HOUSING AUTHORITY OF THE CITY OF EUREKA

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

HARSHWAL®
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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EXECUTIVE DIRECTOR

Cheryl Churchill

BOARD OF COMMISSIONERS

Kali Serotta

Mark Konkler

Kay Escarda

Renee Byers

Kristen Raymond

Tabatha Pittman

HARSHWAL & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Eureka
Eureka, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, and the aggregate discretely presented component unit of Housing Authority of the City of Eureka (the "Authority"), as of and for the year ended December 31, 2023, 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 based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate discretely presented component unit of the Authority as of December 31, 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following blended presented component unit:

- Eureka Family Housing LP

This entity collectively represents 48%, (7)%, and 23%, respectively, of the assets, net position, and operating revenues of the primary government as of December 31, 2023. Those financial statements, which were prepared in accordance with Accounting Standards Codification as issued by the Financial Accounting Standards Board, were audited by other auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for blended component unit (BCU2), is based solely on the report of the other auditor. The financial statements of the blended component unit were not audited in accordance with *Government Auditing Standards*.

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.

Emphasis of Matter

Change in Component Unit's Presentation

We draw attention to Note 1 to the financial statements, which describes a change in the presentation of Eureka Family Housing, LP from a discretely presented component unit to a blended component unit. Our opinion is not modified in respect of this matter.

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 5 - 9 and required supplementary schedules on pages 43 - 45 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 statement and certification of actual costs, 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. In addition, the accompanying statement and certification of actual costs, required by the U.S. Department of Housing and Urban Development, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying statement and certification of actual costs and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024, 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.

Harshwal & Company LLP

Oakland, California
September 26, 2024

The Housing Authority of the City of Eureka (the "Authority") primarily provides housing assistance to low-income individuals and families. Its primary sources of funding are through grants received from the U.S. Department of Housing and Urban Development (HUD).

The Authority's Management's Discussion and Analysis is designed to:

- Assist the reader in focusing on significant financial issues,
- Provide an overview of the Authority's financial activity,
- Identify changes in the Authority's financial position and its resulting ability to address the next and subsequent year's challenges and
- Identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

The Authority's net position decreased by $840,105 (13%) during the year 2023. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position. The net position was $5,845,975 and $6,686,080 for 2023 and 2022, respectively.

Total revenues increased by $433,159 (16%) during 2023 and were $3,109,675 and $2,676,516 for 2023 and 2022, respectively.

Total expenses increased by $1,390,659 (65%) during 2023 and were $3,532,065 and $2,141,406 for 2023 and 2022, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of two parts: management's discussion and analysis and the basic financial statements. The Authority follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the Authority. While detailed sub-fund information is not presented, separate accounts are maintained for each Authority program.

The financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, and notes to basic financial statements. The statement of net position provides a record or snapshot of the assets and liabilities at the close of the fiscal year. It presents the financial position of the Authority on a full accrual historical cost basis. The statement of revenues, expenses, and changes in net position presents the results of the business activities over the course of the fiscal year. The statement of cash flows is related to the other financial statements by the way it links changes in assets and liabilities to the effects on cash and cash equivalents over the course of the fiscal year. The notes to basic financial statements provide useful information regarding the Authority's significant accounting policies, significant account balances and activities, certain material risks, obligations, commitments, contingencies, and subsequent events.

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table reflects the condensed Statement of Net Position compared to the prior year.

Table 1 - Statement of Net Position

	December 31, 2023	December 31, 2022	Change	%
Cash and cash equivalents	$ 1,267,760	$ 885,223	$ 382,537	43
Other current assets	234,907	143,033	91,874	64
Tangible and intangible capital assets, net	7,545,033	2,454,105	5,090,928	207
Other assets	2,071,063	5,966,169	(3,895,106)	(65)
Total assets	11,118,763	9,448,530	1,670,233	18
Deferred outflows of resources	943,216	974,798	(31,582)	(3)
Total assets and deferred outflows of resources	12,061,979	10,423,328	1,638,651	16
Current liabilities	354,257	343,548	10,709	3
Noncurrent liabilities	5,379,192	2,846,567	2,532,625	89
Total liabilities	5,733,449	3,190,115	2,543,334	80
Deferred inflows of resources	482,555	547,133	(64,578)	(12)
Total liabilities and deferred inflows of resources	6,216,004	3,737,248	2,478,756	66
Net position:				
Net investment in capital assets	5,461,536	2,175,128	3,286,408	151
Restricted	366,284	-	366,284	100
Unrestricted	18,155	4,510,952	(4,492,797)	(100)
Total net position	5,845,975	6,686,080	(840,105)	(13)
Total liabilities, deferred inflows of resources, & net position	$ 12,061,979	$ 10,423,328	$ 1,638,651	16

Major factors affecting the Statement of Net Position (Table 1)

On December 31, 2023, the Housing Authority of the City of Eureka (HACE) acquired the Limited Partnership interest in Eureka Family Housing, LP (EFHL) from Merritt Community Capital, which consists of a 50-unit affordable housing property, Eureka Family Housing (the Project) that was previously reported in HACE's financials as a "Discrete Component Unit", since it shared ownership of the Project. As of December 31, 2023, HACE is the full owner of EFHL and the project's financials are now presented as a "Blended Unit" and are effectively combined with HACE's financials, for presentation purposes.

The changes in assets, liabilities, and net position, amounting to an increase of $1,638,651 (16%) in assets, an increase of $2,478,756 (66%) in liabilities, and a decrease of $840,105 (13%) in net position, are primarily attributable to the reclassification of the Authority's component unit, EFHL, from a discrete component unit to a blended component unit (see Note 1 and Note 14).

EFHL is a relatively newer property, compared to the rest of our portfolio, and is more highly leveraged since it is still paying down various mortgages. This resulting leverage results in an overall decrease in net position. However, the property is in good condition and has strong cash flow.
Other major factors are as follows:

<u>Assets</u>

A net Pension and OPEB (Other Post-Employment Benefits) receivable increase of $50,311 (see Note 6 and Note 7).

<u>Liabilities</u>

A net Pension and OPEB (Other Post-Employment Benefits) liability increase of $208,401. (see Note 6 and Note 7).

The following schedule compares the revenues and expenses for the current and previous fiscal years.

Table 2 - Statement of Revenues, Expenses, and Changes in Net Position

	December 31, 2023	December 31, 2022	Change	%
Operating revenues, net of collection losses	$ 1,750,710	$ 1,045,367	$ 705,343	67
Operating grants and subsidies	1,311,300	1,453,567	(142,267)	(10)
Depreciation and amortization expenses	(538,003)	(274,014)	(263,989)	96
Other operating expenses	(2,901,109)	(1,865,914)	(1,035,195)	55
Operating income (loss)	(377,102)	359,006	(736,108)	(205)
Investment income	47,665	177,582	(129,917)	(73)
Interest expense	(92,953)	(1,478)	(91,475)	6,189
Net income (loss) - change in net position	(422,390)	535,110	(957,500)	(179)
Net position, beginning of year*	6,268,365	6,150,970	117,395	2
Net position, end of year	$ 5,845,975	$ 6,686,080	$ (840,105)	(13)

Major factors affecting the Statement of Revenues, Expenses, and Changes in Net Position (Table 2)

On December 31, 2023, the Housing Authority of the City of Eureka (HACE) acquired the Limited Partnership interest in Eureka Family Housing, LP (EFHL) from Merritt Community Capital, which consists of a 50-unit affordable housing property, Eureka Family Housing (the Project) that was previously reported in HACE's financials as a "Discrete Component Unit", since it shared ownership of the Project. As of December 31, 2023, HACE is the full owner of EFHL and the project's financials are now presented as a "Blended Unit" and are effectively combined with HACE's financials, for presentation purposes.

Operating revenues increased by $563,076 (23%), operating expenses increased by $1,299,184 (61%), and net position decreased by $840,105 (13%) compared to the prior year's increase of $117,395 (2%), are primarily attributable to the reclassification of the Authority's component unit from a discrete component unit to a blended component unit (see Note 1 and Note 14).

