

HOUSING AUTHORITY OF THE CITY OF SUMMIT
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023
WITH
REPORT OF INDEPENDENT AUDITORS

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
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YEAR ENDED DECEMBER 31, 2023**

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CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Housing Authority of the City of Summit:

Opinion

We have audited the accompanying financial statements of the Housing Authority of the City of Summit (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the 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 December 31, 2023, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 these 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 within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards, findings and responses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

Other Matters (continued)

The schedule of federal awards, findings and responses 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards, findings and responses 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 September 4, 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.

Novogrodac & Company LLP

September 4, 2024
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF THE CITY OF SUMMIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

As Management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 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 assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,443,971 (net position) as opposed to \$6,474,342 for the prior fiscal year.
- 2 – As of the close of the current fiscal year, the Authority's proprietary fund reported ending unrestricted net position of \$130,050.
- 3 – The Authority's cash and cash equivalents balance (including restricted cash) at December 31, 2023 was \$3,360,026 representing a decrease of \$31,722 from the prior fiscal year.
- 4 – The Authority had total operating revenues of \$2,311,968, and total operating expenses of \$2,510,383 for the year ended December 31, 2023.
- 5 – The Authority had capital outlays totaling \$289,479 for the fiscal year.

B – Using the Annual Report

1 – Management's Discussion and Analysis

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

2 – Financial Statements

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

HOUSING AUTHORITY OF THE CITY OF SUMMIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

B – Using the Annual Report (continued)

2 – Financial Statements (continued)

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

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

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

The financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 8 through 12.

3 – Notes to Financial Statements

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

C – The Authority as a Whole

The Authority's net position decreased during the fiscal year. The Authority's revenues are primarily subsidies and grants received from HUD. 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. However, the Authority's revenues were insufficient to cover all expenses, excluding depreciation 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. The unrestricted net position of the Authority is available for future use to provide program services.

HOUSING AUTHORITY OF THE CITY OF SUMMIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

D – Budgetary Highlights

For the year ended December 31, 2023, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

As indicated by the excess of revenues over expenses, the Authority's net position increased during the fiscal year.

E – Capital Assets and Debt Administration

1 - Capital Assets

As of December 31, 2023, the Authority's capital assets for its proprietary fund was \$4,866,222 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress.

The Authority spent \$289,479 on capital assets during the year ended December 31, 2023.

Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements, which is included in this report.

2 – Long Term Debt

On March 31, 2017, the Authority entered into a tax exempt, thirty-year bond with Lakeland Bank in the amount of \$1,200,000. The funds received are restricted and must be spent in accordance with HUD approved capital repairs and improvements schedules. The loan is secured by a first lien on the property. Interest accrues at 3.625% annually and the loan matures in July 2047. As of December 31, 2023, the bond payable totaled \$1,038,447.

F – Significant Changes from FYE December 31, 2022 to December 31, 2023

Cash and cash equivalents and restricted cash decreased by \$31,722, mainly due to cash flows provided by operating activities and investing activities totaling \$117,404 and \$137,430 offset by cash flows used in capital and related financing activities totaling \$286,556.

Capital assets, net decreased by \$29,639 due to the purchases of capital assets totaling \$289,479 and the Authority's annual depreciation expense of \$319,118 for the year.

HOUSING AUTHORITY OF THE CITY OF SUMMIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

F – Significant Changes from FYE December 31, 2022 to December 31, 2023 (continued)

Tenant revenue increased \$138,528 primarily due to an increase in units months leased during the year ended December 31, 2023.

Administrative expenses increased by \$10,962 mainly due to an increase in administrative salaries and benefits as of December 31, 2023.

Ordinary repairs and maintenance expenses increased \$122,581 primarily due to the increased need for repairs on the Authority's buildings.

G – Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending December 31, 2023.

- 1 – The state of the economy, particularly in light of current world affairs.
- 2 – The desire for Congress to reduce the national deficit through cutbacks to federal programs.
- 3 – The use of the Authority's unrestricted net position to fund any shortfalls rising from a possible economic downturn and reduced subsidies and grants. The Authority's unrestricted net position appears sufficient to cover any shortfall.

H – Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Summit Housing Authority, 512 Springfield Avenue, Summit, NJ 07901, or call (908) 273-6413.

FINANCIAL STATEMENTS

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023**

ASSETS

| | |
|-------------------------------|------------------|
| Current assets: | |
| Cash and cash equivalents | \$ 726,192 |
| Tenant security deposits | 147,688 |
| Accounts receivable, net | 21,489 |
| Lease receivable, current | 44,297 |
| Prepaid expenses | <u>46,037</u> |
| Total current assets | <u>985,703</u> |
| Non-current assets: | |
| Restricted cash | 2,486,146 |
| Lease receivable, non-current | 792,052 |
| Capital assets, net | <u>4,866,222</u> |
| Total non-current assets | <u>8,144,420</u> |
| Total assets | <u>9,130,123</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---|---------------------|
| State of New Jersey P.E.R.S. | <u>31,269</u> |
| Total deferred outflows of resources | <u>31,269</u> |
| Total assets and deferred outflows of resources | <u>\$ 9,161,392</u> |

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF SUMMIT
STATEMENT OF NET POSITION (continued)
AS OF DECEMBER 31, 2023

