories, net of obsolescence	61,747
Prepaid expense	46,822
Total current assets	1,672,630
Noncurrent assets	
Capital assets	
Not being depreciated	131,611
Depreciable, net	5,237,370
Total noncurrent assets	5,368,981
Total assets	7,041,611
Deferred Outflow of Resources	1,176,854
Total Assets and Deferred Outflow of Resources	8,218,465
LIABILITIES	
Current liabilities	
Vendors and contractors payable	51,314
Accrued wages/taxes payable	18,304
Accrued compensated absences	32,455
Due to other governments	107,145
Unearned revenue	11,293
Notes and bonds payable	2,735
Other accrued liabilities	138,084
Resident security deposits	86,432
Total current liabilities	447,762
Noncurrent liabilities	
Notes and bonds payable	1,192
Accrued compensated absences	148,568
Other accrued liabilities	4,245,289
Total noncurrent liabilities	4,395,049
Total liabilities	4,842,811
Deferred Inflow of Resources	2,046,361
Total Liabilities and Deferred Inflow of Resources	6,889,172
NET POSITION	
Net investment in capital assets	5,368,981
Unrestricted	(4,039,688)
Total net position	\$ 1,329,293

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

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2025**

Operating revenues	
Rental revenue	\$ 2,086,699
HUD grants	2,338,433
Other revenue	81,381
Total operating revenues	<u>4,506,513</u>
Operating expenses	
Administrative	710,018
Tenant services	87,598
Utilities	1,044,998
Ordinary maintenance & operation	1,729,117
Protective services	400
Insurance	205,111
General expenses	313,443
Depreciation	793,418
Total operating expenses	<u>4,884,103</u>
Operating income (loss)	<u>(377,590)</u>
Nonoperating revenues (expenses)	
Interest revenue, unrestricted	7,235
Total nonoperating revenues	<u>7,235</u>
Income (loss) before transfers	(370,355)
Capital contributions	<u>724,602</u>
Increase (decrease) in net position	354,247
Net position, beginning of year	<u>975,046</u>
Net position, end of year	<u><u>\$ 1,329,293</u></u>

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

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

Cash Flows From Operating Activities	
Receipts from dwelling rentals	\$ 1,879,077
Operating grants	2,599,433
Other receipts	51,636
Payments to employees and suppliers	(4,195,722)
Payments to landlords and residents	(13,368)
Net cash provided (used) by operating activities	<u>321,056</u>
Cash Flows From Noncapital Financing Activities	
Principal paid on operating debt	(3,411)
Net cash provided (used) by noncapital financing activities	<u>(3,411)</u>
Cash Flows From Capital and Related Financing Activities	
Capital contributions	1,105,371
Purchases of capital assets	(816,867)
Net cash provided (used) by capital and related financing activities	<u>288,504</u>
Cash Flows From Investing Activities	
Interest	7,235
Net cash provided (used) by investing activities	<u>7,235</u>
Net increase (decrease) in cash and cash equivalents	613,384
Balance - beginning of the year	<u>401,913</u>
Balance - end of the year	<u>\$ 1,015,297</u>
Reconciliation of Cash Flows to Statement of Net Position	
Cash and cash equivalents, unrestricted	\$ 928,865
Cash and cash equivalents, restricted	86,432
	<u>\$ 1,015,297</u>

There are no non-cash transactions.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025
(Continued)

**Reconciliation of Net Operating Income (Loss) to
Net Cash Provided (Used) By Operating Activities**

Operating income/(loss)	\$ (377,590)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	793,418
Increase in accounts receivable	(55,068)
Decrease in due to/from other governments	293,512
Increase in due to/from other programs	16,148
Increase in prepaid expenses	(2,399)
Decrease in deferred outflow of resources	32,995
Decrease in security deposits	(1,461)
Decrease in accounts payable	(278,158)
Increase in accrued wages	4,532
Increase in accrued compensated absences	17,357
Increase in unearned revenue	(2,446)
Decrease in accrued liabilities	31,789
Decrease in deferred inflow of resources	(151,573)
	<u>\$ 321,056</u>

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

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

A - Summary of Significant Accounting Policies and Organization:

1. **Organization:** Peekskill Housing Authority (“the Authority”) is a public body corporate and politic pursuant to the Laws of the State of New York which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies.
2. **Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards* and *Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has no component units.
3. **Summary of HUD and Other Authority Programs:** The accompanying basic financial statements consist of the activities of the housing programs subsidized by HUD and Authority owned entities. A summary of each of these programs is provided below.
 - a) **Low Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.
 - b) **Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.
4. **Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (Enterprise Fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Generally accepted accounting principles for state and local governments require that resources be classified for accounting and reporting purposes into the following three net position categories:

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

A - Summary of Significant Accounting Policies and Organization: (Continued)

4. Basis of Presentation and Accounting: (Continued)

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or they expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

- 5. Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The Capital Fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.
- 6. Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.
- 7. Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.
- 8. Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority’s agent in the Authority’s name. It is the Authority’s policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of New York.
- 9. Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.
- 10. Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.
- 11. Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

A - Summary of Significant Accounting Policies and Organization: (Continued)

12. Fair Value of Financial Instruments: The carrying amount of the Authority's financial instruments at March 31, 2025 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

13. Capital Assets:

- a. Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

- b. Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings/Building modernization	15-30 years
Furniture and equipment	3-10 years
Specialized use equipment	2-10 years

- c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$1,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.
- d. Impairment of Long-Lived Assets:** The Authority has been and is currently involved in various activities in conjunction with its modernization programs. In accordance with *Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets*. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. The Authority has reviewed and determined there was no impairment of long-lived assets during year ending March 31, 2025.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

A - Summary of Significant Accounting Policies and Organization: (Continued)

- 14. Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 101*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.
- 15. Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable, and the loss is reasonably estimable.
- 16. Annual Contribution Contracts:** Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of Public Housing Authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.
- 17. Risk Management:** The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.
- 18. Use of Restricted Assets:** It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.
- 19. Operating Revenues and Expenses:** The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
- 20. Pensions:** For purposes of measuring the net pension (asset) and liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

B - Deposits and Investments: For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

1. HUD Deposit and Investment Restrictions

HUD requires authorities to invest excess HUD program funds in obligations of the United States, Certificates of Deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

2. Risk Disclosures

a. Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase.

