

**HOUSING AUTHORITY OF THE CITY OF SUMMIT**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2022**  
**WITH**  
**REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE CITY OF SUMMIT**  
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**YEAR ENDED DECEMBER 31, 2022**

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**REPORT OF INDEPENDENT AUDITORS**

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

**Opinion**

We have audited the accompanying financial statements of the Housing Authority of the City of Summit (the "Authority") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of December 31, 2022, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

*Change in Accounting Principle*

As discussed in Note 1 to the financial statements, the Authority adopted accounting standards changes related to accounting for and disclosing certain leasing arrangements. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

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

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

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

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

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

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

## **Other Matters**

### *Required Supplementary Information*

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

**Other 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, findings and responses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Novogradec & Company LLP*

September 22, 2023  
Toms River, New Jersey

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

HOUSING AUTHORITY OF THE CITY OF SUMMIT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

As Management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

A - Financial Highlights

- 1 – The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,474,342 (net position) as opposed to \$6,663,432 for the prior fiscal year.
- 2 – As of the close of the current fiscal year, the Authority's proprietary fund reported ending unrestricted net position of \$40,492.
- 3 – The Authority's cash and cash equivalents balance (including restricted cash) at December 31, 2022 was \$3,391,748 representing an increase of \$311,872 from the prior fiscal year.
- 4 – The Authority had total operating revenues of \$2,183,252, and total operating expenses of \$2,410,749 for the year ended December 31, 2022.
- 5 – The Authority had capital outlays totaling \$5,124 for the fiscal year.

B – Using the Annual Report

1 – Management's Discussion and Analysis

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

2 – Financial Statements

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

HOUSING AUTHORITY OF THE CITY OF SUMMIT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

B – Using the Annual Report (continued)

2 – Financial Statements (continued)

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

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

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

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

3 – Notes to Financial Statements

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

C – The Authority as a Whole

The Authority's net position decreased during the fiscal year. The Authority's revenues are primarily subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. However, the Authority's revenues were insufficient to cover all expenses, excluding depreciation during the fiscal year.

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



HOUSING AUTHORITY OF THE CITY OF SUMMIT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

D – Budgetary Highlights

For the year ended December 31, 2022, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

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

E – Capital Assets and Debt Administration

1 - Capital Assets

As of December 31, 2022, the Authority's capital assets for its proprietary fund was \$4,895,861 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress.

The Authority spent \$5,124 on capital assets during the year ended December 31, 2022.

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

2 – Long Term Debt

On March 31, 2017, the Authority entered into a tax exempt, thirty-year bond with Lakeland Bank in the amount of \$1,200,000. The funds received are restricted and must be spent in accordance with HUD approved capital repairs and improvements schedules. The loan is secured by a first lien on the property. Interest accrues at 3.625% annually and the loan matures in July 2047. As of December 31, 2022, the bond payable totaled \$1,038,445.

F – Significant Changes from FYE December 31, 2021 to December 31, 2022

Cash and cash equivalents and restricted cash increased by \$311,872, mainly due to cash flows provided by operating activities and investing activities totaling \$305,316 and \$76,756 offset by cash flows used in capital and related financing activities totaling \$70,200.

Capital assets, net decreased by \$303,764 due to the purchases of capital assets totaling \$5,124 and the Authority's annual depreciation expense of \$308,888 for the year.

HOUSING AUTHORITY OF THE CITY OF SUMMIT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

F – Significant Changes from FYE December 31, 2021 to December 31, 2022 (continued)

Tenant revenue increased \$144,721 primarily due to an increase in units months leased during the year ended December 31, 2022.

Administrative expenses increased by \$107,678 mainly due to an increase in administrative salaries and benefits of \$77,822 as of December 31, 2022.

Ordinary repairs and maintenance expenses decreased \$40,723 primarily due to less need for repairs on the Authority's buildings.