LIABILITIES

| | |
|-------------------------------|------------------|
| Current liabilities: | |
| Accounts payable | \$ 114,796 |
| Tenant security deposits | 147,688 |
| Bonds payable, current | 28,589 |
| Other current liabilities | <u>29,444</u> |
| Total current liabilities | <u>320,517</u> |
| Non-current liabilities: | |
| Bonds payable, non-current | 1,009,858 |
| Accrued pension liability | <u>392,983</u> |
| Total non-current liabilities | <u>1,402,841</u> |
| Total liabilities | <u>1,723,358</u> |

DEFERRED INFLOW OF RESOURCES

| | |
|-------------------------------------|----------------|
| State of New Jersey P.E.R.S. | 377,660 |
| Leases | <u>616,403</u> |
| Total deferred inflows of resources | <u>994,063</u> |

NET POSITION

| | |
|---|---------------------|
| Net position: | |
| Net investment in capital assets | 3,827,775 |
| Restricted | 2,486,146 |
| Unrestricted | <u>130,050</u> |
| Total net position | <u>6,443,971</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 9,161,392</u> |

See accompanying notes to financial statements.

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

| | |
|---------------------------------------|---------------------|
| Operating revenues: | |
| Tenant revenue | \$ 2,050,702 |
| Other revenues | <u>261,266</u> |
| Total operating revenues | <u>2,311,968</u> |
| Operating expenses: | |
| Administrative | 655,289 |
| Tenant services | 73,342 |
| Utilities | 361,685 |
| Ordinary repairs and maintenance | 860,343 |
| Insurance | 109,048 |
| General | 131,558 |
| Depreciation | <u>319,118</u> |
| Total operating expenses | <u>2,510,383</u> |
| Operating loss | <u>(198,415)</u> |
| Non-operating revenues (expenses): | |
| Investment income | 137,430 |
| Interest expense | <u>(37,386)</u> |
| Net non-operating revenues (expenses) | <u>100,044</u> |
| Loss before capital grants | (98,371) |
| Capital grants | <u>68,000</u> |
| Change in net position | (30,371) |
| Total net position, beginning of year | <u>6,474,342</u> |
| Total net position, end of year | <u>\$ 6,443,971</u> |

See accompanying notes to financial statements.

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

| | |
|---|---------------------|
| Cash Flows from Operating Activities: | |
| Cash received from tenants and other | \$ 2,336,620 |
| Cash paid to employees | (659,438) |
| Cash paid to vendors | <u>(1,559,778)</u> |
| Net cash provided by operating activities | <u>117,404</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| Principal payments on bonds payable | (27,691) |
| Interest paid on bonds payable | (37,386) |
| Proceeds from capital grants | 68,000 |
| Purchase of capital assets | <u>(289,479)</u> |
| Net cash used in capital and related financing activities | <u>(286,556)</u> |
| Cash Flows from Investing Activities: | |
| Interest received on investments | <u>137,430</u> |
| Net cash provided by investing activities | <u>137,430</u> |
| Net decrease in cash and cash equivalents and restricted cash | (31,722) |
| Cash and cash equivalents and restricted cash, beginning of year | <u>3,391,748</u> |
| Cash and cash equivalents and restricted cash, end of year | <u>\$ 3,360,026</u> |
| Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows: | |
| Cash and cash equivalents | \$ 726,192 |
| Tenant security deposits | 147,688 |
| Restricted cash | <u>2,486,146</u> |
| Cash and cash equivalents and restricted cash | <u>\$ 3,360,026</u> |

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--|-------------------|
| Reconciliation of operating loss to net cash provided | |
| by operating activities: | |
| Operating loss | \$ (198,415) |
| Adjustments to reconcile operating loss to net cash provided | |
| by operating activities: | |
| Depreciation | 319,118 |
| Changes in operating assets, deferred outflows of resources, | |
| liabilities, and deferred inflows of resources: | |
| Accounts receivable, net | 75,538 |
| Lease receivables | 35,204 |
| Prepaid expenses | (46,037) |
| Other assets | 1,635 |
| Deferred outflows of resources | 221,048 |
| Accounts payable | (21,407) |
| Accrued expenses | (4,149) |
| Tenant security deposits liability | 11,496 |
| Accrued compensated absences | (32,207) |
| Other liabilities | (27,056) |
| Accrued pension liability | (321,945) |
| Deferred inflows of resources | <u>104,581</u> |
| Net cash provided by operating activities | <u>\$ 117,404</u> |

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Summit (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 City of Summit, New Jersey (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under 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 seven members who serve five-year terms. The governing board 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 to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statements 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 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, 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*, as amended ("GASB 34"). 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.

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 are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"). GASB 75 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with post employment benefits other than pensions ("OPEB") of State and Local Governments. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 75 details the recognition and disclosure requirements for employers with liabilities to a defined benefit OPEB plan and for employers whose employees are provided with defined contribution OPEB. However, the Authority did not adopt coverage for certain retirees until recently and as such, the Authority's unfunded OPEB liability and related deferred inflows and deferred outflows have not yet been calculated as of December 31, 2023.

On January 1, 2023, the Authority adopted GASB 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 increases the transparency and comparability among governmental organizations by requiring the recognition of subscription assets and subscription liabilities on the statement of net position by subscribers and the disclosure of key information about leasing arrangements. For the year ended December 31, 2023, the adoption of GASB 96 did not have a material effect on the financial statements of the Authority.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB 14 and 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate, tax-exempt 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.

