

BOONTON HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2024
WITH
REPORT OF INDEPENDENT AUDITORS

**BOONTON HOUSING AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2024**

<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-o8	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	42-43
Required OPEB Information	44-45
Financial Data Schedule	46-50

REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Boonton Housing Authority:

Qualified Opinion

We have audited the accompanying financial statements of the Boonton Housing Authority (the "Authority") as of and for the year ended September 30, 2024, 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 financial position of the Authority, as of September 30, 2024, and the changes in its financial 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

We were unable to obtain sufficient audit evidence for the balances related to the net pension liability, net other post employment benefits ("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 as of and for the year ended June 30, 2024 have 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 from the June 30, 2023 audited actuarial report amounts. Pension and OPEB expense are recorded at its 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 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.

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.

Responsibilities of Management for the Financial Statements (continued)

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.

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.

Supplementary 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 August 5, 2025 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

August 5, 2025
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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, 2024. 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 liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$984,968 (net position) as opposed to \$804,511 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 \$(133,900).
3. The Authority's cash and cash equivalents and restricted cash balance at September 30, 2024 was \$881,270, representing a decrease of \$1,117,963 from the prior fiscal year.
4. The Authority had Total Operating Revenues of \$4,464,966 and Total Operating Expenses of \$4,295,499 for the year ended September 30, 2024.
5. The Authority's capital outlays for the fiscal year were \$69,247.
6. The Authority's Expenditures of Federal Awards amounted to \$4,107,129.
7. The Authority's liabilities at September 30, 2024 were \$2,280,120, representing a decrease of \$48,832 from the prior fiscal year.

B. Using the Annual Report

1. Management's Discussion and Analysis

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

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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 39 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, 2024

C. The Authority as a Whole

The Authority's Net Position increased 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, 2024, the Authority's net investment in capital assets was \$1,118,868. 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 \$69,247, 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, 2024

E. Significant Changes from Prior Year

Capital assets, net decreased by \$22,637 as depreciation expense of \$91,884 exceeded acquisitions of \$69,247 for the year ended September 30, 2024.

Restricted cash decreased from \$544,731 in 2023 to \$351,738 in 2024, or \$192,993. The decrease was primarily due to a decrease in section 8 housing assistance payments reserves.

Net pension liability and net OPEB liability increased \$408,409 and \$656,795, respectively, from FY2023 to FY2024, which was the result of changes in assumptions from the State of New Jersey's GASB 68 PERS audit and GASB 75 State Health Benefits audit. The balances shown as of September 30, 2024 reflect the September 30, 2023 balances since the audits applicable to FY2024 were not available at the time of audit.

Tenant services increased by \$79,947, primarily as a result of an increase in tenant service related salaries totaling \$63,383.

Housing assistance payments expense increased by \$162,801 as the Authority had an increase in unit months leased during 2024.

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, 2025:

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, 2024

I. Summarized Financial Data

	<u>9/30/2024</u>	<u>As of</u> <u>9/30/2023</u>	<u>Variance</u>	<u>%</u> <u>Change</u>
Cash and Other Assets	\$ 2,113,941	\$ 2,031,394	82,547	4.06%
Capital Assets - Net	1,118,868	1,141,505	(22,637)	-1.98%
Deferred Outflows of Resources	775,524	676,352	99,172	14.66%
Total Assets and Deferred Outflows	4,008,333	3,849,251	159,082	4.13%
Less: Total Liabilities	2,280,120	2,328,952	(48,832)	-2.10%
Less: Deferred Inflows of Resources	743,245	715,788	27,457	3.84%
Net Position	984,968	804,511	180,457	22.43%
Net Investment in Capital Assets	1,118,868	1,141,505	(22,637)	-1.98%
Restricted Net Position	-	290,094	(290,094)	-100.00%
Unrestricted Net Position	(133,900)	(627,088)	493,188	-78.65%
Total Net Position	\$ 984,968	\$ 804,511	180,457	22.43%

BOONTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

I. Summarized Financial Data (continued)

	<u>Year Ended</u>			<u>%</u>
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>Variance</u>	<u>Change</u>
<u>Revenues</u>				
Tenant Revenues	\$ 546,984	\$ 489,861	\$ 57,123	11.66%
HUD Subsidies	3,859,942	4,035,273	(175,331)	-4.34%
Other Revenues	58,040	145,907	(87,867)	-60.22%
Total Operating Revenues	<u>4,464,966</u>	<u>4,671,041</u>	<u>(206,075)</u>	-4.41%
<u>Expenses</u>				
Other Operating Expenses	1,614,623	1,424,921	189,702	13.31%
Housing Assistance Payments	2,588,992	2,394,814	194,178	8.11%
Depreciation Expense	91,884	178,047	(86,163)	-48.39%
Total Operating Expenses	<u>4,295,499</u>	<u>3,997,782</u>	<u>297,717</u>	7.45%
Operating Income	169,467	673,259	(503,792)	-74.83%
<u>Non-Operating Income</u>				
Interest on Investments	<u>10,990</u>	<u>19,721</u>	<u>(8,731)</u>	-44.27%
Change in Net Position	<u>180,457</u>	<u>692,980</u>	<u>(512,523)</u>	-73.96%
Net Position – Beginning of Year	<u>804,511</u>	<u>111,531</u>	<u>692,980</u>	621.33%
Net Position – End of Year	<u>\$ 984,968</u>	<u>\$ 804,511</u>	<u>\$ 180,457</u>	22.43%

FINANCIAL STATEMENTS

BOONTON HOUSING AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS

Current assets:	
Cash and cash equivalents	\$ 529,532
Accounts receivable, net	65,647
Due from related party	1,152,693
Prepaid expenses	<u>14,331</u>
Total current assets	<u>1,762,203</u>
Non-current assets:	
Restricted cash	351,738
Capital assets, net	<u>1,118,868</u>
Total non-current assets	<u>1,470,606</u>
Total assets	<u>3,232,809</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	149,081
State of New Jersey S.H.B.P.	<u>626,443</u>
Total deferred outflows of resources	<u>775,524</u>
Total assets and deferred outflows of resources	<u>\$ 4,008,333</u>

See accompanying notes to financial statements.

BOONTON HOUSING AUTHORITY
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2024

LIABILITIES

Current liabilities:	
Accounts payable	\$ 14,905
Accrued expenses	4,308
Accrued compensated absences, current	<u>20,813</u>
Total current liabilities	<u>40,026</u>
Non-current liabilities:	
Accrued compensated absences, non-current	187,327
Family Self-Sufficiency Program escrows	351,738
Accrued pension liability	714,049
Accrued OPEB liability	<u>986,980</u>
Total non-current liabilities	<u>2,240,094</u>
Total liabilities	<u>2,280,120</u>

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	113,221
State of New Jersey S.H.B.P.	<u>630,024</u>
Total deferred inflows of resources	<u>743,245</u>

NET POSITION

Net position:	
Net investment in capital assets	1,118,868
Unrestricted	<u>(133,900)</u>
Total net position	<u>984,968</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,008,333</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, 2024**

Operating revenues:	
Tenant revenue	\$ 546,984
HUD operating grants	3,859,942
Other revenues	<u>58,040</u>
Total operating revenues	<u>4,464,966</u>
Operating expenses:	
Administrative	552,087
Tenant services	101,361
Utilities	322,766
Ordinary maintenance and operations	482,329
Insurance	90,902
General	65,178
Housing assistance payments	2,588,992
Depreciation	<u>91,884</u>
Total operating expenses	<u>4,295,499</u>
Operating income	<u>169,467</u>
Non-operating revenues:	
Investment income	<u>10,990</u>
Net non-operating revenues	<u>10,990</u>
Change in net position	180,457
Total net position, beginning of year	<u>804,511</u>
Total net position, end of year	<u>\$ 984,968</u>

See accompanying notes to financial statements.

**BOONTON HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 524,750
Cash received from grantors	3,804,791
Cash paid to employees	(592,061)
Cash paid to vendors and suppliers	<u>(3,644,493)</u>
Net cash provided by operating activities	<u>92,987</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	<u>(69,247)</u>
Net cash used in capital and related financing activities	<u>(69,247)</u>
Cash Flows from Investing Activities:	
Investment income	<u>10,990</u>
Net cash provided by investing activities	<u>10,990</u>
Cash Flows from Non Capital Related Financing Activities:	
Amounts due from related party	<u>(1,152,693)</u>
Net cash used in non capital related financing activities	<u>(1,152,693)</u>
Net decrease in cash, cash equivalents, and restricted cash	(1,117,963)
Cash, cash equivalents, and restricted cash, beginning of year	<u>1,999,233</u>
Cash, cash equivalents, and restricted cash, end of year	<u><u>\$ 881,270</u></u>
Reconciliation of cash, cash equivalents, and restricted cash to Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 529,532
Restricted cash	<u>351,738</u>
Cash, cash equivalents, and restricted cash	<u><u>\$ 881,270</u></u>

See accompanying notes to financial statements.

