

HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2023

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
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FOR THE YEAR ENDED JUNE 30, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Housing Authority of the Township of North Bergen:

Opinion

We have audited the accompanying financial statements of the Housing Authority of the Township of North Bergen (the "Authority") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority, as of June 30, 2023, and the changes in its net position and its cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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, *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post employment benefit information be presented to supplement the basic financial statements. Such information, 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.

Other Matters (continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 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 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 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.

Novaquade & Company LLP

March 28, 2024
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

As Management of the Housing Authority of the Township of North Bergen (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this Report.

A. Financial Highlights

1. The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,148,043 (net position) as opposed to \$7,285,826 for the prior fiscal year.
2. As of the close of the current fiscal year, the Authority reported ending unrestricted net position (deficit) of (\$10,296,010).
3. The Authority's cash and cash equivalents balance (including restricted cash) at June 30, 2023 was \$6,083,121, representing an increase of \$139,400 from the prior fiscal year.
4. The Authority had total operating revenues of \$19,805,746 and total operating expenses of \$20,975,583 for the year ended June 30, 2023.
5. The Authority's capital outlays for the fiscal year were \$697,223.
6. The Authority's Expenditures of Federal Awards amounted to \$13,891,944 for the fiscal year.
7. In accordance with GASB 68 the Authority recorded a net pension liability of \$4,656,787, \$1,172,811 in deferred outflows of resources and \$813,099 of deferred inflows of resources.
8. In accordance with GASB 75 the Authority recorded a net OPEB liability of \$8,815,418, \$3,435,636 in deferred outflows of resources and \$5,342,195 of deferred inflows of resources.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

B. Using the Annual Report

1. Management's Discussion and Analysis

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

2. Basic Financial Statements

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

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

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

The Statement of Cash Flows reports the cash flows from operating, investing, capital and related financing activities.

The Basic Financial Statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The Basic Financial Statements can be found on pages 11 through 15 in this Report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

B. Using the Annual Report (continued)

3. Notes to Financial Statements

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

4. Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Expenditures of Federal Awards can be found on page 39 of this report.

The required pension information is presented for purposes of additional analysis. The schedule of Authority contributions for the last ten fiscal years and the schedule of the Authority's proportionate share of their net pension liability for the last ten fiscal years can be found on page 44 of this report.

The required OPEB information is presented for purposes of additional analysis. The schedule of Authority contributions for the last ten fiscal years and the schedule of the Authority's proportionate share of their net OPEB liability for the last ten fiscal years can be found on page 45 of this report.

The Financial Data Schedule (FDS) was created in order to standardize the financial information reported by Public Housing Authorities (PHA) to the Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC). REAC currently requires PHAs to report their accounting information using GAAP based on either governmental or enterprise fund accounting. REAC will use the FDS to analyze the PHA financial data, in conjunction with other performance measurements, to help ensure the success of the PHA programs. The FDS can be found on pages 46 through 49 of this report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

C. The Authority as a Whole

The Authority's Net Position increased during the fiscal year as detailed in the table below. The Authority's revenues are primarily subsidies and grants received from HUD and tenant rent. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. The Authority's revenues were insufficient to cover all expenses during the fiscal year.

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

Computations of Net Position are as follows:

	<u>As of</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>
Cash and Other Assets	\$6,755,378	\$6,766,185
Capital Assets - Net	16,971,474	17,683,939
Deferred Outflows of Resources	4,608,447	3,969,213
Total Assets and Deferred Outflows	28,335,299	28,419,337
Less: Total Liabilities and Deferred Inflows of Resources	21,187,257	21,133,511
Net Position	\$ 7,148,042	\$ 7,285,826
Net Investment in Capital Assets	\$16,971,474	\$17,683,939
Restricted Net Position	472,579	13,245
Unrestricted Net Position (deficit)	(10,296,010)	(10,411,358)
Net Position	\$ 7,148,043	\$ 7,285,826

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

C. The Authority as a Whole (continued)

Computations of Changes in Net Position are as follows:

	<u>As of</u>	
<u>Revenues</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Tenant Revenues	\$5,196,105	\$4,910,363
HUD Operating Grants	12,737,997	11,685,953
Other Revenues	1,871,644	3,810,479
Total Operating Revenues	19,805,746	20,406,795
<u>Expenses</u>		
Other Operating Expenses	11,448,851	10,805,633
Housing Assistance Payments	8,117,044	7,298,026
Depreciation Expense	1,409,688	1,346,075
Total Operating Expenses	20,975,583	19,449,734
Operating (Loss) Income	(1,169,837)	957,061
Non-Operating Revenues:		
Interest on Investments	136,164	11,469
Interest expense	(1,314)	(1,788)
Actuarial change in post-employment benefits	314,039	253,687
HUD Capital Grants	583,165	2,232,169
Net Non-operating Revenues	1,032,054	2,495,537
Change in Net Position	(137,783)	3,452,598
Net Position - Beginning of Year	7,285,826	3,833,228
Net Position - End of Year	\$7,148,043	\$7,285,826

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

C. The Authority as a Whole (continued)

- Cash and Cash Equivalents (including restricted cash) increased by \$139,400, primarily due to the Authority receiving more revenues from tenant rents during the year ended June 30, 2023.
- HUD Operating Grants increased by \$1,052,044, primarily due to increases in funding from the prior year in the Section 8 Housing Choice Vouchers Program, Public and Mainstream Vouchers Program in the amounts of \$351,386 and \$789,444, respectively.
- Operating Expenses increased to \$20,975,583 in 2023 from \$19,449,734 in 2022, or \$1,525,849 over the prior fiscal year. Significant line item increases/ decreases over the prior fiscal are as follows:
 - 1) Administrative costs decreased from \$4,608,322 in 2022 to \$4,513,407 in 2023, or \$94,915. This was primarily due to decreases in employee benefits associated with pension and OPEB expense in fiscal year 2023, that was partially offset by an increase in administrative salaries during the year.
 - 2) Ordinary repairs and maintenance expenses increased from \$2,041,350 in 2022 to \$2,213,233 in 2023, or \$171,883, primarily due to increases in contract costs.
 - 3) Housing assistance payments expense increased \$819,018 as the Authority had 46 more unit months leased in fiscal year 2023.

