

BOONTON HOUSING AUTHORITY
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2021
WITH
REPORT OF INDEPENDENT AUDITORS

**BOONTON HOUSING AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

<u>Contents</u>	<u>Page</u>
Report of Independent Auditors	1-3
Management's Discussion and Analysis	4-9
Financial Statements:	
Statement of Net Position	10-11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13-14
Notes to Financial Statements	15-32
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 <i>Government Auditing Standards</i>	33-34
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of New Jersey OMB Circular 15-08	35-37
Supplemental Information:	
Schedule of Expenditures of Federal Awards	38
Notes to Schedule of Expenditures of Federal Awards	39
Schedule of Findings and Questioned Costs	40-41
Required Pension Information	42
Required OPEB Information	43
Financial Data Schedule	44-47



NOVOGRADAC
& COMPANY LLP®

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners of
Boonton Housing Authority:

Opinion

We have audited the accompanying financial statements of the Boonton Housing Authority (the "Authority") as of and for the year ended September 30, 2021, 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, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the net position of the Authority, as of September 30, 2021, 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 Qualified Opinion

We were unable to obtain sufficient audit evidence for the balances of the net pension liability, net Other Post Employment Benefit ("OPEB") liability, deferred outflows of resources, deferred inflows of resources, pension expense, and OPEB expense relating to the Authority's defined benefit Pension and OPEB plans because the Pension and OPEB plans for the year ended September 30, 2021 had not yet issued their audited actuarial reports. Accordingly, the Authority's net pension liability, net OPEB liability, deferred outflows of resources, and deferred inflows of resources are reported at their 2020 amounts. Pension expense and OPEB expense are recorded at their annual contribution amount. We were unable to obtain sufficient appropriate audit evidence for the balances of the net pension liability, net OPEB liability, deferred outflows of resources, deferred inflows of resources, pension expense, and OPEB expense relating to the defined benefit Pension and OPEB plans by other auditing procedures. Because the audited actuarial reports for the Pension and OPEB plans have not been issued, it is not practicable to quantify the financial effects of this matter.

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 the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

1433 Hooper Avenue, Suite 329, Toms River, New Jersey 08753
www.novoco.com | 732.503.4257

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 postemployment benefits 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 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 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.

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 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 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 July 15, 2022 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogradac & Company LLP

July 15, 2022
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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 September 30, 2021. 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 were less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by (\$24,897) (net position) as opposed to \$198,836 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 (Deficit) of (\$1,439,181).
3. The Authority's cash and cash equivalents and restricted cash balance including tenant security deposits at September 30, 2021 was \$899,878, representing an increase of \$81,566 from the prior fiscal year.
4. The Authority had Total Operating Revenues of \$3,292,054 and Total Operating Expenses of \$3,517,550 for the year ended September 30, 2021.
5. The Authority's capital outlays for the fiscal year were \$60,860.
6. The Authority's Expenditures of Federal Awards amounted to \$2,688,627.
7. The Authority's liabilities increased \$492,584, primarily due to an increase in the Authority's other post employment benefit liability in the amount of \$427,721.

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.

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

The Statement of Net Position presents information on all the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and 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 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 presents relevant information about the Authority's cash receipts and cash payments during the year.

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 10 through 14.

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.

4. Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required 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 38 of this report. The Schedule of Required Pension Information and Schedule of Required OPEB Information is presented for additional analysis as required by Governmental Accounting Standards Board Statements No. 68 and No.75, respectively.

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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. The Authority's revenues were sufficient to cover all expenses during the fiscal year when excluding depreciation expense.

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 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.

D. Budgetary Highlights

The Authority is required by New Jersey State law to adopt an annual, entity wide operating and capital budget and submit it to the State of New Jersey Department of Community Affairs at least ninety days prior to the start of its fiscal year.

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

As of September 30, 2021, the Authority's net investment in capital assets was \$1,414,284. This investment in capital assets includes land, buildings, equipment and construction in progress and is reduced by accumulated depreciation and debt related to capital asset acquisitions.

Major capital assets purchased of \$60,860, during the fiscal year primarily pertained to expenditures made utilizing the Authority's reserves. Additional information on the Authority's capital assets can be found in Note 5 to the Financial Statements which is included in this Report.

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

E. Significant Changes from Prior Year

Capital assets, net decreased \$191,307 as depreciation expense of \$233,006 and dispositions of \$19,161 exceeded acquisitions of \$60,860 for the year ended September 30, 2021.

Restricted cash increased from \$157,200 in 2020 to \$215,816 in 2021, or \$58,616. The increase was primarily due to an increase of Housing Assistance Payment reserves and an increase in unspent Cares Act funding.

Administrative expense increased by \$57,481 primarily as a result of increases in employee benefit contributions.

Utilities expense increased by \$16,407, primarily as a result of moderate increases in electricity costs.

Ordinary maintenance and operations increased from \$196,304 in 2020 to \$296,891 in 2021, or \$100,587, primarily due to an increase in ordinary maintenance and operations contracts.

Housing assistance payments expense increased by \$142,146 as the Authority had an increase of unit months leased during 2021.

F. 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 September 30, 2022:

1. The state of the economy, particularly in light of current world affairs.
2. The need for Congress to fund the war on terrorism and the possible cut-back on HUD subsidies and grants.
3. The use of the Authority's program reserves to fund any shortfalls rising from a possible economic downturn and reduced subsidies and grants. The Authority's program reserves appear to be 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, Housing Authority of the Town of Boonton, 125 Chestnut Street, Boonton, NJ 07005 or call (973) 335-0846.