At March 31, 2025, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

b. Credit Risk: This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

At March 31, 2025, the Authority's investments were limited to cash deposits.

2. Risk Disclosures (Continued)

c. Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were \$1,015,297 at March 31, 2025. Bank balances before reconciling items were \$1,034,773 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name.

C - Due From Other Governments:

U.S. Department of Housing and Urban Development (HUD)

\$ 343,995

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

D - Accounts Receivable:

Dwelling rents (net of allowance for doubtful accounts of \$1,060,366)	\$ 202,143
Miscellaneous (laundry service)	<u>2,626</u>
	<u>\$ 204,769</u>

E - Inventories:

Inventories (net of allowance for obsolescence of \$1,879)	<u>\$ 61,747</u>
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F - Land, Buildings and Equipment:

	Balance March 31, 2024	Additions	Retirements & Dispositions	Transfers	Balance March 31, 2025
Not being depreciated:					
Land	\$ 131,611	\$ -	\$ -	\$ -	\$ 131,611
Construction in progress	482,553	160,888	-	(643,441)	-
Total not being depreciated	614,164	160,888	-	(643,441)	131,611
Depreciable:					
Buildings & improvements	27,952,536	417,130	-	643,441	29,013,107
Accumulated depreciation	(23,313,021)	(727,261)	-	-	(24,040,282)
Net buildings & improvements	4,639,515	(310,131)	-	643,441	4,972,825
Equipment	932,936	238,849	(2,272)	-	1,169,513
Accumulated depreciation	(841,083)	(66,157)	2,272	-	(904,968)
Net equipment	91,853	172,692	-	-	264,545
Net depreciable assets	4,731,368	(137,439)	-	643,441	5,237,370
TOTAL	\$ 5,345,532	\$ 23,449	\$ -	\$ -	\$ 5,368,981

G - Other Accrued Liabilities:

Accrued Utilities	<u>\$ 138,084</u>
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H - Due to Other Governments:

City of Peekskill – Payment in Lieu of Taxes	<u>\$ 107,145</u>
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I - Other Accrued Liabilities–Noncurrent:

Pension Liability	\$ 309,078
OPEB Liability	<u>3,936,211</u>
	<u>\$ 4,245,289</u>

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

J - Schedule of Changes in Noncurrent Liabilities:

	<u>Balance at</u> <u>March 31, 2024</u>		<u>Year Ended</u> <u>March 31, 2025</u>		<u>Balance at</u> <u>March 31, 2025</u>	
	<u>Long-term</u> <u>Portion</u>	<u>Current</u> <u>Portion</u>	<u>Additions</u>	<u>Payments</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
Notes payable	\$ 3,927	\$ 3,411	\$ -	\$ (3,411)	\$ 2,735	\$ 1,192
Accrued compensated absences	135,884	15,098	40,765	(10,724)	32,455	148,568
Net pension / OPEB liability	4,192,854	-	52,435	-	-	4,245,289
	<u>\$ 4,332,665</u>	<u>\$ 18,509</u>	<u>\$ 93,200</u>	<u>\$ (14,135)</u>	<u>\$ 35,190</u>	<u>\$ 4,395,049</u>

K - Annual Contributions by Federal Agencies:

Low Income Public Housing - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended March 31, 2025 were \$1,991,124. HUD also contributed additional funds for modernization and operations in the amount of \$834,516 for the year ended March 31, 2025.

L - Retirement Commitments:

Defined Benefit Pension Plan – The Authority participates in the New York State and Local Employees’ Retirement System (the System). This System offers a wide range of plans and benefits which is related to years of service and final average salary, vesting of retirement benefits, death and disability.

1. Plan Description

The Office of the New York State Comptroller administers the New York State and Local Employees’ Retirement System (ERS) referred to as New York State and Local Retirement System (the System). The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System.

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2022, he was reelected for a new term commencing January 1, 2023.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. Generally, members of the System are employees of the State and its municipalities, other than New York City.

PEEKSKILL HOUSING AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

ERS is a cost-sharing, multiple-employer defined benefit pension plan. The System is included in the State's financial report as a pension trust fund. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. In these statements, GLIP amounts are apportioned to and included in ERS.

Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

(a) Membership Tiers

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience the System uses a tier concept to distinguish these groups, generally:

(i) ERS

- Tier 1 Those persons who last became members before July 1, 1973.
- Tier 2 Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 Those persons who first became members on or after April 1, 2012.

(b) Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) require ten years of service credit to be 100% vested. As of April 9, 2022, legislation was passed that reduced the number of years of service from ten to five years for service credit.

