

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2023**

**WITH  
REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**TABLE OF CONTENTS**  
**YEAR ENDED SEPTEMBER 30, 2023**

| <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 State of New Jersey OMB Circular 15-08                                     | 35-37       |
| Supplementary Information:                                                                                                                                                                                                |             |
| Schedule of Expenditures of Federal Awards                                                                                                                                                                                | 38          |
| Notes to Schedule of Expenditures of Federal Awards                                                                                                                                                                       | 39          |
| Schedule of Findings and Questioned Costs                                                                                                                                                                                 | 40-42       |
| Required Pension Information                                                                                                                                                                                              | 43-44       |
| Required Other Post Employment Benefits Information                                                                                                                                                                       | 45-46       |
| Financial Data Schedule                                                                                                                                                                                                   | 47-51       |

## **REPORT OF INDEPENDENT AUDITORS**

To the Board of Commissioners  
Housing Authority of the Township of Neptune:

### **Opinion**

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

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the net position of the Authority, as of September 30, 2023, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We were unable to obtain sufficient audit evidence for the balances of 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 for the year ended September 30, 2023 had not yet issued their audited actuarial reports. Accordingly, the Authority's net pension liability, net OPEB liability, deferred outflows of resources, and deferred inflows of resources are reported at their 2022 amounts. Pension expense and OPEB expense are recorded at their annual contribution amount. We were unable to obtain sufficient appropriate audit evidence for the balances of the net pension liability, net OPEB liability, deferred outflows of resources, deferred inflows of resources, pension expense, and OPEB expense relating to the defined benefit pension and OPEB plans by other auditing procedures. Because the audited actuarial reports for the pension and OPEB plans have not been issued, it is not practicable to quantify the financial effects of this matter.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension information and required other post employment benefit information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Matters (continued)**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's 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 TBD 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.

TBD  
Toms River, New Jersey

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2023**

As management of the Housing Authority of the Township of Neptune ("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, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

**A. Financial Highlights**

1. The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,664,446 as opposed to \$1,876,233 net position for the prior fiscal year.
2. As of the close of the current fiscal year, the Authority reported ending unrestricted net deficit of (\$2,789,145).
3. The Authority's cash and cash equivalents balance (including tenant security deposits) at September 30, 2023 totaled \$3,228,043 representing an increase of \$1,137,320 from the prior fiscal year.
4. The Authority had total operating revenues of \$7,594,482 and total operating expenses of \$6,923,195 for the year ended September 30, 2023.
5. The Authority's Expenditures of Federal Awards amounted to \$5,891,672 for the fiscal year.

**B. Using the Annual Report**

**1. Management's Discussion and Analysis**

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

**2. Basic Financial Statements**

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

B. Using the Annual Report (continued)

2. Basic Financial Statements (continued)

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

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 Basic Financial Statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The Basic Financial Statements can be found on Pages 10 through 14 in this report.

3. Notes to Financial Statements

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

4. Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 15-08. The Schedule of Expenditures of Federal Awards can be found on page 38 of this report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

C. The Authority as a Whole

The Authority's Net Position increased during the 2023 fiscal year as detailed on page 7. 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 operating revenues were not sufficient to cover all expenses, excluding depreciation during the fiscal year.

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

Significant account changes from 2022 to 2023 are detailed as follows:

- Cash, cash equivalents and restricted cash increased \$1,137,320 primarily due to operating revenues exceeding operating expenses.
- Capital assets, net increased \$139,113 as capital asset additions of \$546,925 exceeded depreciation expense of \$407,812.
- Accounts payable decreased \$11,527 primarily due to the payment of outstanding PILOT being paid to the Township of Neptune during the year ended September 30, 2023.
- HUD capital grants decreased \$183,106 primarily due to the Authority decreasing its CFP Expenditures in fiscal year 2023.
- Operating Expenses decreased \$273,753 primarily due to the following reasons:
  - i. Housing assistance payment expenses increased \$63,687 due to an increase in units months leased during year ending 2023.
  - ii. Administrative expenses increased \$60,230 due increases in salaries, employee benefits, and other administrative expenditures.
  - iii. Utilities expense decreased from \$1,115,173 in 2022 to \$967,883 in 2023 or by \$147,290. Water, electricity, and gas costs decreased from 2022 to 2023.
  - iv. Ordinary repairs and maintenance expenses decreased \$222,499 primarily due to decreases in materials and contract costs as well as labor and employee benefits.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**C. The Authority as a Whole (continued)**

|                                              | As of        |              |              |
|----------------------------------------------|--------------|--------------|--------------|
|                                              | 9/30/2023    | 9/30/2022    | Change       |
| Cash and Other Current Assets                | \$ 3,725,851 | \$ 3,016,864 | \$ 708,987   |
| Restricted Cash                              | 485,209      | 89,722       | 395,487      |
| Capital Assets - Net                         | 5,968,382    | 5,829,269    | 139,113      |
| Deferred Outflows of Resources               | 1,261,580    | 1,179,591    | 81,989       |
| Total Assets                                 | 11,441,022   | 10,115,446   | 1,325,576    |
| Less: Total Liabilities                      | 5,436,491    | 5,539,823    | (103,332)    |
| Deferred Inflows of Resources                | 2,340,085    | 2,699,390    | (359,305)    |
| Net Position                                 | \$ 3,664,446 | \$ 1,876,233 | \$ 1,788,213 |
| Net Investment in Capital Assets             | \$ 5,968,382 | \$ 5,829,269 | \$ 139,113   |
| Restricted Net Position                      | 485,209      | 89,722       | 395,487      |
| Unrestricted Net Position                    | (2,789,145)  | (4,042,758)  | 1,253,613    |
| Net Position                                 | \$ 3,664,446 | \$ 1,876,233 | \$ 1,788,213 |
|                                              | Year Ended   |              |              |
|                                              | 9/30/2023    | 9/30/2022    | Change       |
| <u>Revenues</u>                              |              |              |              |
| Tenant Revenues                              | \$ 1,695,179 | \$ 1,636,692 | \$ 58,487    |
| HUD Operating Grants                         | 5,802,114    | 5,198,508    | 603,606      |
| Other Revenues                               | 97,189       | 166,901      | (69,712)     |
| Total Operating Revenues                     | 7,594,482    | 7,002,101    | 592,381      |
| <u>Expenses</u>                              |              |              |              |
| Other Operating Expenses                     | 3,405,923    | 3,692,337    | (286,414)    |
| Housing Assistance Payments                  | 3,109,460    | 3,045,773    | 63,687       |
| Depreciation Expense                         | 407,812      | 458,838      | (51,026)     |
| Total Operating Expenses                     | 6,923,195    | 7,196,948    | (273,753)    |
| Operating Income                             | 671,287      | (194,847)    | 866,134      |
| <u>Non-Operating Revenues</u>                |              |              |              |
| Interest on Investments                      | 62,301       | 5,366        | 56,935       |
| Actuarial change in post-employment benefits | 533,080      | 382,087      | 150,993      |
| HUD Capital Grants                           | 521,545      | 704,651      | (183,106)    |
| Total Non-Operating Revenues                 | 1,116,926    | 1,092,104    | 24,822       |
| Change in Net Position                       | 1,788,213    | 897,257      | 890,956      |
| Net Position - Beginning of Year             | 1,876,233    | 978,976      | 897,257      |
| Net Position - End of Year                   | \$ 3,664,446 | \$ 1,876,233 | \$ 1,788,213 |

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**D.     Budgetary Highlights**

For the year ended September 30, 2023, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. Also, the Authority adopted a comprehensive annual budget for the General Fund. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency. As indicated by the change in net position, the Authority's net position decreased during the fiscal year. This decrease is indicative that the Authority is having difficulty operating within its budgetary limitations in total, for all its programs resulting from increased costs and a continuing reduction in HUD subsidies.