Other major factors are as follows:

Revenues

In 2022, a one-time $250,000 Emergency, Safety, and Security grant was drawn down and utilized. Accordingly, HUD grant income was lower in 2023, but was offset by increases in tenant rent and a shortfall grant for $72,960.

Expenses

Pension related expense increased $450,267 compared to the prior year. The increase in pension expense is mostly due to an unprecedented low pension expense in the prior year. This year's pension expense is more in-line with normal expectations. (see Note 7)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Tangible and Intangible Capital Assets

As of the fiscal year ended December 31, 2023, the Authority had $7,545,033 invested in various capital assets as reflected in the following schedule, representing a net increase (additions, deductions, and depreciation) of $5,090,928 from the end of last year.

Table 3 - Change in Capital Assets

	December 31, 2023	December 31, 2022	Change	%
Land	$ 892,315	$ 322,315	$ 570,000	177
Construction in process	-	55,816	(55,816)	(100)
Buildings	17,564,647	9,458,253	8,106,394	86
Furniture and equipment-administration	412,634	364,222	48,412	13
Intangible capital assets	14,577	14,577	-	-
Less: Accumulated depreciation	(11,333,389)	(7,758,541)	(3,574,848)	46
Less: Accumulated amortization	(5,751)	(2,537)	(3,214)	127
Capital Assets, net	$ 7,545,033	$ 2,454,105	$ 5,090,928	207

The change in capital assets is presented in detail in the notes to the financial statements.

Debt Outstanding

The Authority had the following amounts of debt outstanding:

	December 31, 2023	December 31, 2022	Change	%
Total debt	$ 2,083,497	$ 278,976	$ 1,804,521	647

The change in debt outstanding is presented in detail in the notes to the financial statements.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding by the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflation, recession, and employment trends can affect resident incomes and, therefore, the amount of rental income.

FINANCIAL CONTACT

This financial report is designed to provide users of these financial statements with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives.

The individual to be contacted regarding this report is Cheryl Churchill, Executive Director for the Housing Authority of the City of Eureka, at (707) 443-4583. Specific requests may be submitted to:

Dustin Wiesner, Director of Finance,
Housing Authority of the City of Eureka,
735 West Everding,
Eureka, CA 95503.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF EUREKA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government	Discretely Presented Component Unit
Assets		
Current assets:		
Cash and cash equivalents-operating	$ 791,955	$ 29,363
Accounts receivable, net of allowances	48,446	20
Accrued interest receivable	3,336	-
Notes receivable	7,980	-
Prepaid expenses	175,145	8,067
Total current assets	1,026,862	37,450
Restricted assets		
Cash and cash equivalents, restricted	475,805	149,017
Total restricted assets	475,805	149,017
Noncurrent assets:		
Investment in joint ventures	94,836	-
Accounts receivable	82,500	-
Notes receivable, net of current	1,342,738	-
Accrued interest receivable	550,989	-
Capital assets, net	7,536,207	817,166
Intangible capital assets, net	8,826	-
Total noncurrent assets	9,616,096	817,166
Total assets	11,118,763	1,003,633
Deferred outflows of resources:		
Deferred outflows of resources - Pension	763,495	-
Deferred outflows of resources - OPEB	179,721	-
Total deferred outflows of resources	943,216	-
Total assets and deferred outflows of resources	$ 12,061,979	$ 1,003,633

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

HOUSING AUTHORITY OF THE CITY OF EUREKA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government	Discretely Presented Component Unit
Liabilities		
Current liabilities:		
Accounts payable	$ 61,546	$ 8,991
Unearned revenue	15,234	413
Deposits held in trust, contra	109,521	11,833
Other current liabilities	122,159	6,294
Accrued employee benefits payable	2,906	79
Debt	40,167	22,838
Lease liability	2,724	-
Total current liabilities	354,257	50,448
Noncurrent liabilities:		
Debt, net of current portion	2,034,367	878,551
Lease liability, net of current portion	6,239	-
Other long-term liabilities	468,525	877,689
Accrued employee benefits payable, net of current portion	2,870,061	2,566
Total noncurrent liabilities	5,379,192	1,758,806
Total liabilities	5,733,449	1,809,254
Deferred inflows of resources:		
Deferred inflows of resources - Pension	249,237	-
Deferred inflows of resources - OPEB	233,318	-
Total deferred inflows of resources	482,555	-
Total liabilities and deferred inflows of resources	6,216,004	1,809,254
Net position		
Net investment in capital assets	5,461,536	(84,223)
Restricted	366,284	137,184
Unrestricted	18,155	(858,582)
Total net position	5,845,975	(805,621)
Total liabilities, deferred inflows of resources, and net position	$ 12,061,979	$ 1,003,633

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

HOUSING AUTHORITY OF THE CITY OF EUREKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	Primary Government	Discretely Presented Component Unit
Operating revenues		
Rental revenue - tenant, net of collection losses	$ 1,678,791	$ 72,209
Operating grants and subsidies	1,311,300	111,904
Other revenue	71,919	244
Total operating revenues	3,062,010	184,357
Operating expenses		
Administrative	1,057,193	49,368
Tenant services	78,935	2,627
Utilities	334,810	26,220
Ordinary maintenance and operations	1,105,029	67,106
Insurance premiums	165,577	6,983
Other general expenses	159,565	3,703
Depreciation expenses	534,789	36,217
Amortization expenses	3,214	-
Total operating expenses	3,439,112	192,224
Operating income (loss)	(377,102)	(7,867)
Nonoperating revenues (expenses)		
Investment income	47,665	71
Interest expenses	(92,953)	(44,795)
Total nonoperating revenues (expenses)	(45,288)	(44,724)
Change in net position	(422,390)	(52,591)
Net position, beginning of year	6,268,365	(753,030)
Net position, end of year	$ 5,845,975	$ (805,621)

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

HOUSING AUTHORITY OF THE CITY OF EUREKA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Primary Government	Discretely Presented Component Unit
Cash flows from operating activities:		
Receipts from tenants	$ 980,199	$ 71,305
Receipts from operating federal grants and contracts	1,291,225	114,066
Other receipts	126,518	832
Payments for tenant services	(60,191)	-
Payments for maintenance and other operating expenses	(2,208,293)	(149,426)
Net cash provided by operating activities	129,458	36,777
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(187,043)	(11,130)
Principal payment of debt	(11,361)	(19,436)
Principal paid on right to use leased assets	(3,170)	-
Interest payment	(16,289)	(8,974)
Issuance of notes receivable	(73,913)	-
Net cash used in capital and related financing activities	(291,776)	(39,540)
Cash flows from investing activities:		
Cash balance of Eureka Family Housing, LP	491,084	-
Interest received on investments	53,771	-
Net cash provided by investing activities	544,855	-
Net change in cash and cash equivalents	382,537	(2,763)
Cash and cash equivalents, beginning of year	885,223	181,143
Cash and cash equivalents, end of year	$ 1,267,760	$ 178,380
Reconciliation of cash to the Statement of Net Position:		
Cash and cash equivalents-operating	$ 791,955	$ 29,363
Restricted cash and cash equivalents	475,805	149,017
Total cash and cash equivalents	$ 1,267,760	$ 178,380

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

HOUSING AUTHORITY OF THE CITY OF EUREKA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (377,102)	$ (7,867)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	305,567	36,217
Amortization expense	3,214	-
Partnership management fees	-	7,500
Operating loss of Eureka Family Housing, LP	54,483	-
Change in operating assets and liabilities:		
Accounts receivable	1,657	2,162
Prepaid expenses and other assets	(22,706)	(2,753)
Accounts payable	(67,357)	(103)
Deposits held in trust, contra	3,386	1,128
Accrued employee benefits payable	284,459	493
Unearned revenue	(20,075)	-
Other current liabilities	(3,072)	-
Deferred outflow and inflow of resources	(32,996)	-
Net cash provided by operating activities	$ 129,458	$ 36,777

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

NOTE 1 - NATURE OF BUSINESS AND ORGANIZATION

The Housing Authority of the City of Eureka (the "Authority") was incorporated on August 6, 1946, under the California State Health and Safety Code, Section 34200. The Authority was established to provide clean, decent, safe, sanitary, and affordable housing to low-income families.