BOONTON HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Operating income	\$	169,467
------------------	----	---------

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

Depreciation		91,884
Bad debt expense		10,370

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

Accounts receivable, net		(63,536)
Prepaid expenses		5,349
Deferred outflows of resources		(99,172)
Accounts payable		(39,974)
Accrued expenses		(76,891)
Tenant security deposits		(47,412)
Unearned revenue		(34,847)
Accrued compensated absences		16,081
Accrued OPEB liability		75,012
Deferred inflows of resources		27,457
Other noncurrent liabilities		<u>59,199</u>

Net cash provided by operating activities	\$	<u><u>92,987</u></u>
---	----	----------------------

See accompanying notes to financial statements.

**BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

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

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, 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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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

D. Description of Programs

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

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

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.

Family Self-Sufficiency under Resident Opportunity and Supportive Services ("FSS Program")

The FSS program enables families assisted through the Section 8 Housing Choice Vouchers program to increase their earned income and reduce their dependency on social services and rental subsidies. Under the FSS program, families living in assisted housing are provided opportunities for education, job training counseling and other forms of social service assistance, in order to develop the skills necessary to achieve self-sufficiency.

Business Activities

The Authority owns non-federal housing units in which revenues earned from these activities are recorded in the Business Activities fund.

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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents (continued)

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

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.

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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended September 30, 2024, 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.

N. Unearned Revenue

The Authority's unearned revenue primarily consist of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

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.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

S. Net Position Classifications

Net position is classified in three components:

Net investment in capital assets - Consists of resources 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 net position that do not meet the definition of "restricted" or "net investment in capital assets."

T. Use of Restricted Assets

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

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. 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.

V. 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.

W. 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.

X. Economic Dependency

The Section 8 Housing Choice Vouchers Program is economically dependent on receiving subsidies from HUD. The program operates at a loss prior to receiving such subsidies.

Y. 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, 2024.

Z. Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended September 30, 2024, rental revenue earned by the primary government under the aforementioned leases totaled \$546,984.

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 2. CASH AND CASH EQUIVALENTS

As of September 30, 2024, 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 \$881,270, and the bank balances approximated \$905,087.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 529,532
Restricted	<u>351,738</u>
Total cash and cash equivalents	<u>\$ 881,270</u>

Of the bank balances, \$251,909 was covered by federal depository insurance and the remaining \$653,178 was collateralized by GUDPA as of September 30, 2024.

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, 2024, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of September 30, 2024:

<u>Description</u>	<u>Amount</u>
Accounts receivable - HUD	\$ <u>65,647</u>

Accounts receivable - HUD

As of September 30, 2024, accounts receivable - HUD represents amounts due to the Authority for amounts expended under the Section 8 Housing Choice Vouchers Program that have not yet been reimbursed. 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, 2024

NOTE 4. RESTRICTED DEPOSITS

As of September 30, 2024, restricted deposits consisted of the following:

<u>Description</u>	<u>Amount</u>
Family Self Sufficiency program escrows	\$ <u>351,738</u>
Family Self Sufficiency ("FSS") program escrows are restricted for use in the Section 8 Housing Choice Vouchers Program by FSS program participants.	

NOTE 5. CAPITAL ASSETS, NET

The following is a summary of the changes in capital assets during the year ended September 30, 2024:

Description	September 30, 2023	Additions	Dispositions	Transfers	September 30, 2024
<u>Non-depreciable:</u>					
Land	\$ 215,955	\$ -	\$ -	\$ -	\$ 215,955
Subtotal	<u>215,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,955</u>
<u>Depreciable:</u>					
Buildings and improvements	6,606,522	46,825	-	-	6,653,347
Furniture and equipment	<u>644,107</u>	<u>22,422</u>	<u>-</u>	<u>-</u>	<u>666,529</u>
Subtotal	<u>7,250,629</u>	<u>69,247</u>	<u>-</u>	<u>-</u>	<u>7,319,876</u>
Less: accumulated depreciation	<u>6,325,079</u>	<u>91,884</u>	<u>-</u>	<u>-</u>	<u>6,416,963</u>
Net capital assets	<u>\$ 1,141,505</u>	<u>\$ (22,637)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,118,868</u>

Depreciation expense for the year ended September 30, 2024 amounted to \$91,884.