**E.     Capital Assets and Debt Administration**

**1.     Capital Assets**

As of September 30, 2023, the Authority's capital assets were \$5,968,382 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and construction in progress.

Purchases of capital assets totaled \$546,925.

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

**2.     Debt Administration**

The Authority has no outstanding long-term debt at this time.

**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, 2024.

1. The significant cut-back on HUD subsidies and grants.
2. The continued reduction in interest rates on funds invested.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

G. Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bart J. Cook, Executive Director, Housing Authority of the Township of Neptune, 881 Alberta Avenue, Neptune, NJ 07753.

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

ASSETS

|                           |                   |
|---------------------------|-------------------|
| Current assets:           |                   |
| Cash and cash equivalents | \$ 2,631,031      |
| Tenant security deposits  | 111,803           |
| Accounts receivable, net  | 924,479           |
| Prepaid expenses          | <u>58,538</u>     |
| Total current assets      | <u>3,725,851</u>  |
| Non-current assets:       |                   |
| Restricted cash           | 485,209           |
| Capital assets, net       | <u>5,968,382</u>  |
| Total non-current assets  | <u>6,453,591</u>  |
| Total assets              | <u>10,179,442</u> |

DEFERRED OUTFLOWS OF RESOURCES

|                                                 |                      |
|-------------------------------------------------|----------------------|
| State of New Jersey P.E.R.S.                    | 378,424              |
| State of New Jersey S.H.B.P.                    | <u>883,156</u>       |
| Total deferred outflows of resources            | <u>1,261,580</u>     |
| Total assets and deferred outflows of resources | <u>\$ 11,441,022</u> |

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**STATEMENT OF NET POSITION (continued)**  
**SEPTEMBER 30, 2023**

**LIABILITIES**

|                                           |                  |
|-------------------------------------------|------------------|
| Current liabilities:                      |                  |
| Accounts payable                          | \$ 147,321       |
| Accrued expenses                          | 10,932           |
| Accrued compensated absences, current     | 36,067           |
| Tenant security deposits                  | 111,803          |
| Prepaid rent                              | 18,928           |
| Other current liabilities                 | <u>24,400</u>    |
| Total current liabilities                 | <u>349,451</u>   |
| Non-current liabilities:                  |                  |
| Accrued compensated absences, non-current | 324,607          |
| Accrued pension liability                 | 1,874,562        |
| Accrued OPEB liability                    | <u>2,887,871</u> |
| Total non-current liabilities             | <u>5,087,040</u> |
| Total liabilities                         | <u>5,436,491</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |                  |
|-------------------------------------|------------------|
| State of New Jersey P.E.R.S.        | 372,380          |
| State of New Jersey S.H.B.P.        | <u>1,967,705</u> |
| Total deferred inflows of resources | <u>2,340,085</u> |

**NET POSITION**

|                                                                   |                      |
|-------------------------------------------------------------------|----------------------|
| Net position:                                                     |                      |
| Net investment in capital assets                                  | 5,968,382            |
| Restricted                                                        | 485,209              |
| Unrestricted                                                      | <u>(2,789,145)</u>   |
| Total net position                                                | <u>3,664,446</u>     |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 11,441,022</u> |

See accompanying notes to financial statements.

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

|                                              |                            |
|----------------------------------------------|----------------------------|
| Operating revenues:                          |                            |
| Tenant revenue                               | \$ 1,695,179               |
| HUD operating grants                         | 5,802,114                  |
| Other revenues                               | <u>97,189</u>              |
| Total operating revenues                     | <u>7,594,482</u>           |
| Operating expenses:                          |                            |
| Administrative                               | 980,768                    |
| Tenant services                              | 113,218                    |
| Utilities                                    | 967,883                    |
| Ordinary repairs and maintenance             | 975,680                    |
| Insurance                                    | 226,197                    |
| General                                      | 102,881                    |
| Extraordinary maintenance                    | 39,296                     |
| Housing assistance payments                  | 3,109,460                  |
| Depreciation                                 | <u>407,812</u>             |
| Total operating expenses                     | <u>6,923,195</u>           |
| Operating income                             | 671,287                    |
| Non-operating revenues:                      |                            |
| Actuarial change in post-employment benefits | 533,080                    |
| Investment income                            | <u>62,301</u>              |
| Total non-operating revenues                 | <u>595,381</u>             |
| Income before capital grants                 | 1,266,668                  |
| Capital grants                               | <u>521,545</u>             |
| Change in net position                       | 1,788,213                  |
| Total net position, beginning of year        | <u>1,876,233</u>           |
| Total net position, end of year              | <u><u>\$ 3,664,446</u></u> |

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

|                                                                                                                 |                            |
|-----------------------------------------------------------------------------------------------------------------|----------------------------|
| Cash Flows from Operating Activities:                                                                           |                            |
| Cash received from grantors                                                                                     | \$ 5,880,204               |
| Cash received from tenants and others                                                                           | 2,296,432                  |
| Cash paid to vendors and suppliers                                                                              | (6,095,502)                |
| Cash paid to employees                                                                                          | <u>(980,735)</u>           |
| Net cash provided by operating activities                                                                       | <u>1,100,399</u>           |
| Cash Flows from Capital and Related Financing Activities:                                                       |                            |
| Proceeds from capital grants                                                                                    | 521,545                    |
| Purchase of capital assets                                                                                      | <u>(546,925)</u>           |
| Net cash used in capital and related financing activities                                                       | <u>(25,380)</u>            |
| Cash Flows from Investing Activities:                                                                           |                            |
| Investment income                                                                                               | <u>62,301</u>              |
| Net cash provided by investing activities                                                                       | <u>62,301</u>              |
| Net increase in cash and cash equivalents and restricted cash                                                   | 1,137,320                  |
| Cash and cash equivalents and restricted cash, beginning of year                                                | <u>2,090,723</u>           |
| Cash and cash equivalents and restricted cash, end of year                                                      | <u><u>\$ 3,228,043</u></u> |
| Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows: |                            |
| Cash and cash equivalents                                                                                       | \$ 2,631,031               |
| Tenant security deposits                                                                                        | 111,803                    |
| Restricted cash                                                                                                 | <u>485,209</u>             |
| Cash and cash equivalents and restricted cash                                                                   | <u><u>\$ 3,228,043</u></u> |

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

|                  |    |         |
|------------------|----|---------|
| Operating income | \$ | 671,287 |
|------------------|----|---------|

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

|              |  |         |
|--------------|--|---------|
| Depreciation |  | 407,812 |
|--------------|--|---------|

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

|                                    |  |                  |
|------------------------------------|--|------------------|
| Accounts receivable, net           |  | 40,801           |
| Prepaid expenses                   |  | (7,955)          |
| Deferred outflows of resources     |  | (81,989)         |
| Accounts payable                   |  | (11,527)         |
| Accrued expenses                   |  | 33               |
| Tenant security deposits liability |  | 2,611            |
| Prepaid rent                       |  | 7,175            |
| Accrued compensated absences       |  | 4,818            |
| Other liabilities                  |  | (14,656)         |
| Accrued pension liability          |  | 860,178          |
| Accrued OPEB liability             |  | (418,884)        |
| Deferred inflows of resources      |  | <u>(359,305)</u> |

|                                           |    |                         |
|-------------------------------------------|----|-------------------------|
| Net cash provided by operating activities | \$ | <u><u>1,100,399</u></u> |
|-------------------------------------------|----|-------------------------|

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Housing Authority of the Township of Neptune (the "Authority") is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J.S.A. 4A:12A-1, et. Seq., the "Housing Authority Act") for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the Township of Neptune, New Jersey (the "Township"). The Authority is responsible for operating certain low-rent housing programs in the Township 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 commissioners which is essentially autonomous but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board of Commissioners to manage the day-to-day operations of the Authority.

**B. Basis of Accounting / Financial Statements Presentation**

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (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.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting / Financial Statements 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.