D. Budgetary Highlights

For the year ended June 30, 2023, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were primarily used as a management tool. Also, the Authority adopted a comprehensive annual budget for the General Fund. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

E. Capital Assets and Debt Administration

1. Capital Assets

As of June 30, 2023, the Authority's net investment in capital assets for its Proprietary Fund was \$16,971,474. This investment in capital assets includes land, buildings, equipment and construction in progress less accumulated depreciation.

Major capital assets purchased amounted to \$697,223, of which \$583,165 pertained to expenditures made in accordance with the Authority's Capital Fund Program. These activities are funded by grants from HUD.

Additional information on the Authority's capital assets can be found in the Notes to the Financial Statements, which is included in this Report.

2. Long Term Debt

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

F. Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending June 30, 2024 and beyond:

1. The potential for reduction in HUD subsidies and the possible recapture of reserves.
2. The use of the Authority's current reserves to fund shortfalls rising from a possible economic downturn and reduced subsidies and grants.

G. Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Gerald Sanzari, Executive Director, Housing Authority of the Township of North Bergen, 6121 Grand Ave, North Bergen, New Jersey 07047, or call (201) 868-8605.

FINANCIAL STATEMENTS

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 5,202,391
Tenant security deposits	391,337
Accounts receivable, net	454,201
Inventories, net	10,000
Prepaid expenses	<u>188,082</u>
Total current assets	<u>6,246,011</u>
Non-current assets:	
Restricted cash	489,393
Capital assets, net	16,971,474
Right-of-use asset - leases	<u>19,974</u>
Total non-current assets	<u>17,480,841</u>
Total assets	<u>23,726,852</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	1,172,811
State of New Jersey S.H.B.P.	<u>3,435,636</u>
Deferred outflows of resources	<u>4,608,447</u>
Total assets and deferred outflows of resources	<u>\$ 28,335,299</u>

See accompanying notes to financial statements

HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
STATEMENT OF NET POSITION (continued)
AS OF JUNE 30, 2023

LIABILITIES

Current liabilities:	
Accounts payable	\$ 501,415
Accounts payable - other government	300,080
Accrued expenses	103,028
Accrued compensated absences, current	23,708
Tenant security deposits	391,337
Current portion of lease liability	10,223
Unearned revenues	<u>5,841</u>
Total current liabilities	<u>1,335,632</u>
Non-current liabilities:	
Accrued compensated absences, non-current	213,378
Lease liability, net of current	10,747
Accrued pension liability	4,656,787
Accrued OPEB liability	<u>8,815,418</u>
Total non-current liabilities	<u>13,696,330</u>
Total liabilities	<u>15,031,962</u>

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	813,099
State of New Jersey S.H.B.P.	<u>5,342,195</u>
Total deferred inflows of resources	<u>6,155,294</u>

NET POSITION

Net position:	
Net investment in capital assets	16,971,474
Restricted	472,579
Unrestricted (deficit)	<u>(10,296,010)</u>
Total net position	<u>7,148,043</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 28,335,299</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Operating revenues:	
Tenant revenue	\$ 5,196,105
HUD operating grants	12,737,997
Other revenues	<u>1,871,644</u>
Total operating revenues	<u>19,805,746</u>
Operating expenses:	
Administrative	4,513,407
Tenant services	376,442
Utilities	2,232,371
Ordinary repairs and maintenance	2,213,233
Protective services	1,348,000
Insurance	354,086
General expenses	411,312
Housing assistance payments	8,117,044
Depreciation	<u>1,409,688</u>
Total operating expenses	<u>20,975,583</u>
Operating loss	<u>(1,169,837)</u>
Non-operating revenues (expenses):	
Investment income	136,164
Interest expense	(1,314)
Actuarial change in post employment benefits	<u>314,039</u>
Net non-operating revenues	<u>448,889</u>
Loss before capital grants	(720,948)
Capital grants	<u>583,165</u>
Change in net position	(137,783)
Total net position, beginning of year	<u>7,285,826</u>
Total net position, end of year	<u>\$ 7,148,043</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

Cash Flows from Operating Activities:	
Cash received from tenants	\$ 7,568,149
Cash received from grantors	12,741,392
Cash paid to employees	(4,503,060)
Cash paid to vendors	<u>(15,687,873)</u>
Net cash provided by operating activities	<u>118,608</u>
Cash Flows from Capital and Related Financing Activities:	
Interest paid on lease	(1,314)
Purchase of capital assets	(697,223)
Proceeds from capital grants	<u>583,165</u>
Net cash used in capital and related financing activities	<u>(115,372)</u>
Cash Flows from Investing Activities:	
Interest received on investments	<u>136,164</u>
Net cash provided by investing activities	<u>136,164</u>
Net increase in cash, cash equivalents, and restricted cash	139,400
Cash, cash equivalents, and restricted cash, beginning of year	<u>5,943,721</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 6,083,121</u>
 Reconciliation of cash, cash equivalents and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 5,202,391
Tenant security deposits	391,337
Restricted cash	<u>489,393</u>
Cash, cash equivalents, and restricted cash	<u>\$ 6,083,121</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (1,169,837)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,409,688
Bad debt	16,809
Amortization of right-of-use asset	9,987
Changes in operating assets, liabilities, deferred outflows and deferred inflows of resources:	
Accounts receivable	145,682
Prepaid expenses	(22,199)
Inventory	(72)
Pension liability	1,271,979
OPEB liability	(420,507)
Accounts payable	247,591
Accrued expenses	10,347
Accrued compensated absences	49,510
Security deposits	25,631
Unearned revenues	(1,761)
Lease liability	(9,726)
Deferred outflows of resources	(639,234)
Deferred inflows of resources	(789,535)
Other current liabilities	<u>(15,745)</u>
Net cash provided by operating activities	<u>\$ 118,608</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the Township of North Bergen (the "Authority") is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J.S.A. 4A: 12A-1, et. Seq., the "Housing Authority Act") for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the Township of North Bergen (the "Township"). The Authority is responsible for operating certain low-rent housing programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous, but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34"), as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting / Financial Statement Presentation (continued)

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, ("GASB 33") grant and subsidy revenue is recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued *PIH Notice 2008-9* which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported on HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the FDS as unrestricted.

