




TO: Final Report Distribution
FROM: Mark Pinsley, County Controller 
DATE: March 25, 2026
RE: 2024 Audit of Cedar View Apartments

We have completed a financial audit of Cedar View Apartments, for the year ended December 31, 2024. Our report, number 26-03, is attached. We wish to thank Cedar View Apartments Administration staff for their cooperation and support during the audit.

In addition, we would like to congratulate Cedar View Apartments for providing affordable housing to the citizen of Lehigh County for over 47 years.

The results of our audit are:

- The *Statement of Revenues, Expenses, and Changes in Fund Net Assets*, and the *Statement of Net Position* for the year ended December 31, 2024 presents fairly, in all material aspects, the financial activity of Cedar View Apartments.



Revenues:
\$1,468,361



Expenses:
(\$1,311,150)



Operating Income:
\$157,211



COUNTY OF LEHIGH, PENNSYLVANIA

CEDAR VIEW APARTMENTS

*Financial Audit
For the Year ended December 31, 2024
and Controller's Opinion*

REPORT NO. 26-03

COUNTY OF LEHIGH, PENNSYLVANIA
CEDAR VIEW APARTMENTS

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Cedar View Apartments Response	None

COUNTY OF LEHIGH, PENNSYLVANIA
CEDAR VIEW APARTMENTS

Background

Cedar View Apartments is a community-focused senior housing facility located at 4230 Dorney Park Road, Allentown, PA 18104. Established in 1978, it is owned and operated by Lehigh County and specifically serves low- to moderate-income residents aged 62 and older, as well as individuals who are physically challenged.

The property is a ten-story building with 199 one-bedroom apartments on five acres.

Rent is based on a percentage of income and assets, including utilities such as heat, electric, water, sewer, and trash collection.

The facility includes laundry, an outdoor pavilion, and the Cedar View Neighborhood Senior Center. It is handicapped accessible and offers access to public transportation.



Day to day operations at Cedar View Apartments is performed by county employees who report to the Department of Aging and Adult Services (a division of Human Services).



OFFICE OF THE CONTROLLER

Mark Pinsley, MBA
COUNTY CONTROLLER

Nanton John, CIA,CFE
DEPUTY CONTROLLER

INDEPENDENT AUDITOR’S REPORT

Sandra L. Hackman, Housing Supervisor
Cedar View Apartments
4230 Dorney Park Road
Allentown, PA 18104

Report on Financial Statements

Opinion

We have audited the accompanying Statement of Revenues, Expenses, and Changes to Net Assets, and Statement of Net Position of Cedar View Apartments for the year ended December 31, 2024 (hereinafter referred to as the Schedules) and the related notes to the Schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the financial activity of Cedar View Apartments for the year ended December 31, 2024, in accordance with U. S. generally accepted accounting principles.

Basis for Opinion

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

Emphasis of Matter – Reporting Entity

The Schedules present only Cedar View Apartments financial activity and do not purport to, and does not, present fairly the assets, liabilities, and results of operations of the County of Lehigh for the calendar year ending December 31, 2024.

Responsibilities of Management for the Financial Statements

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

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 is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAGAS 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, mis- representations, or the override of certain 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 statement.

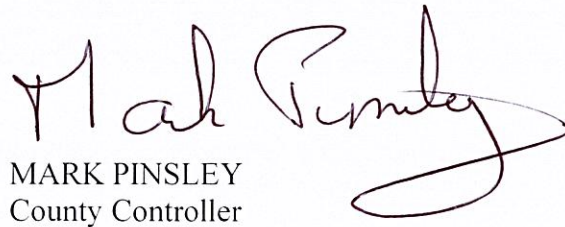
In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Cedar View Apartments 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cedar View Apartments 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards (GAGAS)*, we have also issued our report dated March 24, 2026 on our consideration of Cedar View Apartments internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and other matters. The purpose of that report is 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 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 management's internal control over financial reporting and compliance.


MARK PINSLEY
County Controller

Allentown, Pennsylvania
March 24, 2026

Audited by: Joseph Buick

Final Distribution:

Kay Achenbach, Director of Human Services
Jessica Baraket, Director of Administration
Board of Commissioners
Bethany DiMatteo, Chief Fiscal Officer
Bo Ann Horvath, Clerical Technician III, Cedar View Apartments
Clayton Reed, Jr., Director of Aging & Adult Services
Joshua Siegel, County Executive

COUNTY OF LEHIGH, PENNSYLVANIA
CEDAR VIEW APARTMENTS

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund

For the Year Ended December 31, 2024

(NOTE 1)

OPERATING REVENUES

Tenant rentals	\$ 1,468,361
Total operating revenues	<u>\$ 1,468,361</u>

OPERATING EXPENSES

Administration and maintenance	\$ 1,077,750
Depreciation (NOTE 2)	68,136
Indirect cost allocation (NOTE 3)	165,264
Total operating expenses	<u>\$ 1,311,150</u>