On October 1, 2022, the Authority adopted GASB 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 increases the transparency and comparability among governmental organizations by requiring the recognition of subscription assets and subscription liabilities on the statement of net position by subscribers and the disclosure of key information about subscription arrangements. For the year ended September 30, 2023, the adoption of GASB 96 did not have a material effect on the financial statements of the Authority.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB 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.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs**

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

Public and Indian Housing Program

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

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income households 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 household.

Public Housing Capital Fund Program

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

**E. Use of Management Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and net pension and OPEB liability, depreciable lives of properties and equipment, deferred inflows and outflows of resources, 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.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Cash and Cash Equivalents (continued)**

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

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

**G. Accounts Receivable, Net**

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

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

**H. Allowance for Doubtful Accounts**

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

**I. Prepaid Expenses**

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

**J. Capital Assets, Net**

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Capital Assets, Net (continued)**

Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

|                           |             |
|---------------------------|-------------|
| • Buildings               | 40 Years    |
| • Leasehold Improvements  | 15 Years    |
| • Furniture and Equipment | 3 - 5 Years |

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

**K. Impairment of Long Lived Assets**

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

**L. Inter-program Receivables and Payables**

Inter-program receivables/payables are current, and are the result of the use of the Public and Indian Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes.

**M. Accounts Payable and Accrued Liabilities**

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

**N. Prepaid Rent**

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

**O. Compensated Absences**

Compensated absences represent amounts to which employees are entitled to based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary. Employees may be compensated for sick leave at retirement or termination at one half of the earned, accrued and unused sick leave at the current salary to a maximum of 130 days or 182.5 days depending on length of service.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**P. Pensions**

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

**Q. Other Post Employment Benefits**

For purposes of measuring the net Other Post Employment Benefits ("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 capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

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

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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. 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, 2023, rental revenue earned by the Authority under the aforementioned leases totaled \$1,682,942.

**W. 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 Township.

**X. Economic Dependency**

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

**Y. Budgets and Budgetary Accounting**

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal awards. All budgets are prepared on a HUD basis, which is materially consistent with GAAP. All appropriations lapse at HUD's program year end or at the end of grant periods.

Pursuant to N.J.S.A 40A:5A-10 and N.J.A.C. 5:31 each authority is required to submit a budget for each fiscal year to the Director of the Division of Local Government Services 60 days prior to the beginning of the fiscal year.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Z. 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 disaster. 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 except for deductibles for the previous three years.

**NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

As of September 30, 2023, the Authority had funds on deposit in checking, savings and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$3,228,043 and the bank balances approximated \$3,273,428.

| <u>Cash Category</u>            | <u>Amount</u>       |
|---------------------------------|---------------------|
| Unrestricted                    | \$ 2,631,031        |
| Tenant security deposits        | 111,803             |
| Restricted                      | <u>485,209</u>      |
| Total cash and cash equivalents | <u>\$ 3,228,043</u> |

Of the bank balances, \$560,185 was covered by federal depository insurance and the remaining \$2,713,243 was collateralized by GUDPA as of September 30, 2023.

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

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

As of September 30, 2023, accounts receivable, net consisted of the following :

| <u>Description</u>                  | <u>Amount</u>     |
|-------------------------------------|-------------------|
| Accounts receivable - HUD           | \$ 699,190        |
| Accounts receivable - tenants, net  | 147,441           |
| Accounts receivable - miscellaneous | <u>77,848</u>     |
| Total accounts receivable, net      | <u>\$ 924,479</u> |

Accounts Receivable - HUD

As of September 30, 2023, accounts receivable - HUD consisted of amounts due from HUD as part of the Authority's Public Housing Capital Fund Program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)**

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent and fraud recovery. The balance is shown net of an allowance for doubtful accounts of \$50,351.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed to the Authority by Neptune Redevelopment and Neptune City Housing Authority for management fees and maintenance costs. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**NOTE 4. CAPITAL ASSETS, NET**

The following is a summary of changes in capital assets during the year ended September 30, 2023:

| Description                    | September 30,<br>2022 | Additions         | Disposals   | Transfers        | September 30,<br>2023 |
|--------------------------------|-----------------------|-------------------|-------------|------------------|-----------------------|
| <u>Non-depreciable:</u>        |                       |                   |             |                  |                       |
| Land                           | \$ 656,954            | \$ -              | \$ -        | \$ -             | \$ 656,954            |
| Construction in progress       | <u>877,895</u>        | <u>521,545</u>    | <u>-</u>    | <u>(498,818)</u> | <u>900,622</u>        |
| Subtotal                       | <u>1,534,849</u>      | <u>521,545</u>    | <u>-</u>    | <u>(498,818)</u> | <u>1,557,576</u>      |
| <u>Depreciable:</u>            |                       |                   |             |                  |                       |
| Buildings                      | 25,223,612            | 25,380            | -           | 498,818          | 25,747,810            |
| Furniture and equipment        | <u>814,286</u>        | <u>-</u>          | <u>-</u>    | <u>-</u>         | <u>814,286</u>        |
| Subtotal                       | <u>26,037,898</u>     | <u>25,380</u>     | <u>-</u>    | <u>498,818</u>   | <u>26,562,096</u>     |
| Less: accumulated depreciation | <u>21,743,478</u>     | <u>407,812</u>    | <u>-</u>    | <u>-</u>         | <u>22,151,290</u>     |
| Net capital assets             | <u>\$ 5,829,269</u>   | <u>\$ 139,113</u> | <u>\$ -</u> | <u>\$ -</u>      | <u>\$ 5,968,382</u>   |

Depreciation expense for the year ended September 30, 2023 amounted to \$407,812.

**NOTE 5. RESTRICTED DEPOSITS**

As of September 30, 2023, restricted deposits consisted of the following:

| <u>Description</u>                  | <u>Amount</u>     |
|-------------------------------------|-------------------|
| Housing assistance payment reserves | \$ 485,209        |
| Tenant security deposits            | <u>111,803</u>    |
| Total restricted deposits           | <u>\$ 597,012</u> |

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 5. RESTRICTED DEPOSITS (continued)**

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

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

**NOTE 6. ACCOUNTS PAYABLE**

As of September 30, 2023, accounts payable consisted of the following:

| <u>Description</u>                  | <u>Amount</u>     |
|-------------------------------------|-------------------|
| Accounts payable - vendors          | \$ 25,501         |
| Accounts payable - other government | <u>121,820</u>    |
| Total accounts payable              | <u>\$ 147,321</u> |

Accounts Payable - Vendors

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

Accounts Payable - Other Governments

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

**NOTE 7. PAYMENTS IN LIEU OF TAXES**

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for certain Authority owned properties in accordance with the provisions of its Cooperation Agreement with the Township. Under the Cooperation Agreement, the Authority must pay the Township the lesser of 10% of its net shelter rent or the approximate full real property taxes. For the year ended September 30, 2023, the Authority incurred PILOT expense in the amount of \$71,506.

**NOTE 8. NON-CURRENT LIABILITIES**

Non-current liabilities activity during the year ended September 30, 2023 consisted of the following:

|                               | September 30,<br>2022 | Additions         | Payments/<br>Retirements | September 30,<br>2023 | Due in<br>One Year |
|-------------------------------|-----------------------|-------------------|--------------------------|-----------------------|--------------------|
| Accrued compensated absences  | \$ 355,856            | \$ 158,462        | \$ (153,644)             | \$ 360,674            | \$ 36,067          |
| Accrued pension liability     | 1,443,440             | 587,762           | (156,640)                | 1,874,562             | -                  |
| Accrued OPEB liability        | <u>3,410,779</u>      | <u>-</u>          | <u>(522,908)</u>         | <u>2,887,871</u>      | <u>-</u>           |
| Total non-current liabilities | <u>\$ 5,210,075</u>   | <u>\$ 746,224</u> | <u>\$ (833,192)</u>      | <u>\$ 5,123,107</u>   | <u>\$ 36,067</u>   |

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 9. PENSION PLAN**

The information required to present the schedule of changes in net pension liability, deferred inflows of resources and deferred outflows of resources for the PERS was not available as of the date of this report and accordingly, the net pension liability, deferred outflows of resources and deferred inflows of resources related to the PERS are being reported from the 2022 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. The following represents the membership tiers for PERS:

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

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

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

**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 of New Jersey (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.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 9. PENSION PLAN (continued)**

**C. Contributions (continued)**

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, 2023, the Authority reported a liability of \$1,874,562, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2021, and rolled forward to June 30, 2022.