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, including the following blended component unit:

Summit Affordable Housing Corporation ("SAHC")

SAHC is a non-profit organization which was established to identify emerging housing and community development resources and to develop affordable housing in the City.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

Business Activities Fund

The Business Activities Fund was created as part of the Rental Assistance Demonstration Program ("RAD"). RAD was created in order to give public housing authorities ("PHA") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continued to pay 30% of their income towards rent. As part of RAD, the Public and Indian Housing units of the Authority were moved to the non-federal Business Activities Fund.

Community Development Block Grants Program

The primary objective of this program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income. Funding was received through the County of Union.

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, 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. 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.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents (continued)

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, accounts receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for 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.

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

H. 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.

I. Prepaid Expenses

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

J. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital 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:

| | |
|----------------------|-----------|
| • Buildings | 40 Years |
| • Site improvements | 15 Years |
| • Dwelling equipment | 3-7 Years |

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

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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 the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended December 31, 2023, there were no impairment losses incurred.

L. Lease Receivable

Lease receivables are recognized at the net present value of the lease payments expected to be received during the lease term at a borrowing rate either explicitly described in the lease agreement or implicitly determined by the Authority.

M. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

N. Prepaid Rent

The Authority recognizes a liability for prepaid rents, which consists of the prepayment of rent by residents applicable to future periods.

O. Compensated Absences

Accumulated unpaid leave time is accrued at the estimated amounts of future benefits attributable to services already rendered. Employees may be compensated for accrued vacation leave in the event of retirement or termination of service, at a maximum of ten days. Employees will not be compensated for unused sick leave at retirement. Employees may only accumulate and carry over to the following year the prior year's unused vacation. The Authority's sick leave policy, in accordance with New Jersey State law, allows employees to carry over unused sick leave without penalty, at a maximum of twenty eight days.

P. 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.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Deferred Outflows of Resources and Deferred 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 so 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 so will not be recognized as an inflow of resources until that time.

R. Net Position Classifications

Net position is 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."

S. 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.

T. 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.

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 December 31, 2023, rental revenue earned by the Authority under the aforementioned leases totaled \$2,024,687.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Taxes

The Authority is a unit of local government under the New Jersey law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

W. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal 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. Pursuant to N.J.S.A 40A:5A-10 and N.J.A.C. 5:31 each authority is required to submit a budget for each fiscal year to the Director of the Division of Local Government Services 60 days prior to the beginning of the fiscal year.

X. Risk Management

The Authority is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. 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 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

As of December 31, 2023, the Authority had funds on deposit in checking, savings and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$3,360,026, and the bank balances approximated \$3,403,481.

| <u>Cash Category</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| Unrestricted | \$ 726,192 |
| Tenant security deposits | 147,688 |
| Restricted | <u>2,486,146</u> |
| Total cash and cash equivalents | <u>\$ 3,360,026</u> |

Of the bank balance, \$403,275, was covered by federal depository insurance and the remaining \$3,000,206 was collateralized by GUDPA as of December 31, 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 December 31, 2023, the Authority's bank balances were not exposed to custodial credit risk.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of December 31, 2023:

| <u>Description</u> | <u>Amount</u> |
|-------------------------------------|------------------|
| Accounts receivable - tenants, net | \$ 19,091 |
| Accounts receivable - miscellaneous | <u>2,398</u> |
| Total accounts receivable, net | <u>\$ 21,489</u> |

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent and amounts owed from tenants or other program participants who committed fraud or misrepresentation and now owe additional rent or retroactive rent. The balance is shown net of an allowance for doubtful accounts of \$11,082.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed to the Authority from outside parties for parking fees. Management estimates the amount to be fully collectible and therefore no allowance for doubtful accounts has been established.

NOTE 4. RESTRICTED DEPOSITS

As of December 31, 2023, restricted deposits consisted of the following:

| <u>Description</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| Replacement reserve escrows | \$ 2,486,146 |
| Tenant security deposits | <u>147,688</u> |
| Total restricted deposits | <u>\$ 2,633,834</u> |

Replacement reserve escrow funds are required to be set aside for long-term rehabilitation and repairs in accordance with the RAD Conversion Commitment and Rehabilitation Agreement.

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

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 5. LEASE RECEIVABLE

On September 26, 2003, the Authority entered into a lease agreement as a lessor with Omnipoint Facilities Network 2, LLC d/b/a T-Mobile for the lease of the rooftop at 12 Chestnut Street to install, maintain and operate communications equipment. The term of the lease was for five years from January 1, 2004 with a renewal option for five periods of five years each. An initial lease receivable was recorded in the amount of \$475,875. As of December 31, 2023, the value of the lease receivable was \$313,509. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of \$1,700, increasing by 15.00% on each renewal option date. For the year ended December 31, 2023, the Authority received payments of \$31,026 on the lease of which \$18,091 reduced the principal amount owed and \$12,935 was interest income. The implicit interest rate on the lease was 4.00%. The value of the deferred inflows of resources as of December 31, 2023 was \$158,624. For the year ended December 31, 2023, the Authority recognized lease revenue in the amount of \$15,863.