OPERATING INCOME

\$ 157,211

NON-OPERATING REVENUES

Investment earnings	\$ 52,390
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TRANSFERS OUT (NOTE 4)

Transfer to Aging	\$ 19,745
Transfers to Capital Projects	0
Transfer to Esco – Principal	74,228
Transfer to Esco – Interest	1,367
Total Other Financing Uses	<u>\$ 95,340</u>

Change in net assets	\$ 114,261
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Total net assets, January 1	<u>\$ 1,491,305</u>
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Total net assets, December 31	<u><u>\$ 1,605,566</u></u>
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The notes to the financial statements are an integral part of this statement.

COUNTY OF LEHIGH, PENNSYLVANIA
CEDAR VIEW APARTMENTS

Statement of Net Position
Proprietary Fund
December 31, 2024
(NOTE 1)

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,106,462
Other receivables	5,193
Total current assets	\$ 1,111,655

Noncurrent assets:

Capital assets:

Land and improvements	\$ 236,533
Building and improvements	7,493,221
Equipment	401,793
Furniture and fixtures	110,162
Subtotal capital assets	8,241,709
Less accumulated depreciation	(7,283,205)
Total capital assets (net of accumulated depreciation) (NOTE 8)	958,504

TOTAL ASSETS \$ 2,070,159

DEFERRED OUTFLOWS OF RESOURCES-PENSION (NOTE 5) \$ 47,040

LIABILITIES

Current liabilities:

Accounts payable	\$ 62,334
Accrued payroll and payroll taxes	10,863
Total current liabilities	\$ 73,197

Noncurrent liabilities:

Net Pension Liability (NOTE 6)	\$ 286,532
Unfunded other post-employment Benefits (NOTE 7)	150,130

TOTAL LIABILITIES \$ 509,859

DEFERRED INFLOWS OF RESOURCES-PENSION (NOTE 5) \$ 1,774

NET ASSETS

Invested in capital assets, net of related debt (NOTE 8)	\$ 958,504
Unrestricted (NOTE 9)	647,062
TOTAL NET ASSETS	\$ 1,605,566

The notes to the financial statements are an integral part of this statement.

COUNTY OF LEHIGH, PENNSYLVANIA
CEDAR VIEW APARTMENTS

Notes to Financial Statement
For the Year ended December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

A. Reporting Entity

Cedar View Apartments financial activity is part of the County of Lehigh's reporting entity as an enterprise fund and is subject to financial audit by external auditors. This report is only for internal audit purposes.

B. Basis of Accounting

Cedar View Apartments is a proprietary fund type-enterprise used to account for tenant rentals received from occupants of a 199-unit apartment building for the elderly. Enterprise funds are used to account for goods or services that a government provides to the public for a fee that is intended to cover the cost of providing the goods or services, including depreciation. Cedar View Apartments maintains its records on the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

NOTE 2: DEPRECIATION

Depreciation is a non-cash expense that is calculated by dividing the cost of the asset by its estimated useful life in years. A half-year of depreciation is assumed in the year of acquisition and disposition.

NOTE 3: INDIRECT COST ALLOCATION

Indirect cost allocation is based on actual costs during 2024 for staffing and insurance provided by other departments including fiscal, controller, human resources, purchasing, and utility services-vehicle.

NOTE 4: INTERFUND TRANSFERS

Certain Interfund transfers are executed as a result of the General Fund's requirement to match a portion of another fund's expenses or expenditures. In addition, the General Fund receives certain reimbursements from other funds. As of December 31, 2024, the total amount transferred to other funds is \$95,340 which is outlined below.

Cedar View Apartments transferred out \$19,745 to Area Agency on Aging (AAA) fund, which is used to reimburse the Aging department for work that employees do on Cedar View's behalf. In 2024, AAA provided supervision over various activities at Cedar View. The AAA funds are calculated by adding the cumulative salaries, fringe benefits, indirect and operating expenses for a given period for each employee that has done work with Cedar View, and then subtracting out the transfers that have already occurred during the period. It should be noted that the 4th quarter 2024 transfer of \$5,390 was not performed until 2025.

The remaining monies are transferred from Cedar View's bank account to the ESCO General Obligation Bond Funds, which are separated into a principal account and an interest account. These funds are used to repay Cedar View's portion of the County debt, which amounted to \$74,228 in principal payments and \$1,367 in interest payments. This debt was repaid in full with the 3rd quarter 2024 principal and interest payment.

NOTE 5: DEFERRED INFLOWS & OUTFLOWS OF RESOURCES RELATED TO PENSIONS

For the 2024 measurement period, the County recognized pension expenses and reported deferred outflows and inflows of resources related to pensions. Additional information can be found in Note 7 of the External Audit Report from Zelenkofske Axelrod, LLC, dated June 25, 2025.