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

I. Summarized Financial Data

	<u>As of</u>			<u>%</u>
	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>Variance</u>	<u>Change</u>
Cash and Other Assets	\$ 964,190	\$ 897,045	67,145	7.49%
Capital Assets - Net	1,414,284	1,605,591	(191,307)	-11.92%
Deferred Outflows of Resources	<u>932,506</u>	<u>545,322</u>	<u>387,184</u>	71.00%
Total Assets and Deferred Outflows	3,310,980	3,047,958	263,022	8.63%
Less: Total Liabilities	2,346,191	1,853,607	492,584	26.57%
Less: Deferred Inflows of Resources	<u>989,686</u>	<u>995,515</u>	<u>(5,829)</u>	-0.59%
Net Position	<u>(24,897)</u>	<u>198,836</u>	<u>(223,733)</u>	-112.52%
Net Investment in Capital Assets	1,414,284	1,605,591	(191,307)	-11.92%
Restricted Net Position	-	-	-	-
Unrestricted Net Position	<u>(1,439,181)</u>	<u>(1,406,755)</u>	<u>(32,426)</u>	2.31%
Total Net Position	<u>\$ (24,897)</u>	<u>\$ 198,836</u>	<u>(223,733)</u>	-112.52%

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

I. Summarized Financial Data (continued)

	<u>Year Ended</u>			<u>%</u>
	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>Variance</u>	<u>Change</u>
<u>Revenues</u>				
Tenant Revenues	\$ 479,273	\$ 466,230	\$ 13,043	2.80%
HUD Subsidies	2,732,392	2,396,279	336,113	14.03%
Other Revenues	<u>80,389</u>	<u>60,361</u>	<u>20,028</u>	-33.18%
Total Operating Revenues	<u>3,292,054</u>	<u>2,922,870</u>	<u>369,184</u>	12.63%
<u>Expenses</u>				
Other Operating Expenses	1,219,946	1,112,736	107,210	9.63%
Housing Assistance Payments	2,064,598	1,922,452	142,146	7.39%
Depreciation Expense	<u>233,006</u>	<u>225,486</u>	<u>7,520</u>	3.34%
Total Operating Expenses	<u>3,517,550</u>	<u>3,260,674</u>	<u>256,876</u>	7.88%
Operating Income (Loss)	<u>(225,496)</u>	<u>(337,804)</u>	<u>112,308</u>	-33.25%
<u>Non-Operating Income/(Expenses)</u>				
Interest Expense	-	(15,111)	15,111	-100.00%
Interest on Investments	<u>1,763</u>	<u>5,664</u>	<u>(3,901)</u>	-68.87%
Income (Loss) before Capital Grants	(223,733)	(347,251)	123,518	-35.57%
<u>Capital Grants</u>				
HUD Capital Grants	<u>-</u>	<u>185,000</u>	<u>(185,000)</u>	-100.00%
Change in Net Position	(223,733)	(162,251)	(61,482)	37.89%
Net Position – Beginning of Year	<u>198,836</u>	<u>361,087</u>	<u>(162,251)</u>	-44.93%
Net Position – End of Year	<u>\$ (24,897)</u>	<u>\$ 198,836</u>	<u>\$ (223,733)</u>	-112.52%

FINANCIAL STATEMENTS

**BOONTON HOUSING AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 640,463
Tenant security deposits	43,599
Accounts receivable, net	47,150
Other current assets	<u>17,162</u>
Total current assets	<u>748,374</u>
Non-current assets:	
Restricted cash	215,816
Capital assets, net	<u>1,414,284</u>
Total non-current assets	<u>1,630,100</u>
Total assets	<u>2,378,474</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	215,708
State of New Jersey S.H.B.P.	<u>716,798</u>
Total deferred outflows of resources	<u>932,506</u>
Total assets and deferred outflows of resources	<u>\$ 3,310,980</u>

See accompanying notes to financial statements.

BOONTON HOUSING AUTHORITY
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2021

LIABILITIES

Current liabilities:	
Accounts payable	\$ 65,075
Accrued expenses	35,270
Accrued compensated absences, current	18,881
Tenant security deposits	43,599
Deferred revenue	<u>114,648</u>
Total current liabilities	<u>277,473</u>
Non-current liabilities:	
Accrued compensated absences, non-current	169,916
Family Self-Sufficiency Program escrows	150,412
Accrued pension liability	715,024
Accrued OPEB liability	<u>1,033,366</u>
Total non-current liabilities	<u>2,068,718</u>
Total liabilities	<u>2,346,191</u>

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	392,626
State of New Jersey S.H.B.P.	<u>597,060</u>
Total deferred inflows of resources	<u>989,686</u>

NET POSITION

Net position:	
Net investment in capital assets	1,414,284
Unrestricted	<u>(1,439,181)</u>
Total net position	<u>(24,897)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,310,980</u>

See accompanying notes to financial statements.

**BOONTON HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Operating revenues:	
Tenant revenue	\$ 479,273
HUD operating grants	2,732,392
Other revenues	<u>80,389</u>
Total operating revenues	<u>3,292,054</u>
Operating expenses:	
Administrative	489,692
Tenant services	90,799
Utilities	243,466
Ordinary maintenance and operations	296,891
Insurance	61,778
General	37,320
Housing assistance payments	2,064,598
Depreciation	<u>233,006</u>
Total operating expenses	<u>3,517,550</u>
Operating loss	<u>(225,496)</u>
Non-operating revenues (expenses):	
Investment income	<u>1,763</u>
Net non-operating revenues (expenses)	<u>1,763</u>
Change in net position	(223,733)
Net position, beginning of year	<u>198,836</u>
Net position, end of year	<u><u>\$ (24,897)</u></u>

See accompanying notes to financial statements.