(c) Employer Contributions

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2025 was approximately 11.6% of payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2025, the applicable interest rate was 5.9%.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

1. Plan Description (Continued)

(d) Member Contributions

Generally, Tier 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

(e) Benefits

i Tiers 1 and 2

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

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

1. Plan Description (Continued)

ii Tiers 3, 4, and 5

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

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of the final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3- and 4-members aged 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

iii Tier 6

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

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% greater than the average of the previous four years.

iv Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

1. Plan Description (Continued)

(e) Benefits (Continued)

v Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty and accidental disability benefits. Eligibility, benefit amounts and other rules such as any offsets or other benefits depend on a member's tier, years of service and plan.

vi Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

vii Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1% or exceed 3%.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The System maintains records and accounts and prepares financial statements using the accrual basis of accounting. Employer contributions are recognized when legally due, pursuant to statutory requirements, in accordance with the terms of each plan. Member contributions are based on earned member salaries and are recognized when due. Benefits, expenses, and refunds are recognized when due and payable.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

2. Summary of Significant Accounting Policies (Continued)

(b) Investments

Investments are recorded on a trade-date basis and reported at fair value. Fair value is defined as the amount that can reasonably be expected to be received for an investment in a current sale between a willing buyer and a willing seller. Due to the nature of investments, it is reasonable that changes in the value of investments will occur in the near future, and such changes could materially affect the amounts reported. The amounts reported as investments on the financial statements are allocated between ERS based on each system's monthly average equity in the Fund. See note 4(c) for detailed information on the System's policy on investment valuation and note 8 for more detail regarding the methods used to measure the fair value of investments.

(c) Member Loan Programs

Members who joined prior to January 1, 2018 are entitled to participate in a loan program that allows them to borrow up to 75 percent of their member contributions or \$50,000, whichever is less. Members who joined on or after January 1, 2018, may borrow up to 50 percent of their contribution balance or \$50,000, whichever is less. Repayment of outstanding amounts is generally made through payroll deductions within five years. The interest rate charged for COESC Member Loans is fixed at 1 percent below the actuarial interest rate at the time the loan is granted. The rate for loans issued during the fiscal year ended March 31, 2025 was 5.0 percent.

(d) Capital Assets

Capital assets are capitalized at cost and depreciated on a straight-line basis over the related assets estimated useful lives.

The System has capitalized outlays associated with the redesign of its pension administration system. As of March 31, 2025, capitalized outlays for the project total \$588 million and is considered substantially complete. The cost will be depreciated over 15 years.

(a) Contributions Receivable

Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers. Receivable amounts from participating employers include \$15.7 million for amortization of retirement incentives, new plan adoptions, and retroactive membership. The RSSL includes several provisions related to the amortization of employer contribution amounts. These include:

Chapter 57 of the Laws of 2010 authorized the State and local employers to amortize a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the statute. Amortized amounts will be paid in equal annual installments over a ten-year period including a rate of interest set by the Comptroller annually. Employers may prepay these amounts at any time without penalty. The first payment will be due in the fiscal year following the decision to amortize. Chapter 57 further provides that when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, employers that elected to amortize will be required to pay additional moneys into reserve funds, specific to each employer, which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

3. Allocation Percentage Methodology

The total pension liability measured as of March 31, 2024 was determined by using the completed actuarial valuation as of April 1, 2023 with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions:

	ERS
Inflation	2.9%
Salary increases	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost of living adjustments	1.5%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2025 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries’ Scale MP-2021.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32%	4.00%
International equity	15%	6.65%
Private equity	10%	7.25%
Real estate	9%	4.60%
Opportunities/ARS Portfolio	3%	5.25%
Real assets	3%	5.40%
Credit	4%	5.79%
Cash	1%	0.25%
Fixed income	23%	1.50%
	100%	

The real rate of return is net of the Long-Term inflation assumption of 2.90%.

PEEKSKILL HOUSING AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

3. Allocation Percentage Methodology (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Assumptions

2024: For the April 1, 2023 funding valuation, the mortality improvement assumption was updated to Society of Actuaries’ Scale MP-2021, the inflation assumption was increased to 2.9% and the cost-of-living assumption was updated to 1.5%. Further, the recognition of unexpected investment returns will occur in equal installments over 8 years. Finally, active member withdrawal rates for Tiers 5 and 6 were revised to reflect the New York State Legislature’s change in benefit terms.

2022: For the April 1, 2021 funding valuation, the mortality improvement assumption was updated to Society of Actuaries’ Scale MP-2020, the inflation assumption was increased to 2.7% and the cost-of-living assumption was updated to 1.4%, while the salary scale assumption changed to 4.4% in ERS and the discount rate assumption was reduced to 5/9%. Further, a market restart was implemented to immediately recognize the market value of assets in the funding valuation.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, 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-percentagepoint lower (4.9%) or 1-percentage-point higher (6.9%) than the current rate:

	1% Decrease	Current Assumption	1% Increase
	(4.90%)	(5.90%)	(6.90%)
ERS net pension liability (asset)	\$ 297,366	\$ 94,579	\$ (74,790)

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

3. Allocation Percentage Methodology (Continued)

Net Pension Liability Information

The Authority as of March 31, 2025 reported a net pension liability in the amount of \$309,078 due to GASB #68. The component of the current year net pension liability of the Authority as of March 31, 2024, the last evaluation date, is as follows:

	ERS
Employer Total Pension Liability	\$ 1,507,074
Plan Net Position	1,412,495
Employers' Net Pension Liability (Asset)	\$ 94,579
Ratio of Fiduciary Net Pension to the Employees Total Pension Liability	93.88%

The Authority's allocation percentage is 0.0020991% as of March 31, 2024, which was a decrease of 0.0002706% from its proportion measured as of March 31, 2024.