Effective July 1, 2022, the Authority adopted GASB Statement No.96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 improves the financial reporting by establishing a definition for subscription-based information technology arrangements ("SBITA") and providing uniform guidance for accounting and financial reporting for transactions that meet the definition of SBITA. For the year ended June 30, 2023, the adoption of GASB 96 did not have a material effect on the financial statements of the Authority.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions, as defined by GASB 33, are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Authority. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria.

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing within the Township. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Public Housing Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Mainstream Vouchers

The purpose of the mainstream vouchers program is to aid non-elderly persons with disabilities in obtaining decent, safe, and sanitary rental housing.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

Resident Opportunity and Supportive Services Program / Service Coordinators ("ROSS")

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

E. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements and contingencies. Actual results could differ significantly from these estimates.

F. Cash and Cash Equivalents

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States, or the State of New Jersey, or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, when the funds are secured in accordance with the act.

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents (continued)

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

For the Statement of Cash Flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

H. Inventories, Net

Inventories represent the value of materials and equipment the Authority has on hand. As of June 30, 2022, inventories consist of air conditioners totaling \$10,000, which is valued at cost using the First-In First-Out method. If the inventories fall below cost due to damage, deterioration, or obsolescence, the Authority will write down the inventories to its net realizable value through the establishment of an allowance for obsolete inventories. Management estimates these amounts to be valued at cost, therefore, no allowance for obsolete inventories has been established.

I. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

J. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Inter-Program Receivables and Payables

Inter-program receivables/payables are current, and the result of the use of the Public and Indian Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes; however, they are reflected in the accompanying Financial Data Schedule as required by HUD.

L. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expenses as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of fixed assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

◆ Dwelling and Non-Dwelling Equipment	5 Years
◆ Buildings	27.5 Years
◆ Building Improvements	10 Years

The Authority has established a capitalization threshold of \$1,000.

M. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended June 30, 2023, there were no impairment losses.

N. Right-of-Use Assets and Liabilities

Lessees are required to recognize a lease liability and an intangible right-of-use lease asset. The lease liability is calculated at the present value of future payments expected to be made over the course of the lease. Right-of-use lease assets are measured as the initial amount of lease liability, plus any payments made to the lessor at or before the time of commencement of the lease and minus any lease incentives received from the lessor.

The Authority uses its risk-free rate at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Compensated Absences

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary. Employees may be compensated for sick leave at retirement or termination at one half of the earned sick leave at the current salary to a maximum of \$5,000.

P. Prepaid Tenant Rents

The Authority's prepaid tenant rents primarily consist of the prepayment of rent by residents applicable to future periods.

Q. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided, as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

R. Taxes

The Authority is a unit of local government under New Jersey law and is exempt from real estate, sales and income taxes.

S. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with GAAP. All appropriations lapse at HUD's program year end or at the end of grant periods. The Authority is also required to adopt and submit annually to the State of New Jersey, Department of Community Affairs, an Authority wide budget sixty (60) days prior to the start of the Authority's fiscal year.

T. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position will sometimes report 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 will not be recognized as an inflow of resources until that time.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended June 30, 2023, rental revenue earned under the aforementioned leases totaled \$5,126,954.

V. Pensions

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

W. Other Post Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the net OPEB, and OPEB expense, and information about the fiduciary net position of the State Health Benefits Plan ("SHBP") and additions to/deductions from SHBP's fiduciary net position have been determined on the same basis as they are reported by SHBP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

X. Economic Dependency

The Section 8 Housing Choice Vouchers and Public and Indian Housing Programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

Y. Net Position Classifications

Equity is classified as net position and displayed in three components:

Net investment in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position — Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position — All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Z. Use of Restricted Assets

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

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2. CASH AND CASH EQUIVALENTS

As of June 30, 2023, the Authority had funds on deposit in checking, statements savings and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted deposits) was \$6,083,121 and the bank balances approximated \$6,102,912.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 5,202,391
Tenant security deposits	391,337
Restricted	<u>489,393</u>
	<u>\$ 6,083,121</u>

Of the bank balances, \$500,000 was covered by federal depository insurance and the remaining \$5,602,912 was collateralized by GUDPA as of June 30, 2023.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of June 30, 2023, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at June 30, 2023:

<u>Description</u>	<u>Amount</u>
Accounts receivable - tenants, net	\$ 58,013
Accounts receivable - other government	11,177
Accounts receivable - miscellaneous	<u>385,011</u>
	<u>\$ 454,201</u>

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. Tenant accounts receivable are stated net of an allowance for doubtful accounts of \$76,558 at June 30, 2023.

Accounts Receivable - other government

Accounts receivable - other government consists of amounts due from other housing authorities related to port-ins in the Section 8 Housing Choice Vouchers program. Management estimates these amounts to be fully collectible, and therefore no allowance for doubtful accounts has been established.

HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists primarily of management fees, advances to cover expenses due from developments and accrued interest. The Authority expects to collect all miscellaneous receivables and has made no allowance for doubtful accounts.