**BOONTON HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 583,441
Cash received from grantors	2,763,584
Cash paid to employees	(537,104)
Cash paid to vendors and suppliers	<u>(2,669,258)</u>
Net cash provided by operating activities	<u>140,663</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	<u>(60,860)</u>
Net cash used in capital and related financing activities	<u>(60,860)</u>
Cash Flows from Investing Activities:	
Investment income	<u>1,763</u>
Net cash provided by investing activities	<u>1,763</u>
Net increase in cash and cash equivalents and restricted cash	81,566
Cash and cash equivalents and restricted cash, beginning of year	<u>818,312</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 899,878</u>
Reconciliation of cash and cash equivalents and restricted cash to Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 640,463
Tenant security deposits	43,599
Restricted cash	<u>215,816</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 899,878</u>

See accompanying notes to financial statements.

BOONTON HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Reconciliation of operating loss to net cash
provided by operating activities:

Operating loss	\$ (225,496)
----------------	--------------

Adjustments to reconcile operating loss to net cash
provided by operating activities:

Depreciation	233,006
Write-off of previously capitalized assets	19,161

Changes in operating assets, deferred outflows of resources,
liabilities, and deferred inflows of resources:

Accounts receivable, net	21,010
Prepaid expenses	3,363
Other assets	(6,589)
Deferred outflows of resources	(387,184)
Accrued expenses	(47,412)
Tenant security deposits	(8,173)
Prepaid rent	42,134
Accrued compensated absences	11,730
Accrued pension liability	427,721
Deferred inflows of resources	(5,829)
Other noncurrent liabilities	<u>63,221</u>

Net cash provided by operating activities	\$ <u><u>140,663</u></u>
---	--------------------------

See accompanying notes to financial statements.

**BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Boonton Housing Authority (the "Authority") is a public body corporate and politic of the State of New Jersey (the "State") created by the Town of Boonton (the "Town") under Local Redevelopment and Housing Law (N.J.S.A 40A:12A-1, et seq) of the State. The Authority is responsible for operating low-rent housing programs in the Town 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 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 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.

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 as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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 upon the application of these 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. 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 capital fund program provides funds annually, via a formula, to public housing agencies for capital and management activities including modernization and development of public housing units.

CARES Act Funding Programs

During the year ended September 30, 2021, the Authority was awarded CARES Act funding as part of the Public and Indian Housing Program and Section 8 Housing Choice Vouchers Program. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and liabilities, 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. 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.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements. For the Statement of Cash Flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of nine months or less at time of purchase.

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants accounts receivable balances primarily consist of rents past due and vacated tenants. 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 earned and billed but not received and for amounts unbilled, but earned as of year end.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 is 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.

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. During the year ended September 30, 2021, there were no impairment losses incurred.

L. Inter-program Receivables and Payables

Inter-program receivables and payables are current, and are the result of the use of the Business Activities fund 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.

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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Prepaid Rent

The Authority's prepaid rent primarily 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. Employees may be compensated for sick leave at retirement at the rate of three days for every five days accumulated, payable at the salary rate earned at the time of separation. Employees may only accumulate and carry over to the following year the prior year's unused vacation. The Authority's sick leave policy allows employees to carry over unused sick leave without penalty.

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.

Q. Other Post-Employment Benefits ("OPEB")

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.

R. 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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Equity 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.”

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. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue.

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. Taxes

The Authority is a unit of local government under the State of 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 Town.

V. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

W. Economic Dependency

The Section 8 Housing Choice Vouchers and Public Housing Program are economically dependent on receiving subsidies from HUD. The programs operate at a loss prior to receiving such subsidies.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. 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 JIF 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 year ended September 30, 2021.

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

As of September 30, 2021, the Authority had funds on deposit in checking, savings, and certificate of deposit accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$899,878, and the bank balances approximated \$938,342.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 640,463
Tenant security deposits	43,599
Restricted	<u>215,816</u>
Total cash and cash equivalents	<u>\$ 899,878</u>

Of the bank balances, \$454,150 was covered by federal depository insurance and the remaining \$484,192 was collateralized by GUDPA as of September 30, 2021.

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 September 30, 2021, the Authority's bank balances were not exposed to custodial credit risk.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of September 30, 2021:

<u>Description</u>	<u>Amount</u>
Accounts receivable - HUD	\$ 23,729
Accounts receivable - tenants, net	5,403
Accounts receivable - miscellaneous	<u>18,018</u>
Total accounts receivable, net	<u>\$ 47,150</u>

Accounts receivable - HUD

As of September 30, 2021, accounts receivable - HUD represents amounts due from HUD for program grants and subsidy as part of the Authority's Public and Indian Housing Program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$8,616.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed to the Authority for items such as late fees and key replacements. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 4. RESTRICTED DEPOSITS

As of September 30, 2021, restricted deposits consisted of the following:

<u>Description</u>	<u>Amount</u>
Housing Choice Vouchers Cares Act funding reserves	\$ 65,384
Family Self Sufficiency program escrows	150,432
Tenant security deposits	<u>43,599</u>
Total restricted deposits	<u>\$ 259,415</u>

Housing Choice Vouchers Cares Act funding reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future coronavirus related expenses.

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

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.