Deferred Outflows of Resources and Deferred Inflows of Resources

a. Difference in expected and actual experience

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a five-year closed period for ERS, reflecting the average remaining service life of ERS. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow or resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year ending March 31, 2025, is \$99,554 and \$8,428 for ERS. These amounts are reported as deferred outflows of resources and deferred inflows respectively.

b. Changes in assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over a five-year closed period for ERS, reflecting the average remaining service life of ERS members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year ending March 31, 2025 is \$116,856 for deferred outflows and \$-0- for deferred inflows.

c. Net difference between projected and actual investment earnings on pension plan investments

The difference between the System's expected rate of return of 7.5% and actual investment earnings on pension plan investments is amortized over a five-year closed period for ERS in accordance with Statement 68. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow or resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year ending March 31, 2025, is \$-0- for deferred outflows and \$150,983 for deferred inflows.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Commitments: (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

d. Changes in proportion and differences between contributions and proportionate share of contributions

The change in employer proportionate share is the amount of difference between the employer proportionate share of net pension liability in the prior year compared to the current year. The difference between employer contributions and proportionate share of contributions is the difference between the total amount of employer contributions and the amount of the proportionate share of employer contributions. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a four-year closed period, reflecting the average remaining service life of ERS.

The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow or resources or a deferred inflow of resources. The collective amount of the change in proportion and differences between contributions and proportionate share of contributions for the year ending March 31, 2025, is \$3,096 for deferred outflows and \$54,413 for deferred inflows.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the period ended March 31, 2025 is \$114,637 for deferred outflows.

At March 31, 2025, the Authority reported a pension liability of \$309,078 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended March 31, 2025, the Authority recognized pension expense of \$114,637. At March 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS DEFERRED	
	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 30,464	\$ 2,579
Changes of assumptions	35,758	-
Net difference between projected and actual investment earnings on pension plan investments	-	46,201
Changes of proportion and differences between employer contributions and proportionate share of contributions	11,790	7,751
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 78,012</u>	<u>\$ 56,531</u>

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

L – Retirement Contributions: (Continued)

Collective Pension Expense (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expenses as follows:

<u>Year Ended September 30,</u>	
2025	\$ (15,962)
2026	19,468
2027	28,183
2028	(10,209)
2029	-
Thereafter	-

M - Other Post-Employment Benefits (Obligations for Health Insurance)

Plan Description: The Authority’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the Authority. The plan is a single employer defined benefit OPEB plan administered by the Authority. Article 11 of the State Compiled Statutes grants the Authority to establish and amend the benefit terms and financing requirements to the Authority Board. No assets are accumulated in an irrevocable trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided: The Authority provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Authority offices and are available upon request.

The number of participants as of the effective date of the other post-employment benefit valuation (OPEB), follows. There have been no significant changes in the number or the type of coverage since that date.

Active Employees	11
Retired Employees	<u>11</u>
Total	<u><u>22</u></u>

Net OPEB Liability

The Authority’s net OPEB liability was measured as of April 1, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB Liability in the April 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

M - Other Post Employment Benefits (Obligations for Health Insurance) (Continued)

Net OPEB Liability (Continued)

Discount Rate	3.97% - End of year Measurement Date				
Actuarial Cost Method	Entry Age Normal as a Level Percentage of Payroll				
Health Care Cost Trend Assumption	Year	Pre-65	Post 65		
	Year 1 Trend	January 1, 2026	7.00%	7.00%	
	Ultimate Trend	January 1, 2036 & Later	4.50%	4.50%	
	Grading Per Year		0.25%	0.25%	
Starting Claim Cost	Retiree Group	Tier	Plan Year 1/23 to 12/23	Plan Year 1/24 to 12/24	2024-to-2023 % Change
	<u>Pre-65 medical/Rx Plans:</u>				
	Empire Plan (NYSHIP)	Single	\$ 1,345.06	\$ 1,445.66	7.48%
		Family	\$ 3,175.87	\$ 3,367.09	6.02%
	<u>Post-65 medical/Rx Plans:</u>				
	Empire Plan (NYSHIP)	Single	\$ 476.69	\$ 548.95	15.16%
		EE + Sp - 1 Medicare	\$ 1,362.01	\$ 1,654.92	21.51%
		EE + Sp - 2 Medicare	\$ 1,242.48	\$ 1,498.01	20.57%
	Empire Plan Admin Fee	Per Employee	\$ 1.41	\$ 1.41	0.00%
	Medicare Part B Premium	Per Individual	\$ 164.90	\$ 174.70	5.94%

Base plan costs are based on premium rates for the Empire Plan effective 1/1/23, 1/1/24 and 1/1/25. These rates are 100% before retiree contributions and assumed to include all administrative expenses and PPACA fees. The above rates are unadjusted for aging and reflected for illustrative purposes. The valuation reflects aging of costs for pre-65 and post-65 retirees. Costs for the Authority's FY October 1, 2023, to September 30, 2024, reflects a blend of 3 months of the CY2023 rates with 9 months of the CY2024 rates.

Retiree Contribution Rates Individuals eligible for retiree benefits will have 0% contribution rates (i.e. plan is non-contributory). This applies to current and future retirees.

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

Change in Assumptions: Change in assumptions deferred inflows (actuarial gain) as reported in FYE 4/1/2024 to 3/31/2025 valuation report, driven by increases in cost and trend assumptions plus demographic changes, partially offset by a change in discount rate assumption from 4.10% to 4.47%.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

M - Other Post Employment Benefits (Obligations for Health Insurance) (Continued)

Net OPEB Liability (Continued)

The following table shows the changes in the Authority's OPEB liability:

Schedule of Changes in Total OPEB Liability	
Service cost	\$ 38,210
Interest on Total OPEB Liability	44,831
Change in assumptions	(362,764)
Actual Benefit Payments for fiscal year ended September 30, 2024	<u>(20,969)</u>
Increase in OPEB Liability	(300,692)
OPEB liability at September 30, 2023	<u>1,139,734</u>
OPEB liability at September 30, 2024	<u>\$ 839,042</u>

Sensitivity of the OPEB Liability to changes in the discount rate:

The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.47%) or one percentage point higher (5.47%) than the current discount rate:

	Discount Rate Sensitivity		
	1% Decrease	Current Rate	1% Increase
	<u>2.97%</u>	<u>3.97%</u>	<u>4.97%</u>
Total OPEB Liability	\$ 975,459	\$ 839,042	\$ 726,480

The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates than the current healthcare cost trend rates.