Commissioners are appointed by the mayor. Regular commissioners serve terms of four years, and tenant commissioners serve two years. The Board consists of six commissioners.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has contracted with the Authority to administer certain HUD funds.

The Authority's primary operations are comprised of the Low Rent Housing Program. This program is designed to provide very low-income families with decent, safe, and sanitary rental housing. The Low Rent Housing Program operates the Authority's own rental housing units subsidized by HUD through an Annual Contributions Contract (ACC). This program has 195 units owned at twelve different sites as of September 26, 2024, as well as a community center and police annex. This program is operated by the Authority under HUD contract SF-216. Funding is provided by tenant rent payments and subsidies provided by HUD based upon a formula that takes into consideration factors such as prior formula funding, the population of the area, number of dwelling units, bedroom sizes, building height, building age, utility costs, and rental income.

The Low Rent Housing Program is supplemented by the Capital Fund Program. The purpose of this program is to utilize funds granted by HUD for remodeling and upgrading the facilities in the Low Rent Housing Program, as well as to support overall operations. These grant funds are authorized by HUD each year but can be spent over the course of several years.

In addition, the Authority operates other non-federal housing programs. Marine View Terrace was formed to invest excess funds of the Authority and to loan other programs operating funds throughout the year when their funds require operating capital. Marine View Terrace also acts as manager for the dwelling units owned by Eureka Family Housing, LP, and Eureka Housing Associates, LP, and receives a management fee for its services. Funds from this program can be used as "seed" money for developing low-income housing.

Reporting Entity

As described in GASB Statement No. 34, paragraph 134, the Authority is considered a primary government and meets the definition of a special purpose government ("SPG"). The Authority is a legally separate entity that is engaged in only business-type activities. Business-type activities are defined as activities that are financed in whole or in part by fees charged to external parties for goods or services. SPGs engaged only in business-type activities are required to present only the financial statements required for proprietary funds, which include Management's Discussion and Analysis ("MD&A"), basic financial statements, and Required Supplementary Information ("RSI"). All inter-program activities have been eliminated in these financial statements.

The Authority is an independent agency with operations separate from those of the City of Eureka (City). The Authority's obligations, including loans through direct borrowing or the sale of bonds, are not obligations of the City. The City provides no funding to the Authority. Additionally, the City does not hold title to any of the Authority's assets, nor does it have any right to the Authority's surpluses. The City does not have the ability to exercise influence over the Authority's daily operations or approve the Authority's budgets.

NOTE 1 - NATURE OF BUSINESS AND ORGANIZATION - CONT'D

Reporting Entity - Cont'd

The Authority is a separate entity from the Housing Authority of the County of Humboldt (HACH). Each Housing Authority has an independent Board of Commissioners and individual by-laws to adhere to. Although two distinct corporate entities, the Authority and HACH operate in a cooperative manner, efficiently sharing administrative functions to deliver housing resources and services. One executive director administers both housing authorities; staff, office space, and equipment are shared. Costs associated with these shared resources are allocated based on actual time spent on programs, square footage, and other methods deemed appropriate by management.

Management applied the criteria of GASB Statement No. 14, *The Financial Reporting Entity,* Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14,* Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14* to determine whether the component units should be reported as blended or discretely presented component units. The criteria included whether the Authority appoints the voting majority of the governing board, there is a financial benefit/burden relationship, the Authority is able to impose its will, the component unit is fiscally dependent on the Authority, the component unit's governing body is substantially the same as the Authority, and management of the Authority has operational responsibility for the activities of the component unit. These criteria were used to determine the following:

Blended Component Units:

Eureka Housing Development Corporation - This is a legally separate entity that is a 501(c)(3) not-for-profit corporation. The board of the corporation is nearly identical to the board of the Authority. The purpose is to provide affordable housing for low-income persons and to serve as a general partner in Eureka Housing Associates, LP, and as a single member of the Eureka Family Housing, LP. Eureka Housing Development Corporation shares the December 31st year-end with the Authority. There are no separately issued audited financial statements for this entity. However, a copy of the most recent informational tax return (Form 990) can be obtained from staff at the Authority's office.

Eureka Family Housing, LP (EFHL) - Eureka Family Housing, L.P. (the Partnership), a California limited partnership, was formed on February 7, 2007 to acquire, rehabilitate, own and operate a 50-unit affordable housing complex located in Eureka, California, which is currently operating under the name of Eureka Family Housing (the Project). Rehabilitation of the Project was completed in September 2008. The tax credit allocation date is March 21, 2007. The Partnership is controlled by its general partner, Eureka Family Housing LLC, an affiliate of the Housing Authority of the City of Eureka. The limited partner was Merritt Community Capital Fund X, L.P. Effective December 31, 2023, the limited partner executed the First Amendment to the Amended and Restated Agreement of Limited Partnership, withdrew from the Partnership, and assigned its limited partner interest to the Housing Authority of the City of Eureka. Permanent financing was obtained through loans from the California Housing Finance Agency (CalHFA), the Housing Authority of the City of Eureka, and the City of Eureka.

Previously, EFHL was classified as a discretely presented component unit in the Authority's financial statements. However, on December 31, 2023, following the Limited Partnership Transfer Resolution, the limited partner transferred its 99.99% interest in EFHL to the Authority. As a result, EFHL is now reported as a blended component unit within the Authority's financial statements.

NOTE 1 - NATURE OF BUSINESS AND ORGANIZATION - CONT'D

Reporting Entity - Cont'd

Discrete Component Unit:

Eureka Housing Associates, LP - This is a legally separate entity formed as a partnership between Eureka Housing Development Corporation and an investment partner. The purpose is to own and operate a 22-unit scattered-site multi-family project for the benefit of elderly low-income persons who need affordable, decent, safe, and sanitary housing and related services. This entity shares the December 31st year-end with the Authority.

Reports for Eureka Family Housing, LP, and Eureka Housing Associates, LP, are issued under separate cover. They may be obtained at the Housing Authority of the City of Eureka, 735 West Everding Street, Eureka, CA 95503.

Certain Significant Events and Matters

On December 31, 2023, the Authority acquired 99.99% of the Limited Partners' interest in Eureka Family Housing, LP ("EFHL"). The remaining 0.01% was held by its General Partner, Eureka Family Housing, LLC, an affiliate of the Authority. With this acquisition, the Authority became the sole owner of EFHL. Prior to this transaction, EFHL was classified as a discrete component unit in the Authority's financial statements. Following the acquisition of the Limited Partners' interest, EFHL is now reported as a blended component unit, with all of its assets, liabilities, revenues, expenses, and cash flows fully consolidated into the Authority's financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accrual Basis of Accounting

The financial statements are presented using the accrual basis of accounting with an economic resources measurement focus. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. As permitted by accounting principles generally accepted in the United States of America (GAAP), the Authority has elected to apply all relevant Government Accounting Standards Board (GASB) pronouncements.

The statement of net position presents the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets net of accumulated depreciation, intangible capital assets - right to use leased assets net of accumulated amortization, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of a net position that does not meet the definition of "net investment in capital assets" or "restricted".

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Accrual Basis of Accounting - Cont'd

Statement of Revenues, Expenses, and Changes in Net Position - The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from grant agreements, providing services, and producing and delivering goods in connection with the ongoing principal operations. The principal operating revenues of the Authority include program-specific grants and rental income from tenants of the various housing projects. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as applied to governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, demand deposits at financial institutions, investments in money market funds, and certificates of deposit, and short-term securities; consequently, the cost, carrying value, and market value are equivalent.

Restricted Cash

Restricted cash consists of cash and investments that are held in trust, reserves, and escrows, as well as other cash and investments that are restricted for specific purposes.