NOTE 4. CAPITAL ASSETS

A summary of the changes in capital assets during the year ended June 30, 2023 is as follows:

Description	June 30, 2022	Additions	Dispositions	Transfers	June 30, 2023
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,150,084	\$ -	\$ -	\$ -	\$ 1,150,084
Construction in progress	<u>2,929,872</u>	<u>583,165</u>	<u>-</u>	<u>(1,081,001)</u>	<u>2,432,036</u>
Subtotal	<u>4,079,956</u>	<u>583,165</u>	<u>-</u>	<u>(1,081,001)</u>	<u>3,582,120</u>
<u>Depreciable capital assets:</u>					
Buildings and improvements	58,001,121	58,743	-	1,081,001	59,140,865
Furniture and equipment	<u>2,344,522</u>	<u>55,315</u>	<u>-</u>	<u>-</u>	<u>2,399,837</u>
Subtotal	<u>60,345,643</u>	<u>114,058</u>	<u>-</u>	<u>1,081,001</u>	<u>61,540,702</u>
Total capital assets	64,425,599	697,223	-	-	65,122,822
Less: accumulated depreciation	<u>(46,741,660)</u>	<u>(1,409,688)</u>	<u>-</u>	<u>-</u>	<u>(48,151,348)</u>
Net capital assets	<u>\$ 17,683,939</u>	<u>\$ (712,465)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,971,474</u>

Depreciation expense for the year ended June 30, 2023 amounted to \$1,409,688.

NOTE 5. RESTRICTED DEPOSITS

Restricted deposits consisted of the following at June 30, 2023:

<u>Cash Category</u>	<u>Amount</u>
Tenant security deposits	\$ 391,337
Housing assistance payment reserves	472,579
Family Self Sufficiency program escrows	<u>16,814</u>
	<u>\$ 880,730</u>

Tenant security deposits represent amounts held by the Authority on behalf of tenants participating in the Public and Indian Housing Program. Upon termination from the program, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

Housing assistance payments reserves are restricted for tenant rents in the Section 8 Housing Choice Vouchers Program and Mainstream Vouchers.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Section 8 Housing Choice Vouchers Program by FSS program participants.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6. RIGHT-OF-USE ASSETS AND LIABILITIES

On July 1, 2021, the Authority entered into a lease agreement (the "lease") as a lessee to rent a copier. The term of the lease was for four years, commencing on July 1, 2021 and terminating on June 1, 2025. At commencement of the lease, base rent in the amount of \$920 was due on the first of each month. The lease agreement does not contain any material residual value guarantees or material restrictive covenants. An initial right-of-use asset was recorded in the amount of \$39,948. As of June 30, 2023, the value of the right-of-use asset was \$19,974. Amortization expense for the year ended June 30, 2023 totaled \$9,987.

NOTE 7. LEASE LIABILITY

Lease liability consisted of the following as of June 30, 2023:

<u>Description</u>	<u>Amount</u>
The Authority entered into a lease agreement (the "lease") to rent a copier. The term of the lease was for four years, commencing on July 1, 2021 and maturing on June 1, 2025. The lease had an implicit interest rate of 5%. At commencement of the lease, base rent in the amount of \$920 was due on on the first of each month. Rent and interest expense for the year ended June 30, 2023 amounted to \$9,987 and \$1,314, respectively.	<u>\$ 20,970</u>

Annual lease payments for principal and interest for the next two years is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 10,223	\$ 816	\$ 11,039
2025	<u>10,747</u>	<u>606</u>	<u>11,443</u>
	<u>\$ 20,970</u>	<u>\$ 1,512</u>	<u>\$ 22,482</u>

NOTE 8. NON-CURRENT LIABILITIES

Long term liabilities had the following activity for the year ended June 30, 2023:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements/ Contributions</u>	<u>June 30, 2023</u>	<u>Due in One Year</u>
Accrued compensated absences	\$ 187,576	\$ 71,567	\$ (22,057)	\$ 237,086	\$ 23,708
Net pension liability	3,384,809	1,661,103	(389,125)	4,656,787	-
Net OPEB liability	9,549,964	240,255	(974,801)	8,815,418	-
Lease liability	<u>30,696</u>	<u>-</u>	<u>(9,726)</u>	<u>20,970</u>	<u>10,223</u>
	<u>\$ 13,153,045</u>	<u>\$ 1,972,925</u>	<u>\$ (1,395,709)</u>	<u>\$ 13,730,261</u>	<u>\$ 33,931</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 9. PENSION PLAN

A. Plan Description

The PERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

B. Benefits

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

1. Members who were enrolled prior to July 1, 2007
2. Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3. Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4. Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5. Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

Early retirement benefits are available to tiers one and two before reaching age 60, tiers 3 and 4 before age 62 with 25 years or more of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month a member retires prior to the age at which a member can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

C. Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by all active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on the actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 9. PENSION PLAN (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Authority reported a liability of \$4,656,787, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2021, and rolled forward to June 30, 2022.

For the year ended June 30, 2023, the Authority recognized a pension benefit of \$577,297. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of Assumptions	\$ 14,428	\$ 697,305
Changes in Proportion	619,024	86,154
Differences between projected and actual experience	33,611	29,640
Net differences between Expected and Actual Investments	192,740	-
Contributions subsequent to the measurement date	<u>313,008</u>	<u>-</u>
Total	<u>\$ 1,172,811</u>	<u>\$ 813,099</u>

Amounts reported as deferred outflows and deferred inflows of resources, other than the contributions made after the measurement date, will be recognized in future pension expense as follows:

Year ending June 30:

2024	\$ 38,374
2025	19,550
2026	9,534
2027	(20,800)
2028	<u>46</u>
	<u>\$ 46,704</u>

The amount reported as deferred outflows of resources related to employer contributions made July 2022 through June 2023, should have the effect of reducing net pension liability during the next actuarial measurement period.