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

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

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

H – Contacting the Authority's Financial Management

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

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2022**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 651,429
Tenant security deposits	136,192
Accounts receivable, net	97,027
Lease receivable, current	<u>35,204</u>
Total current assets	<u>919,852</u>
Non-current assets:	
Restricted cash	2,604,127
Other assets	1,635
Lease receivable, non-current	836,349
Capital assets, net	<u>4,895,861</u>
Total non-current assets	<u>8,337,972</u>
Total assets	<u>9,257,824</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	<u>252,317</u>
Total deferred outflows of resources	<u>252,317</u>
Total assets and deferred outflows of resources	<u>\$ 9,510,141</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT**  
**STATEMENT OF NET POSITION (continued)**  
**AS OF DECEMBER 31, 2022**

LIABILITIES

Current liabilities:	
Accounts payable	\$ 136,203
Accrued expenses	4,149
Accrued compensated absences, current	3,222
Tenant security deposits	136,192
Bonds payable, current	27,693
Other current liabilities	<u>56,500</u>
Total current liabilities	<u>363,959</u>
Non-current liabilities:	
Accrued compensated absences, non-current	28,985
Bonds payable, non-current	1,038,445
Accrued pension liability	<u>714,928</u>
Total non-current liabilities	<u>1,782,358</u>
Total liabilities	<u>2,146,317</u>

DEFERRED INFLOW OF RESOURCES

State of New Jersey P.E.R.S.	227,198
Leases	<u>662,284</u>
Total deferred inflows of resources	<u>889,482</u>

NET POSITION

Net position:	
Net investment in capital assets	3,829,723
Restricted	2,604,127
Unrestricted	<u>40,492</u>
Total net position	<u>6,474,342</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 9,510,141</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Operating revenues:		
Tenant revenue	\$	1,912,174
Other revenues		<u>271,078</u>
Total operating revenues		<u>2,183,252</u>
Operating expenses:		
Administrative		644,327
Tenant services		73,262
Utilities		396,042
Ordinary repairs and maintenance		737,762
Insurance		101,674
General		148,794
Depreciation		<u>308,888</u>
Total operating expenses		<u>2,410,749</u>
Operating loss		<u>(227,497)</u>
Non-operating revenues (expenses):		
Investment income		76,756
Interest expense		<u>(38,349)</u>
Net non-operating revenues (expenses)		<u>38,407</u>
Change in net position		(189,090)
Total net position, beginning of year		<u>6,466,218</u>
Change in accounting principle - adoption of GASB 87		<u>197,214</u>
Total net position, beginning of year (as restated)		<u>6,663,432</u>
Total net position, end of year	\$	<u><u>6,474,342</u></u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Cash Flows from Operating Activities:	
Cash received from tenants and other	\$ 2,221,260
Cash paid to employees	(640,178)
Cash paid to vendors	<u>(1,275,766)</u>
Net cash provided by operating activities	<u>305,316</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on bonds payable	(26,727)
Interest paid on bonds payable	(38,349)
Purchase of capital assets	<u>(5,124)</u>
Net cash used in capital and related financing activities	<u>(70,200)</u>
Cash Flows from Investing Activities:	
Interest received on investments	<u>76,756</u>
Net cash provided by investing activities	<u>76,756</u>
Net increase in cash and cash equivalents and restricted cash	311,872
Cash and cash equivalents and restricted cash, beginning of year	<u>3,079,876</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 3,391,748</u>
Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 651,429
Tenant security deposits	136,192
Restricted cash	<u>2,604,127</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 3,391,748</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
STATEMENT OF CASH FLOWS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (227,497)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	308,888
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable, net	39,602
Prepaid expenses	19,383
Other assets	(1,635)
Accounts payable	13,966
Accrued expenses	4,149
Tenant security deposits liability	10,853
Lease receivables	33,826
Accrued compensated absences	11,258
Other liabilities	51,300
Accrued pension liability	110,817
Deferred outflows of resources	208,642
Deferred inflows of resources	<u>(278,236)</u>
Net cash provided by operating activities	<u>\$ 305,316</u>

See accompanying notes to financial statements.



**HOUSING AUTHORITY OF THE CITY OF SUMMIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

**A. Organization**

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

The Authority is governed by a board of seven members who serve five-year terms. The governing board is essentially autonomous, but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board to manage the day-to-day operations of the Authority.

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

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

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

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

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

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

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

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

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

The Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"). GASB 75 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with post employment benefits other than pensions ("OPEB") of State and Local Governments. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 75 details the recognition and disclosure requirements for employers with liabilities to a defined benefit OPEB plan and for employers whose employees are provided with defined contribution OPEB. However, the Authority did not adopt coverage for certain retirees until December 2019 and as such, the Authority's unfunded OPEB liability and related deferred inflows and deferred outflows have not yet been calculated as of December 31, 2022.