Accounts Receivable from Tenants

Accounts receivable consist of all amounts earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

In accordance with Governmental Accounting Standards Board Statement No. 34, revenues in proprietary funds should be reported as net of all related allowances, which include amounts pertaining to uncollectible accounts. Therefore, the increase and decrease in the estimate of uncollectible accounts should be reported as net revenue instead of bad debt expense. The Authority's bad debt expense charged against revenue was $155,942 for the year ended December 31, 2023.

Accounts Receivable from HUD and Other Governments

The amounts reported as accounts receivable from HUD or due from other governments represent reimbursable costs or grant subsidies earned that have not been received as of year-end; these amounts are considered fully collectible.

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Depreciation of exhaustible capital assets is charged as an expense against operations utilizing the straight-line method. Accumulated depreciation is reported on the Statement of Net Position. The estimated useful lives for each major class of depreciable fixed assets range from 3 – 40 years.

Intangible Capital Assets: The Authority has recorded the right to use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Impairment of Capital Assets

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of December 31, 2023, there has been no impairment of the capital assets.

Provision for Uncollectible Notes

A note receivable is considered impaired when, based on current information, it is probable that all amounts of principal and interest due will not be collected according to the terms of the note agreement. Uncollectible notes are charged to the allowance account in the period such determination is made. Currently, management has deemed all notes receivable fully collectible and thus has not recorded any provision for uncollectible notes.

Tenant Security Deposits

Security deposits consist of amounts held in trust with the Authority for tenants to secure apartment leases.

Compensated Absences

Compensated absences are absences for which employees will be paid, e.g., sick leave, vacation, and other approved leave. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences for which the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay are recorded as an expense and related liability in the year earned by employees. The Authority's policy is that annual vacation leave is limited to 320 hours at year-end, and sick leave is limited to 1,000 hours.

Unearned Revenue

Unearned revenues consist of rental payments made by tenants in advance of their due date and/or rental subsidies received in advance of the period earned.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority reports deferred outflows of resources for pension and OPEB-related items. See Notes 6 and 7 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority reports deferred inflows of resources for pension and OPEB-related items. See Notes 6 and 7 to the basic financial statements.

Leasing Activities

The Authority is the lessor of dwelling units for eligible residents. The rents under the leases are determined generally by the residents' income as adjusted for eligible deductions regulated by HUD, although the residents may opt for a flat rent. Leases may be canceled at any time or renewed annually. The Authority may cancel the leases only for a cause. Revenues associated with these leases are reported in the accompanying financial statements and related schedules within dwelling rent revenue.

Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Authority's California Public Employees' Retirement System ("CalPERS") plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when they are currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

Lessee

At the commencement of a lease, the Housing Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Leases - Cont'd

Key estimates and judgments related to leases include how the Housing Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Housing Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Housing Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the Housing Authority is reasonably certain to exercise.

The Housing Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as intangible capital assets, and lease liabilities are reported as long-term lease liability on the statement of net position.

Lease Liabilities

Per GASB 87, leases, the lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The Housing Authority has leases for equipment. The lease liability is measured at the present value of the remaining lease payments, using a discount rate based on the rate implicit in the lease, if readily determinable. Otherwise, the Housing Authority uses its incremental borrowing rate at the commencement date to determine the present value of future payments.

Internal Activity and Balances

All transfers, intercompany charges, and other interfund activity balances have been eliminated from the basic financial statements in accordance with GASB pronouncements.

Income Taxes

The Authority is not subject to federal or state income taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Future Accounting Pronouncement

The GASB has issued several new accounting pronouncements, which will be effective for the Authority in subsequent years. The following GASB pronouncements have been issued but are not yet effective as of December 31, 2023:

GASB No.	Title	Required Implementation Date (Period Beginning Date)	Authority Fiscal Year
Statement No. 99	Omnibus 2022 (financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53)	June 15, 2023	2024
Statement No. 100	Accounting Changes and Error Corrections - an Amendment of GASBs No. 64	June 15, 2023	2024
Statement No. 101	Compensated Absences	December 15, 2023	2024
Statement No. 102	Certain Risk Disclosures	June 15, 2024	2025
Statement No. 103	Financial Reporting Model Improvements	June 15, 2025	2026

The Authority will implement the applicable new GASB pronouncements in the fiscal year no later than the required effective date. The Authority has not yet determined the financial impact of future implementation of these standards.

New Accounting Pronouncement

For the year ended December 31, 2023, the Authority implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines an SBITA; (2) establishes that an SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of an SBITA; and (4) requires note disclosures regarding an SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Authority's analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

Subsequent Events

Management has evaluated subsequent events through September 26, 2024, the date at which the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

NOTE 3 - CASH AND INVESTMENTS

Investments Authorized by the U.S. Department of Housing and Urban Development

All deposits of the Authority are made in board-designated official depositories and are secured in accordance with HUD regulations. The annual contribution contract authorizes the Authority to invest in the following types of securities:

- Obligations of the Federal Government which are backed by the full faith and credit of the Federal Government.
- Obligations of any agency or instrumentality of the Federal Government if the payment of interest and principal on such obligations is fully guaranteed by the Federal Government.
- Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, the Federal National Mortgage Association, the Bank for Cooperatives, and the Federal Land Banks, which mature no later than 18 months after the date of purchase.

Investments Authorized by California Government Code

The following table identifies the investment types that are authorized in accordance with Section 53601 of the California Government Code.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
U.S. Treasury Bill, Notes and Bonds	5 years	100%	None
Government Agency Securities	5 years	100%	None
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	40%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
California Local Agency Investment Fund	N/A	100%	$75,000,000
Medium-Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Collateralized Bank Deposits	5 years	30%	None
Investment Pools	N/A	100%	None

In accordance with GASB Statement No. 40, the Authority's exposure to deposit and investment risk is disclosed as follows:

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy is to manage this exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio. As of December 31, 2023, the Authority's risk of changes in interest rates is minimal since the investments primarily consist of state-sponsored investment pool funds that have stated interest rates.

NOTE 3 - CASH AND INVESTMENTS - CONT'D

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies of the United States of America. As of December 31, 2023, The Authority mitigated its exposure to credit risk by only investing in fully insured state investment pool funds.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department. As of December 31, 2023, none of the Authority's total bank balances were exposed to custodial credit risk. All deposits held were either insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF), ensuring the safeguarding of the Authority's assets.

Investment Policy

The Authority's investment policy, HUD, and the California Government Code do not address legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure such deposits by pledging first trust deed mortgage notes, which have a value of 150% of the secured public deposits.

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF), which is part of the Pooled Money Investment Account that is regulated by the California Government Code under the oversight of the State Treasurer, Director of Finance, and State Controller. The Authority may invest up to $75 million in the LAIF fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

All investments with LAIF are secured by the full faith and credit of the State of California. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares. Separate LAIF financial statements are available from the California State Treasurer's Office at www.treasurer.ca.gov.

The Authority's investment in this pool is reported in the accompanying financial statements at cost, which approximates fair value at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes and asset-backed securities. LAIF's exposure to risk (credit, market, or legal) is not currently available.

NOTE 3 - CASH AND INVESTMENTS - CONT'D

Cash and investments as of December 31, 2023, are presented in the accompanying financial statements as follows:

Cash and investments - unrestricted	$ 791,955
Restricted cash	
Tenant security deposits	109,521
Impound deposits	38,246
Replacement reserve	261,412
Operating reserve	66,626
Total restricted cash and cash equivalents	$ 1,267,760

Cash and investments held by the Authority as of December 31, 2023, consisted of the following:

Cash and deposits	
Petty cash	$ 300
Demand deposits	935,463
Total cash and deposits	935,763
Investments	
State of California Local Agency Investment Fund	331,997
Total investments	331,997
Total cash and investments	$ 1,267,760

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital asset activity for the year ended December 31, 2023, is summarized below:

	January 01, 2023	Additions	Deletions	Adjustments - EFHL (BCU2)	December 31, 2023
Nondepreciable assets					
Land	$ 322,315	$ -	$ -	$ 570,000	$ 892,315
Construction in process	55,816	145,082	(200,898)	-	-
Total nondepreciable assets	378,131	145,082	(200,898)	570,000	892,315
Depreciable assets					
Buildings	9,458,253	237,790	-	7,868,604	17,564,647
Furniture & equipment	364,222	5,069	-	43,343	412,634
Total depreciable assets	9,822,475	242,859	-	7,911,947	17,977,281
Total capital assets	10,200,606	387,941	(200,898)	8,481,947	18,869,596
Less: accumulated depreciation	(7,758,541)	(305,567)	-	(3,269,281)	11,333,389)
Capital assets, net	$ 2,442,065	$ 82,374	$ (200,898)	$ 5,212,666	$ 7,536,207

NOTE 4 - CAPITAL ASSETS - CONT'D

All land and buildings are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the federal government and to protect other interests of the federal government.