NOTE 6. DUE FROM RELATED PARTY

The Authority entered into a Property Leasing and Management Agreement (the "Agreement") on June 23, 2021 with AHOM, Inc. to lease and manage the housing project and to assume the obligations of the HAP Owner under the Project Based Voucher ("PBV") HAP contract. As of September 30, 2024, AHOM Inc. owed the Authority \$1,152,693 in relation to operating activity performed during the year in accordance with the Agreement. 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, 2024

NOTE 7. ACCOUNTS PAYABLE

As of September 30, 2024, accounts payable consisted of the following:

<u>Description</u>	<u>Amount</u>
Accounts payable - HUD	\$ 12,629
Accounts payable - PHA projects	<u>2,276</u>
Total accounts payable	<u>\$ 14,905</u>

Accounts Payable - HUD

As of September 30, 2024, accounts payable - HUD consisted of amounts payable to the Department of Housing and Urban Development for interest earned on HAP reserves in the Section 8 Housing Choice Vouchers Program.

Accounts Payable - PHA Projects

As of September 30, 2024, accounts payable - PHA projects represents amounts due to managing PHAs under the portability provisions of the Section 8 Housing Choice Vouchers Program.

NOTE 8. NON-CURRENT LIABILITIES

Non-current liabilities as of September 30, 2024 consisted of the following:

<u>Description</u>	<u>September 30, 2023</u>	<u>Additions</u>	<u>Retirements /Payments</u>	<u>September 30, 2024</u>	<u>Amounts due within one year</u>
Accrued compensated absences	\$ 192,059	\$ 38,687	\$ (22,606)	\$ 208,140	\$ 20,813
FSS Program escrows	292,539	59,199	-	351,738	-
Accrued pension liability	714,049	-	-	714,049	-
Accrued OPEB liability	<u>911,968</u>	<u>137,706</u>	<u>(62,694)</u>	<u>986,980</u>	<u>-</u>
Total non-current liabilities	<u>\$ 2,110,615</u>	<u>\$ 235,592</u>	<u>\$ (85,300)</u>	<u>\$ 2,260,907</u>	<u>\$ 20,813</u>

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 9. PENSION PLAN

The information required to present the schedule of changes in net pension liability, deferred outflows of resources, and deferred inflows of resources was not available as of the date of this report and accordingly, the net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense / benefit related to PERS are being reported from the 2023 audited actuarial report.

A. Plan Description

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

B. Benefits

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, 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 $\frac{1}{55}^{\text{th}}$ 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 $\frac{1}{60}^{\text{th}}$ 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, 2024

NOTE 9. 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, 2024, the Authority reported a liability of \$714,049, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2022, and rolled forward to June 30, 2023.

For the year ended September 30, 2024, the Authority did not recognize a pension expense / benefit. At September 30, 2024, 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	\$ 1,569	\$ 43,274
Changes in Proportion	137,397	67,028
Differences between expected and actual experience	6,827	2,919
Net differences between actual and projected earnings on pension plan investments	<u>3,288</u>	<u>-</u>
Total	<u>\$ 149,081</u>	<u>\$ 113,221</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 as follows:

Year ending September 30:	<u>Amount</u>
2025	\$ 39,175
2026	21,866
2027	(30,556)
2028	5,468
2029	<u>(93)</u>
	<u>\$ 35,860</u>

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 9. PENSION PLAN (continued)

E. Actuarial Assumptions

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

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

Pre-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-2021.

The actuarial adjustments used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

F. Long-Term Expected Rate of Return

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class, including the PERS's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 9. PENSION PLAN (continued)

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 100% 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>1,107,135</u>	\$ <u>714,049</u>	\$ <u>1,827,204</u>

NOTE 10. OTHER POST-RETIREMENT BENEFITS PLAN

The information required to present the schedule of changes in net OPEB liability, deferred outflows of resources, and deferred inflows of resources was not available as of the date of this report and accordingly, the net OPEB liability, deferred inflows of resources, deferred outflows of resources, and OPEB expense / benefit related to SHBP are being reported from the 2023 audited actuarial report.

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 Annual Comprehensive 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, 2024

NOTE 10. 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, 2024, the Authority reported a liability of \$986,980, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of July 1, 2022, and rolled forward to June 30, 2023.