On January 1, 2022, the Authority adopted GASB 87, *Leases* ("GASB 87"). GASB 87 increases the transparency and comparability among governmental organizations by requiring the recognition of lease assets and deferred inflows of resources on the statement of net position by lessees and the disclosure of key information about leasing arrangements. Necessary adjustments were recognized through a cumulative effect adjustment. As a result of the adoption of GASB 87, on January 1, 2022, a lease receivable in the amount of \$905,379 and deferred inflows of resources of \$708,165 were recognized.

The cumulative effect adjustment recording the lease receivable and deferred inflows of resources amounted to \$197,214, and was recognized as an increase to unrestricted net position at January 1, 2022.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB 14 and 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

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

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

Based on the application of the above criteria, this report includes all programs and activities operated by the Authority, including the following blended component unit:

Summit Affordable Housing Corporation ("SAHC")

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

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

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

**D. Description of Programs**

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

Business Activities Fund

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

State and Local Program

The Authority is the recipient of a Congregate Housing Services Program Grant from the State of New Jersey. The State funded grant provides selected supportive services to low-income elderly persons or adults with disabilities, residing in certain subsidized housing facilities.

**E. Use of Management Estimates**

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

**F. Cash and Cash Equivalents**

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States, or the State of New Jersey, or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, when the funds are secured in accordance with the act.

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit, or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. 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.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

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

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

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

**G. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, accounts receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

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

**H. Allowance for Doubtful Accounts**

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

**I. Prepaid Expenses**

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

**J. Capital Assets, Net**

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

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

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

**K. Impairment of Long Lived Assets**

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended December 31, 2022, there were no impairments losses incurred.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2022**

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

**L. Lease Receivable**

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

**M. Accounts Payable and Accrued Liabilities**

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

**N. Prepaid Rent**

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

**O. Compensated Absences**

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

**P. Pensions**

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

**Q. Other Post Employment Benefits**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the net OPEB, and OPEB expense, and information about the fiduciary net position of the State Health Benefits Plan ("SHBP") and additions to/deductions from SHBP's fiduciary net position have been determined on the same basis as they are reported by SHBP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

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

**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 displayed in three components:

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

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

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

**T. 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. 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 December 31, 2022, rental revenue earned by the Authority under the aforementioned leases totaled \$1,888,909.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

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

**W. Taxes**

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

**X. 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.

**Y. Risk Management**

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

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

As of December 31, 2022, 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 \$3,391,748, and the bank balances approximated \$3,422,870.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 651,429
Tenant security deposits	136,192
Restricted	<u>2,604,127</u>
Total cash and cash equivalents	<u>\$ 3,391,748</u>

Of the bank balance, \$411,310, was covered by federal depository insurance and the remaining \$3,011,560 was collateralized by GUDPA as of December 31, 2022.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of December 31, 2022, the Authority's bank balances were not exposed to custodial credit risk.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following as of December 31, 2022:

<u>Description</u>	<u>Amount</u>
Accounts receivable - tenants, net	\$ 33,645
Accounts receivable - PHA projects	62,382
Accounts receivable - miscellaneous	<u>1,000</u>
 Total accounts receivable, net	 \$ <u>97,027</u>

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent and amounts owed from tenants or other program participants who committed fraud or misrepresentation and now owe additional rent or retroactive rent. The balance is shown net of an allowance for doubtful accounts of \$70,247.

Accounts Receivable - PHA Projects

As of December 31, 2022, accounts receivable - other government consists of receivables due from the Madison Housing Authority for tenant assistance subsidy. Management estimates the amount to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Miscellaneous

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

**NOTE 4. RESTRICTED DEPOSITS**

As of December 31, 2022, restricted deposits consisted of the following:

<u>Description</u>	<u>Amount</u>
Capital repairs escrow	\$ 194,376
Replacement reserve escrows	2,409,751
Tenant security deposits	<u>136,192</u>
 Total restricted deposits	 \$ <u>2,740,319</u>