For the year ended September 30, 2023, the Authority recognized pension benefit of \$429,056. At September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

|                                                                                   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Changes of Assumptions                                                            | \$ 5,808                                      | \$ 280,696                                   |
| Changes in Proportion                                                             | 131,643                                       | 79,753                                       |
| Differences between expected and actual experience                                | 13,530                                        | 11,931                                       |
| Net differences between projected and actual earnings on pension plan investments | 77,586                                        | -                                            |
| Contributions paid subsequent to the measurement date                             | <u>149,857</u>                                | <u>-</u>                                     |
| Total                                                                             | <u>\$ 378,424</u>                             | <u>\$ 372,380</u>                            |

The Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending September 30: | <u>Amount</u>       |
|---------------------------|---------------------|
| 2024                      | (118,163)           |
| 2025                      | (60,200)            |
| 2026                      | (29,358)            |
| 2027                      | 64,049              |
| 2028                      | <u>(141)</u>        |
|                           | <u>\$ (143,813)</u> |

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 9. PENSION PLAN (continued)**

**E. Actuarial Assumptions**

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

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

Pre-mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

**F. Long-term Expected Rate of Return**

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

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 9. PENSION PLAN (continued)**

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

|                                                                 | 1% Decrease<br><u>(6.00%)</u> | Discount Rate<br><u>(7.00%)</u> | 1% Increase<br><u>(8.00%)</u> |
|-----------------------------------------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Authority's proportionate share of<br>the net pension liability | \$ <u>2,428,659</u>           | \$ <u>1,874,562</u>             | \$ <u>1,432,390</u>           |

**NOTE 10. OTHER POST-RETIREMENT BENEFITS PLAN**

The information required to present the schedule of changes in net OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense for the SHBP was not available as of the date of this report and accordingly, the net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense related to the SHBP are being reported from the 2022 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 financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**B. Benefits**

SHBP provides medical and prescription drug to retirees and their covered dependents of the 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. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who:

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 10. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)**

**B. Benefits (continued)**

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, 2023, the Authority reported a liability of \$2,887,871, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and rolled forward to June 30, 2022.

For the year ended September 30, 2023, the Authority recognized OPEB benefit of \$104,024. At September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

|                                                                                              | Deferred<br>Outflows of<br><u>Resources</u> | Deferred<br>Inflows of<br><u>Resources</u> |
|----------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------|
| Changes of Assumptions                                                                       | \$ 385,398                                  | \$ 985,575                                 |
| Changes in Proportion                                                                        | 238,476                                     | 446,842                                    |
| Differences between expected and actual experience                                           | 149,133                                     | 535,288                                    |
| Net differences between projected and actual<br>investment earnings on OPEB plan investments | 760                                         | -                                          |
| Contributions made subsequent to the<br>measurement date                                     | <u>109,389</u>                              | <u>-</u>                                   |
| Total                                                                                        | \$ <u>883,156</u>                           | \$ <u>1,967,705</u>                        |

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 10. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)**

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

The Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                           | <u>Amount</u>         |
|---------------------------|-----------------------|
| Year ending September 30: |                       |
| 2024                      | \$ (317,006)          |
| 2025                      | (317,285)             |
| 2026                      | (250,556)             |
| 2027                      | (111,900)             |
| 2028                      | (25,088)              |
| Thereafter                | <u>(172,103)</u>      |
|                           | <u>\$ (1,193,938)</u> |

**D. Actuarial Assumptions**

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

|                           |                                            |
|---------------------------|--------------------------------------------|
| Salary increases:         |                                            |
| Rate for all future years | 2.75 to 6.55%<br>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, 2021 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 3.54% as of June 30, 2022. 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.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 10. OTHER POST-EMPLOYMENT 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 3.54%, 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 (2.54%) or 1 percentage point higher (4.54%) than the current rate.

|                                                           | 1% Decrease<br><u>(2.54%)</u> | Discount Rate<br><u>(3.54%)</u> | 1% Increase<br><u>(4.54%)</u> |
|-----------------------------------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Authority's proportionate share of the net OPEB liability | \$ <u>3,347,623</u>           | \$ <u>2,887,871</u>             | \$ <u>2,517,957</u>           |

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

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

|                                                           | 1% Decrease         | Healthcare Cost<br>Trend Rate | 1% Increase         |
|-----------------------------------------------------------|---------------------|-------------------------------|---------------------|
| Authority's proportionate share of the net OPEB liability | \$ <u>2,449,868</u> | \$ <u>2,887,871</u>           | \$ <u>3,448,829</u> |

**NOTE 11. RESTRICTED NET POSITION**

As of September 30, 2023, restricted net position consists of housing assistance payment reserves totaling \$485,209. Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

**NOTE 12. 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, 2023, the Authority estimates that no material liabilities will result from such audits.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2023**

**NOTE 13. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through TBD, which is 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 disclosures in the notes to the financial statements.

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

To the Board of Commissioners  
Housing Authority of the Township of Neptune:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of the Township of Neptune (the "Authority") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated TBD.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-002.

### **Authority's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

TBD  
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 of the  
Housing Authority of the Township of Neptune:

**Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of the Township of Neptune'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, 2023. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**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, 2023.

**Basis for Opinion on Each Major Federal Program**

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

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

**Responsibilities of Management for Compliance**

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

## **Auditors' Responsibilities for the Audit of Compliance**

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

## **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

## **Report on Internal Control over Compliance (continued)**

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

TBD  
Toms River, New Jersey

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| Federal<br>Grantor/Program Title                       | Federal<br>Assistance<br>Listing<br>Number | State<br>Pass-through<br>Number | Grant Period<br>From / To |            | Grant<br>Award | Federal<br>Expenditures | Cumulative<br>Expenditures |
|--------------------------------------------------------|--------------------------------------------|---------------------------------|---------------------------|------------|----------------|-------------------------|----------------------------|
| U.S. Department of Housing and Urban Development       |                                            |                                 |                           |            |                |                         |                            |
| Housing Voucher Cluster                                |                                            |                                 |                           |            |                |                         |                            |
| Section 8 Housing Choice Vouchers                      | 14.871                                     | N/A                             | 10/1/2022                 | 9/30/2023  | \$ 3,821,033   | \$ 3,389,046            | \$ 3,389,046               |
| Total Housing Voucher Cluster                          |                                            |                                 |                           |            | 3,821,033      | 3,389,046               | 3,389,046                  |
| Public and Indian Housing Program                      | 14.850                                     | N/A                             | 1/1/2020                  | 12/31/2021 | 3,514,170      | 1,561,789               | 3,514,170                  |
| Public Housing Capital Fund Program                    | 14.872                                     | N/A                             | 3/26/2020                 | 2/22/2023  | 1,996,311      | 940,837                 | 940,837                    |
| Total U.S. Department of Housing and Urban Development |                                            |                                 |                           |            | \$ 9,331,514   | \$ 5,891,672            | \$ 7,844,053               |