For the year ended September 30, 2024, the Authority recognized an OPEB expense of \$3,297, which represented the annual premium due. At September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of Assumptions	\$ 127,851	\$ 278,988
Changes in Proportion	453,078	268,032
Differences between expected and actual experience	45,514	82,841
Net differences between projected and actual investment earnings on OPEB plan investments	<u>-</u>	<u>163</u>
Total	<u>\$ 626,443</u>	<u>\$ 630,024</u>

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 10. 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)

Deferred outflows of resources and deferred inflows of resources, other than the employer contributions noted above, will be recognized in future pension expense as follows:

	<u>Amount</u>
Year ending September 30:	
2025	\$ (975)
2026	(977)
2027	(978)
2028	(698)
2029	(117)
Thereafter	<u>164</u>
	<u>\$ (3,581)</u>

D. Actuarial Assumptions

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

Salary increases:	
Through 2026	2.75 to 6.55%
	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-2021 scale.

Certain actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PERS experience studies prepared for July 1, 2018 to June 30, 2021. 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 3.65% as of June 30, 2023. This represents the municipal bond return rate as 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, 2024

NOTE 10. 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 3.65%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate.

	1% Decrease <u>(2.65%)</u>	Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Authority's proportionate share of the net OPEB liability	\$ <u>1,143,238</u>	\$ <u>986,980</u>	\$ <u>861,295</u>

G. Healthcare Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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>838,817</u>	\$ <u>986,980</u>	\$ <u>1,176,674</u>

BOONTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2024

NOTE 11. 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, 2024, the Authority estimates that no material liabilities will result from such audits.

NOTE 12. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through August 5, 2025 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
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, 2024, 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 August 5, 2025.

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 or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogradac & Company LLP

August 5, 2025
Toms River, New Jersey

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

To the Board of Commissioners
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, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Opinion on Each Major Federal Program

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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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

August 5, 2025
Toms River, New Jersey

SUPPLEMENTAL INFORMATION

BOONTON HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>Federal Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State Pass- through Number</u>	<u>Grant Period From / To</u>	<u>Grant Award</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>						
Housing Voucher Cluster						
Section 8 Housing Choice Vouchers	14.871	N/A	10/1/2023 9/30/2024	\$ 3,767,556	\$ 4,014,743	\$ 4,014,743
Total Housing Voucher Cluster				3,767,556	4,014,743	4,014,743
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.877	N/A	1/1/2023 12/31/2024	151,200	92,386	151,000
Total Expenditures of Federal Awards				\$ 3,918,756	\$ 4,107,129	\$ 4,165,743

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, 2024

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, 2024. 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.

**BOONTON HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

I. Summary of Auditors' Results

Financial Statements

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued: | Qualified |
| 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? | None reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. | Identification of major programs: | |

AL Number

Name of Federal Program

Housing Voucher Cluster
14.871

Section 8 Housing Choice Vouchers

- | | | |
|----|--|-----------|
| 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, 2024

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, 2024**

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS

	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024 (A)
Contractually required contribution	\$ 34,805	\$ 36,790	\$ 38,856	\$ 42,045	\$ 34,794	\$ 47,966	\$ 63,832	\$ 63,055	\$ 65,888	\$ 49,416
Contributions in relation to the contractually required contribution	<u>34,805</u>	<u>36,790</u>	<u>38,856</u>	<u>42,045</u>	<u>34,794</u>	<u>47,966</u>	<u>63,832</u>	<u>63,055</u>	<u>65,888</u>	<u>49,416</u>
(Over) / under funded	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Authority's covered-employee payroll	<u>\$ 323,988</u>	<u>\$ 322,793</u>	<u>\$ 324,294</u>	<u>\$ 338,095</u>	<u>\$ 325,768</u>	<u>\$ 359,153</u>	<u>\$ 396,033</u>	<u>\$ 416,829</u>	<u>\$ 415,512</u>	<u>\$ 494,012</u>
Contributions as a percentage of covered-employee payroll	<u>10.74 %</u>	<u>11.40 %</u>	<u>11.98 %</u>	<u>12.44 %</u>	<u>10.68 %</u>	<u>13.36 %</u>	<u>16.12 %</u>	<u>15.13 %</u>	<u>15.86 %</u>	<u>10.00 %</u>

(A) Information relating to the pension plan was not available because the pension plan for the year ended September 30, 2024 had not been audited as of the date the auditors' report.