NOTE 5. CAPITAL ASSETS, NET

The following is a summary of the changes in capital assets during the year ended September 30, 2021:

<u>Description</u>	<u>September 30, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>September 30, 2021</u>
<u>Non-depreciable:</u>					
Land	\$ 215,955	\$ -	\$ -	\$ -	\$ 215,955
Construction in Progress	<u>58,061</u>	<u>2,334</u>	<u>(19,161)</u>	<u>(41,234)</u>	<u>-</u>
Subtotal	<u>274,016</u>	<u>2,334</u>	<u>(19,161)</u>	<u>(41,234)</u>	<u>215,955</u>
<u>Depreciable:</u>					
Buildings and improvements	6,431,502	32,882	-	41,234	6,505,618
Furniture and equipment	<u>578,574</u>	<u>25,644</u>	<u>-</u>	<u>-</u>	<u>604,218</u>
Subtotal	<u>7,010,076</u>	<u>58,526</u>	<u>-</u>	<u>-</u>	<u>7,068,602</u>
Less: accumulated depreciation	<u>5,678,501</u>	<u>233,006</u>	<u>-</u>	<u>-</u>	<u>5,911,507</u>
Net capital assets	<u>\$ 1,605,591</u>	<u>\$(172,146)</u>	<u>\$ (19,161)</u>	<u>\$ -</u>	<u>\$ 1,414,284</u>

Depreciation expense for the year ended September 30, 2021 amounted to \$233,006.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 6. ACCOUNTS PAYABLE

As of September 30, 2021, accounts payable consisted of the following:

<u>Description</u>	<u>Amount</u>
Accounts payable - vendors	\$ 37,221
Accounts payable - HUD	4,273
Accounts payable - other governments	<u>23,581</u>
Total accounts payable	<u>\$ 65,075</u>

Accounts Payable - Vendors

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

Accounts Payable - HUD

As of September 30, 2021, accounts payable - HUD consisted of amounts payable to the Department of Housing and Urban Development for overpayment of subsidy in the Section 8 Housing Choice Vouchers Program.

Accounts Payable - Other Governments

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

NOTE 7. NON-CURRENT LIABILITIES

Non-current liabilities as of September 30, 2021 consisted of the following:

Description	September 30, 2020	Additions	Retirement s /Payments	September 30, 2021	Amounts due within one year
Accrued compensated absences	\$ 177,067	\$ 64,825	\$ (53,095)	\$ 188,797	\$ 18,881
FSS Program escrows	87,191	63,221	-	150,412	-
Accrued pension liability	715,024	-	-	715,024	-
Accrued OPEB liability	<u>605,645</u>	<u>427,721</u>	<u>-</u>	<u>1,033,366</u>	<u>-</u>
Total non-current liabilities	<u>\$ 1,584,927</u>	<u>\$ 555,767</u>	<u>\$ (53,095)</u>	<u>\$ 2,087,599</u>	<u>\$ 18,881</u>

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 8. PENSION PLAN

The information required to present the schedule of changes in net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense was not available as of the date of this report. Therefore the balances presented related to net pension liability, deferred inflows of resources and deferred outflows of resources amounts have not changed from the prior fiscal year. Pension expense is reported at the annual contribution amount.

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 $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 8. PENSION PLAN (continued)

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.

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

At September 30, 2021, the Authority reported a liability of \$715,024, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2019, and rolled forward to June 30, 2020.

For the year ended September 30, 2021, the Authority recognized pension expense of \$12,631. At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 23,196	\$ 299,387
Changes in Proportion	155,053	90,710
Differences between expected and actual experience	13,019	2,529
Net differences between actual and projected earnings on pension plan investments	<u>24,440</u>	<u>-</u>
Total	<u>\$ 215,708</u>	<u>\$ 392,626</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the next several years.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 8. PENSION PLAN (continued)

E. Actuarial Assumptions

The collective total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00% based on years of service
Thereafter	3.00 - 7.00% based on years of service
Investment rate of return	7.00%

Pre-retirement 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-2020.

The actuarial adjustments used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 8. PENSION PLAN (continued)

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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>907,174</u>	\$ <u>715,024</u>	\$ <u>562,373</u>

NOTE 9. OTHER POST-RETIREMENT BENEFITS PLAN

The information required to present the schedule of changes in net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense was not available as of the date of this report. Therefore the balances presented related to net OPEB liability, deferred inflows of resources and deferred outflows of resources amounts have not changed from the prior fiscal year. OPEB expense is reported at the annual contribution amount.

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 SHBP. For additional information about SHBP, please refer to the Division's Comprehensive Annual Financial Report, 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 employers. 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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 9. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

B. Benefits (continued)

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 services credit in a State of 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.

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 September 30, 2021, the Authority reported a liability of \$1,033,366, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and rolled forward to June 30, 2020.

For the year ended September 30, 2021, the Authority recognized OPEB expense of \$48,707, which represented the annual premium due. At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 154,559	\$ 229,805
Changes in Proportion	520,366	174,823
Differences between expected and actual experience	27,218	192,432
Net differences between projected and actual investment earnings on OPEB plan investments	656	-
Contributions paid subsequent to the measurement date	13,999	-
Total	<u>\$ 716,798</u>	<u>\$ 597,060</u>

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 9. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the next several years.

D. Actuarial Assumptions

The total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate	2.50%
Salary increases:	
Through 2026	2.00 to 6.00% based on years of service
Thereafter	3.00 to 7.00% based on years of service

Mortality rates were based on the Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using the MP-2020 scale.

Certain actuarial assumptions used in the July 1, 2019 valuation were based on the results of the pension plans' experience studies prepared for July 1, 2013 to June 30, 2018. 100% of active members are considered to participate in the SHBP upon retirement.

E. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21% as of June 30, 2020. 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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 9. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

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 2.21%, 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 (1.21%) or 1 percentage point higher (3.21%) than the current rate.