NOTE 6: NET PENSION LIABILITY

The County's net pension liability was measured as of December 31, 2024, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 7: POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT FUND

The County Sponsors a single-employer post-employment benefit plan that covers health and life insurance benefits for eligible retirees. These benefits were granted by County Commissioner Resolution 1975-3 and were rescinded in 1986, effective for employees hired after January 1, 1987.

NOTE 8: NET INVESTMENT IN CAPITAL ASSETS

This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

NOTE 9: UNRESTRICTED NET POSITION

This category represents Cedar View Apartments net position, which is not restricted to any specific project or purpose.



Lehigh County
Pennsylvania

OFFICE OF THE CONTROLLER

Mark Pinsley, MBA

Nanton John, CIA,CFE

COUNTY CONTROLLER

DEPUTY CONTROLLER

Independent Auditor’s Report on Internal Control over Financial Reporting; Compliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements; and Instances of Fraud Based on an Audit of Financial Statements in Accordance with Government Auditing Standards

Sandra L. Hackman, Housing Supervisor
Cedar View Apartments
4230 Dorney Park Road
Allentown, PA 18104

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS); and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller of the United States (GAGAS); the accompanying Statement of Revenues, Expenses, and Changes to Net Assets, and Statement of Net Position of Cedar View Apartments for the year ended December 31, 2024 (hereafter referred to as the Schedules) and have issued our report thereon dated March 24, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedules, we considered Cedar View Apartments internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedules, but not for the purpose of expressing an opinion on the effectiveness of management’s internal control. Accordingly, we do not express an opinion on the effectiveness of Cedar View Apartments internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Our audit also included sufficient and appropriate tests for fraud, waste and abuse and we included in our report any material (either quantitatively or qualitatively) instances we noted however, our audit procedures would not necessarily identify all instances of fraud, waste and abuse that may be reportable.

Management’s Response to the Audit

If provided, Cedar View Apartments response to our audit is included in this report. We did not audit Cedar View Apartments response and, accordingly, we do not express an opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or 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.

This report is intended solely for the information and use of management, Joshua Siegel, County Executive; Jessica Baraket, Director of Administration; and, the Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



MARK PINSLEY
County Controller

Allentown, Pennsylvania
March 24, 2026

COUNTY OF LEHIGH, PENNSYLVANIA
CEDAR VIEW APARTMENTS

Schedule of Prior Audit Findings and Recommendations
(From Audit Report #22-21 issued October 26, 2022)

1. Excessive Apartment Vacancy Time

Condition: In the absence of extended repairs, management's expectation is apartment vacancies are filled within two months of vacancy. In 2021, a total of 16 apartments were vacant for two months or more, and accounted for 49 months of vacancy. Cedar View maintains an extensive waiting list for apartments of which vacancies are eligible to be filled. As a result, a minimum estimated \$14,700 and an estimated maximum \$63,210 of rental income was lost. (Estimates based on \$300 minimum rent established by management, and a maximum rent of \$1,290 paid by a resident during 2021). The Controller's Office recognizes that 2021 presented unique challenges due to the Covid-19 pandemic which impacted supply chain and staffing issues. However, it appears that management does not possess a mechanism to actively monitor the turnaround of vacant apartments.

Recommendation: Management should implement a process to closely monitor vacancies to achieve their goal of filling vacancies within two months. This mechanism should possess a means of tracking weekly maintenance and supply status updates.

Current Status: Management has implemented a Vacancy Report this is closely monitored. Testing of 2024 transactions noted that apartments were vacant two months or less.

2. Outdated Signed Authorization for Resident Rent ACH

Condition: Upon admission, residents provide signed authorization agreement forms to facilitate the monthly ACH transfers of rent payments from their bank to Cedar View. Subsequent changes to banking information by the resident are typically made using cancelled checks, notifications from the resident's bank, or verbally. Audit testing revealed 13 of 60 sampled Rent ACH transfers performed in May, 2021, had outdated signed approval forms and lacked current banking information. State commercial contract law requires all ACH transactions to be properly authorized. Since there is no system control in the Wells Fargo ACH processing system that prevents unauthorized changes from management, signed authorization forms are necessary to prove all changes are authorized by the resident. In the absence of authorized forms, the county would be unable to prove that ACH changes were approved by the resident and may be held liable for unauthorized or fraudulent funds transferred. The current practice implemented by Cedar View does not require the resident to provide an updated signature approved authorization form.

Recommendation: Management should require residents to submit new authorization forms prior to the entry of any banking changes.

Current Status: Residents are now required to submit ACH authorization forms for any bank account changes. Changes will not be processed without an updated authorization form.