See Notes to Schedule of Expenditures of Federal Awards

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1. BASIS OF PRESENTATION**

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3. INDIRECT COST RATE**

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

**NOTE 4. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES**

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

|                            | <u>501-22</u>       | <u>501-23</u>       | <u>Totals</u>       |
|----------------------------|---------------------|---------------------|---------------------|
| Budget                     | \$ <u>1,020,440</u> | \$ <u>975,871</u>   | \$ <u>1,996,311</u> |
| <u>Advances:</u>           |                     |                     |                     |
| Cumulative through 9/30/22 | \$ -                | \$ -                | \$ -                |
| Current Year               | <u>1,020,440</u>    | <u>-</u>            | <u>1,020,440</u>    |
| Cumulative through 9/30/23 | <u>1,020,440</u>    | <u>-</u>            | <u>1,020,440</u>    |
| <u>Costs:</u>              |                     |                     |                     |
| Cumulative through 9/30/22 | 778,793             | -                   | 778,793             |
| Current Year               | <u>241,647</u>      | <u>699,190</u>      | <u>940,837</u>      |
| Cumulative through 9/30/23 | <u>1,020,440</u>    | <u>699,190</u>      | <u>1,719,630</u>    |
| Excess / (Deficiency)      | \$ <u>-</u>         | \$ <u>(699,190)</u> | \$ <u>(699,190)</u> |

Capital Fund Program Grant No. NJ39P048501-22 with approved funding of \$1,020,440 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2023**

**I. Summary of Auditors' Results**

**Financial Statement Section**

- |    |                                                     |           |
|----|-----------------------------------------------------|-----------|
| 1. | Type of auditors' report issued:                    | Qualified |
| 2. | Internal control over financial reporting           |           |
| a. | Material weakness(es) identified?                   | No        |
| b. | Significant deficiency(ies) identified?             | Yes       |
| 3. | Noncompliance material to the financial statements? | No        |

**Federal Awards Section**

- |    |                                                                                                    |            |
|----|----------------------------------------------------------------------------------------------------|------------|
| 1. | Internal control over compliance:                                                                  |            |
| a. | Material weakness(es) identified?                                                                  | No         |
| b. | Significant deficiency(ies) identified?                                                            | Yes        |
| 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)? | Yes        |
| 4. | Identification of major programs:                                                                  |            |

**ALN**

**Name of Federal Program**

14.850  
14.872

Public and Indian Housing Program  
Public Housing Capital Fund Program

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**SEPTEMBER 30, 2023**

II. Financial Statement Findings

**Finding 2023-001**

Criteria: The Authority has established internal control procedures over purchasing and cash disbursements requiring assurance that funds expended for supplies and services are for allowable purposes and are procured at the most favorable terms for the Authority and in full compliance with applicable Federal and State Laws and HUD regulations.

Condition: The Authority did not maintain adequate internal controls over the disbursement of certain Authority funds.

Context: The Authority advanced \$68,777 over several years to the Neptune Township Development Corporation with no formal agreement related to the services provided or cost to the Authority.

Effect: The Authority disbursed funds without following proper purchasing procedures and ensuring that Authority funds were utilized in the most efficient and cost effective manner.

Auditors' Recommendation: We recommend the Authority enter into a repayment agreement with the Neptune Township Development Corporation for repayment of funds provided.

Authority's Response: The Authority accepts the recommendation of the auditor. The Authority will increase oversight to ensure that established internal control policies are being followed on a timely basis.

III. Federal Award Findings and Questioned Costs

**Finding 2023-002**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Titles: Public and Indian Housing Program

Federal Assistance Listing Number: 14.850

Noncompliance – B. Allowable Costs/Cost Principles

Non Compliance Material to the Financial Statements: No

Significant Deficiency in Internal Control over Compliance for Allowable Costs/Cost Principles

Criteria: The Authority's federal program expenditures must meet the requirements of 2 CFR Part 200 Subpart E Cost Principles and must be adequately documented.

Condition: Based upon inspection of the Authority's paid invoices and on discussion with management, there were costs that were determined to be unallowable.

Context: The following costs were determined to be unallowable or not reasonable or necessary in the proper and efficient performance of the federal program:

- Alcoholic beverages (2 CFR section 200.423)
- Meals (2 CFR section 200.438)

Known Questioned Costs: \$1,260

Cause: There is a significant deficiency in internal controls over the compliance for the allowable costs/cost principle type of compliance. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that reasonably assures the program is in compliance with the allowable costs/cost principle requirements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**SEPTEMBER 30, 2023**

III. Federal Award Findings and Questioned Costs (continued)

**Finding 2023-002 (continued)**

Effect: The Public and Indian Housing Program is in non-compliance with the allowable costs/cost principle type of compliance.

Recommendation: We recommend the Authority design and implement internal control procedures that will reasonably assure compliance with the Uniform Guidance and the compliance supplement.

Authority's Response: The Authority accepts the recommendation of the auditor. The Authority will increase oversight in the Public and Indian Housing Program to ensure that established internal control policies are being followed on a timely basis.

IV. Schedule of Prior Year Federal Audit Findings

**Finding 2022-001**

Observation: The Authority did not maintain adequate internal controls over the disbursement of certain Authority funds. The Authority advanced \$68,777 over several years to the Neptune Township Development Corporation with no formal agreement related to the services provided or cost to the Authority. The Authority disbursed funds without following proper purchasing procedures and ensuring that Authority funds were utilized in the most efficient and cost effective manner.

Status: Finding remains open. See Finding 2023-001.

**Finding 2022-002**

Observation: Based upon inspection of the Authority's paid invoices and on discussion with management, there were costs that were determined to be unallowable. The following costs were determined to be unallowable or not reasonable or necessary in the proper and efficient performance of the federal program:

- Alcoholic beverages (2 CFR section 200.423)
- Training and education costs for a non-employee (2 CFR section 200.473)
- Meals (2 CFR section 200.438)

Status: Finding remains open. See Finding 2023-002.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
REQUIRED PENSION INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

|                                                                      | September 30,<br><u>2014</u> | September 30,<br><u>2015</u> | September 30,<br><u>2016</u> | September 30,<br><u>2017</u> | September 30,<br><u>2018</u> | September 30,<br><u>2019</u> | September 30,<br><u>2020</u> | September 30,<br><u>2021</u> | September 30,<br><u>2022</u> | September 30,<br><u>2023 (A)</u> |
|----------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|
| Contractually required contribution                                  | \$ 119,197                   | \$ 108,731                   | \$ 94,022                    | \$ 123,543                   | \$ 125,635                   | \$ 111,405                   | \$ 125,800                   | \$ 136,118                   | \$ 142,695                   | \$ 156,640                       |
| Contributions in relation to the contractually required contribution | <u>119,197</u>               | <u>108,731</u>               | <u>94,022</u>                | <u>123,543</u>               | <u>125,635</u>               | <u>111,405</u>               | <u>125,800</u>               | <u>136,118</u>               | <u>142,695</u>               | <u>156,640</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>1,162,939</u>          | \$ <u>1,136,756</u>          | \$ <u>1,033,658</u>          | \$ <u>1,054,138</u>          | \$ <u>1,042,408</u>          | \$ <u>970,816</u>            | \$ <u>1,047,506</u>          | \$ <u>1,055,047</u>          | \$ <u>1,088,919</u>          | \$ <u>1,074,941</u>              |
| Contributions as a percentage of covered-employee payroll            | <u>10.25 %</u>               | <u>9.57 %</u>                | <u>9.10 %</u>                | <u>11.72 %</u>               | <u>12.05 %</u>               | <u>11.48 %</u>               | <u>12.01 %</u>               | <u>12.90 %</u>               | <u>13.10 %</u>               | <u>14.57 %</u>                   |