On January 19, 2018, the Authority entered into a lease agreement as a lessor with New Cingular Wireless PCS, LLC d/b/a AT&T for the lease of the rooftop at 12 Chestnut Street to install, maintain and operate communications equipment. The term of the lease was for five years from April 15, 2019 with a renewal option for three periods of five years. An initial lease receivable was recorded in the amount of \$600,367. As of December 31, 2023, the value of the lease receivable was \$522,840. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of \$3,200, increasing by 10.00% on each renewal option date. For the year ended December 31, 2023, the Authority received payments of \$38,400 on the lease of which \$17,113 reduced the principal amount owed and \$21,287 was interest income. The implicit interest rate on the lease was 4.00%. The value of the deferred inflows of resources as of December 31, 2023 was \$457,779. For the year ended December 31, 2023, the Authority recognized lease revenue in the amount of \$30,018.

NOTE 6. CAPITAL ASSETS, NET

The following is a summary of changes in capital assets during the year ended December 31, 2023:

| <u>Description</u> | <u>December 31, 2022</u> | <u>Additions</u> | <u>Disposals</u> | <u>Transfers</u> | <u>December 31, 2023</u> |
|--------------------------------|------------------------------|--------------------|------------------|------------------|------------------------------|
| <u>Non-depreciable:</u> | | | | | |
| Land | \$ 1,810,896 | \$ - | \$ - | \$ - | \$ 1,810,896 |
| Construction in progress | - | <u>265,364</u> | - | - | <u>265,364</u> |
| Subtotal | <u>1,810,896</u> | <u>265,364</u> | - | - | <u>2,076,260</u> |
| <u>Depreciable:</u> | | | | | |
| Buildings | 17,909,156 | - | - | - | 17,909,156 |
| Furniture and equipment | <u>749,102</u> | <u>24,115</u> | - | - | <u>773,217</u> |
| Subtotal | <u>18,658,258</u> | <u>24,115</u> | - | - | <u>18,682,373</u> |
| Less: accumulated depreciation | <u>15,573,293</u> | <u>319,118</u> | - | - | <u>15,892,411</u> |
| Net capital assets | <u>\$ 4,895,861</u> | <u>\$ (29,639)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,866,222</u> |

Depreciation expense for the year ended December 31, 2023 amounted to \$319,118.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 7. ACCOUNTS PAYABLE

As of December 31, 2023, accounts payable consisted of the following:

| <u>Description</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| Accounts payable - vendors | \$ 22,853 |
| Accounts payable - other government | <u>91,943</u> |
| Total accounts payable | <u>\$ 114,796</u> |

Accounts Payable - Vendors

Accounts payable - vendors represents the amounts payable to contractors and vendors for materials received or services rendered.

Accounts Payable - Other Government

Accounts payable - other government represents amounts due and payable to the City for payments in lieu of taxes.

NOTE 8. PAYMENTS IN LIEU OF TAXES

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for certain Authority owned properties in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the year ended December 31, 2023, the Authority incurred PILOT expense in the amount of \$91,943.

NOTE 9. BONDS PAYABLE

On March 31, 2017, the Authority entered into a tax exempt, thirty year bond with Lakeland Bank in the amount of \$1,200,000. The funds received are restricted and must be spent in accordance with HUD approved capital repairs and improvements schedules. The loan is secured by a first lien on the property. Interest accrues at 3.625% annually and the loan matures in July 2047.

| | |
|---------------------------------------|---------------------|
| \$ 1,038,447 | \$ 1,038,447 |
| Less: current portion | <u>28,589</u> |
| Bonds payable, net of current portion | <u>\$ 1,009,858</u> |

Interest expense for the year ended December 31, 2023 totaled \$37,386.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 9. BONDS PAYABLE (continued)

Annual debt service for principal and interest over the next five years and in five year increments thereafter is as follows:

| Year | Principal | Interest | Total |
|-----------|---------------------|-------------------|---------------------|
| 2024 | \$ 28,589 | \$ 36,488 | \$ 65,077 |
| 2025 | 29,723 | 35,354 | 65,077 |
| 2026 | 30,795 | 34,282 | 65,077 |
| 2027 | 31,906 | 33,171 | 65,077 |
| 2028 | 32,966 | 32,111 | 65,077 |
| 2029-2033 | 183,956 | 141,429 | 325,385 |
| 2034-2037 | <u>700,512</u> | <u>79,760</u> | <u>780,272</u> |
| | <u>\$ 1,038,447</u> | <u>\$ 392,595</u> | <u>\$ 1,431,042</u> |

NOTE 10. NON-CURRENT LIABILITIES

Non-current liabilities activity during the year ended December 31, 2023 consisted of the following:

| Description | December 31, 2022 | Additions | Payments/ Retirements | December 31, 2023 | Due in One Year |
|-------------------------------|----------------------|-------------|--------------------------|----------------------|--------------------|
| Bonds payable | \$ 1,066,138 | \$ - | \$ (27,691) | \$ 1,038,447 | \$ 28,589 |
| Accrued pension liability | 714,928 | - | (321,945) | 392,983 | - |
| Accrued compensated absences | <u>32,207</u> | <u>-</u> | <u>(32,207)</u> | <u>-</u> | <u>-</u> |
| Total non-current liabilities | <u>\$ 1,813,273</u> | <u>\$ -</u> | <u>\$ (381,843)</u> | <u>\$ 1,431,430</u> | <u>\$ 28,589</u> |

NOTE 11. 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 Annual Comprehensive 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. 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

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 11. PENSION PLAN (continued)

B. Benefits (continued)

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. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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.

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

At December 31, 2023, the Authority reported a liability of \$392,983, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2022, and rolled forward to June 30, 2023.