E. Actuarial Assumptions

The collective total pension liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 9. PENSION PLAN (continued)

E. Actuarial Assumptions (continued)

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75 - 6.55%
Through 2026	based on years of service
Investment rate of return	7.00%

Pre-mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial adjustments used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

F. Long-Term Expected Rate of Return

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class, including the PERS's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 9. PENSION PLAN (continued)

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. 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 projected benefit payments to determine the total pension liability.

H. Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6 percent) or 1 percentage point higher (8 percent) than the current rate.

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Authority's proportionate share of the net pension liability	\$ <u>6,033,274</u>	\$ <u>4,656,787</u>	\$ <u>3,558,343</u>

NOTE 10. OTHER POST-RETIREMENT BENEFITS PLAN

A. Plan Description

The SHBP is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Division. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

B. Benefits

SHBP provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

B. Benefits (continued)

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Authority reported a liability of \$8,815,418, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of July 1, 2021, and rolled forward to June 30, 2022.

For the year ended June 30, 2023, the Authority recognized an OPEB benefit of \$314,039. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,176,454	\$ 3,008,532
Changes in Proportion	826,822	699,659
Differences between projected and actual experience	455,238	1,634,004
Net differences between projected and actual investment earnings on OPEB plan investments	2,321	-
Contributions subsequent to the measurement date	<u>974,801</u>	<u>-</u>
Total	<u>\$ 3,435,636</u>	<u>\$ 5,342,195</u>

The deferred outflow and deferred inflows of resources, other than the employer contributions noted above, will be recognized in future OPEB expense as follows:

	<u>Amount</u>
Year ending June 30:	
2024	\$ (765,037)
2025	(765,713)
2026	(604,672)
2027	(270,050)
2028	(60,544)
Thereafter	<u>(415,344)</u>
	<u>\$ (2,881,360)</u>

The amount reported as deferred outflows of resources related to employer contributions made July 2022 through June 2023, should have the effect of reducing net OPEB liability during the next actuarial measurement period.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

D. Actuarial Assumptions

The total OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Mortality	Pub-2010 general classification headcount weighted mortality with fully generational monthly improvement projections from the central year using Scale MP-2021
Salary increases:	2.75% to 6.55% based on years of service

Certain actuarial assumptions used in the July 1, 2021 valuation were based on the results of the pension plans' experience studies prepared for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.54% as of June 30, 2022. This represents the municipal bond return rate chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

F. Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.54%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (5.54%) than the current rate.

	1% Decrease (2.54)	Discount Rate (3.54)	1% Increase (4.54)
Authority's proportionate share of the net OPEB liability	\$ <u>10,218,844</u>	\$ <u>8,815,418</u>	\$ <u>7,686,231</u>

G. Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Trend Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the healthcare trend rate as disclosed above, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

H. Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Trend Rate (continued)

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Authority's proportionate share of the net OPEB liability	\$ <u>7,478,385</u>	\$ <u>8,815,418</u>	\$ <u>10,527,782</u>

NOTE 11. RESTRICTED NET POSITION

As of June 30, 2023, restricted net position totaled \$472,579 and consisted of housing assistance payments reserves which are restricted for tenant rents in the Section 8 Housing Choice Vouchers and Mainstream Vouchers programs.

NOTE 12. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is a member of the New Jersey Public Housing Authorities Joint Insurance Fund ("JIF"). The joint insurance pool is both an insured and self-administered group of housing authorities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the past three years.

NOTE 13. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of June 30, 2023, the Authority estimates that no material liabilities will result from such audits.

NOTE 14. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through March 28, 2024 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**INDEPENDENT AUDITORS' 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 Township of North Bergen:

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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of the Township of North Bergen (the "Authority") as of and for the year ended June 30, 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 March 28, 2024.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 and significant deficiencies may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Novogradec & Company LLP

March 28, 2024
Toms River, New Jersey

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY OMB CIRCULAR 15-08**

To the Board of Commissioners
Housing Authority of the Township of North Bergen:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the Township of North Bergen's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State of New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 June 30, 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), and the State of New Jersey OMB Circular 15-08. 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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, and the State of New Jersey OMB Circular 15-08, 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, and the State of New Jersey OMB Circular 15-08, 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Report on Internal Control over Compliance (continued)

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.

Purpose of this Report

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.

Novogradac & Company LLP

March 28, 2024
Toms River, New Jersey

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State Pass-through Number</u>	<u>Grant Period</u> <u>From / To</u>		<u>Grant Award</u>	<u>Total Fiscal Year Expenditures</u>	<u>Cumulative Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>							
Housing Voucher Cluster							
Section 8 Housing Choice Vouchers	14.871	N/A	7/1/22	6/30/23	\$ 7,102,904	\$ 7,102,904	\$ 7,102,904
Mainstream Vouchers	14.879	N/A	7/1/22	6/30/23	<u>1,454,889</u>	<u>1,454,889</u>	<u>1,454,889</u>
Total Housing Voucher Cluster					8,557,793	8,557,793	8,557,793
Public and Indian Housing	14.850	N/A	1/1/17	12/31/23	7,435,624	3,720,679	5,475,668
Public Housing Capital Fund	14.872	N/A	4/16/19	2/16/27	7,518,619	1,526,726	4,892,819
Public Housing Family Self-Sufficiency Under Resident Opportunity and Supportive Services	14.870	N/A	5/1/20	4/9/23	<u>239,250</u>	<u>86,746</u>	<u>239,250</u>
Total U.S. Department of Housing and Urban Development					<u>\$ 23,751,286</u>	<u>\$ 13,891,944</u>	<u>\$ 19,165,530</u>

See accompanying notes to schedule of expenditures of federal awards.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance and the State of New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 4. STATEMENT OF ACTUAL CAPITAL FUND PROGRAM COSTS AND ADVANCES

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended June 30, 2023 are provided herein.