BOONTON HOUSING AUTHORITY
REQUIRED PENSION INFORMATION (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THEIR NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS										
	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024 (A)
Authority's proportion of the net pension liability	<u>0.0040 %</u>	<u>0.0041 %</u>	<u>0.0042 %</u>	<u>0.0042 %</u>	<u>0.0036 %</u>	<u>0.0044 %</u>	<u>0.0055 %</u>	<u>0.0050 %</u>	<u>0.0049 %</u>	<u>- %</u>
Authority's proportionate share of the net pension liability	<u>\$ 908,775</u>	<u>\$ 226,510</u>	<u>\$ 976,373</u>	<u>\$ 714,049</u>	<u>\$ 714,049</u>	<u>\$ 715,024</u>	<u>\$ 645,697</u>	<u>\$ 754,600</u>	<u>\$ 714,049</u>	<u>\$ 714,049</u>
Authority's covered-employee payroll	<u>\$ 323,988</u>	<u>\$ 322,793</u>	<u>\$ 324,294</u>	<u>\$ 338,095</u>	<u>\$ 325,768</u>	<u>\$ 359,153</u>	<u>\$ 396,033</u>	<u>\$ 416,829</u>	<u>\$ 415,512</u>	<u>\$ 494,012</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>280.50 %</u>	<u>379.97 %</u>	<u>301.08 %</u>	<u>211.20 %</u>	<u>219.19 %</u>	<u>199.09 %</u>	<u>163.04 %</u>	<u>181.03 %</u>	<u>171.85 %</u>	<u>144.54 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>47.93 %</u>	<u>40.14 %</u>	<u>48.10 %</u>	<u>53.60 %</u>	<u>56.30 %</u>	<u>58.32 %</u>	<u>70.33 %</u>	<u>62.91 %</u>	<u>65.23 %</u>	<u>- %</u>

(A) Information relating to the pension plan was not available because the pension plan for the year ended September 30, 2024 had not been audited as of the date the auditors' report.

BOONTON HOUSING AUTHORITY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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	September 30, 2022	September 30, 2023	September 30, 2024 (A)
Statutorily required contribution	\$ 63,785	\$ 68,942	\$ 57,945	\$ 57,945	\$ 54,225	\$ 50,143	\$ 65,262	\$ 101,729
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>	<u>50,143</u>	<u>65,262</u>	<u>101,729</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <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>396,033</u>	\$ <u>416,829</u>	\$ <u>415,512</u>	\$ <u>494,012</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>13.69 %</u>	<u>12.03 %</u>	<u>15.71 %</u>	<u>20.59 %</u>

(A) Information relating to the defined benefit OPEB plan was not available because the OPEB plan for the year ended September 30, 2024 had not been audited as of the date the auditors' report.

*** 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 (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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	September 30, 2022	September 30, 2023	September 30, 2024 (A)	
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>	<u>0.0056 %</u>	<u>0.0066 %</u>	<u>- %</u>	
Authority's proportionate share of the net OPEB liability	<u>\$ 914,957</u>	<u>\$ 778,454</u>	<u>\$ 605,645</u>	<u>\$ 605,645</u>	<u>\$ 1,033,366</u>	<u>\$ 911,968</u>	<u>\$ 986,980</u>	<u>\$ 986,980</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>	<u>\$ 416,829</u>	<u>\$ 415,152</u>	<u>\$ 494,012</u>	
Authority's proportionate share of the net OPEB liability as a percentage of its covered- employee payroll	<u>282.14 %</u>	<u>230.25 %</u>	<u>185.91 %</u>	<u>185.91 %</u>	<u>287.72 %</u>	<u>218.79 %</u>	<u>237.74 %</u>	<u>199.79 %</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>0.28 %</u>	<u>(0.36)%</u>	<u>(0.79)%</u>	<u>- %</u>	

(A) Information relating to the defined benefit OPEB plan was not available because the OPEB plan for the year ended September 30, 2024 had not been audited as of the date the auditors' report.