For the year ended December 31, 2023, the Authority recognized pension expense of \$49,565. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 11. PENSION PLAN (continued)

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Changes of Assumptions | \$ 863 | \$ 23,816 |
| Changes in Proportion | 24,839 | 352,238 |
| Differences between projected and actual experience | 3,757 | 1,606 |
| Net differences between actual and projected earnings on pension plan investments | <u>1,810</u> | <u>-</u> |
| Total | <u>\$ 31,269</u> | <u>\$ 377,660</u> |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ending December 31:</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| 2024 | \$ (134,960) |
| 2025 | (96,361) |
| 2026 | (65,702) |
| 2027 | (49,388) |
| 2028 | <u>20</u> |
| | <u>\$ (346,391)</u> |

E. Actuarial Assumptions

The collective total pension liability at the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

| | |
|---------------------------|---------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary increases: | 2.75 - 6.55% |
| | 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.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 11. PENSION PLAN (continued)

E. Actuarial Assumptions (continued)

The actuarial adjustments used in the July 1, 2022 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, 2023, 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 | 28.00% | 8.98% |
| Non-U.S. Developed Market Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| Private Equity | 13.00% | 12.50% |
| Real Estate | 8.00% | 8.58% |
| Real Assets | 3.00% | 8.40% |
| High Yield | 4.50% | 6.97% |
| Private Credit | 8.00% | 9.20% |
| Investment Grade Credit | 7.00% | 5.19% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Risk Mitigation Strategies | 3.00% | 6.21% |

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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 7.00 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------|--------------------------|------------------------|
| Authority's proportionate share of the net pension liability | \$ <u>515,893</u> | \$ <u>392,983</u> | \$ <u>294,503</u> |

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 12. OTHER POST EMPLOYMENT BENEFITS PLAN

In December 2019, the Authority elected to have retirees participate in the SHBP. The SHBP qualifies as a cost-sharing, multiple-employer plan in accordance with GASB 75. The SHBP is administered by the State of New Jersey, Department of Treasury, Division of Pension and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents. A retiree may also receive Authority-paid health benefits in accordance with their personnel policy and labor agreements if they have twenty-five (25) or more years enrolled in the pension system.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the SHBP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The SHBP is established under the authority of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. As previously disclosed in Note 1, since the Authority elected to permit retirees to participate in the plan in December 2019 there is no postemployment liability attributed to the Authority as of December 31, 2023.

NOTE 13. RESTRICTED NET POSITION

As of December 31, 2023, restricted net position totaled \$2,486,146 and consisted of reserve and replacement escrows. Replacement reserve escrow funds are required to be set aside for long-term rehabilitation and repairs in accordance with the RAD Conversion Commitment and Rehabilitation Agreement.

NOTE 14. CONDENSED FINANCIAL INFORMATION OF THE BLENDED COMPONENT UNITS

The condensed financial information for SAHC as of and for the year ended December 31, 2023 is as follows:

| | <u>SAHC</u> |
|-----------------------------------|------------------|
| Assets: | |
| Current assets | \$ <u>83,228</u> |
| Total assets | <u>83,228</u> |
| Net Position: | |
| Unrestricted | <u>83,228</u> |
| Net position | <u>\$ 83,228</u> |
| Operating expenses: | |
| Administrative | <u>380</u> |
| Total operating expenses | <u>380</u> |
| Non-operating revenues (expenses) | <u>1</u> |
| Change in net position | <u>\$ (379)</u> |

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2023**

NOTE 15. CONTINGENCIES

Periodically, 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 the 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 December 31, 2023, the Authority estimates that no material liabilities will result from such audits.

NOTE 16. 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. Subsequent events have been evaluated through September 4, 2024, which is the date the financial statements were available to be issued, and management 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 City of Summit:

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 City of Summit (the "Authority"), as of December 31, 2023, and for the year ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogardac & Company LLP

September 4, 2024
Toms River, New Jersey

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
SCHEDULE OF FEDERAL AWARDS, FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

I. Federal Awards

| <u>Federal Grantor / Program Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass- through Identifying Number</u> | <u>Grant Expenditures</u> |
|---|--|---|-------------------------------|
| U.S. Department of Housing and Urban Development: | | | |
| <u>Passed through the County of Union:</u> | | | |
| Community Development Block Grant Program | 14.228 | N/A | \$ <u>68,000</u> |
| Total Pass-Through Awards | | | <u>68,000</u> |
| Total Expenditures of Federal Awards | | | \$ <u><u>68,000</u></u> |

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. Schedule of Prior Year Audit Findings

Finding 2022-001

Observation: Based upon review of the Authority's vendor history report, there was one vendor who was contracted utilizing non competitive (sole source) proposals in violation of the Authority's approved Procurement Policy. As part of the vendor history report review, we selected a sample of vendors that were paid in excess of the Authority's procurement threshold during the audit period. Based on the Authority's vendor history report, there were twenty one (21) vendors paid in excess of the Authority's procurement threshold during the audit period. Of a sample size of two (2) vendors, one (1) vendor was not properly procured.

Status: Finding has been cleared.