	<u>501-20</u>	<u>501-21</u>	<u>501-22</u>	<u>Totals</u>
Budget	\$ <u>2,266,535</u>	\$ <u>2,344,389</u>	\$ <u>-</u>	\$ <u>4,610,924</u>
<u>Advances:</u>				
Cumulative through 6/30/22	\$ 2,204,450	\$ 1,161,643	\$ -	\$ 3,366,093
Current Year	<u>62,085</u>	<u>870,364</u>	<u>594,277</u>	<u>1,526,726</u>
Cumulative through 6/30/23	<u>2,266,535</u>	<u>2,032,007</u>	<u>594,277</u>	<u>4,892,819</u>
<u>Costs:</u>				
Cumulative through 6/30/22	2,204,450	1,161,643	-	3,366,093
Current Year	<u>62,085</u>	<u>870,364</u>	<u>594,277</u>	<u>1,526,726</u>
Cumulative through 6/30/23	<u>2,266,535</u>	<u>2,032,007</u>	<u>594,277</u>	<u>4,892,819</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NOTES TO SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

- 1) Capital Fund Grant No. NJ39L004501-20 with approved funding of \$2,266,535, has been fully drawn down and expended as per Capital Fund Grant Regulations.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

I. Summary of Auditors' Results

Financial Statement Section

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|--|---------------|
| 1. | Internal Control over compliance | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): | No |
| 4. | Identification of major programs: | |

AL Number

Name of Federal Program

	Housing Voucher Cluster
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee? | No |

HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
JUNE 30, 2023

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Summary of Prior Audit Findings

There were no findings or questioned costs in the prior year.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
REQUIRED PENSION INFORMATION
JUNE 30, 2023**

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 213,021	\$ 241,955	\$ 229,437	\$ 232,303	\$ 261,181	\$ 274,046	\$ 255,059	\$ 298,734	\$ 334,614	\$ 372,276
Contributions in relation to the contractually required contribution	213,021	241,955	229,437	232,303	261,181	274,046	255,059	298,734	334,614	372,276
(Over) / under funded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$2,021,891	\$2,085,853	\$2,269,743	\$2,303,893	\$2,311,208	\$2,428,562	\$2,670,285	\$2,565,848	\$3,118,572	\$2,937,631
Contributions as a percentage of covered-employee payroll	10.54 %	11.60 %	10.11 %	10.08 %	11.30 %	11.28 %	9.55 %	11.64 %	10.73 %	12.67 %

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THEIR NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Authority's proportion of the net pension liability	0.0283 %	0.0293 %	0.0267 %	0.0261 %	0.0282 %	0.0276 %	0.0262 %	0.0273 %	0.0286 %	0.0309 %
Authority's proportionate share of the net pension liability	\$5,403,271	\$5,495,074	\$5,990,706	\$7,744,552	\$6,562,955	\$5,424,705	\$3,384,809	\$3,384,809	\$3,384,809	\$4,656,787
Authority's covered-employee payroll	\$2,021,891	\$2,085,853	\$2,269,743	\$2,303,893	\$2,311,208	\$2,428,562	\$2,670,285	\$2,565,848	\$3,118,572	\$2,937,631
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	267.24 %	263.44 %	263.94 %	336.15 %	283.96 %	223.37 %	126.76 %	131.92 %	108.54 %	158.52 %
Plan fiduciary net position as a percentage of the total pension liability	48.72 %	52.08 %	47.93 %	43.35 %	48.10 %	53.60 %	56.30 %	58.32 %	42.18 %	42.18 %

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NORTH BERGEN
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
JUNE 30, 2023**

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS***

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Statutorily required contribution	\$ 830,835	\$ 889,601	\$ 895,987	\$ 916,950	\$ 923,875	\$ 974,801
Contributions in relation to the statutorily required contribution	830,835	889,601	895,987	916,950	923,875	974,801
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 2,311,208	\$ 2,428,562	\$ 2,670,285	\$ 2,565,848	\$ 3,118,572	\$ 2,937,631
Contributions as a percentage of covered-employee payroll	35.95 %	36.63 %	33.55 %	35.74 %	29.62 %	33.18 %

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THEIR NET OPEB LIABILITY FOR THE LAST TEN FISCAL YEARS***

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Authority's proportion of the net OPEB liability	0.0524 %	0.0512 %	0.0492 %	0.0528 %	0.0531 %	0.0546 %
Authority's proportionate share of the net OPEB liability	\$ 10,702,569	\$ 8,017,548	\$ 9,549,964	\$ 9,472,761	\$ 9,549,964	\$ 8,815,418
Authority's covered-employee payroll	\$ 2,311,208	\$ 2,428,562	\$ 2,670,285	\$ 2,565,848	\$ 3,118,572	\$ 3,118,572
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	463.07 %	330.14 %	357.64 %	369.19 %	306.23 %	282.67 %
Plan fiduciary net position as a percentage of the total OPEB liability	1.03 %	1.97 %	1.98 %	0.92 %	0.28 %	0.28 %

*** = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

See Report of Independent Auditors.