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Authority's proportionate share of the net OPEB liability	\$ <u>1,221,657</u>	\$ <u>1,033,366</u>	\$ <u>884,317</u>

G. Healthcare Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% trend rate after eight years.

H. Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare 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 pension 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.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of the net OPEB liability	\$ <u>855,111</u>	\$ <u>1,033,366</u>	\$ <u>1,266,793</u>

NOTE 10. 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 September 30, 2021, the Authority estimates that no material liabilities will result from such audits.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2021

NOTE 10. CONTINGENCIES (continued)

Vulnerability – Impact of COVID-19

The severity of the impact of COVID-19 on the Authority's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Authority's tenants, all of which are uncertain and cannot be predicted. The Authority's future results could be adversely impacted by delays in rent collections, portability payments from certain PHA's, as well as grant reimbursements. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

NOTE 11. 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 July 15, 2022, which is the date the financial statements were available to be issued.



NOVOGRADAC
& COMPANY LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**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 of
Boonton Housing Authority:

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 Boonton Housing Authority (the "Authority") which comprise the statement of net position as of September 30, 2021, and the related statements of revenues, expenses and change in net position, and cash flows for the year then 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 July 15, 2022.

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 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 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.

Novogradac & Company LLP

July 15, 2022
Toms River, New Jersey



NOVOGRADAC
& COMPANY LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**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 of
Boonton Housing Authority:

Report on Compliance for Each Major Federal Program

We have audited Boonton Housing Authority'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 September 30, 2021. 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 September 30, 2021.

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.

1433 Hooper Avenue, Suite 329, Toms River, New Jersey 08753
www.novoco.com | 732.503.4257

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*, 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*, 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 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 were not identified.

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

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 and the State of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Novogradac & Company LLP

July 15, 2022
Toms River, New Jersey

SUPPLEMENTAL INFORMATION

BOONTON HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/Program Title	Federal CFDA Number	State Pass-through Number	Grant Period From / To	Grant Award	Fiscal Year Expenditures	Cumulative Expenditures
U.S. Department of Housing and Urban Development						
Housing Voucher Cluster						
Section 8 Housing Choice Vouchers	14.871	N/A	1/1/2020 12/31/2020	\$2,239,394	\$2,195,629	\$2,195,629
Section 8 Housing Choice Vouchers - CARES Act	14.HCC	N/A	1/1/2020 12/31/2020	73,509	4,625	8,125
Total Housing Voucher Cluster				2,312,903	2,200,254	2,203,754
Public and Indian Housing Program	14.850	N/A	1/1/2020 12/31/2020	248,781	248,781	248,871
Public Housing CARES Act Funding	14.PHC	N/A	1/1/2020 12/31/2020	9,683	9,683	9,683
Public Housing Capital Fund Program	14.872	N/A	1/1/2020 12/31/2020	686,019	141,909	686,019
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.877	N/A	1/1/2020 12/31/2020	88,000	88,000	88,000
Total Expenditures of Federal Awards				\$3,345,386	\$2,688,627	\$3,236,327

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

BOONTON HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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 September 30, 2021. 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.

NOTE 4. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

	<u>501-16</u>	<u>501-17</u>	<u>501-18</u>	<u>501-19</u>	<u>501-20</u>	<u>501-21</u>	<u>Total</u>
Budget	\$ <u>80,572</u>	\$ <u>83,587</u>	\$ <u>120,325</u>	\$ <u>125,694</u>	\$ <u>134,676</u>	\$ <u>141,165</u>	\$ <u>686,019</u>
<u>Advances:</u>							
Cumulative through 09/30/2020	\$ 80,572	\$ 83,587	\$ 120,325	\$ 125,694	\$ 133,932	\$ -	\$ 544,110
Current year	-	-	-	-	744	141,165	141,909
Cumulative through 09/30/2021	<u>80,572</u>	<u>83,587</u>	<u>120,325</u>	<u>125,694</u>	<u>134,676</u>	<u>141,165</u>	<u>686,019</u>
<u>Costs:</u>							
Cumulative through 09/30/2020	80,572	83,587	120,325	125,694	133,932	-	544,110
Current year	-	-	-	-	744	141,165	141,909
Cumulative through 09/30/2021	<u>80,572</u>	<u>83,587</u>	<u>120,325</u>	<u>125,694</u>	<u>134,676</u>	<u>141,165</u>	<u>686,019</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Public Housing Capital Fund Grants NJP0525501-16, NJP0525501-17, NJP0525501-18, NJP0525501-19, NJP0525501-20 and NJP0525501-21, with approved funding as listed above, have been fully drawn down and expended as per Capital Fund Grant Regulations.

**BOONTON HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2021**

I. Summary of Auditors' Results

Financial Statements

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| a. | Material weakness(es) identified? | No |
| b. | Significant deficiency(ies) identified not considered to be a material weakness? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards

- | | | |
|----|--|------------|
| 1. | Internal control over compliance: | |
| a. | Material weakness(es) identified? | No |
| b. | Significant deficiency(ies) identified not considered to be a material weakness? | No |
| 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: | |

CFDA Number

Name of Federal Program

- | | | |
|--------|--|------------|
| 14.871 | Section 8 Housing Choice Vouchers | Unmodified |
| 14.HCC | Section 8 Housing Choice Vouchers - CARES Act | Unmodified |
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee? | No |

BOONTON HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
SEPTEMBER 30, 2021

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 questions costs relating to federal awards.

IV. Summary of Prior Audit Findings

There were no findings in the prior year.