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
REQUIRED PENSION INFORMATION
DECEMBER 31, 2023**

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

| | December 31, 2018 | December 31, 2019 | December 31, 2020 | December 31, 2021 | December 31, 2022 | December 31, 2023 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution | \$ 28,467 | \$ 54,301 | \$ 59,972 | \$ 59,721 | \$ 59,740 | \$ 36,262 |
| Contributions in relation to the contractually required contribution | <u>28,467</u> | <u>54,301</u> | <u>59,972</u> | <u>59,721</u> | <u>59,740</u> | <u>36,262</u> |
| (Over) / under funded | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Authority's covered-employee payroll | <u>\$ 347,826</u> | <u>\$ 318,430</u> | <u>\$ 536,163</u> | <u>\$ 505,620</u> | <u>\$ 486,953</u> | <u>\$ 520,688</u> |
| Contributions as a percentage of covered- employee payroll | <u>8.18 %</u> | <u>17.05 %</u> | <u>11.19 %</u> | <u>11.81 %</u> | <u>12.27 %</u> | <u>6.96 %</u> |

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT
REQUIRED PENSION INFORMATION
DECEMBER 31, 2023**

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

| | December 31, <u>2018</u> | December 31, <u>2019</u> | December 31, <u>2020</u> | December 31, <u>2021</u> | December 31, <u>2022</u> | December 31, <u>2023</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Authority's proportion of the net pension liability | <u>0.0029 %</u> | <u>0.0056 %</u> | <u>0.0055 %</u> | <u>0.0051 %</u> | <u>0.0047 %</u> | <u>0.0027 %</u> |
| Authority's proportionate share of the net pension liability | \$ <u>563,501</u> | \$ <u>1,005,877</u> | \$ <u>893,996</u> | \$ <u>604,111</u> | \$ <u>604,111</u> | \$ <u>392,983</u> |
| Authority's covered-employee payroll | \$ <u>347,826</u> | \$ <u>318,430</u> | \$ <u>536,163</u> | \$ <u>505,620</u> | \$ <u>486,953</u> | \$ <u>520,688</u> |
| Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | <u>162.01 %</u> | <u>315.89 %</u> | <u>166.74 %</u> | <u>119.48 %</u> | <u>124.06 %</u> | <u>75.47 %</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>53.60 %</u> | <u>56.30 %</u> | <u>58.32 %</u> | <u>70.33 %</u> | <u>62.91 %</u> | <u>65.23 %</u> |

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

See Report of Independent Auditors.

Summit Housing Authority (NJ017)

Summit, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

| | 6.2 Component Unit - Blended | 1 Business Activities | 2 State/Local | 14.228 Community Development Block Grants/State's Program | Total |
|---|---------------------------------|--------------------------|---------------|--|---------------|
| 111 Cash - Unrestricted | \$83,228 | \$638,806 | \$4,158 | | \$726,192 |
| 112 Cash - Restricted - Modernization and Development | | | | | |
| 113 Cash - Other Restricted | | \$2,486,146 | | | \$2,486,146 |
| 114 Cash - Tenant Security Deposits | | \$147,688 | | | \$147,688 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | |
| 100 Total Cash | \$83,228 | \$3,272,640 | \$4,158 | \$0 | \$3,360,026 |
| 121 Accounts Receivable - PHA Projects | | | | | |
| 122 Accounts Receivable - HUD Other Projects | | | | | |
| 124 Accounts Receivable - Other Government | | | | | |
| 125 Accounts Receivable - Miscellaneous | | \$2,398 | | | \$2,398 |
| 126 Accounts Receivable - Tenants | | \$30,173 | | | \$30,173 |
| 126.1 Allowance for Doubtful Accounts - Tenants | | -\$11,082 | | | -\$11,082 |
| 126.2 Allowance for Doubtful Accounts - Other | | \$0 | | | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | \$44,297 | | | \$44,297 |
| 128 Fraud Recovery | | \$5,537 | | | \$5,537 |
| 128.1 Allowance for Doubtful Accounts - Fraud | | -\$5,537 | | | -\$5,537 |
| 129 Accrued Interest Receivable | | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$0 | \$65,766 | \$0 | \$0 | \$65,766 |
| 131 Investments - Unrestricted | | | | | |
| 132 Investments - Restricted | | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | | |
| 142 Prepaid Expenses and Other Assets | | \$46,037 | | | \$46,037 |
| 143 Inventories | | | | | |
| 143.1 Allowance for Obsolete Inventories | | | | | |
| 144 Inter Program Due From | | | | | |
| 145 Assets Held for Sale | | | | | |
| 150 Total Current Assets | \$83,228 | \$3,384,463 | \$4,158 | \$0 | \$3,471,849 |
| 161 Land | | \$1,810,896 | | | \$1,810,896 |
| 162 Buildings | | \$17,909,156 | | | \$17,909,156 |
| 163 Furniture, Equipment & Machinery - Dwellings | | \$320,967 | | | \$320,967 |
| 164 Furniture, Equipment & Machinery - Administration | | \$452,250 | | | \$452,250 |
| 165 Leasehold Improvements | | | | | |
| 166 Accumulated Depreciation | | -\$15,892,411 | | | -\$15,892,411 |
| 167 Construction in Progress | | \$265,364 | | | \$265,364 |
| 168 Infrastructure | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$4,866,222 | \$0 | \$0 | \$4,866,222 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | \$792,052 | | | \$792,052 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | | | |
| 173 Grants Receivable - Non Current | | | | | |
| 174 Other Assets | | \$0 | | | \$0 |
| 176 Investments in Joint Ventures | | | | | |
| 180 Total Non-Current Assets | \$0 | \$5,658,274 | \$0 | \$0 | \$5,658,274 |
| 200 Deferred Outflow of Resources | | \$31,269 | | | \$31,269 |
| 290 Total Assets and Deferred Outflow of Resources | \$83,228 | \$9,074,006 | \$4,158 | \$0 | \$9,161,392 |