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

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

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



**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 5. LEASE RECEIVABLE**

On September 26, 2003, the Authority entered into a lease agreement as a lessor with Omnipoint Facilities Network 2, LLC d/b/a T-Mobile for the lease of the rooftop at 12 Chestnut Street to install, maintain and operate communications equipment. The term of the lease was for five years from January 1, 2004 with a renewal option for five periods of five years each. An initial lease receivable was recorded in the amount of \$475,875. As of December 31, 2022, the value of the lease receivable was \$331,600. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of \$1,700, increasing by 15.00% on each renewal option date. For the year ended December 31, 2022, the Authority received payments of \$31,026 on the lease of which \$17,383 reduced the principal amount owed and \$13,643 was interest income. The implicit interest rate on the lease was 4.00%. The value of the deferred inflows of resources as of December 31, 2022 was \$174,486. For the year ended December 31, 2022, the Authority recognized lease revenue in the amount of \$15,863.

On January 19, 2018, the Authority entered into a lease agreement as a lessor with New Cingular Wireless PCS, LLC d/b/a AT&T for the lease of the rooftop at 12 Chestnut Street to install, maintain and operate communications equipment. The term of the lease was for five years from April 15, 2019 with a renewal option for three periods of five years. An initial lease receivable was recorded in the amount of \$600,367. As of December 31, 2022, the value of the lease receivable was \$539,953. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of \$3,200, increasing by 10.00% on each renewal option date. For the year ended December 31, 2022, the Authority received payments of \$38,400 on the lease of which \$16,443 reduced the principal amount owed and \$21,957 was interest income. The implicit interest rate on the lease was 4.00%. The value of the deferred inflows of resources as of December 31, 2022 was \$487,798. For the year ended December 31, 2022, the Authority recognized lease revenue in the amount of \$30,018.

**NOTE 6. CAPITAL ASSETS, NET**

The following is a summary of changes in capital assets during the year ended December 31, 2022:

<u>Description</u>	<u>December 31, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>December 31, 2022</u>
<u>Non-depreciable:</u>					
Land	\$ 1,810,896	\$ -	\$ -	\$ -	\$ 1,810,896
<u>Depreciable:</u>					
Buildings	17,909,156	-	-	-	17,909,156
Furniture and equipment	759,807	5,124	(15,829)	-	749,102
Subtotal	<u>18,668,963</u>	<u>5,124</u>	<u>(15,829)</u>	<u>-</u>	<u>18,658,258</u>
Less: accumulated depreciation	<u>15,280,234</u>	<u>308,888</u>	<u>(15,829)</u>	<u>-</u>	<u>15,573,293</u>
Net capital assets	<u>\$ 5,199,625</u>	<u>\$ (303,764)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,895,861</u>

Depreciation expense for the fiscal year ended December 31, 2022 amounted to \$308,888.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 7. ACCOUNTS PAYABLE**

As of December 31, 2022, accounts payable consisted of the following:

<u>Description</u>	<u>Amount</u>
Accounts payable - vendors	\$ 59,210
Accounts payable - other government	<u>76,993</u>
Total accounts payable	<u>\$ 136,203</u>

Accounts Payable - Vendors

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

Accounts Payable - Other Government

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

**NOTE 8. PAYMENTS IN LIEU OF TAXES**

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for certain Authority owned properties in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the year ended December 31, 2022, the Authority incurred PILOT expense in the amount of \$76,993.

**NOTE 9. BONDS PAYABLE**

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

	\$ 1,066,138
Less: current portion	<u>27,693</u>
Bonds payable, net of current portion	<u>\$ 1,038,445</u>

Interest expense for the year ended December 31, 2022 totaled \$38,349.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 9. BONDS PAYABLE (continued)**

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

Year	Principal	Interest	Total
2023	\$ 27,693	\$ 37,384	\$ 65,077
2024	28,589	36,488	65,077
2025	29,723	35,354	65,077
2026	30,795	34,282	65,077
2027	31,906	33,171	65,077
2028-2032	177,464	147,921	325,385
2033-2037	<u>739,968</u>	<u>105,379</u>	<u>845,347</u>
	<u>\$ 1,066,138</u>	<u>\$ 429,979</u>	<u>\$ 1,496,117</u>

**NOTE 10. NON-CURRENT LIABILITIES**

Non-current liabilities activity during the year ended December 31, 2022 consisted of the following:

Description	December 31, 2021	Additions	Payments/ Retirements	December 31, 2022	Due in One Year
Bonds payable	\$ 1,092,865	\$ -	\$ (26,727)	\$ 1,066,138	\$ 27,693
Accrued pension liability	604,111	110,817	-	714,928	-
Accrued compensated absences	<u>20,949</u>	<u>22,515</u>	<u>(11,257)</u>	<u>32,207</u>	<u>3,222</u>
Total non-current liabilities	<u>\$ 1,717,925</u>	<u>\$ 133,332</u>	<u>\$ (37,984)</u>	<u>\$ 1,813,273</u>	<u>\$ 30,915</u>

**NOTE 11. PENSION PLAN**

**A. Plan Description**

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

**B. Benefits**

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

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

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 11. PENSION PLAN (continued)**

**B. Benefits (continued)**

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

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

**C. Contributions**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by all active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

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

At December 31, 2022, the Authority reported a liability of \$714,928, 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 December 31, 2022, the Authority recognized pension expense of \$87,104. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 11. PENSION PLAN (continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 2,215	\$ 107,053
Changes in Proportion	215,352	115,595
Differences between projected and actual experience	5,160	4,550
Net differences between actual and projected earnings on pension plan investments	<u>29,590</u>	<u>-</u>
Total	<u>\$ 252,317</u>	<u>\$ 227,198</u>

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

Year ending December 31:		<u>Amount</u>
2023	\$	9,787
2024		6,988
2025		4,764
2026		3,581
2027		<u>(1)</u>
	<u>\$</u>	<u>25,119</u>

**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.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 11. PENSION PLAN (continued)**

**E. Actuarial Assumptions (continued)**

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%

**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 (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	\$ <u>926,252</u>	\$ <u>714,928</u>	\$ <u>546,291</u>

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 11. OTHER POST RETIREMENT BENEFITS PLAN**

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

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

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

The SHBP is established under the authority of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. As previously disclosed in Note 1, since the Authority elected to permit retirees to participate in the plan in December 2019 there is no postemployment liability attributed to the Authority as of December 31, 2022.

**NOTE 12. RESTRICTED NET POSITION**

As of December 31, 2022, restricted net position totaled \$2,604,127 and consisted of reserve for replacements. Reserve for replacement funds are restricted for future project expenditures in accordance with the Authority's RAD program.

**NOTE 13. CONDENSED FINANCIAL INFORMATION OF THE BLENDED COMPONENT UNITS**

The condensed financial information for SAHC as of and for the year ended December 31, 2022 is as follows:

	<u>SAHC</u>
Assets:	
Current assets	\$ <u>83.607</u>
Total assets	<u>83.607</u>
Net Position:	
Unrestricted	<u>83.607</u>
Net position	<u>\$ 83.607</u>
Operating expenses:	
Administrative	<u>33</u>
Total operating expenses	<u>33</u>
Non-operating revenues (expenses)	<u>1</u>
Change in net position	<u>\$ (32)</u>

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2022**

**NOTE 14. 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 the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of December 31, 2022, the Authority estimates that no material liabilities will result from such audits.

**NOTE 15. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through September 22, 2023, 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 disclosure in the notes to the financial statements.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of the City of Summit (the "Authority"), as of December 31, 2022, and for the year ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 22, 2023.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of federal awards, findings and responses as item 2022-001 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Novogradec & Company LLP*

September 22, 2023  
Toms River, New Jersey

**SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
SCHEDULE OF FEDERAL AWARDS, FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

I. Federal Awards

For the year ended December 31, 2022, the Authority did not receive or expend any federal awards.

II. Financial Statement Findings

**Finding 2022-001**

**Criteria:** The Authority's approved Procurement Policy requires that procurement by non-competitive proposals (sole-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, competitive purchasing, or competitive proposals, and if one of the following applies:

1. The item is available only from a single source, based on a good faith review of available sources;
2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the Authority, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency;
3. HUD authorizes the use of non-competitive proposals; or
4. After solicitation of a number of sources, competition is determined inadequate.

In addition, the Authority must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract price. The Authority has adopted a procurement policy that requires the Authority to meet certain conditions in order to use their sole-source procurement.