(A) Information relating to the defined benefit pension plan was not available because the pension plan for the year ended September 30, 2023 had not been audited as of the date the auditors' report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
REQUIRED PENSION INFORMATION (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

|                                                                                                                                        | September 30,<br><u>2014</u> | September 30,<br><u>2015</u> | September 30,<br><u>2016</u> | September 30,<br><u>2017</u> | September 30,<br><u>2018</u> | September 30,<br><u>2019</u> | September 30,<br><u>2020</u> | September 30,<br><u>2021</u> | September 30,<br><u>2022</u> | September 30,<br><u>2023 (A)</u> |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|
| Authority's proportion of<br>the net pension<br>liability                                                                              | <u>0.0145 %</u>              | <u>0.0126 %</u>              | <u>0.0106 %</u>              | <u>0.0133 %</u>              | <u>0.0126 %</u>              | <u>0.0115 %</u>              | <u>0.0115 %</u>              | <u>0.0122 %</u>              | <u>0.0124 %</u>              | <u>- %</u>                       |
| Authority's<br>proportionate share of<br>the net pension<br>liability                                                                  | <u>\$ 2,707,100</u>          | <u>\$ 2,839,017</u>          | <u>\$ 3,134,519</u>          | <u>\$ 1,875,287</u>          | <u>\$ 2,486,929</u>          | <u>\$ 2,063,676</u>          | <u>\$ 1,875,287</u>          | <u>\$ 1,443,440</u>          | <u>\$ 1,874,562</u>          | <u>\$ 1,874,562</u>              |
| Authority's covered-<br>employee payroll                                                                                               | <u>\$ 1,162,939</u>          | <u>\$ 1,136,756</u>          | <u>\$ 1,033,658</u>          | <u>\$ 1,054,138</u>          | <u>\$ 1,042,408</u>          | <u>\$ 970,816</u>            | <u>\$ 1,047,506</u>          | <u>\$ 1,055,047</u>          | <u>\$ 1,088,919</u>          | <u>\$ 1,074,941</u>              |
| Authority's<br>proportionate share of<br>the net pension<br>liability (asset) as a<br>percentage of its<br>covered-employee<br>payroll | <u>232.78 %</u>              | <u>249.75 %</u>              | <u>303.25 %</u>              | <u>177.90 %</u>              | <u>238.58 %</u>              | <u>212.57 %</u>              | <u>179.02 %</u>              | <u>136.81 %</u>              | <u>172.15 %</u>              | <u>174.39 %</u>                  |
| Plan fiduciary net<br>position as a<br>percentage of the total<br>pension liability                                                    | <u>48.72 %</u>               | <u>52.08 %</u>               | <u>40.14 %</u>               | <u>40.14 %</u>               | <u>48.10 %</u>               | <u>53.60 %</u>               | <u>56.30 %</u>               | <u>42.51 %</u>               | <u>70.33 %</u>               | <u>62.91 %</u>                   |

(A) Information relating to the defined benefit pension plan was not available because the pension plan for the year ended September 30, 2023 had not been audited as of the date the auditors' report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
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,<br><u>2017</u> | September 30,<br><u>2018</u> | September 30,<br><u>2019</u> | September 30,<br><u>2020</u> | September 30,<br><u>2021</u> | September 30,<br><u>2022</u> | September 30,<br><u>2023 (A)</u> |
|--------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|
| Statutorily required contribution                                  | \$ 492,235                   | \$ 482,144                   | \$ 487,417                   | \$ 429,248                   | \$ 442,735                   | \$ 472,895                   | \$ -                             |
| Contributions in relation to the statutorily required contribution | <u>492,235</u>               | <u>482,144</u>               | <u>487,417</u>               | <u>429,248</u>               | <u>442,735</u>               | <u>472,895</u>               | <u>-</u>                         |
| Contribution deficiency (excess)                                   | \$ <u>-</u>                  | \$ <u>-</u>                  | \$ <u>-</u>                  | \$ <u>-</u>                  | \$ <u>-</u>                  | \$ <u>-</u>                  | \$ <u>-</u>                      |
| Authority's covered-employee payroll                               | \$ <u>1,054,138</u>          | \$ <u>1,042,408</u>          | \$ <u>970,816</u>            | \$ <u>1,047,506</u>          | \$ <u>1,055,047</u>          | \$ <u>1,088,919</u>          | \$ <u>1,074,941</u>              |
| Contributions as a percentage of covered-employee payroll          | <u>46.70 %</u>               | <u>46.25 %</u>               | <u>50.21 %</u>               | <u>40.98 %</u>               | <u>41.96 %</u>               | <u>43.43 %</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, 2023 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.

**HOUSING AUTHORITY OF THE TOWNSHIP OF NEPTUNE  
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,<br><u>2017</u> | September 30,<br><u>2018</u> | September 30,<br><u>2019</u> | September 30,<br><u>2020</u> | September 30,<br><u>2021</u> | September 30,<br><u>2022</u> | September 30,<br><u>2023 (A)</u> |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|
| Authority's proportion of<br>the net OPEB liability                                                                       | <u>0.0191 %</u>              | <u>0.0174 %</u>              | <u>0.0179 %</u>              | <u>0.0192 %</u>              | <u>0.0189 %</u>              | <u>0.0179 %</u>              | <u>- %</u>                       |
| Authority's<br>proportionate share of<br>the net OPEB liability                                                           | <u>\$ 3,891,862</u>          | <u>\$ 3,444,673</u>          | <u>\$ 2,422,579</u>          | <u>\$ 3,444,673</u>          | <u>\$ 3,410,779</u>          | <u>\$ 2,887,871</u>          | <u>\$ 2,887,871</u>              |
| Authority's covered-<br>employee payroll                                                                                  | <u>\$ 1,054,138</u>          | <u>\$ 1,042,408</u>          | <u>\$ 970,816</u>            | <u>\$ 1,047,506</u>          | <u>\$ 1,055,047</u>          | <u>\$ 1,088,919</u>          | <u>\$ 1,074,941</u>              |
| Authority's<br>proportionate share of<br>the net OPEB liability<br>as a percentage of its<br>covered-<br>employee payroll | <u>369.20 %</u>              | <u>330.45 %</u>              | <u>249.54 %</u>              | <u>328.85 %</u>              | <u>323.28 %</u>              | <u>265.21 %</u>              | <u>268.65 %</u>                  |
| Plan fiduciary net<br>position as a<br>percentage of the total<br>OPEB liability                                          | <u>1.03 %</u>                | <u>1.97 %</u>                | <u>1.98 %</u>                | <u>0.92 %</u>                | <u>0.28 %</u>                | <u>(36.46)%</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, 2023 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.