Intangible capital assets activity for the year ended December 31, 2023, was as follows:

	January 01, 2023	Additions	December 31, 2023
Intangible capital asset right to use leased			
Right to use leased equipment	$ 14,577	$ -	$ 14,577
Total intangible capital asset right to use leased assets	14,577	-	14,577
Less: accumulated amortization			
Right to use leased equipment	(2,537)	(3,214)	(5,751)
Total accumulated amortization	(2,537)	(3,214)	(5,751)
Total intangible capital asset right to use leased assets, net	$ 12,040	$ (3,214)	$ 8,826

Depreciation expense for the year ended December 31, 2023, was $534,789. The remaining balance in accumulated depreciation is attributable to a change in the presentation of Eureka Family Housing, LP, from a discretely presented component unit to a blended component unit (see Note 14).

The amortization expense for the year ended December 31, 2023, was $3,214.

NOTE 5 - LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended December 31, 2023, is summarized below:

	January 01, 2023	Additions	Deductions	Adjustments-EFHL (BCU2)	December 31, 2023	Current Portion
Notes from direct borrowings	$ 266,844	$ -	$ (11,361)	$ 1,819,051	$ 2,074,534	$ 40,167
Lease liability	12,132	-	(3,169)	-	8,963	2,724
Accrued employee benefits:						
Compensated absences	81,400	75,716	(64,236)	3,959	96,839	2,906
Net pension liability	1,942,094	181,037	-	-	2,123,131	-
Net OPEB liability	561,055	91,942	-	-	652,997	-
Total accrued employee benefits	$ 2,584,549	$348,695	$ (64,236)	$ 3,959	$ 2,872,967	$ 2,906

NOTE 5 - LONG-TERM LIABILITIES - CONT'D

Lease liability:

The Authority has entered into agreements to lease office equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

1) Copier Equipment: The Authority and Housing Authority of the County of Humboldt have been leasing and sharing copier equipment (21.34% and 78.66%, respectively). The lease agreement includes a fixed and variable portion. The agreement was executed in April 2022 to lease equipment and requires 60 monthly payments of $1,353.

The lease liability was measured at the Authority's incremental borrowing rate. Variable payments based on the future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability. These variable payments include insurance, taxes, and other common area operating costs and are recognized as an expense in the period in which the obligation for those payments is incurred. Any components of those variable payments that are fixed in substance are included in the measurement of the lease liability.

2) Postage Equipment: The Authority and Housing Authority of the County of Humboldt have been leasing and sharing postage equipment (21.34% and 78.66%, respectively). The agreement was executed in January 2019 to lease postage equipment and requires 20 quarterly payments of $747. The lease liability is measured using the Authority's incremental borrowing rate at the commencement date.

The future minimum payments schedule at year-end was as follows:

Year ending December 31,	Principal	Interest	Total
2024	$ 2,724	$ 279	$ 3,003
2025	2,821	182	3,003
2026	2,922	82	3,004
2027	496	4	500
Total	$ 8,963	$ 547	$ 9,510

NOTE 5 - LONG-TERM LIABILITIES - CONT'D

Notes from direct borrowings:

As of December 31, 2023, notes from direct borrowings were comprised of the following:

	Principal	Interest Payable
In November 2022, the Authority obtained a loan from Umpqua Bank to purchase a building. The Umpqua Bank provided a loan amounting to $268,000, which is equivalent to 80% of the building's cost. This loan is structured as a fifteen-year loan with an annual interest rate of 6% for an initial 120 installments and thereafter 6.38%. Repayment of the loan is scheduled in monthly installments of $2,272 for the first 120 installments, starting from December 2022, and subsequently, the installment amount increases to $2,293. Interest expense was $15,904 and $1,117 in 2023 and 2022, respectively.	$ 255,483	$ -
CalHFA First Note, in the original amount of $3,375,000, converted to a $940,000 mortgage loan on August 01, 2009, bears interest at 5.30% per annum, with monthly payments of principal and interest in the amount of $5,220 starting September 01, 2009, to be repaid in full by August 2039. Interest expense was $35,884 and $37,267 in 2023 and 2022, respectively.	662,442	-
CalFHA Third Note, in the original amount of $708,900, bears 3% simple interest per annum. Payments are to be made from surplus/distributable cash, with the entire principal and interest due in August 2039 at the expiration of the Note. Interest expense was $21,267 in both 2023 and 2022.	708,900	238,893
The City of Eureka Note, in the original amount of $500,000, bears 3% simple interest per annum. Payments are to be made from surplus/distributable cash, with the entire principal and interest due in full on December 31, 2066. Interest expense was $15,000 in both 2023 and 2022.	500,000	241,233
Total notes from direct borrowing	2,126,825	480,126
Less: unamortized permanent loan costs	(52,291)	-
Total notes from direct borrowing, net	2,074,534	480,126
Less: current portion	(40,167)	-
Long-term portion	$ 2,034,367	$ 480,126

Aggregate maturities of principal due in future years are as follows:

Year ending December 31,	Principal
2024	$ 40,167
2025	42,489
2026	44,902
2027	47,453
2028	50,115
Thereafter	1,849,408
Total	$ 2,074,534

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Authority offers other post-employment benefits in the form of a health care plan (OPEB Plan) to qualified retired employees. Medical insurance benefits are offered through CalPERS. The CalPERS Plan is an agent multiple-employer plan governed by the Public Employees' Medical & Hospital Care Act (PEMHCA).

As of December 31, 2023, the Authority's net OPEB liability, OPEB expenses, and deferred inflows of resources and deferred outflows of resources for the above OPEB Plan are as follows:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expenses
OPEB Plan	$ 652,997	$ 179,721	$ (233,318)	$ 59,525

Plan Description

The OPEB Plan is available to retired employees who have retired from the Authority and met the eligibility requirements under the Authority's pension plan. Eligible retirees are entitled to statutory minimum employer contributions under Government Code Section 22892 of the PEMHCA, further subject to the unequal contribution provisions of Section 22892(c).

Benefits Provided

The OPEB Plan provisions and benefits in effect as of December 31, 2023, are summarized as follows:

	All Employees
Benefit types provided	Medical only
Duration of benefits	Lifetime
Required service	Pension eligibility
Minimum age	Pension eligibility
Dependent coverage	Surviving spouse only
Authority contribution%	100% to cap
Authority cap	Govt. Code Section 22892 Statutory minimum

Contributions

The OPEB Plan and its contribution requirements are established by Board action and may be amended by Board action. The Authority contributes the statutory minimum per month per member of the cost of current-year premiums for eligible retired plan members and their dependents (pay-as-you-go). For the fiscal year ended December 31, 2023, the Authority's cash contributions were $16,308 in payments to CalPERS.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - CONT'D

Changes in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Measurement Date 12/31/2023		
	Financial Reporting Date 12/31/2023		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance on January 01, 2023	$ 561,055	$ -	$ 561,055
Change recognized for measurement period:			
Service Cost	40,920	-	40,920
Interest	21,329	-	21,329
Contributions-employer	-	16,308	(16,308)
Actual benefit payments	(16,308)	(16,308)	-
Changes in assumption	46,001	-	46,001
Net changes	91,942	-	91,942
Balance on December 31, 2023	$ 652,997	$ -	$ 652,997