Summit Housing Authority (NJ017)

Summit, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

| | 6.2 Component Unit - Blended | 1 Business Activities | 2 State/Local | 14.228 Community Development Block Grants/State's Program | Total |
|--|---------------------------------|--------------------------|---------------|--|-------------|
| 311 Bank Overdraft | | | | | |
| 312 Accounts Payable <= 90 Days | | \$22,853 | | | \$22,853 |
| 313 Accounts Payable >90 Days Past Due | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | | | | | |
| 322 Accrued Compensated Absences - Current Portion | | | | | |
| 324 Accrued Contingency Liability | | | | | |
| 325 Accrued Interest Payable | | | | | |
| 331 Accounts Payable - HUD PHA Programs | | | | | |
| 332 Account Payable - PHA Projects | | | | | |
| 333 Accounts Payable - Other Government | | \$91,943 | | | \$91,943 |
| 341 Tenant Security Deposits | | \$147,688 | | | \$147,688 |
| 342 Unearned Revenue | | | | | |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | \$28,589 | | | \$28,589 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | |
| 345 Other Current Liabilities | | | | | |
| 346 Accrued Liabilities - Other | | \$29,444 | | | \$29,444 |
| 347 Inter Program - Due To | | | | | |
| 348 Loan Liability - Current | | | | | |
| 310 Total Current Liabilities | \$0 | \$320,517 | \$0 | \$0 | \$320,517 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | \$1,009,858 | | | \$1,009,858 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | | |
| 353 Non-current Liabilities - Other | | | | | |
| 354 Accrued Compensated Absences - Non Current | | | | | |
| 355 Loan Liability - Non Current | | | | | |
| 356 FASB 5 Liabilities | | | | | |
| 357 Accrued Pension and OPEB Liabilities | | \$392,983 | | | \$392,983 |
| 350 Total Non-Current Liabilities | \$0 | \$1,402,841 | \$0 | \$0 | \$1,402,841 |
| 300 Total Liabilities | \$0 | \$1,723,358 | \$0 | \$0 | \$1,723,358 |
| 400 Deferred Inflow of Resources | | \$994,063 | | | \$994,063 |
| 508.4 Net Investment in Capital Assets | | \$3,827,775 | | | \$3,827,775 |
| 511.4 Restricted Net Position | | \$2,486,146 | | | \$2,486,146 |
| 512.4 Unrestricted Net Position | \$83,228 | \$42,664 | \$4,158 | \$0 | \$130,050 |
| 513 Total Equity - Net Assets / Position | \$83,228 | \$6,356,585 | \$4,158 | \$0 | \$6,443,971 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$83,228 | \$9,074,006 | \$4,158 | \$0 | \$9,161,392 |

Summit Housing Authority (NJ017)

Summit, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

| | 6.2 Component Unit - Blended | 1 Business Activities | 2 State/Local | 14.228 Community Development Block Grants/State's Program | Total |
|---|---------------------------------|--------------------------|---------------|--|-------------|
| 70300 Net Tenant Rental Revenue | | \$2,024,687 | | | \$2,024,687 |
| 70400 Tenant Revenue - Other | | \$26,015 | | | \$26,015 |
| 70500 Total Tenant Revenue | \$0 | \$2,050,702 | \$0 | \$0 | \$2,050,702 |
| 70600 HUD PHA Operating Grants | | | | | |
| 70610 Capital Grants | | | | \$68,000 | \$68,000 |
| 70710 Management Fee | | | | | |
| 70720 Asset Management Fee | | | | | |
| 70730 Book Keeping Fee | | | | | |
| 70740 Front Line Service Fee | | | | | |
| 70750 Other Fees | | | | | |
| 70700 Total Fee Revenue | | | | | |
| 70800 Other Government Grants | | | | | |
| 71100 Investment Income - Unrestricted | \$1 | \$137,429 | | | \$137,430 |
| 71200 Mortgage Interest Income | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | |
| 71310 Cost of Sale of Assets | | | | | |
| 71400 Fraud Recovery | | | | | |
| 71500 Other Revenue | | \$261,266 | | | \$261,266 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | |
| 72000 Investment Income - Restricted | | | | | |
| 70000 Total Revenue | \$1 | \$2,449,397 | \$0 | \$68,000 | \$2,517,398 |
| 91100 Administrative Salaries | | \$265,454 | | | \$265,454 |
| 91200 Auditing Fees | | \$12,130 | | | \$12,130 |
| 91300 Management Fee | | | | | |
| 91310 Book-keeping Fee | | | | | |
| 91400 Advertising and Marketing | | | | | |
| 91500 Employee Benefit contributions - Administrative | | \$177,355 | | | \$177,355 |
| 91600 Office Expenses | \$380 | \$177,489 | \$28 | | \$177,897 |
| 91700 Legal Expense | | \$22,453 | | | \$22,453 |
| 91800 Travel | | | | | |
| 91810 Allocated Overhead | | | | | |
| 91900 Other | | | | | |
| 91000 Total Operating - Administrative | \$380 | \$654,881 | \$28 | \$0 | \$655,289 |
| 92000 Asset Management Fee | | | | | |
| 92100 Tenant Services - Salaries | | \$42,645 | | | \$42,645 |
| 92200 Relocation Costs | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | \$18,841 | | | \$18,841 |
| 92400 Tenant Services - Other | | \$11,856 | | | \$11,856 |
| 92500 Total Tenant Services | \$0 | \$73,342 | \$0 | \$0 | \$73,342 |