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

Boonton Housing Authority (NJ052)

BOONTON, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2024

	Project Total	6.2 Component Unit - Blended	14,877 Public Housing Family Self-Sufficiency under ROSS	14,871 Housing Choice Vouchers	1 Business Activities	ELIM	Total
111 Cash - Unrestricted				\$511,778	\$17,756		\$529,532
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted				\$351,738			\$351,738
114 Cash - Tenant Security Deposits							
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$0	\$0	\$0	\$863,514	\$17,756		\$881,270
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects				\$65,647			\$65,647
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous					\$1,152,693		\$1,152,693
126 Accounts Receivable - Tenants							
126.1 Allowance for Doubtful Accounts - Tenants							
126.2 Allowance for Doubtful Accounts - Other				\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud		\$0					\$0
128 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$65,647	\$1,152,693		\$1,218,340
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets				\$14,331			\$14,331
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	\$0	\$0	\$0	\$945,492	\$1,170,449		\$2,113,941
161 Land							
162 Buildings					\$215,955		\$215,955
163 Furniture, Equipment & Machinery - Dwellings					\$6,653,347		\$6,653,347
164 Furniture, Equipment & Machinery - Administration					\$509,903		\$509,903
165 Leasehold Improvements				\$10,026	\$146,600		\$156,626
166 Accumulated Depreciation							
167 Construction in Progress				-\$5,154	-\$6,411,809		-\$6,416,963
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$4,872	\$1,113,966		\$1,118,868
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due							
173 Grants Receivable - Non-Current							
174 Other Assets							
175 Investments in Joint Ventures							
180 Total Non-Current Assets	\$0	\$0	\$0	\$4,872	\$1,113,966		\$1,118,868
200 Deferred Outflow of Resources				\$775,524			\$775,524
280 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$0	\$1,773,888	\$2,284,445		\$4,008,333

Boonton Housing Authority (NJ052)

BOONTON, NJ

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2024

Submission Type: Audited/Single Audit

	Project Total	6.2 Component Unit - Blended	14,877 Public Housing Family Self-Sufficiency under ROSS	14,871 Housing Choice Vouchers	1 Business Activities	ELIM	Total
311 Bank Overdraft							
312 Accounts Payable <= 90 Days							
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable				\$4,308			\$4,308
322 Accrued Compensated Absences - Current Portion				\$20,813			\$20,813
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs				\$12,629			\$12,629
332 Accounts Payable - PHA Projects				\$2,276			\$2,276
333 Accounts Payable - Other Government							
341 Tenant Security Deposits							
342 Unearned Revenue		\$0					\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To							
348 Loan Liability - Current							
310 Total Current Liabilities	\$0	\$0	\$0	\$40,026	\$0		\$40,026
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other				\$351,738			\$351,738
354 Accrued Compensated Absences - Non Current				\$187,327			\$187,327
355 Loan Liability - Non Current							
356 PABP S Liabilities							
357 Accrued Pension and OPEB Liabilities		\$0		\$1,701,029			\$1,701,029
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$2,240,094	\$0		\$2,240,094
300 Total Liabilities	\$0	\$0	\$0	\$2,280,120	\$0		\$2,280,120
400 Deferred Inflow of Resources				\$743,245			\$743,245
508.4 Net Investment in Capital Assets				\$4,872	\$1,113,996		\$1,118,868
511.4 Restricted Net Position							
512.4 Unrestricted Net Position	\$0	\$0	\$0	-\$1,304,349	\$1,170,449		-\$133,900
513 Total Equity - Net Assets / Position	\$0	\$0	\$0	-\$1,299,477	\$2,284,445		\$884,968
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$0	\$0	\$1,723,886	\$2,284,445		\$4,008,333

Boonton Housing Authority (NJ052)

BOONTON, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2024

	Project Total	6.2 Component Unit Blended	14.877 Public Housing Family Self-Sufficiency under ROSS	14.871 Housing Choice Vouchers	1 Business Activities	ELIM	Total
70300 Net Tenant Rental Revenue					\$1,653,111	-\$1,106,127	\$546,984
70400 Tenant Revenue - Other							
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$1,653,111	-\$1,106,127	\$546,984
70600 HUD PHA Operating Grants			\$92,386	\$3,767,556			\$3,859,942
70610 Capital Grants							
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue						\$0	\$0
70800 Other Government Grants							
71100 Investment Income - Unrestricted				\$10,990			\$10,990
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery				\$2,054			\$2,054
71500 Other Revenue				\$38,097	\$17,889		\$55,986
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	\$0	\$0	\$92,386	\$3,815,637	\$1,671,000	-\$1,106,127	\$4,475,956
91100 Administrative Salaries					\$120,019		\$270,914
91200 Auditing Fees				\$150,895	\$8,990		\$15,040
91300 Management Fee				\$8,050			
91310 Book-keeping Fee							
91400 Advertising and Marketing							
91500 Employee Benefit Contributions - Administrative				\$58,957	\$44,187		\$103,144
91600 Office Expenses				\$62,117	\$75,939		\$138,056
91700 Legal Expense				\$2,450	\$14,727		\$17,177
91800 Travel				\$1,155	\$6,601		\$7,756
91810 Allocated Overhead							
91900 Other							
91000 Total Operating - Administrative	\$0	\$0	\$0	\$281,624	\$270,463	\$0	\$552,087
92000 Asset Management Fee							
92100 Tenant Services - Salaries			\$78,681				\$78,681
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services			\$13,705				\$13,705
92400 Tenant Services - Other					\$8,975		\$8,975
92500 Total Tenant Services	\$0	\$0	\$92,386	\$0	\$8,975	\$0	\$101,361