**BOONTON HOUSING AUTHORITY
REQUIRED PENSION INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

	September 30, 2014	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021
Contractually required contribution	\$ 32,652	\$ 34,805	\$ 36,790	\$ 38,856	\$ 42,045	\$ 34,794	\$ 47,966	\$ 47,966
Contributions in relation to the contractually required contribution	32,652	34,805	36,790	38,856	42,045	34,794	47,966	47,966
(Over) / under funded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 301,681	\$ 323,988	\$ 322,793	\$ 324,294	\$ 338,095	\$ 325,768	\$ 359,153	\$ 359,153
Contributions as a percentage of covered-employee payroll	10.82 %	10.74 %	11.40 %	11.98 %	12.44 %	10.68 %	13.36 %	13.36 %

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

	September 30, 2014	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021
Authority's proportion of the net pension liability	0.0040 %	0.0040 %	0.0041 %	0.0042 %	0.0042 %	0.0036 %	0.0044 %	0.0044 %
Authority's proportionate share of the net pension liability	\$ 741,564	\$ 908,775	\$ 1,226,510	\$ 976,373	\$ 715,024	\$ 715,024	\$ 715,024	\$ 715,024
Authority's covered-employee payroll	\$ 301,681	\$ 323,988	\$ 322,793	\$ 324,294	\$ 338,095	\$ 325,768	\$ 359,153	\$ 359,153
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	245.81 %	280.50 %	379.97 %	301.08 %	211.49 %	219.49 %	199.09 %	199.09 %
Plan fiduciary net position as a percentage of the total pension liability	52.08 %	47.93 %	40.14 %	48.10 %	53.60 %	56.30 %	56.30 %	56.30 %

*** Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.
See Report of Independent Auditors.

BOONTON HOUSING AUTHORITY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021
Statutorily required contribution	\$ 63,785	\$ 68,942	\$ 57,945	\$ 57,945	\$ 54,225
Contributions in relation to the statutorily required contribution	<u>63,785</u>	<u>68,942</u>	<u>57,945</u>	<u>57,945</u>	<u>54,225</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$ 324,294</u>	<u>\$ 338,095</u>	<u>\$ 325,768</u>	<u>\$ 325,768</u>	<u>\$ 359,153</u>
Contributions as a percentage of covered-employee payroll	<u>19.67 %</u>	<u>20.39 %</u>	<u>17.79 %</u>	<u>17.79 %</u>	<u>15.10 %</u>

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

	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021
Authority's proportion of the net OPEB liability	<u>0.0038 %</u>	<u>0.0042 %</u>	<u>0.0045 %</u>	<u>0.0045 %</u>	<u>0.0058 %</u>
Authority's proportionate share of the net OPEB liability	<u>\$ 914,957</u>	<u>\$ 605,645</u>	<u>\$ 1,033,366</u>	<u>\$ 1,033,366</u>	<u>\$ 1,033,366</u>
Authority's covered-employee payroll	<u>\$ 324,294</u>	<u>\$ 338,095</u>	<u>\$ 325,768</u>	<u>\$ 325,768</u>	<u>\$ 359,153</u>
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	<u>282.14 %</u>	<u>179.13 %</u>	<u>317.21 %</u>	<u>317.21 %</u>	<u>287.72 %</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.03 %</u>	<u>1.97 %</u>	<u>1.98 %</u>	<u>1.98 %</u>	<u>1.98 %</u>

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

BOONTON HOUSING AUTHORITY									
Financial Data Schedule (FDS)									
September 30, 2021									
Line Item #	Account Description	Project Total	PSS Program	14.871 Housing Choice Vouchers	14.914 Public Housing CARES Act	14.914 HCV CARES Act Funding	14.218 Community Development Block Grants/Entitlement	ELIM	TOTAL
ASSETS:									
CURRENT ASSETS:									
111	Cash - unrestricted	\$ 221,563	\$ -	\$ 232,519	\$ -	\$ -	\$ -	\$ -	\$ 474,082
112	Cash - restricted - modernization and developer	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	150,432	-	65,384	-	-	215,816
114	Cash - tenant security deposits	43,599	-	-	-	-	-	-	43,599
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-
100	Total cash	265,162	-	402,951	-	65,384	-	-	733,497
Accounts and notes receivable:									
121	Accounts receivable - PHA project	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other project	-	-	23,729	-	-	-	-	23,729
123	Accounts receivable - other government	-	-	-	-	-	-	-	-
124	Accounts receivable - miscellaneous	6,198	-	-	-	-	-	-	6,198
125	Accounts receivable - tenants	14,019	-	-	-	-	-	-	14,019
126	Allowance for doubtful accounts - tenants	(8,616)	-	-	-	-	-	-	(8,616)
127	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-
128	Notes and mortgages receivable - current	-	-	-	-	-	-	-	-
129	Fraud recovery	38,123	-	-	-	-	-	-	38,123
130	Allowance for doubtful accounts - fraud	(26,303)	-	-	-	-	-	-	(26,303)
131	Accrued interest receivable	16	-	-	-	-	-	-	16
132	Total receivables, net of allowances for doubtful account	23,437	-	23,729	-	-	-	-	47,174
Current investments									
133	Investments - unrestricted	100,315	-	66,066	-	-	-	-	166,381
134	Investments - restricted	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	17,138	-	-	-	-	-	-	17,138
143	Inventory	-	-	-	-	-	-	-	-
144	Allowance for obsolete inventory	-	-	-	-	-	-	-	-
145	Interprogram - due from	-	-	-	-	-	-	-	-
146	Assets held for sale	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	406,052	-	492,754	-	65,384	-	-	964,190
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	-	-	-	-	-	-	-	-
162	Buildings	215,955	-	-	-	-	-	-	215,955
163	Furniture, equipment & machinery - dwelling	6,679,469	-	-	-	-	-	-	6,679,469
164	Furniture, equipment & machinery - administration	283,451	-	-	-	-	-	-	283,451
165	Leasehold improvement	142,291	-	4,625	-	-	-	-	146,916
166	Accumulated depreciation	(5,910,582)	-	(925)	-	-	-	-	(5,911,507)
167	Construction in progress	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-
169	Total fixed assets, net of accumulated depreciation	1,410,584	-	3,700	-	-	-	-	1,414,284
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	-	-	-	-	-	-	-	-
175	Undistributed debt	-	-	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	1,410,584	-	3,700	-	-	-	-	1,414,284
200	Deferred Outflows of Resources - Pension & OPEB	364,416	-	368,090	-	-	-	-	932,506
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,381,052	\$ -	\$ 864,544	\$ -	\$ 65,384	\$ -	\$ -	\$ 3,310,980