	Healthcare Cost Inflation Rate Sensitivity		
	1% Decrease	Current Rate	1% Increase
	<u>2.97%</u>	<u>3.97%</u>	<u>4.97%</u>
Total OPEB Liability	\$ 707,058	\$ 839,042	\$ 1,005,019

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

M - Other Post Employment Benefits (Obligations for Health Insurance) (Continued)

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

For the year ended March 31, 2025, the Authority recognized an OPEB expense of \$446,887. As of March 31, 2025, the Authority reported a deferred outflow of resources of \$865,055 and deferred inflow of resources of \$1,832,537 in relation to OPEB.

	OPEB DEFERRED	
	<u>Outflows</u>	<u>Inflows</u>
Differences between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions and other inputs	22,528	429,995
Net Difference between Expected and Actual Earnings on OPEB Investments	-	-
Total	<u><u>\$ 22,528</u></u>	<u><u>\$ 429,995</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expenses as follows:

<u>Year Ended September 30,</u>	
2025	\$ (330,668)
2026	(232,068)
2027	(158,793)
2028	(105,484)
2029	(56,600)
Thereafter	-

N - Economic Dependency: The Authority receives approximately 58% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.

O - Contingencies:

1. The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended March 31, 2025.
2. The Authority is a defendant in various lawsuits. Although the outcome of the lawsuits is not presently determinable, it is the opinion of the Authority (and the Authority's attorney) that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2025

P - Conduit Type Debt: Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the basic financial statements of the Authority. Additionally, HUD no longer provides debt service information to the Authority.

Q - Leasing Activities (as Lessor): The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the basic financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year but is affected by general economic conditions which impact personal income and local job availability.

R - Interprogram Transfers: The Authority will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. The Authority had \$252,136 in transfers during the year ended March 31, 2025.

S - Decrease in Net Position: The decrease in net position is expected to be absorbed through operations in subsequent fiscal years, assisted by transfers from various programs. No fund deficit is expected as a result of the current year loss.

T - 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 evaluated the activity of the Authority through the date of the Independent Auditors Report 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.

REQUIRED SUPPLEMENTARY INFORMATION

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NEW YORK STATE AND LOCAL EMPLOYEE'S RETIREMENT SYSTEM
MARCH 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

As of the measurement date of March 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's porportion of the net pension liability	0.0020991%	0.0023697%	0.0024758%	0.0024836%	0.0023462%	0.0021491%	0.0021504%	0.0020476%	0.0023296%	0.0024626%
Authority's porportionate share of the net pension liability (asset)	\$ 309,078	\$ 508,165	\$ (202,382)	\$ 2,473	\$ 621,300	\$ 152,273	\$ 69,403	\$ 192,397	\$ 373,911	\$ 83,191
Authority's Covered-Employee Payroll	\$ 711,274	\$ 674,084	\$ 688,457	\$ 688,457	\$ 659,284	\$ 648,327	\$ 623,960	\$ 596,918	\$ 606,539	\$ 638,893
Proportionate's proportionate share of the net pension liability as a percentage of its covered-employee payroll	43.45%	75.39%	-29.40%	0.36%	94.24%	23.49%	11.12%	32.23%	61.65%	13.02%
Plan fiduciary net position as a percentage of the total pension liability	93.72%	91.34%	103.74%	99.96%	87.26%	96.51%	98.24%	94.70%	90.68%	0.00%

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NEW YORK STATE AND LOCAL EMPLOYEE'S RETIREMENT SYSTEM
MARCH 31, 2025

SCHEDULE OF PENSION CONTRIBUTIONS

As of the measurement date of March 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 59,975	\$ 93,459	\$ 94,231	\$ 77,752	\$ 76,502	\$ 62,511	\$ 70,560	\$ 73,098	\$ 80,920	\$ 74,289
Contributions in relation to the contractually required contribution	59,975	93,459	94,231	77,752	76,502	62,511	70,560	73,098	80,920	74,289
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 711,274	\$ 674,084	\$ 688,457	\$ 688,457	\$ 659,284	\$ 648,327	\$ 623,960	\$ 596,918	\$ 606,539	\$ 638,893
Contributions as a percentage of covered-employee payroll	8.43%	13.86%	13.69%	11.29%	11.60%	9.64%	11.31%	12.25%	13.34%	11.63%

NORTH TARRYTOWN HOUSING AUTHORITY
 Steeple Hollow, New York

SCHEDULE OF EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS
 SEPTEMBER 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY

As of the measurement date of March 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's total OPEB liability	\$ 3,936,211	\$ 3,684,689	\$ 3,786,956	\$ 4,039,346	\$ 4,698,212	\$ 6,779,002	\$ 5,185,693	\$ 5,098,463	\$ 2,080,095	\$ 2,007,043
Authority's Covered-Employee Payroll	\$ 944,443	\$ 578,461	\$ 657,996	\$ 657,996	\$ 657,996	\$ 684,533	\$ 810,537	\$ 666,555	\$ 633,043	\$ 638,893
Total OPEB liability as a percentage of covered-employee payroll	416.78%	636.98%	575.53%	613.89%	714.02%	990.31%	639.78%	764.90%	328.59%	314.14%

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

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2025

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Data contained in this required supplementary information is derived primarily from the Office of the State Comptroller, New York State & Local Retirement System.