North Bergen Housing Authority									
NJ004									
Financial Data Schedule (FDS)									
June 30, 2013									
Line Item #	Account Description	Project Total	14,871 Housing Choice Vouchers	14,879 Mainstream Vouchers	14,PHC Public Housing Care Act Funding	Business Activities	COCC	ELIM	TOTAL
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ 3,144,627	\$ 603,020	\$ -	\$ -	\$ 1,193,721	\$ 261,023	\$ -	\$ 5,202,391
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	349,230	140,163	-	-	-	-	489,393
114	Cash - tenant security deposits	391,337	-	-	-	-	-	-	391,337
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-
100	Total cash	3,535,964	952,250	140,163	-	1,193,721	261,023	-	6,003,121
Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	7,067	-	-	-	-	-	7,067
125	Accounts receivable - miscellaneous	37,083	3,980	-	-	-	343,948	-	385,011
126	Accounts receivable- tenants	153,113	-	-	-	-	-	-	153,113
126	Allowance for doubtful accounts - tenants	(76,558)	-	-	-	-	-	-	(76,558)
126	Allowance for doubtful accounts - other	(18,543)	-	-	-	-	-	-	(18,543)
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-
128	Fraud recovery	-	4,110	-	-	-	-	-	4,110
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	95,096	15,157	-	-	-	343,948	-	454,201
Current Investments									
131	Investments - unrestricted	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	167,118	7,469	-	-	-	13,495	-	188,082
143	Inventories	10,000	-	-	-	-	-	-	10,000
143	Advance for obsolete inventories	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	3,808,178	974,876	140,163	-	1,193,721	618,466	-	6,735,404
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	1,150,084	-	-	-	-	-	-	1,150,084
162	Buildings	59,140,865	-	-	-	-	-	-	59,140,865
163	Furniture, equipment & machinery - dwellings	1,713,021	-	-	-	-	159,235	-	1,872,256
164	Furniture, equipment & machinery - administration	140,144	14,707	-	-	-	372,730	-	527,581
165	Leasehold improvements	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(47,756,532)	(14,707)	-	-	-	(380,109)	-	(48,151,348)
167	Construction in Progress	2,432,036	-	-	-	-	-	-	2,432,036
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	16,819,618	-	-	-	-	151,856	-	16,971,474
Other non-current assets:									
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-
173	Grants Receivable Non Current	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	19,974	-	19,974
175	Undistributed debits	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	16,819,618	-	-	-	-	171,830	-	16,991,448
200	Deferred Outflows of Resources	3,291,589	441,566	-	-	-	875,292	-	4,608,447
200	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 23,919,385	\$ 1,416,442	\$ 140,163	\$ -	\$ 1,193,721	\$ 1,665,588	\$ -	\$ 28,335,299

North Bergen Housing Authority									
NJ004									
Financial Data Schedule (FDS)									
June 30, 2023									
Line Item #	Account Description	Project Total	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.PHC Public Housing Cares Act Funding	Business Activities	COCC	ELIM	TOTAL
LIABILITIES AND EQUITY:									
Liabilities:									
Current Liabilities:									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	317,291	14,623	-	-	-	169,501	-	501,415
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	66,288	-	-	-	-	20,995	-	87,283
322	Accrued compensated absences - current portion	13,241	3,350	-	-	-	7,137	-	23,728
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD FHA programs	-	3,707	-	-	-	-	-	3,707
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	296,373	-	-	-	-	-	-	296,373
341	Tenant security deposits	391,337	-	-	-	-	-	-	391,337
342	Unearned revenue	5,841	-	-	-	-	-	-	5,841
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	10,223	-	10,223
346	Accrued liabilities - other	-	15,745	-	-	-	-	-	15,745
347	Interprogram - due to	-	-	-	-	-	-	-	-
348	Loan liability - Current	-	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	1,090,371	37,485	-	-	-	207,856	-	1,335,632
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	10,747	-	10,747
354	Accrued compensated absences - noncurrent	119,164	29,978	-	-	-	64,236	-	213,378
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	3,166,615	465,680	-	-	-	1,024,492	-	4,656,787
358	Accrued OPEB Liability	6,513,497	905,114	-	-	-	1,396,807	-	8,815,418
350	TOTAL NONCURRENT LIABILITIES	9,799,276	1,400,772	-	-	-	2,496,282	-	13,696,330
300	TOTAL LIABILITIES	10,889,647	1,438,177	-	-	-	2,704,138	-	15,031,962
400	Deferred Inflows of Resources	4,824,613	613,771	-	-	-	716,910	-	6,155,294
EQUITY:									
508	Invested in Capital Assets, Net of Related Debt	16,819,618	-	-	-	-	151,856	-	16,971,474
511	Restricted Net Assets	-	332,416	140,163	-	-	-	-	472,579
512	Unrestricted Net Assets	(8,614,493)	(967,922)	-	-	1,193,721	(1,907,316)	-	(10,296,010)
513	TOTAL EQUITY	8,205,125	(635,506)	140,163	-	1,193,721	(1,755,460)	-	7,148,043
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY	\$ 23,919,385	\$ 1,416,442	\$ 140,163	\$ -	\$ 1,193,721	\$ 1,665,588	\$ -	\$ 28,335,299