BOONTON HOUSING AUTHORITY									
Financial Data Schedule (FDS)									
September 30, 2021									
Line Item #	Account Description	Project Total	FSS Program	14.871 Housing Choice Vouchers	14. PHC Public Housing CARES Act	14. ICC HCV CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	ELIM	TOTAL
LIABILITIES AND EQUITY:									
Current Liabilities:									
311	Bank overdraft	\$ -	\$ -	\$ -	-	-	\$ -	-	\$ -
312	Accounts payable < 90 days	26,442	-	10,779	-	-	-	-	37,221
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	7,831	-	-	-	-	-	-	7,831
322	Accrued compensated absences - current portion	10,087	-	8,794	-	-	-	-	18,881
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	4,273	-	-	-	-	4,273
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	23,381	-	-	-	-	-	-	23,381
341	Tenant security deposit	43,599	-	-	-	-	-	-	43,599
342	Unearned revenue	49,264	-	-	-	65,384	-	-	114,648
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowing	-	-	-	-	-	-	-	-
345	Other current liabilities	27,739	-	-	-	-	-	-	27,739
346	Accrued liabilities - other	-	-	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-	-	-	-
348	Loan liability - Current	-	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	188,243	-	23,846	-	65,384	-	-	277,473
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowing	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	150,412	-	-	-	-	150,412
354	Accrued compensated absences - noncurrent	90,772	-	79,144	-	-	-	-	169,916
355	Loan liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	1,081,726	-	666,664	-	-	-	-	1,748,390
350	TOTAL NONCURRENT LIABILITIES	1,172,498	-	896,220	-	-	-	-	2,068,718
300	TOTAL LIABILITIES	1,360,741	-	920,066	-	65,384	-	-	2,346,191
400	Deferred inflows of Resource	615,218	-	374,468	-	-	-	-	989,686
EQUITY:									
508	Retained Capital Assets, Net of Related Deb	1,410,384	-	3,700	-	-	-	-	1,414,084
311	Retained Net Assets	-	-	-	-	-	-	-	-
312	Unreserved Net Assets	(1,005,491)	-	(433,690)	-	-	-	-	(1,439,181)
313	TOTAL EQUITY	404,893	-	(429,990)	-	-	-	-	(24,097)
600	TOTAL LIABILITIES DEFERRED INFLOWS AND EQUITY	\$ 2,381,032	\$ -	\$ 864,544	\$ -	\$ 65,384	\$ -	\$ -	\$ 2,310,980
Proof of concept									

BOONTON HOUSING AUTHORITY											
Financial Data Schedule (FDS)											
September 30, 2021											
Line Item #	Account Description	OPERATING	CAPITAL	FSS Program	14.871 Housing Choice Vouchers	14. PHC Public Housing CARES Act	14. HCC HCV CARES Act Funding	14.214 Community Development Block Grants/Entitlement Grants	ELIM	TOTAL	
REVENUE:											
70000	Net rental revenue	\$ 471,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 471,728	
70400	Tenant revenue - other	7,545	-	-	-	-	-	-	-	7,545	
70500	Total tenant revenue	479,273	-	-	-	-	-	-	-	479,273	
70600	HUD PHA grants	245,781	141,599	88,000	2,319,394	9,683	4,623	-	-	2,332,392	
70710	Capital grants	-	-	-	-	-	-	-	-	-	
70750	Management fee	-	-	-	-	-	-	-	-	-	
70750	Asset management fee	-	-	-	-	-	-	-	-	-	
70750	Book keeping fee	-	-	-	-	-	-	-	-	-	
70750	Print line service fee	-	-	-	-	-	-	-	-	-	
70750	Other services	-	-	-	-	-	-	-	-	-	
70800	Other government grants	-	-	-	-	-	-	-	-	-	
71000	Investment income - unrestricted	573	-	-	1,190	-	-	-	-	1,763	
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	
71400	Cost of sale of assets	-	-	-	-	-	-	-	-	-	
71400	Fraud recovery	72,600	-	-	1,995	-	-	-	-	1,995	
71500	Gain or loss on sale of fixed assets	-	-	-	3,173	-	-	-	-	3,173	
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	
70000	TOTAL REVENUE	801,227	141,599	88,000	2,348,373	9,683	4,623	-	-	3,393,817	
EXPENSES:											
91000	Administrative	-	-	-	-	-	-	-	-	-	
91100	Administrative salaries	184,132	-	-	35,235	-	-	-	-	219,367	
91200	Auditing fees	8,166	-	-	3,974	-	-	-	-	12,140	
91300	Outside management fees	-	-	-	-	-	-	-	-	-	
91310	Book-keeping fee	-	-	-	-	-	-	-	-	-	
91400	Advertising and marketing	46,714	-	-	569,791	-	-	-	-	616,505	
91600	Employee benefit contributions - administrative	97,693	-	-	36,147	-	-	-	-	133,840	
91700	Office expenses	5,638	-	-	1,991	-	-	-	-	7,629	
91800	Legal expenses	-	-	-	-	-	-	-	-	-	
91810	Travel	51	-	-	22	-	-	-	-	73	
91900	Allocated overhead	-	-	-	-	-	-	-	-	-	
91900	Other	-	-	-	-	-	-	-	-	-	
91900	Total administrative	332,454	-	-	137,238	-	-	-	-	469,692	
93000	Asset Management Fee	-	-	-	-	-	-	-	-	-	
93000	Tenant services	-	-	-	-	-	-	-	-	-	
93100	Tenant services - salaries	-	-	-	-	2,379	-	-	-	2,379	
93200	Relocation costs	-	-	88,000	-	-	-	-	-	88,000	
93300	Employee benefit contributions - tenant service	-	-	-	-	430	-	-	-	430	
93400	Tenant services - other	-	-	-	-	-	-	-	-	-	
93400	Total tenant services	-	-	88,000	-	2,799	-	-	-	90,799	
Utilities											
93100	Water	44,096	-	-	-	-	-	-	-	44,096	
93100	Electricity	65,319	-	-	-	-	-	-	-	65,319	
93100	Gas	69,931	-	-	-	-	-	-	-	69,931	
93100	Fuel	-	-	-	-	-	-	-	-	-	
93100	Labor	26,070	-	-	-	-	-	-	-	26,070	
93100	Sewer	30,980	-	-	-	-	-	-	-	30,980	
93700	Employee benefit contributions - utilities	7,070	-	-	-	-	-	-	-	7,070	
93100	Other utilities expense	-	-	-	-	-	-	-	-	-	
93100	Total utilities	233,466	-	-	-	-	-	-	-	233,466	
Ordinary maintenance & operation											
94100	Ordinary maintenance and operations - labor	69,329	-	-	-	-	-	-	-	69,329	
94200	Ordinary maintenance and operations - materials & other	40,678	-	-	-	-	-	-	-	40,678	
94100	Ordinary maintenance and operations - contract cost	168,081	-	-	-	-	-	-	-	168,081	
94300	Employee benefit contributions - ordinary maintenance	18,803	-	-	-	-	-	-	-	18,803	
94000	Total ordinary maintenance	296,891	-	-	-	-	-	-	-	296,891	