Changes in Assumptions -

2024: For the April 1, 2023 funding valuation, all major assumptions and methods used were identical to that of the April 1, 2022 funding valuation.

2023: For the April 1, 2022 funding valuation, the mortality improvement assumption was updated to Society of Actuaries' Scale MP-2021, the inflation assumption was increased to 2.9% and the cost-of-living assumption was updated to 1.5%. Further, the recognition of unexpected investment returns will occur in equal installments over 8 years. Finally, active member withdrawal rates for Tiers 5 and 6 were revised to reflect the New York State Legislature's change in benefit terms.

SUPPLEMENTARY INFORMATION

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

COMBINING SCHEDULE OF NET POSITION
MARCH 31, 2025

	Project Total	14.870 Resident Opportunity and Support Services	14.218 Community Development Block Grants/Entitlement Grants	Total 2025
ASSETS				
Current assets				
Cash and cash equivalents, unrestricted	\$ 928,865	\$ -	\$ -	\$ 928,865
Cash and cash equivalents, restricted	86,432	-	-	86,432
Accounts receivable, net of allowance	204,769	-	-	204,769
Due from other governments	261,855	12,707	69,433	343,995
Due from/to other programs	82,140	(12,707)	(69,433)	-
Inventories, net of obsolescence	61,747	-	-	61,747
Prepaid expense	46,822	-	-	46,822
Total current assets	1,672,630	-	-	1,672,630
Noncurrent assets				
Capital assets				
Not being depreciated	131,611	-	-	131,611
Depreciable, net	5,237,370	-	-	5,237,370
Total noncurrent assets	5,368,981	-	-	5,368,981
Total assets	7,041,611	-	-	7,041,611
Deferred Outflow of Resources	1,176,854	-	-	1,176,854
Total Assets and Deferred Outflow of Resources	8,218,465	-	-	8,218,465
LIABILITIES				
Current liabilities				
Vendors and contractors payable	51,314	-	-	51,314
Accrued wages/taxes payable	18,304	-	-	18,304
Accrued compensated absences	32,455	-	-	32,455
Due to other governments	107,145	-	-	107,145
Unearned revenue	11,293	-	-	11,293
Notes and bonds payable	2,735	-	-	2,735
Other accrued liabilities	138,084	-	-	138,084
Resident security deposits	86,432	-	-	86,432
Total current liabilities	447,762	-	-	447,762
Noncurrent liabilities				
Notes and bonds payable	1,192	-	-	1,192
Accrued compensated absences	148,568	-	-	148,568
Other accrued liabilities	4,245,289	-	-	4,245,289
Total noncurrent liabilities	4,395,049	-	-	4,395,049
Total liabilities	4,842,811	-	-	4,842,811
Deferred Inflow of Resources	2,046,361	-	-	2,046,361
Total Liabilities and Deferred Inflow of Resources	6,889,172	-	-	6,889,172
NET POSITION				
Net investment in capital assets	5,368,981	-	-	5,368,981
Unrestricted	(4,039,688)	-	-	(4,039,688)
Total net position	\$ 1,329,293	\$ -	\$ -	\$ 1,329,293

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2025**

	Project Total	14.870 Resident Opportunity and Support Services	14.218 Community Development Block Grants/Entitlement Grants	Total 2025
Operating revenues				
Rental revenue	\$ 2,086,699	\$ -	\$ -	\$ 2,086,699
HUD grants	2,261,926	76,507	-	2,338,433
Other revenue	81,381	-	-	81,381
Total operating revenues	4,430,006	76,507	-	4,506,513
Operating expenses				
Administrative	710,018	-	-	710,018
Tenant services	11,091	76,507	-	87,598
Utilities	1,044,998	-	-	1,044,998
Ordinary maintenance & operation	1,729,117	-	-	1,729,117
Protective services	400	-	-	400
Insurance	205,111	-	-	205,111
General expenses	313,443	-	-	313,443
Depreciation	793,418	-	-	793,418
Total operating expenses	4,807,596	76,507	-	4,884,103
Operating income (loss)	(377,590)	-	-	(377,590)
Nonoperating revenues (expenses)				
Interest revenue, unrestricted	7,235	-	-	7,235
Total nonoperating revenues	7,235	-	-	7,235
Income (loss) before transfers	(370,355)	-	-	(370,355)
Capital contributions	563,714	-	160,888	724,602
Transfers from (to) other programs	349,235	-	(349,235)	-
Increase (decrease) in net position	542,594	-	(188,347)	354,247
Net position, beginning of year	786,699	-	188,347	975,046
Net position, end of year	\$ 1,329,293	\$ -	\$ -	\$ 1,329,293

Peekskill Housing Authority (NY082)
PEEKSKILL, NY

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2025

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$928,865			\$928,865		\$928,865
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted						
114 Cash - Tenant Security Deposits	\$86,432			\$86,432		\$86,432
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$1,015,297	\$0	\$0	\$1,015,297	\$0	\$1,015,297
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	\$261,855	\$69,433	\$12,707	\$343,995		\$343,995
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous	\$2,626			\$2,626		\$2,626
126 Accounts Receivable - Tenants	\$1,262,509			\$1,262,509		\$1,262,509
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,060,366			-\$1,060,366		-\$1,060,366
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$466,624	\$69,433	\$12,707	\$548,764	\$0	\$548,764
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$46,822			\$46,822		\$46,822
143 Inventories	\$63,626			\$63,626		\$63,626
143.1 Allowance for Obsolete Inventories	-\$1,879			-\$1,879		-\$1,879
144 Inter Program Due From	\$82,140			\$82,140	-\$82,140	\$0
145 Assets Held for Sale						