Summit Housing Authority (NJ017)

Summit, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

| | 6.2 Component Unit - Blended | 1 Business Activities | 2 State/Local | 14.228 Community Development Block Grants/State's Program | Total |
|---|---------------------------------|--------------------------|---------------|--|-------------|
| 93100 Water | | \$68,599 | | | \$68,599 |
| 93200 Electricity | | \$150,728 | | | \$150,728 |
| 93300 Gas | | \$55,319 | | | \$55,319 |
| 93400 Fuel | | | | | |
| 93500 Labor | | \$12,000 | | | \$12,000 |
| 93600 Sewer | | \$70,329 | | | \$70,329 |
| 93700 Employee Benefit Contributions - Utilities | | \$4,710 | | | \$4,710 |
| 93800 Other Utilities Expense | | | | | |
| 93000 Total Utilities | \$0 | \$361,685 | \$0 | \$0 | \$361,685 |
| 94100 Ordinary Maintenance and Operations - Labor | | \$186,897 | | | \$186,897 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | | \$105,414 | | | \$105,414 |
| 94300 Ordinary Maintenance and Operations Contracts | | \$485,605 | | | \$485,605 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | \$82,427 | | | \$82,427 |
| 94000 Total Maintenance | \$0 | \$860,343 | \$0 | \$0 | \$860,343 |
| 95100 Protective Services - Labor | | | | | |
| 95200 Protective Services - Other Contract Costs | | | | | |
| 95300 Protective Services - Other | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | | \$54,524 | | | \$54,524 |
| 96120 Liability Insurance | | \$27,262 | | | \$27,262 |
| 96130 Workmen's Compensation | | \$27,262 | | | \$27,262 |
| 96140 All Other Insurance | | | | | |
| 96100 Total Insurance Premiums | \$0 | \$109,048 | \$0 | \$0 | \$109,048 |
| 96200 Other General Expenses | | | | | |
| 96210 Compensated Absences | | | | | |
| 96300 Payments in Lieu of Taxes | | \$91,943 | | | \$91,943 |
| 96400 Bad debt - Tenant Rents | | \$39,615 | | | \$39,615 |
| 96500 Bad debt - Mortgages | | | | | |
| 96600 Bad debt - Other | | | | | |
| 96800 Severance Expense | | | | | |
| 96000 Total Other General Expenses | \$0 | \$131,558 | \$0 | \$0 | \$131,558 |
| 96710 Interest of Mortgage (or Bonds) Payable | | \$37,386 | | | \$37,386 |
| 96720 Interest on Notes Payable (Short and Long Term) | | | | | |
| 96730 Amortization of Bond Issue Costs | | | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$37,386 | \$0 | \$0 | \$37,386 |
| 96900 Total Operating Expenses | \$380 | \$2,228,243 | \$28 | \$0 | \$2,228,651 |

Summit Housing Authority (NJ017)

Summit, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

| | 6.2 Component Unit - Blended | 1 Business Activities | 2 State/Local | 14,228 Community Development Block Grants/State's Program | Total |
|---|---------------------------------|--------------------------|---------------|--|-------------|
| 97000 Excess of Operating Revenue over Operating Expenses | \$-379 | \$221,154 | \$-28 | \$68,000 | \$288,747 |
| 97100 Extraordinary Maintenance | | | | | |
| 97200 Casualty Losses - Non-capitalized | | | | | |
| 97300 Housing Assistance Payments | | | | | |
| 97350 HAP Portability-In | | | | | |
| 97400 Depreciation Expense | | \$319,118 | | | \$319,118 |
| 97500 Fraud Losses | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | |
| 90000 Total Expenses | \$380 | \$2,547,361 | \$28 | \$0 | \$2,547,769 |
| 10010 Operating Transfer In | | | | | |
| 10020 Operating transfer Out | | | | | |
| 10030 Operating Transfers from/to Primary Government | | | | | |
| 10040 Operating Transfers from/to Component Unit | | | | | |
| 10050 Proceeds from Notes, Loans and Bonds | | | | | |
| 10060 Proceeds from Property Sales | | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | | | |
| 10080 Special Items (Net Gain/Loss) | | | | | |
| 10091 Inter Project Excess Cash Transfer In | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | | | |
| 10093 Transfers between Program and Project - In | | | | | |
| 10094 Transfers between Project and Program - Out | | | | | |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$-379 | -\$97,964 | -\$28 | \$68,000 | -\$30,371 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$27,693 | \$0 | \$0 | \$27,693 |
| 11030 Beginning Equity | \$83,607 | \$6,386,549 | \$4,186 | \$0 | \$6,474,342 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | | \$68,000 | | -\$68,000 | \$0 |
| 11050 Changes in Compensated Absence Balance | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | |
| 11170 Administrative Fee Equity | | | | | |
| 11180 Housing Assistance Payments Equity | | | | | |
| 11190 Unit Months Available | 0 | 2340 | 0 | | 2340 |
| 11210 Number of Unit Months Leased | 0 | 2248 | 0 | | 2248 |