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following would present the net OPEB liability of the Authority if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate 1% Lower	Current Discount Rate	Discount Rate 1% Higher
Net OPEB liability	$ 767,014	$ 652,997	$ 559,895

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following would present the net OPEB liability of the Authority if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

	Trend 1% Lower	Current Healthcare Cost Trend Rates	Trend 1% Higher
Net OPEB liability	$ 543,003	$ 652,997	$ 880,222

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - CONT'D

As of December 31, 2023, the Authority reported deferred outflows and inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions or other inputs	$ 179,721	$ (134,066)
Differences between expected and actual experience in the total OPEB liability	-	(99,252)
Total	$ 179,721	$ (233,318)

The deferred inflows of resources and outflows of resources will be recognized in OPEB expense as follows:

Year ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 29,140	$ (31,864)
2025	29,140	(31,864)
2026	29,140	(31,864)
2027	29,140	(31,864)
2028	22,047	(31,791)
Thereafter	41,114	(74,071)
Total	$ 179,721	$ (233,318)

Actuarial Methods and Assumptions

The Authority's net OPEB liability was measured and valued based on the following actuarial methods and assumptions:

Valuation Date	December 31, 2022
Measurement Date	December 31, 2023
Actuarial cost method	Entry age
Discount rate	3.26%
Inflation	2.50%
Salary increase	2.75%
Investment rate of return	3.26%
Mortality rate	2017 CalPERS Active Mortality for Miscellaneous and schools Employees
Retirement rates	Hired before 2012: 2017 CalPERS 2.7%@55 Rates for Miscellaneous Employees Hired after 2013: 2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Service requirement	100% at 5 Years of Service
Healthcare trend rate	4.00%

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - CONT'D

Plan Participants

	Number of Participants
Inactive employees currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	24
Total number of participants	33

The Authority does not presently fund an OPEB trust. Therefore, the net OPEB liability is equal to the total OPEB liability.

There was a change in the discount rate and investment rate of return assumptions from 3.72% to 3.26% for the measurement date of December 31, 2023.

NOTE 7 - PENSION PLAN

The Authority participates in a cost-sharing multiple-employer defined benefit plan through the California Public Employees' Retirement System (CalPERS), which covers substantially all regular full-time employees of the Authority. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to the Authority in accordance with reporting standards established by the Governmental Accounting Standards Board (GASB).

As of December 31, 2023, the Authority's proportionate share of the net pension liability, pension expense / (credit), deferred inflows of resources, and deferred outflows of resources for the above plan are as follows:

	Proportionate Share of Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Proportionate Share of Pension Expense / (Credit)
CalPERS	$ 2,123,131	$ 763,495	$ (249,237)	$ 275,249

Plan Description

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. Individual employers may sponsor more than one Miscellaneous or Safety plan. The Authority sponsors two Miscellaneous Risk Pool plans; however, the information presented represents the sum of the allocated pension amounts for each of the Authority's respective plans (the Plan). The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

NOTE 7 - PENSION PLAN - CONT'D

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to eligible plan members. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. All members are eligible for employment-related disability benefits regardless of the length of service and non-duty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is a lump sum paid to any member's beneficiary if the member dies while actively employed. The spouse or registered domestic partner of a deceased member who was eligible to retire from service at the time of death may elect to receive the Pre-Retirement Option 2W Death Benefit in lieu of the Basic Death Benefit lump sum. The Pre-Retirement Option 2W Death Benefit is a monthly allowance equal to the amount the member would have received if he/she had retired from service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect as of December 31, 2023, are summarized as follows:

Provisions and benefits	Miscellaneous risk pool	
Hire date	On or Before December 31, 2012	On or after January 1, 2013
Benefit formula	2.7% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	2.0%-2.7%	1.0%-2.5%
Required employee contribution rate	8%	7.75%
Required employer contribution rate	15.95%	7.68%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended December 31, 2023, are presented above, and the total Authority contributions were $140,007.

NOTE 7 - PENSION PLAN - CONT'D

Pension Liabilities, Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2023. 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 employers, actuarially determined. As of December 31, 2023, the Authority's proportion was 0.042459%.

For the year ended December 31, 2023, the Authority recognized a pension expense / (credit) of $275,249.

As of December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$ 108,461	$ (16,825)
Differences between projected & actual investment earnings	343,754	-
Differences between actual & proportionate share of contribution	-	(232,412)
Effect of change in assumption	128,183	-
Change in employer's proportion	104,613	-
Contributions subsequent to the measurement date	78,484	-
	$ 763,495	$ (249,237)

The deferred outflow of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability next year.

The deferred inflows of resources and outflows of resources will be recognized in pension expenses as follows:

Year ended December 31,	Deferred Outflows/ (Inflows) of Resources
2024	$ 112,208
2025	77,105
2026	236,598
2027	9,863
Total	$ 435,774

Actuarial Methods and Assumptions

The collective total pension liability for June 30, 2023, measurement period was determined by an actuarial valuation as of June 30, 2022, with updated procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

NOTE 7 - PENSION PLAN - CONT'D

Actuarial Methods and Assumptions - Cont'd

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method:	Entry age normal
Experience study	07/01/2000 through 06/30/2019
Discount rate	6.90%
Consumer price index	2.30%
Wage growth	Varies by entry age and services

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of the fund's asset classes, expected compound (geometric) returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The target allocation and best estimates of a long-term expected real rate of return by asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10
Global Equity - cap-weighted	30%	4.54%
Global Equity non cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Estate	15%	3.21%
Leverage	-5%	-0.59%

NOTE 7 - PENSION PLAN - CONT'D

Discount Rate and Changes of Assumptions

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan'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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Authority's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease 5.90%	Current Rate 6.90%	1% Increase 7.90%
CalPERS	$ 3,329,623	$ 2,123,131	$ 1,130,084

Plan Fiduciary Net Position

Detailed information about CalPERS Miscellaneous Risk Plan fiduciary net position is available in a separate annual comprehensive financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

NOTE 8 - NET POSITION

As of December 31, 2023, net investment in capital assets was comprised of the following:

Net capital assets	$ 7,536,207
Less: capital debt obligation	(2,074,534)
Net intangible capital assets	8,826
Less: lease liability	(8,963)
Net investment in capital assets	$ 5,461,536

As of December 31, 2023, the restricted net position was comprised of the following:

Restricted cash and equivalents	$ 475,805
Less: Tenant security deposit, contra	(109,521)
Restricted net position	$ 366,284

NOTE 9 - INVESTMENT IN DISCRETE COMPONENT UNIT

The Authority has a 0.01% equity interest in Eureka Housing Associates, LP (a legally separate entity). As of December 31, 2023, the investment balance consisted of the following:

Eureka Housing Associates, LP	$ 94,836
Total investment in joint ventures	$ 94,836

NOTE 10 - JOINT POWERS AGREEMENT

The Authority is a member of the California Housing Workers Compensation Authority (CHWCA), an intergovernmental risk-sharing joint powers authority created pursuant to California Government Code Sections 6500, et seq. Each Authority has an equal voice in the selection of a Board which oversees CHWCA.

The CHWCA's current financial statement as of December 31, 2023, is summarized below:

Total assets	$ 31,433,505
Total liabilities	16,846,171
Net position	14,587,334
Total liabilities and net position	31,433,505
Total revenues	5,665,132
Total expenses	5,235,252
Change in net position	429,880
Net position, beginning of year	14,157,454
Net position, end of year	$ 14,587,334

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Government Examinations

The Authority has received funds from federal grant programs. It is possible that at some future date, it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

Construction Contracts

During the ordinary course of business, the Authority is engaged in various construction contracts for the modernization and rehabilitation of its properties.

Disposition of Public Housing under Section 18 of the Housing Act 1937

On July 3, 2023, the Housing Authority entered into a memorandum of agreement with its co-developers and partners, Brinshore Development, L.L.C. (an Illinois limited liability company), and Operative Office, Inc. (a California corporation, "OO"), for the repositioning, recapitalization, and procurement of property management services for the Housing Authority's entire public housing portfolio. This portfolio consists of 195 traditional public housing units across 12 properties in Eureka, California (collectively referred to as the "Project").