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
150 Total Current Assets	\$1,672,630	\$69,433	\$12,707	\$1,754,770	-\$82,140	\$1,672,630
161 Land	\$131,611			\$131,611		\$131,611
162 Buildings	\$25,362,681			\$25,362,681		\$25,362,681
163 Furniture, Equipment & Machinery - Dwellings	\$238,849			\$238,849		\$238,849
164 Furniture, Equipment & Machinery - Administration	\$930,664			\$930,664		\$930,664
165 Leasehold Improvements	\$3,650,426			\$3,650,426		\$3,650,426
166 Accumulated Depreciation	-\$24,945,250			-\$24,945,250		-\$24,945,250
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,368,981	\$0	\$0	\$5,368,981	\$0	\$5,368,981
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$5,368,981	\$0	\$0	\$5,368,981	\$0	\$5,368,981
200 Deferred Outflow of Resources	\$1,176,854			\$1,176,854		\$1,176,854
290 Total Assets and Deferred Outflow of Resources	\$8,218,465	\$69,433	\$12,707	\$8,300,605	-\$82,140	\$8,218,465
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$51,314			\$51,314		\$51,314
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	\$18,304			\$18,304		\$18,304
322 Accrued Compensated Absences - Current Portion	\$32,455			\$32,455		\$32,455
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$107,145			\$107,145		\$107,145

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
341 Tenant Security Deposits	\$86,432			\$86,432		\$86,432
342 Unearned Revenue	\$11,293			\$11,293		\$11,293
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings	\$2,735			\$2,735		\$2,735
345 Other Current Liabilities						
346 Accrued Liabilities - Other	\$138,084			\$138,084		\$138,084
347 Inter Program - Due To		\$69,433	\$12,707	\$82,140	-\$82,140	\$0
348 Loan Liability - Current						
310 Total Current Liabilities	\$447,762	\$69,433	\$12,707	\$529,902	-\$82,140	\$447,762
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings	\$1,192			\$1,192		\$1,192
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	\$148,568			\$148,568		\$148,568
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$4,245,289			\$4,245,289		\$4,245,289
350 Total Non-Current Liabilities	\$4,395,049	\$0	\$0	\$4,395,049	\$0	\$4,395,049
300 Total Liabilities	\$4,842,811	\$69,433	\$12,707	\$4,924,951	-\$82,140	\$4,842,811
400 Deferred Inflow of Resources	\$2,046,361			\$2,046,361		\$2,046,361
508.4 Net Investment in Capital Assets	\$5,368,981			\$5,368,981		\$5,368,981
511.4 Restricted Net Position						
512.4 Unrestricted Net Position	-\$4,039,688	\$0	\$0	-\$4,039,688		-\$4,039,688
513 Total Equity - Net Assets / Position	\$1,329,293	\$0	\$0	\$1,329,293	\$0	\$1,329,293
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$8,218,465	\$69,433	\$12,707	\$8,300,605	-\$82,140	\$8,218,465

Peekskill Housing Authority (NY082)
PEEKSKILL, NY

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2025

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,086,699			\$2,086,699		\$2,086,699
70400 Tenant Revenue - Other	\$29,745			\$29,745		\$29,745
70500 Total Tenant Revenue	\$2,116,444	\$0	\$0	\$2,116,444	\$0	\$2,116,444
70600 HUD PHA Operating Grants	\$2,261,926					
70610 Capital Grants	\$563,714	\$160,888	\$76,507	\$2,338,433		\$2,338,433
70710 Management Fee				\$724,602		\$724,602
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue				\$0	\$0	\$0
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$7,235			\$7,235		\$7,235
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery						
71500 Other Revenue	\$51,636			\$51,636		\$51,636
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$5,000,955	\$160,888	\$76,507	\$5,238,350	\$0	\$5,238,350
91100 Administrative Salaries	\$312,452			\$312,452		\$312,452
91200 Auditing Fees	\$10,350			\$10,350		\$10,350
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing	\$5,006			\$5,006		\$5,006
91500 Employee Benefit contributions - Administrative	\$165,094			\$165,094		\$165,094
91600 Office Expenses	\$142,131			\$142,131		\$142,131
91700 Legal Expense	\$46,185			\$46,185		\$46,185
91800 Travel						

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
91810 Allocated Overhead						
91900 Other	\$28,800			\$28,800		\$28,800
91000 Total Operating - Administrative	\$710,018	\$0	\$0	\$710,018	\$0	\$710,018
92000 Asset Management Fee						
92100 Tenant Services - Salaries			\$74,230	\$74,230		\$74,230
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$11,091		\$2,277	\$13,368		\$13,368
92500 Total Tenant Services	\$11,091	\$0	\$76,507	\$87,598	\$0	\$87,598
93100 Water	\$226,588			\$226,588		\$226,588
93200 Electricity	\$248,196			\$248,196		\$248,196
93300 Gas	\$293,663			\$293,663		\$293,663
93400 Fuel	\$206,749			\$206,749		\$206,749
93500 Labor						
93600 Sewer	\$48,821			\$48,821		\$48,821
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense	\$20,981			\$20,981		\$20,981
93000 Total Utilities	\$1,044,998	\$0	\$0	\$1,044,998	\$0	\$1,044,998
94100 Ordinary Maintenance and Operations - Labor	\$632,451			\$632,451		\$632,451
94200 Ordinary Maintenance and Operations - Materials and Other	\$187,951			\$187,951		\$187,951
94300 Ordinary Maintenance and Operations Contracts	\$606,116			\$606,116		\$606,116
94500 Employee Benefit Contributions - Ordinary Maintenance	\$302,599			\$302,599		\$302,599
94000 Total Maintenance	\$1,729,117	\$0	\$0	\$1,729,117	\$0	\$1,729,117
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other	\$400			\$400		\$400
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$400	\$0	\$0	\$400	\$0	\$400
96110 Property Insurance	\$68,378			\$68,378		\$68,378
96120 Liability Insurance	\$110,737			\$110,737		\$110,737
96130 Workmen's Compensation	\$10,725			\$10,725		\$10,725
96140 All Other Insurance	\$15,271			\$15,271		\$15,271
96100 Total Insurance Premiums	\$205,111	\$0	\$0	\$205,111	\$0	\$205,111