# Neptune Housing Authority (NJ048)

## Neptune, NJ

Submission Type: Audited/Single Audit

### Entity Wide Balance Sheet Summary

Fiscal Year End: 9/30/2023

|                                                                   | Project Total | 14.871 Housing<br>Choice Vouchers | ELIM | Total         |
|-------------------------------------------------------------------|---------------|-----------------------------------|------|---------------|
| 111 Cash - Unrestricted                                           | \$2,148,989   | \$482,042                         |      | \$2,631,031   |
| 112 Cash - Restricted - Modernization and Development             |               |                                   |      |               |
| 113 Cash - Other Restricted                                       |               | \$485,209                         |      | \$485,209     |
| 114 Cash - Tenant Security Deposits                               | \$111,803     |                                   |      | \$111,803     |
| 115 Cash - Restricted for Payment of Current Liabilities          |               |                                   |      |               |
| 100 Total Cash                                                    | \$2,260,792   | \$967,251                         | \$0  | \$3,228,043   |
| 121 Accounts Receivable - PHA Projects                            |               |                                   |      |               |
| 122 Accounts Receivable - HUD Other Projects                      | \$699,190     |                                   |      | \$699,190     |
| 124 Accounts Receivable - Other Government                        |               |                                   |      |               |
| 125 Accounts Receivable - Miscellaneous                           | \$77,848      |                                   |      | \$77,848      |
| 126 Accounts Receivable - Tenants                                 | \$155,035     |                                   |      | \$155,035     |
| 126.1 Allowance for Doubtful Accounts - Tenants                   | -\$38,668     |                                   |      | -\$38,668     |
| 126.2 Allowance for Doubtful Accounts - Other                     | \$0           | \$0                               |      | \$0           |
| 127 Notes, Loans, & Mortgages Receivable - Current                |               |                                   |      |               |
| 128 Fraud Recovery                                                | \$23,365      | \$19,392                          |      | \$42,757      |
| 128.1 Allowance for Doubtful Accounts - Fraud                     | -\$11,682     | -\$1                              |      | -\$11,683     |
| 129 Accrued Interest Receivable                                   |               |                                   |      |               |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts    | \$905,088     | \$19,391                          | \$0  | \$924,479     |
| 131 Investments - Unrestricted                                    |               |                                   |      |               |
| 132 Investments - Restricted                                      |               |                                   |      |               |
| 135 Investments - Restricted for Payment of Current Liability     |               |                                   |      |               |
| 142 Prepaid Expenses and Other Assets                             | \$58,538      |                                   |      | \$58,538      |
| 143 Inventories                                                   |               |                                   |      |               |
| 143.1 Allowance for Obsolete Inventories                          |               |                                   |      |               |
| 144 Inter Program Due From                                        |               |                                   |      |               |
| 145 Assets Held for Sale                                          |               |                                   |      |               |
| 150 Total Current Assets                                          | \$3,224,418   | \$986,642                         | \$0  | \$4,211,060   |
| 161 Land                                                          | \$656,954     |                                   |      | \$656,954     |
| 162 Buildings                                                     | \$20,433,333  |                                   |      | \$20,433,333  |
| 163 Furniture, Equipment & Machinery - Dwellings                  |               |                                   |      |               |
| 164 Furniture, Equipment & Machinery - Administration             | \$814,286     |                                   |      | \$814,286     |
| 165 Leasehold Improvements                                        | \$4,815,659   |                                   |      | \$4,815,659   |
| 166 Accumulated Depreciation                                      | -\$22,151,290 |                                   |      | -\$22,151,290 |
| 167 Construction in Progress                                      | \$1,399,440   |                                   |      | \$1,399,440   |
| 168 Infrastructure                                                |               |                                   |      |               |
| 160 Total Capital Assets, Net of Accumulated Depreciation         | \$5,968,382   | \$0                               | \$0  | \$5,968,382   |
| 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                                                  |               |                                   |      |               |
| 176 Investments in Joint Ventures                                 |               |                                   |      |               |
| 180 Total Non-Current Assets                                      | \$5,968,382   | \$0                               | \$0  | \$5,968,382   |
| 200 Deferred Outflow of Resources                                 | \$923,088     | \$338,492                         |      | \$1,261,580   |
| 290 Total Assets and Deferred Outflow of Resources                | \$10,115,888  | \$1,325,134                       | \$0  | \$11,441,022  |

# Neptune Housing Authority (NJ048)

## Neptune, NJ

Submission Type: Audited/Single Audit

### Entity Wide Balance Sheet Summary

Fiscal Year End: 9/30/2023

|                                                                        | Project Total | 14.871 Housing<br>Choice Vouchers | ELIM | Total        |
|------------------------------------------------------------------------|---------------|-----------------------------------|------|--------------|
| 311 Bank Overdraft                                                     |               |                                   |      |              |
| 312 Accounts Payable <= 90 Days                                        | \$25,501      |                                   |      | \$25,501     |
| 313 Accounts Payable >90 Days Past Due                                 |               |                                   |      |              |
| 321 Accrued Wage/Payroll Taxes Payable                                 | \$10,932      |                                   |      | \$10,932     |
| 322 Accrued Compensated Absences - Current Portion                     | \$34,748      | \$1,319                           |      | \$36,067     |
| 324 Accrued Contingency Liability                                      |               |                                   |      |              |
| 325 Accrued Interest Payable                                           |               |                                   |      |              |
| 331 Accounts Payable - HUD PHA Programs                                |               |                                   |      |              |
| 332 Account Payable - PHA Projects                                     |               |                                   |      |              |
| 333 Accounts Payable - Other Government                                | \$121,820     |                                   |      | \$121,820    |
| 341 Tenant Security Deposits                                           | \$111,803     |                                   |      | \$111,803    |
| 342 Unearned Revenue                                                   | \$18,928      |                                   |      | \$18,928     |
| 344 Current Portion of Long-term Debt - Operating Borrowings           |               |                                   |      |              |
| 344 Current Portion of Long-term Debt - Operating Borrowings           |               |                                   |      |              |
| 345 Other Current Liabilities                                          | \$24,400      |                                   |      | \$24,400     |
| 346 Accrued Liabilities - Other                                        |               |                                   |      |              |
| 347 Inter Program - Due To                                             |               |                                   |      |              |
| 348 Loan Liability - Current                                           |               |                                   |      |              |
| 310 Total Current Liabilities                                          | \$348,132     | \$1,319                           | \$0  | \$349,451    |
| 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                                    |               |                                   |      |              |
| 354 Accrued Compensated Absences - Non Current                         | \$312,733     | \$11,874                          |      | \$324,607    |
| 355 Loan Liability - Non Current                                       |               |                                   |      |              |
| 356 FASB 5 Liabilities                                                 |               |                                   |      |              |
| 357 Accrued Pension and OPEB Liabilities                               | \$3,481,494   | \$1,280,939                       |      | \$4,762,433  |
| 350 Total Non-Current Liabilities                                      | \$3,794,227   | \$1,292,813                       | \$0  | \$5,087,040  |
| 300 Total Liabilities                                                  | \$4,142,359   | \$1,294,132                       | \$0  | \$5,436,491  |
| 400 Deferred Inflow of Resources                                       | \$1,689,997   | \$650,088                         |      | \$2,340,085  |
| 508.4 Net Investment in Capital Assets                                 | \$5,968,382   | \$0                               |      | \$5,968,382  |
| 511.4 Restricted Net Position                                          | \$0           | \$485,209                         |      | \$485,209    |
| 512.4 Unrestricted Net Position                                        | -\$1,684,850  | -\$1,104,295                      | \$0  | -\$2,789,145 |
| 513 Total Equity - Net Assets / Position                               | \$4,283,532   | -\$619,086                        | \$0  | \$3,664,446  |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net  | \$10,115,888  | \$1,325,134                       | \$0  | \$11,441,022 |