The Project includes repositioning the public housing units using Section 18 or another HUD-authorized repositioning tool, along with rehabilitating the existing properties through financing mechanisms such as tax-exempt and taxable bonds, low-income housing tax credits, local (city/county) and state funding, debt financing, and other potential sources. The roles and responsibilities of all parties involved in the repositioning and recapitalization of all phases of the Project are detailed in the master development agreement.

The Housing Authority has submitted the SAC (Special Applications Center) application and applied for the first round of tax credits for one of the phases.

NOTE 12 - BUSINESS RISK AND CONCENTRATIONS

Risk Management

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty, and public official liability forms are used to cover the respective perils. Insurance for these perils is underwritten by a housing authority insurance pool: Housing Authority Risk Retention Pool (HARRP).

HARRP is an unincorporated association organized under the intergovernmental cooperation laws of the states of Washington, Oregon, California, and Nevada to manage the self-insurance program of housing authorities and community development cooperatives. Through HARRP, the Authority currently maintains general liability coverage for claims up to $2 million and property insurance for claims up to $2 million.

Also, commercial carriers insure all other common perils such as business, auto, flood (where applicable), and other miscellaneous policies.

Concentration – Major Contributor

For the year ended December 31, 2023, approximately 43% of operating revenues reflected in the financial statements are from HUD. The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

NOTE 13 - RELATED-PARTY TRANSACTIONS

Note Receivable and Interest

Marine View Terrace (MVT) made a loan in the amount of $470,000 to Eureka Housing Associates, LP. The term of the loan started on June 18, 1998, and ends on the later of (a) 30 years after the closing date or (b) repayment in full of the loan and all interest due thereon. The loan is secured by a deed of trust and bears interest at a rate of 5.5% per annum. As of December 31, 2023, the outstanding principal balance of the loan was $470,000. The interest of $550,989 was outstanding as of the year-end on this loan.

Management Fee

Eureka Housing Development Corporation (EHDC) receives administrative expenses and an annual partnership management fee of approximately $7,500 to the extent there is any excess cash flow from Eureka Housing Associates, LP.

Other Receipts

Marine View Terrace (MVT) charged Eureka Housing Associates, LP a ground lease fee of $19,200, a management fee of $11,052, and office rent of $1,680 for the year ended December 31, 2023.

Shared Administration

The Authority shares management and a majority of the Authority's resources with the Housing Authority of the County of Humboldt, including personnel and facilities. However, the Authority maintains a separate governing body and, therefore, is considered a separate and unique organization for reporting purposes.

NOTE 13 - RELATED-PARTY TRANSACTIONS - CONT'D

Receivable for Facility Rent

The Authority charges the Housing Authority of the County of Humboldt (County) a rental expense for its usage of the Authority's office facilities. For the year ended December 31, 2023, the Authority recorded office rental revenue of $7,200, which was paid in full as of year-end. Additionally, the Authority has accrued a receivable of $47,880 as of year-end in unpaid office rental fees for prior years from the County.

Receivable for Pension Plan

The Authority is fully liable for the pension obligation due to its employees. During FY 2015, the Authority recognized its unfunded pension liability administered by the California Public Employees Retirements System. Due to the Authority's employees being utilized by the County, the Authority has established a long-term note receivable from the County, which is allocated based on the same methodology by which the Authority allocates salary and benefits expenses to the County. The balance of this receivable was $636,939 for the year ended December 31, 2023.

Receivable for OPEB Plan

The Authority is fully liable for the OPEB obligation due to its employees. During FY 2018, the Authority recognized its unfunded OPEB liability administered by the California Public Employees Retirements System. Due to the Authority's employees being utilized by the County, the Authority has established a long-term note receivable from the County, which is allocated based on the same methodology by which the Authority allocates salary and benefits expenses to the County. The balance of this receivable was $195,899 for the year ended December 31, 2023.

NOTE 14 - CONDENSED COMBINING FINANCIAL STATEMENTS

Condensed combining financial statements are presented for the following entities for the fiscal year ends below:

Abbrev.	Name	Fiscal Period	Year
Authority	Housing Authority of the City of Eureka	31 December	2023
BCU1	Eureka Housing Development Corporation	31 December	2023
BCU2	Eureka Family Housing LP	31 December	2023
DCU	Eureka Housing Associates LP	31 December	2023

NOTE 14 - CONDENSED COMBINING FINANCIAL STATEMENTS - CONT'D

	Authority	BCU1	BCU2	Eliminations	Total
Assets and deferred outflows of resources					
Cash and equivalents	$ 723,280	$ 53,396	$ 491,084	$ -	$ 1,267,760
Other current assets	214,611	-	69,296	(49,000)	234,907
Net capital assets	2,323,541	-	5,212,666	-	7,536,207
Net intangible capital assets	8,826	-	-	-	8,826
Other noncurrent assets	5,633,409	542,427	-	(4,104,773)	2,071,063
Total assets	8,903,667	595,823	5,773,046	(4,153,773)	11,118,763
Deferred outflows of resources	943,216	-	-	-	943,216
Total assets and deferred outflows of resources	9,846,883	595,823	5,773,046	(4,153,773)	12,061,979
Liabilities, deferred Inflows of resources, and net position					
Other current liabilities	255,105	50,890	159,828	(111,566)	354,257
Noncurrent liabilities	3,115,930	-	6,002,944	(3,739,682)	5,379,192
Total liabilities	3,371,035	50,890	6,162,772	(3,851,248)	5,733,449
Deferred inflows of resources	482,555	-	-	-	482,555
Net investment in capital assets	3,967,921	-	1,493,615	-	5,461,536
Restricted	366,284	-	-	-	366,284
Unrestricted	1,659,088	544,933	(1,883,341)	(302,525)	18,155
Total net position	5,993,293	544,933	(389,726)	(302,525)	5,845,975
Total liabilities, deferred Inflows of resources, and net position	$ 9,846,883	$ 595,823	$ 5,773,046	$ (4,153,773)	$ 12,061,979

NOTE 14 - CONDENSED COMBINING FINANCIAL STATEMENTS - CONT'D

	Authority	BCU1	BCU2	Eliminations	Total
Operating revenue, net of collection losses	$ 1,081,980	$ 23,080	$ 704,454	$ (58,804)	$ 1,750,710
Operating grants and subsidies	1,311,300	-	-	-	1,311,300
Depreciation and amortization expenses	(308,781)	-	(229,222)	-	(538,003)
Other operating expenses	(2,429,419)	(779)	(529,715)	58,804	(2,901,109)
Operating Income/ (Loss)	(344,920)	22,301	(54,483)	-	(377,102)
Investment income	191,054	-	10,788	(154,177)	47,665
Interest expenses	(16,289)	-	(230,841)	154,177	(92,953)
Change in net position	(170,155)	22,301	(274,536)	-	(422,390)
Net position, beginning of year	6,163,448	522,632	(115,190)	(302,525)	6,268,365
Net position, end of year	$ 5,993,293	$ 544,933	$ (389,726)	$ (302,525)	$ 5,845,975

	Authority	BCU1	BCU2	Eliminations	Total
Net cash provided (used) by:					
Operating activities	$ 127,292	$ 46,439	$ 20,251	$ (64,524)	$ 129,458
Capital and related financing activities	(291,776)	-	(26,755)	26,755	(291,776)
Investing activities	9,498	-	(136,958)	672,315	544,855
Net change in cash and equivalents	(154,986)	46,439	(143,462)	634,546	382,537
Cash and cash equivalents, beginning of year	878,266	6,957	634,546	(634,546)	885,223
Cash and cash equivalents, end of year	$ 723,280	$ 53,396	$ 491,084	$ -	$ 1,267,760