North Bergen Housing Authority										
NJ004										
Financial Data Schedule (FDS)										
June 30, 2013										
Line Item #	Account Description	OPERATING	CAPITAL	14,870 Resident Opportunity and Support Services	14,871 Housing Choice Vouchers	14,879 Manufacture Yards	1 Bedroom Apartments	COCC	ELUM	TOTAL
REVENUE:										
70300	Net rental revenue	\$ 5,176,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,176,924
70400	Travel revenue - other	65,151	-	-	-	-	-	-	-	65,151
70500	Total rental revenue	5,176,924	-	-	-	-	-	-	-	5,176,924
70600	HFD PFA gross	5,778,679	942,261	26,126	6,211,947	1,095,844	-	-	-	16,277,977
70710	Capital gross	-	852,155	-	-	-	-	-	-	852,155
70720	Management fee	-	-	-	-	-	-	295,193	(295,193)	-
70730	Asset management fee	-	-	-	-	-	-	-	(29,833)	-
70740	Front line service fee	-	-	-	-	-	-	58,833	(58,833)	-
70750	Other fees	-	-	-	-	-	-	-	-	-
70900	Other government grants	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	-	-	-	16,779	-	45,373	75,613	-	138,765
71200	Interest income - restricted	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-
71400	Grant revenue	-	-	-	5,699	-	-	-	-	5,699
71500	Other revenue	641,172	-	-	1,626,775	-	-	55,717	-	2,303,712
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-
71900	Investment income - restricted	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	6,277,000	1,516,716	26,126	7,831,697	1,095,844	45,373	1,126,526	(295,226)	25,825,111
EXPENSES:										
Administrative										
91100	Administrative salaries	1,615,263	-	-	175,000	75,210	368,000	347,044	-	2,277,796
91200	Advertising fees	14,379	-	-	3,544	-	-	2,563	-	21,376
91300	Outside management fees	295,593	-	-	-	-	-	-	(295,193)	-
91310	Boarding fee	68,833	-	-	-	-	-	-	(68,833)	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	264,644	-	-	67,567	23,558	19,999	485,653	-	1,061,771
91600	Office expenses	197,141	-	-	29,310	-	-	236,811	-	463,262
91700	Local expenses	65,309	-	-	-	-	5,000	172,273	-	242,662
91800	Travel	-	-	-	-	-	-	14,913	-	14,913
91810	Alumni fund	-	-	-	-	-	-	-	-	-
91900	Other	209	313,251	-	20,699	5,500	65,600	65,600	-	327,909
	Total Administrative	2,438,833	313,251	-	295,511	98,768	779,899	1,123,118	(295,226)	4,513,897
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-
Tenant services										
92100	Tenant services - salaries	145,818	-	15,500	-	-	-	-	-	161,318
92200	Registration costs	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	84,927	-	11,250	-	-	-	-	-	96,177
92400	Tenant services - other	54,123	-	18,299	-	-	-	-	-	72,422
	Total Tenant Services	284,868	-	26,749	-	-	-	-	-	311,617
Utilities										
93100	Water	344,873	-	-	-	-	-	-	-	344,873
93200	Electricity	854,741	-	-	-	-	-	-	-	854,741
93300	Gas	293,900	-	-	-	-	-	-	-	293,900
93400	Fuel	-	-	-	-	-	-	-	-	-
93500	Laundry	-	-	-	-	-	-	-	-	-
93600	Street	489,129	-	-	-	-	-	-	-	489,129
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-
	Total Utilities	1,932,743	-	-	-	-	-	-	-	1,932,743

North Bergen Housing Authority										
NJ004										
Financial Data Schedule (FDS)										
June 30, 2013										
Line Item #	Account Description	OPERATING	CAPITAL	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	J Bonds Activities	COCC	ELIM	TOTAL
	Ordinary maintenance - operations									
0100	Ordinary maintenance and operations - labor									964,932
0100	Ordinary maintenance and operations - materials & other	364,957								364,957
0100	Ordinary maintenance and operations - contract work	1,756,691								1,756,691
0499	Employee benefit contributions - ordinary maintenance									2,113,333
	Total Ordinary Maintenance	2,113,333								2,113,333
	Protective services									
9500	Protective services - labor	996,331						33,828		996,331
9500	Protective services - other personnel costs									
9500	Protective services - other									
9599	Employee benefit contributions - protective services	343,999						18,899		343,999
	Total Protective Services	1,296,162						43,828		1,296,162
	General expenses									
9600	Insurance premiums	216,072			11,794			26,905		254,864
9600	Other general expenses				16,576			9,907		26,563
9610	Compensated absences	21,871			8,658			11,818		21,871
9630	Payments in lieu of taxes	296,372								296,372
9640	Bad debt - current years	16,889								16,889
9650	Bad debt - prior years									
9660	Bad debt - other									
9670	Interest expense									
9671	Interest of mortgage (or bonds) payable							3,219		3,219
9672	Interest on Notes Payable (Short and Long Term)									
9673	Amortization of bond premium									
9680	Interest expense	451,829			26,418			79,184		757,431
	Total General Expenses	10,179,365	213,561	86,746	341,959	82,790	298,889	1,375,161	(924,226)	11,686,165
9900	TOTAL OPERATING EXPENSES	10,179,365	213,561	86,746	341,959	82,790	298,889	1,375,161	(924,226)	11,686,165
9900	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(51,654)	1,313,145		7,586,118	1,496,254	(245,527)	(129,689)		9,335,969
	Extraordinary maintenance									
9700	Construction - new capitalization									
9700	Renewing debt service payments				5,299,898	1,256,899				6,556,797
9720	HAP Feasibility - in				1,141,939					1,141,939
9740	Depreciation expense	1,266,974						43,114		1,499,858
9750	Flood losses									
9760	Resolving debt cost expense									
9900	TOTAL EXPENSES	11,495,919	213,561	86,746	7,192,994	1,454,479	298,889	1,313,275	(924,226)	20,976,977
	OTHER FINANCING SOURCES (USES)									
1001	Operating transfers in	738,899							(738,899)	
1002	Operating transfers out		(738,899)							
1003	Operating transfers from primary government									
1004	Operating transfers from component unit									
1005	Extraordinary items, not defined									
1006	Special items (not public law)									
1007	Inter-fund transfers, not transfer in									
1008	Inter-fund loans, not transfer in									
1009	Transfers from program and project in									
1010	Transfers from program and project out									
1011	Transfers between program and project in									
1012	Transfers between program and project out									
1019	TOTAL OTHER FINANCING SOURCES (USES)	738,899	(738,899)							
1000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,185,870)	583,165		745,163	136,155	(145,527)	(177,719)		(137,783)
	NET ASSET ACCOUNT INFORMATION:									
1100	Required annual debt principal payments									
1101										
1102	Resolving equity	8,099,999			(1,298,499)	8	1,429,259	(1,582,741)		7,229,616
1103	Other period adjustments and equity transfers	583,165	(583,165)							
1110	Administrative fee equity				(967,912)					(967,912)
1111	Resolving debt service payments equity				323,416					323,416
1112					(165,529)					(165,529)
1113	Net assets available	11,819			5,217	948				18,034
1114	Number of full months leased	11,319			4,425	929				17,773