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
96200 Other General Expenses						
96210 Compensated Absences	\$27,906			\$27,906		\$27,906
96300 Payments in Lieu of Taxes	\$107,145			\$107,145		\$107,145
96400 Bad debt - Tenant Rents	\$178,392			\$178,392		\$178,392
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96900 Total Other General Expenses	\$313,443	\$0	\$0	\$313,443	\$0	\$313,443
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$4,014,178	\$0	\$76,507	\$4,090,685	\$0	\$4,090,685
97000 Excess of Operating Revenue over Operating Expenses	\$986,777	\$160,888	\$0	\$1,147,665	\$0	\$1,147,665
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments						
97350 HAP Portability-In						
97400 Depreciation Expense	\$793,418			\$793,418		\$793,418
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$4,807,596	\$0	\$76,507	\$4,884,103	\$0	\$4,884,103
10010 Operating Transfer In						
10020 Operating transfer Out	\$252,136			\$252,136	-\$252,136	\$0
10030 Operating Transfers from/to Primary Government	-\$252,136			-\$252,136	\$252,136	\$0
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In	\$349,235			\$349,235	-\$349,235	\$0
10094 Transfers between Project and Program - Out		-\$349,235		-\$349,235	\$349,235	\$0
10100 Total Other financing Sources (Uses)	\$349,235	-\$349,235	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$542,594	-\$186,347	\$0	\$354,247	\$0	\$354,247
11020 Required Annual Debt Principal Payments						
11030 Beginning Equity	\$3,411	\$0	\$0	\$3,411		\$3,411
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$786,699	\$188,347	\$0	\$975,046		\$975,046
11050 Changes in Compensated Absence Balance	\$0			\$0		\$0
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	3276			3276		3276
11210 Number of Unit Months Leased	3193			3193		3193
11270 Excess Cash	\$783,340			\$783,340		\$783,340
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases						
11630 Furniture & Equipment - Dwelling Purchases	\$185,020			\$185,020		\$185,020
11640 Furniture & Equipment - Administrative Purchases	\$238,849			\$238,849		\$238,849
11650 Leasehold Improvements Purchases	\$0			\$0		\$0
11660 Infrastructure Purchases	\$331,736			\$331,736		\$331,736
13510 CFFP Debt Service Payments	\$0			\$0		\$0
13901 Replacement Housing Factor Funds	\$0			\$0		\$0

SINGLE AUDIT SECTION

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2025**

Federal Grantor:

Assistance Listing Number	Program Title	Pass Through Entity	Federal Expenditures
U.S. Department of Housing and Urban Development			
	CDBG - Entitlement Grants Cluster		
14.218	Community Development Block Grants/Entitlement Grants	NA	\$ 160,888
	Total CDBG - Entitlement Grants Cluster		<u>160,888</u>
	Capital Fund Cluster		
14.872	Public Housing Capital Fund Program	NA	834,516
	Total Capital Fund Cluster		<u>834,516</u>
14.850	Public and Indian Housing	NA	1,991,124
14.870	Resident Opportunity and Supportive Services	NA	76,507
	Total U.S. Department of HUD		<u>3,063,035</u>
	Total Federal Awards Expenditures		<u>\$ 3,063,035</u>

Notes to the Schedule of Expenditures of Federal Awards

A. Basis of Accounting

This schedule is prepared on the accrual basis of accounting.

B. Basis of Presentation

The accompanying Schedule of Federal Awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended March 31, 2025.

The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Title 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

C. Other Matters - Indirect Costs

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

D. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule

FDS line 70600	HUD PHA Grants	\$ 2,338,433
FDS line 70610	Capital Grants	724,602
		<u>\$ 3,063,035</u>

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
210 N. Charles Richard Beall Blvd.
DeBary, Florida 32713

Phone (386) 668-6464 Fax (386) 668-6463

office@malcolmjohnsoncompany.com
www.malcolmjohnsoncompany.com

**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 Commissioners
Peekskill Housing Authority
Peekskill, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Peekskill Housing Authority ("the Authority"), as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

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.

Report on Compliance and Other Matters

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

Purpose of this Report

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



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
December 1, 2025

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
210 N. Charles Richard Beall Blvd.
DeBary, Florida 32713

Phone (386) 668-6464 Fax (386) 668-6463

office@malcolmjohnsoncompany.com
www.malcolmjohnsoncompany.com

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

Board of Commissioners
Peekskill Housing Authority
Peekskill, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Peekskill Housing Authority's ("the Authority") 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 Authority's major federal programs for the year ended March 31, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 have not been 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.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
December 1, 2025

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Basic Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major programs:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)?	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program
14.872	Capital Fund Program

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

PEEKSKILL HOUSING AUTHORITY
Peekskill, New York

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2025
(Continued)

SECTION II – BASIS FINANCIAL STATEMENT FINDINGS

There were no Basic Financial Statement Findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Findings and Questioned Costs.

**PEEKSKILL HOUSING AUTHORITY
Peekskill, New York**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2025**

There were no Prior Audit Findings.