NOTE 14 - CONDENSED COMBINING FINANCIAL STATEMENTS - CONT'D

	DCU
Assets and deferred outflows of resources	
Cash and equivalents	$ 178,380
Other current assets	8,087
Net capital assets	817,166
Total assets	1,003,633
Liabilities, deferred inflows of resources, and net position	
Other current liabilities	50,448
Noncurrent liabilities	1,758,806
Total liabilities	1,809,254
Net investment in capital assets	(84,223)
Restricted	137,184
Unrestricted	(858,582)
Total net position	(805,621)
Total liabilities, deferred inflows of resources, and net position	$ 1,003,633

	DCU
Operating revenue	$ 72,453
Operating grants and subsidies	111,904
Depreciation expense	(36,217)
Other operating expenses	(156,007)
Operating income/ (loss)	(7,867)
Investment income	71
Interest expenses	(44,795)
Change in net position	(52,591)
Net position, beginning of year	(753,030)
Net position, end of year	$ (805,621)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

HOUSING AUTHORITY OF THE CITY OF EUREKA

SCHEDULE OF THE PENSION PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2023

FOR THE LAST TEN FISCAL YEARS*

Plan Measurement Date under GASB 68 as of June 30	Proportion of Pension Liability	Proportionate Share of Net Pension Liability	Covered Employee Payroll**	Proportionate Share of Net Pension Liability as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability***
2015	0.03208%	$ 873,676	$ 1,029,046	84.90%	82.12%
2016	0.03308%	$ 1,112,018	$ 1,144,322	97.18%	80.03%
2017	0.03468%	$ 1,320,012	$ 1,138,020	115.99%	76.42%
2018	0.03548%	$ 1,289,899	$ 1,151,936	111.98%	78.48%
2019	0.03575%	$ 1,431,717	$ 1,150,942	124.40%	78.37%
2020	0.03752%	$ 1,582,515	$ 1,130,167	140.02%	78.05%
2021	0.03906%	$ 741,765	$ 1,165,591	63.64%	90.51%
2022	0.04150%	$ 1,942,094	$ 1,350,899	143.76%	78.19%
2023	0.04246%	$ 2,123,131	$ 1,497,599	141.77%	77.97%

*This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until ten years of information is available.

**Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

*** The Plan Fiduciary Net Position as a percentage of the Total Pension Liability is the same for all General employers because neither the Plan Fiduciary Net Position nor the Total Pension Liability has been maintained separately for each of those employers. The same is also the case for all Safety employers.

HOUSING AUTHORITY OF THE CITY OF EUREKA
SCHEDULE OF THE PENSION PLAN'S CONTRIBUTIONS
AS OF DECEMBER 31, FOR THE LAST TEN FISCAL YEARS*

Plan Measurement Date under GASB 68 as of June 30	Actuarially Determined Contribution	Contribution in Relation to Actuarially Determined Distribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage Covered-Employees Payroll
2015	$ 188,692	$ 188,692	$ -	$ 1,029,046	18.34%
2016	$ 174,605	$ 174,605	$ -	$ 1,144,322	15.26%
2017	$ 122,190	$ 122,190	$ -	$ 1,138,020	10.74%
2018	$ 117,570	$ 117,570	$ -	$ 1,151,936	10.21%
2019	$ 115,632	$ 115,632	$ -	$ 1,150,942	10.05%
2020	$ 118,619	$ 118,619	$ -	$ 1,130,167	10.50%
2021	$ 117,305	$ 117,305	$ -	$ 1,165,591	10.06%
2022	$ 126,649	$ 126,649	$ -	$ 1,350,899	9.38%
2023	$ 140,007	$ 140,007	$ -	$ 1,497,599	9.35%

Notes to Required Supplementary Information Schedules:

Change in benefits: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Change in assumptions: There were no changes in assumptions.

*This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until ten years of information is available.

HOUSING AUTHORITY OF THE CITY OF EUREKA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF DECEMBER 31, FOR THE LAST TEN FISCAL YEARS*

Measurement Period	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 40,920	$ 53,348	$ 51,400	$ 33,969	$ 22,880	$ 22,268
Interest	21,329	15,341	14,453	16,436	12,699	18,153
Benefit payments	(16,308)	(15,444)	(15,444)	(13,769)	(12,672)	(13,172)
Expected minus actual benefit payments	-	-	-	-	(1,097)	-
Experience (gain)/loss	-	(48,123)	-	(95,969)	-	-
Change in assumptions	46,001	(169,818)	5,083	130,950	111,067	-
Net change in total OPEB liability	91,942	(164,696)	55,492	71,617	132,877	27,249
Total OPEB liability - beginning	561,055	725,751	670,259	598,642	465,765	438,516
Total OPEB liability - ending	652,997	561,055	725,751	670,259	598,642	465,765
Plan fiduciary net position	-	-	-	-	-	-
Net OPEB liability	$ 652,997	$ 561,055	$ 725,751	$ 670,259	$ 598,642	$ 465,765
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Covered- employee payroll	$ 1,497,599	$ 1,350,899	$ 1,165,591	$ 1,130,167	$ 1,150,942	$ 1,151,936
Total OPEB liability as a percentage of covered payroll	44%	42%	62%	59%	52%	40%

*This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until ten years of information is available.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF EUREKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Direct Programs		
Public and Indian Housing	14.850	$ 410,819
Public Housing Capital Fund (CFP)	14.850	72,960
Total Public and Indian Housing		483,779
Public Housing Capital Fund	14.872	800,969
Total Public Housing Capital Fund		800,969
Total U.S. Department of Housing and Urban Development		1,284,748
Total expenditures of federal awards		$ 1,284,748

See the accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF THE CITY OF EUREKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the Authority under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the Authority's operations, it is not intended to and does not present the Authority's financial position, changes in net positions, or cash flows.

The amounts presented in the Schedule agree to the amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule is presented using the accrual basis of accounting, which is the method used to prepare the Authority's basic financial statements. Note 2 of the Authority's basic financial statements describes the significant accounting policies used by the Authority. Such expenses are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenses are not allowable or are limited to reimbursement.

NOTE 3 - SUBRECIPIENTS

The Authority reported no subrecipient grant activity.

NOTE 4 - INDIRECT COST

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

HOUSING AUTHORITY OF THE CITY OF EUREKA
STATEMENT AND CERTIFICATION OF ACTUAL COSTS
DECEMBER 31, 2023

1. The Actual Costs of the Authority were as follows:

Grant	Funds Approved	Funds Disbursed	Funds Expended	Balance
CA01 P025501-21	$ 2,942	$ 2,942	$ 2,942	$ -
CA01 P025501-22	$ 2,812	$ 2,812	$ 2,812	$ -
CA01 P025501-23	$ 795,215	$ 795,215	$ 795,215	$ -

2. The distribution of costs, as shown on the Financial Statement of Costs accompanying the Actual Cost Certificate submitted to HUD for approval, is in agreement with the Authority's records.

3. For the above completed grants, all costs have been paid, and all related liabilities have been discharged through payment.

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Board of Commissioners
Housing Authority of the City of Eureka
Eureka, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the aggregate discretely presented component unit of Housing Authority of the City of Eureka (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 26, 2024. Our report includes a reference to other auditor who audited the financial statements of Eureka Family Housing, LP as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

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 were not identified.

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.

Harshwal & Company LLP

Oakland, California
September 26, 2024

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
Housing Authority of the City of Eureka
Eureka, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Eureka'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 December 31, 2023. 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 December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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 were not identified.

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

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

Harshwal & Company LLP

Oakland, California
September 26, 2024

HOUSING AUTHORITY OF THE CITY OF EUREKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance in accordance with major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with *Uniform Guidance 2 CFR 200.516(a)*?	No
Instances where results of audit follow-up procedures disclosed that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding?	No

Identification of major federal programs:

Federal Assistance Listing Number	*Name of Federal Program or Cluster*
14.872	U.S. Dept. of Housing And Urban Development Public Housing Capital Fund (CFP)

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

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

HOUSING AUTHORITY OF THE CITY OF EUREKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted during the year under audit.

HOUSING AUTHORITY OF THE CITY OF EUREKA
STATUS OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2023

The Authority had no finding or questioned cost noted in the prior year that requires a status.