BOONTON HOUSING AUTHORITY											
Financial Data Schedule (FDS)											
September 30, 2021											
Line Item #	Account Description	OPERATING	CAPITAL	PSS Program	Housing Choice Vouchers	14 PHC Public Housing CARES Act	14 HCC HCV CARES Act Funding	14214 Community Development Grant/Enlightenment Grants	ELJN	TOTAL	
	Protective services										
95100	Protective services - labor	-									
95200	Protective services - other contract costs	-									
95300	Protective services - other	-									
95500	Employee benefit contributions- protective service	-									
	Total protective services	-									
	General expenses										
96100	Insurance premiums	57,921			3,857					61,778	
96200	Other general expenses	-			564					564	
96210	Compensated absences	8,923			2,800					11,723	
96300	Payments in lieu of taxes	2,107								2,107	
96400	Interest on notes payable	-								-	
96500	Bad debt - mortgage	-								-	
96600	Bad debt - other	-								-	
96700	Interest expense	-								-	
96710	Interest on mortgage (or bonds) payable	-								-	
96720	Interest on Notes Payable (Short and Long Term)	-								-	
96730	Amortization of bond issue costs	-								-	
96800	Severance expense	-								-	
	Total general expenses	91,937			7,161					99,098	
96900	TOTAL OPERATING EXPENSES	984,748		88,000	144,359	2,799				1,219,946	
97000	EXCESS OPERATING REVENUE OVER OPERATING	(183,231)	141,909		2,103,974	6,884	4,625			2,073,571	
	Extraordinary maintenance	-								-	
97100	Casualty losses - non capitalizes	-								-	
97200	Extraordinary maintenance - non capitalizes	-								-	
97300	NAV Portability - in	-			2,039,038					2,039,038	
97400	Depreciation expense	232,081			5,540					237,621	
97500	Fund losses	-			925					925	
97600	Dwelling unit rent expense	-								-	
98000	TOTAL EXPENSES	1,216,829		88,000	2,509,932	2,799				3,517,550	
	OTHER FINANCING SOURCES (USES)										
10010	Operating transfers in										
10020	Operating transfers out	141,909	(141,909)						(141,909)		
10030	Operating transfers from/to primary government	-								-	
10040	Operating transfers from/to component unit	-								-	
10070	Extraordinary items, net gain/loss	-								-	
10080	Special items (net gain/loss)	-								-	
10090	Transfer between program and project u	-								-	
10091	Inter Project excess cash transfer out	-								-	
10092	Transfer between program and project u	-								-	
10093	Transfer between program and project u	-								-	
10094	Transfer between program and project u	-								-	
10100	TOTAL OTHER FINANCING SOURCES (USES)	141,909	(141,909)								
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(232,633)			38,431	6,884	4,625			(223,713)	
MEMO ACCOUNT INFORMATION:											
11020	Required annual debt principal payments	-								-	
11030	Beginning equity	541,711								541,711	
11040	Prior period adjustments and equity transfer	137,423			(431,666)					(294,243)	
11170	Administrative fee equity	-			4,625	(6,884)	(4,625)			-	
11180	Housing assistance payments equity	-								-	
11190	Unit months available	888			1,908					2,796	
11210	Number of unit months leased	859			1,853					2,712	
	Equity Roll Forward Test										
	Calculation from R/E Statement	\$ 405,093		\$ -	\$ (429,990)	\$ -	\$ -	\$ -	\$ -	\$ (24,897)	
	BDS Line #13	\$ 405,093		\$ -	\$ (429,990)	\$ -	\$ -	\$ -	\$ -	\$ (24,897)	