**Condition:** Based upon review of the Authority's vendor history report, there was one vendor who was contracted utilizing non competitive (sole source) proposals in violation of the Authority's approved Procurement Policy.

**Context:** As part of the vendor history report review, we selected a sample of vendors that were paid in excess of the Authority's procurement threshold during the audit period. Based on the Authority's vendor history report, there were twenty one (21) vendors paid in excess of the Authority's procurement threshold during the audit period. Of a sample size of two (2) vendors, one (1) vendor was not properly procured.

**Known Questioned Costs:** \$59,266

**Cause:** The Authority did not comply with their approved Procurement Policy which was approved by the Board of Commissioners related to the award of non-competitive proposals.

**Effect:** The Authority's non-compliance with their Procurement Policy precluded other potential bidders from qualifying for the award and thus providing a better price and service to the Authority.

**Recommendation:** We recommend the Authority design and implement internal control procedures that will reasonably assure compliance with the Authority's Procurement Policy.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
SCHEDULE OF FEDERAL AWARDS, FINDINGS AND RESPONSES (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

II. Financial Statement Findings (continued)

**Finding 2022-001** (continued)

View of Responsible Officials and Corrective Actions: The Authority has recognized the deficiencies related to procurement and will implement internal control procedures that will ensure compliance of the Authority's Procurement Policy.

III. Schedule of Prior Year Audit Findings

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

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
REQUIRED PENSION INFORMATION  
DECEMBER 31, 2022**

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

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

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF SUMMIT  
REQUIRED PENSION INFORMATION  
DECEMBER 31, 2022**

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

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

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

See Report of Independent Auditors.

# Summit Housing Authority (NJ017)

## Summit, NJ

Submission Type: Audited/Non Single Audit

### Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2022

	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	Total
111 Cash - Unrestricted	\$83,607	\$563,636	\$4,186	\$651,429
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$2,604,127		\$2,604,127
114 Cash - Tenant Security Deposits		\$136,192		\$136,192
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$83,607	\$3,303,955	\$4,186	\$3,391,748
121 Accounts Receivable - PHA Projects		\$62,382		\$62,382
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous		\$1,000		\$1,000
126 Accounts Receivable - Tenants		\$87,273		\$87,273
126.1 Allowance for Doubtful Accounts - Tenants		-\$70,247		-\$70,247
126.2 Allowance for Doubtful Accounts - Other		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery		\$16,619		\$16,619
128.1 Allowance for Doubtful Accounts - Fraud		\$0		\$0
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$97,027	\$0	\$97,027
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets				
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$83,607	\$3,400,982	\$4,186	\$3,488,775
161 Land		\$1,810,896		\$1,810,896
162 Buildings		\$17,909,156		\$17,909,156
163 Furniture, Equipment & Machinery - Dwellings		\$309,203		\$309,203
164 Furniture, Equipment & Machinery - Administration		\$439,899		\$439,899
165 Leasehold Improvements				
166 Accumulated Depreciation		-\$15,573,293		-\$15,573,293
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$4,895,861	\$0	\$4,895,861
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		\$873,188		\$873,188
176 Investments in Joint Ventures				
160 Total Non-Current Assets	\$0	\$5,769,049	\$0	\$5,769,049
200 Deferred Outflow of Resources		\$252,317		\$252,317
290 Total Assets and Deferred Outflow of Resources	\$83,607	\$9,422,348	\$4,186	\$9,510,141



Summit Housing Authority (NJ017)

Summit, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2022

	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days		\$59,210		\$59,210
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable		\$4,149		\$4,149
322 Accrued Compensated Absences - Current Portion		\$3,222		\$3,222
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government		\$76,993		\$76,993
341 Tenant Security Deposits		\$136,192		\$136,192
342 Unearned Revenue		\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings		\$27,693		\$27,693
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other		\$56,500		\$56,500
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$0	\$363,959	\$0	\$363,959
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$1,038,445		\$1,038,445
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current		\$28,985		\$28,985
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities		\$714,928		\$714,928
350 Total Non-Current Liabilities	\$0	\$1,782,358	\$0	\$1,782,358
300 Total Liabilities	\$0	\$2,146,317	\$0	\$2,146,317
400 Deferred Inflow of Resources		\$889,482		\$889,482
508.4 Net Investment in Capital Assets		\$3,829,723		\$3,829,723
511.4 Restricted Net Position		\$2,604,127		\$2,604,127
512.4 Unrestricted Net Position	\$83,607	-\$47,301	\$4,186	\$40,492
513 Total Equity - Net Assets / Position	\$83,607	\$6,386,549	\$4,186	\$6,474,342
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$83,607	\$9,422,348	\$4,186	\$9,510,141