# Neptune Housing Authority (NJ048)

## Neptune, NJ

Submission Type: Audited/Single Audit

### Entity Wide Revenue and Expense Summary

Fiscal Year End: 9/30/2023

|                                                         | Project Total | 14.871 Housing<br>Choice Vouchers | ELIM | Total       |
|---------------------------------------------------------|---------------|-----------------------------------|------|-------------|
| 70300 Net Tenant Rental Revenue                         | \$1,682,942   |                                   |      | \$1,682,942 |
| 70400 Tenant Revenue - Other                            | \$12,237      |                                   |      | \$12,237    |
| 70500 Total Tenant Revenue                              | \$1,695,179   | \$0                               | \$0  | \$1,695,179 |
| 70600 HUD PHA Operating Grants                          | \$1,981,081   | \$3,821,033                       |      | \$5,802,114 |
| 70610 Capital Grants                                    | \$521,545     |                                   |      | \$521,545   |
| 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                  | \$43,219      | \$19,082                          |      | \$62,301    |
| 71200 Mortgage Interest Income                          |               |                                   |      |             |
| 71300 Proceeds from Disposition of Assets Held for Sale |               |                                   |      |             |
| 71310 Cost of Sale of Assets                            |               |                                   |      |             |
| 71400 Fraud Recovery                                    | \$11,714      | \$3,958                           |      | \$15,672    |
| 71500 Other Revenue                                     | \$388,784     | \$225,813                         |      | \$614,597   |
| 71600 Gain or Loss on Sale of Capital Assets            |               |                                   |      |             |
| 72000 Investment Income - Restricted                    |               |                                   |      |             |
| 70000 Total Revenue                                     | \$4,641,522   | \$4,069,886                       | \$0  | \$8,711,408 |
| 91100 Administrative Salaries                           | \$336,105     | \$140,633                         |      | \$476,738   |
| 91200 Auditing Fees                                     | \$12,240      | \$3,000                           |      | \$15,240    |
| 91300 Management Fee                                    |               |                                   |      |             |
| 91310 Book-keeping Fee                                  |               |                                   |      |             |
| 91400 Advertising and Marketing                         |               |                                   |      |             |
| 91500 Employee Benefit contributions - Administrative   | \$204,325     | \$57,138                          |      | \$261,463   |
| 91600 Office Expenses                                   | \$78,103      | \$21,764                          |      | \$99,867    |
| 91700 Legal Expense                                     | \$27,535      | \$19,786                          |      | \$47,321    |
| 91800 Travel                                            | \$34,196      | \$6,996                           |      | \$41,192    |
| 91810 Allocated Overhead                                |               |                                   |      |             |
| 91900 Other                                             | \$38,947      |                                   |      | \$38,947    |
| 91000 Total Operating - Administrative                  | \$731,451     | \$249,317                         | \$0  | \$980,768   |
| 92000 Asset Management Fee                              |               |                                   |      |             |
| 92100 Tenant Services - Salaries                        | \$66,421      |                                   |      | \$66,421    |
| 92200 Relocation Costs                                  | \$0           |                                   |      | \$0         |
| 92300 Employee Benefit Contributions - Tenant Services  | \$42,067      |                                   |      | \$42,067    |
| 92400 Tenant Services - Other                           | \$4,730       |                                   |      | \$4,730     |
| 92500 Total Tenant Services                             | \$113,218     | \$0                               | \$0  | \$113,218   |

# Neptune Housing Authority (NJ048)

## Neptune, NJ

Submission Type: Audited/Single Audit

### Entity Wide Revenue and Expense Summary

Fiscal Year End: 9/30/2023

|                                                                 | Project Total | 14.871 Housing<br>Choice Vouchers | ELIM | Total       |
|-----------------------------------------------------------------|---------------|-----------------------------------|------|-------------|
| 93100 Water                                                     | \$159,354     |                                   |      | \$159,354   |
| 93200 Electricity                                               | \$57,818      |                                   |      | \$57,818    |
| 93300 Gas                                                       | \$301,372     |                                   |      | \$301,372   |
| 93400 Fuel                                                      |               |                                   |      |             |
| 93500 Labor                                                     | \$182,007     |                                   |      | \$182,007   |
| 93600 Sewer                                                     | \$159,160     |                                   |      | \$159,160   |
| 93700 Employee Benefit Contributions - Utilities                | \$108,172     |                                   |      | \$108,172   |
| 93800 Other Utilities Expense                                   |               |                                   |      |             |
| 93000 Total Utilities                                           | \$967,883     | \$0                               | \$0  | \$967,883   |
| 94100 Ordinary Maintenance and Operations - Labor               | \$424,684     |                                   |      | \$424,684   |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$228,677     |                                   |      | \$228,677   |
| 94300 Ordinary Maintenance and Operations Contracts             | \$75,927      |                                   |      | \$75,927    |
| 94500 Employee Benefit Contributions - Ordinary Maintenance     | \$246,392     |                                   |      | \$246,392   |
| 94000 Total Maintenance                                         | \$975,680     | \$0                               | \$0  | \$975,680   |
| 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         |
| 96110 Property Insurance                                        |               |                                   |      |             |
| 96120 Liability Insurance                                       |               |                                   |      |             |
| 96130 Workmen's Compensation                                    |               |                                   |      |             |
| 96140 All Other Insurance                                       | \$203,577     | \$22,620                          |      | \$226,197   |
| 96100 Total Insurance Premiums                                  | \$203,577     | \$22,620                          | \$0  | \$226,197   |
| 96200 Other General Expenses                                    | \$3,888       | \$6,537                           |      | \$10,425    |
| 96210 Compensated Absences                                      | \$3,706       | \$1,112                           |      | \$4,818     |
| 96300 Payments in Lieu of Taxes                                 | \$71,506      |                                   |      | \$71,506    |
| 96400 Bad debt - Tenant Rents                                   | \$16,132      |                                   |      | \$16,132    |
| 96500 Bad debt - Mortgages                                      |               |                                   |      |             |
| 96600 Bad debt - Other                                          |               |                                   |      |             |
| 96800 Severance Expense                                         |               |                                   |      |             |
| 96000 Total Other General Expenses                              | \$95,232      | \$7,649                           | \$0  | \$102,881   |
| 96710 Interest of Mortgage (or Bonds) Payable                   |               |                                   |      |             |
| 96720 Interest on Notes Payable (Short and Long Term)           |               |                                   |      |             |
| 96730 Amortization of Bond Issue Costs                          |               |                                   |      |             |
| 96700 Total Interest Expense and Amortization Cost              | \$0           | \$0                               | \$0  | \$0         |
| 96900 Total Operating Expenses                                  | \$3,087,041   | \$279,586                         | \$0  | \$3,366,627 |
| 97000 Excess of Operating Revenue over Operating Expenses       | \$1,554,481   | \$3,790,300                       | \$0  | \$5,344,781 |

# Neptune Housing Authority (NJ048)

## Neptune, NJ

Submission Type: Audited/Single Audit

### Entity Wide Revenue and Expense Summary

Fiscal Year End: 9/30/2023

|                                                                           | Project Total | 14.871 Housing<br>Choice Vouchers | ELIM       | Total        |
|---------------------------------------------------------------------------|---------------|-----------------------------------|------------|--------------|
| 97100 Extraordinary Maintenance                                           | \$39,296      |                                   |            | \$39,296     |
| 97200 Casualty Losses - Non-capitalized                                   |               |                                   |            |              |
| 97300 Housing Assistance Payments                                         |               | \$3,109,460                       |            | \$3,109,460  |
| 97350 HAP Portability-In                                                  |               |                                   |            |              |
| 97400 Depreciation Expense                                                | \$407,812     |                                   |            | \$407,812    |
| 97500 Fraud Losses                                                        |               |                                   |            |              |
| 97600 Capital Outlays - Governmental Funds                                |               |                                   |            |              |
| 97700 Debt Principal Payment - Governmental Funds                         |               |                                   |            |              |
| 97800 Dwelling Units Rent Expense                                         |               |                                   |            |              |
| 90000 Total Expenses                                                      | \$3,534,149   | \$3,389,046                       | \$0        | \$6,923,195  |
| 10010 Operating Transfer In                                               | \$340,481     |                                   | -\$340,481 | \$0          |
| 10020 Operating transfer Out                                              | -\$340,481    |                                   | \$340,481  | \$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          |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses    | \$1,107,373   | \$680,840                         | \$0        | \$1,788,213  |
| 11020 Required Annual Debt Principal Payments                             | \$0           | \$0                               |            | \$0          |
| 11030 Beginning Equity                                                    | \$3,176,159   | -\$1,299,926                      |            | \$1,876,233  |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0           | \$0                               |            | \$0          |
| 11050 Changes in Compensated Absence Balance                              |               |                                   |            |              |
| 11060 Changes in Contingent Liability Balance                             |               |                                   |            |              |
| 11070 Changes in Unrecognized Pension Transition Liability                |               |                                   |            |              |
| 11080 Changes in Special Term/Severance Benefits Liability                |               |                                   |            |              |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents         |               |                                   |            |              |
| 11100 Changes in Allowance for Doubtful Accounts - Other                  |               |                                   |            |              |
| 11170 Administrative Fee Equity                                           |               | -\$1,104,295                      |            | -\$1,104,295 |
| 11180 Housing Assistance Payments Equity                                  |               | \$485,209                         |            | \$485,209    |
| 11190 Unit Months Available                                               | 3420          | 3816                              |            | 7236         |
| 11210 Number of Unit Months Leased                                        | 3380          | 2594                              |            | 5974         |