See report of independent auditors.

Boonton Housing Authority (NJ052)

BOONTON, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2024

	Project Total	6.2 Component Unit Blended	14,877 Public Housing Family Self-Sufficiency under ROSS	14,871 Housing Choice Vouchers	1 Business Activities	ELIM	Total
93100 Water							
93200 Electricity					\$73,864		\$73,864
93300 Gas					\$82,370		\$82,370
93400 Fuel					\$100,845		\$100,845
93500 Labor					\$29,000		\$29,000
93600 Sewer					\$26,021		\$26,021
93700 Employee Benefit Contributions - Utilities					\$10,566		\$10,566
93800 Other Utilities Expense							
93900 Total Utilities	\$0	\$0	\$0	\$0	\$322,766	\$0	\$322,766
94100 Ordinary Maintenance and Operations - Labor							
94200 Ordinary Maintenance and Operations - Materials and Other					\$117,248		\$117,248
94300 Ordinary Maintenance and Operations Contracts		\$0			\$62,898		\$62,898
94500 Employee Benefit Contributions - Ordinary Maintenance					\$260,778		\$260,778
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$41,305		\$41,305
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$482,329	\$0	\$482,329
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95110 Property Insurance					\$39,805		\$39,805
95120 Liability Insurance					\$19,952		\$19,952
95130 Workmen's Compensation				\$11,093	\$19,952		\$31,045
95140 All Other Insurance							
95100 Total Insurance Premiums	\$0	\$0	\$0	\$11,093	\$79,809	\$0	\$90,902
95200 Other General Expenses							
95210 Compensated Absences				\$3,123	\$6,657		\$9,780
95300 Payments in Lieu of Taxes				\$22,606			\$22,606
95400 Bad debt - Tenant Rents					\$22,422		\$22,422
95500 Bad debt - Mortgages					\$10,370		\$10,370
95600 Bad debt - Other							
95800 Severance Expense							
95600 Total Other General Expenses	\$0	\$0	\$0	\$25,729	\$39,449	\$0	\$65,178
95710 Interest of Mortgage (or Bonds) Payable							
95720 Interest on Notes Payable (Short and Long Term)							
95730 Amortization of Bond Issue Costs							
95700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95900 Total Operating Expenses	\$0	\$0	\$52,386	\$318,446	\$1,203,791	\$0	\$1,614,623

Boonton Housing Authority (NJ052)

BOONTON, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2024

	Project Total	6.2 Component Unit Blinded	14.877 Public Housing Family Self- Sufficiency under ROSS	14.871 Housing Choice Vouchers	1 Business Activities	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$0	\$3,500,251	\$467,209	-\$1,106,127	\$2,861,333
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments				\$3,695,119		-\$1,106,127	\$2,588,992
97350 HAP Portability-In							
97400 Depreciation Expense				\$1,771	\$80,113		\$81,884
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
99000 Total Expenses	\$0	\$0	\$92,386	\$4,015,336	\$1,293,904	-\$1,106,127	\$4,295,469
10010 Operating Transfer In							
10020 Operating Transfer Out					\$0		\$0
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue over (Under) Total Expenses	\$0	\$0	\$0	-\$195,639	\$377,096	\$0	\$180,457
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$740,612	\$0	\$62,869	\$0	\$0	\$804,511
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							
11050 Changes in Compensated Absence Balance				-\$1,166,737	\$1,007,349		\$0
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity				-\$1,299,477			-\$1,299,477
11180 Housing Assistance Payments Equity				\$0			\$0
11190 Unit Months Available	0	0	0	2796	888	0	3684
11210 Number of Unit Months Leased	0	0	0	1890	865	0	2755