# Summit Housing Authority (NJ017)

## Summit, NJ

Submission Type: Audited/Non Single Audit

### Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2022

	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	Total
70300 Net Tenant Rental Revenue		\$1,888,909		\$1,888,909
70400 Tenant Revenue - Other		\$23,265		\$23,265
70500 Total Tenant Revenue	\$0	\$1,912,174	\$0	\$1,912,174
70600 HUD PHA Operating Grants				
70610 Capital Grants				
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$1	\$76,755		\$76,756
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue		\$271,078		\$271,078
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$1	\$2,260,007	\$0	\$2,260,008
91100 Administrative Salaries		\$281,685		\$281,685
91200 Auditing Fees		\$10,300		\$10,300
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative		\$194,086		\$194,086
91600 Office Expenses	\$33	\$134,810		\$134,843
91700 Legal Expense		\$23,411		\$23,411
91800 Travel				
91810 Allocated Overhead				
91900 Other				
91000 Total Operating - Administrative	\$33	\$644,294	\$0	\$644,327
92000 Asset Management Fee				
92100 Tenant Services - Salaries		\$47,809		\$47,809
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services		\$17,185		\$17,185
92400 Tenant Services - Other		\$6,068	\$2,200	\$8,268
92500 Total Tenant Services	\$0	\$71,062	\$2,200	\$73,262

Summit Housing Authority (NJ017)

Summit, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2022

	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	Total
93100 Water		\$64,843		\$64,843
93200 Electricity		\$170,587		\$170,587
93300 Gas		\$81,080		\$81,080
93400 Fuel				
93500 Labor		\$12,000		\$12,000
93600 Sewer		\$61,858		\$61,858
93700 Employee Benefit Contributions - Utilities		\$5,674		\$5,674
93800 Other Utilities Expense				
93000 Total Utilities	\$0	\$396,042	\$0	\$396,042
94100 Ordinary Maintenance and Operations - Labor		\$159,811		\$159,811
94200 Ordinary Maintenance and Operations - Materials and Other		\$176,588		\$176,588
94300 Ordinary Maintenance and Operations Contracts		\$340,260		\$340,260
94500 Employee Benefit Contributions - Ordinary Maintenance		\$61,103		\$61,103
94000 Total Maintenance	\$0	\$737,762	\$0	\$737,762
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		\$50,837		\$50,837
96120 Liability Insurance		\$25,419		\$25,419
96130 Workmen's Compensation		\$25,418		\$25,418
96140 All Other Insurance				
96100 Total insurance Premiums	\$0	\$101,674	\$0	\$101,674
96200 Other General Expenses				
96210 Compensated Absences		\$11,258		\$11,258
96300 Payments in Lieu of Taxes		\$76,993		\$76,993
96400 Bad debt - Tenant Rents		\$60,543		\$60,543
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$0	\$148,794	\$0	\$148,794
96710 Interest of Mortgage (or Bonds) Payable		\$38,349		\$38,349
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$38,349	\$0	\$38,349
96900 Total Operating Expenses	\$33	\$2,137,977	\$2,200	\$2,140,210

# Summit Housing Authority (NJ017)

## Summit, NJ

Submission Type: Audited/Non Single Audit

### Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2022

	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	Total
97000 Excess of Operating Revenue over Operating Expenses	-\$32	\$122,030	-\$2,200	\$119,798
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense		\$308,888		\$308,888
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
99000 Total Expenses	\$33	\$2,446,865	\$2,200	\$2,449,098
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$32	-\$186,858	-\$2,200	-\$189,090
11020 Required Annual Debt Principal Payments	\$0	\$26,729	\$0	\$26,729
11030 Beginning Equity	\$83,639	\$6,376,193	\$6,386	\$6,466,218
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$197,214		\$197,214
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	0	2340	0	2340
11210 Number of Unit Months Leased	0	2242	0	2242