

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED MARCH 31, 2022**  
**WITH**  
**REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**TABLE OF CONTENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

<u>Contents</u>	<u>Page</u>
Report of Independent Auditors	1-3
Management's Discussion and Analysis	4-10
Financial Statements:	
Statement of Net Position	11-12
Statement of Revenues, Expenses, and Changes in Net Position	13
Statement of Cash Flows	14-15
Notes to Financial Statements	16-31
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>	32-33
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of New Jersey OMB Circular 15-08	34-36
Supplementary Information:	
Schedule of Expenditures of Federal Awards	37
Notes to Schedule of Expenditures of Federal Awards	38
Schedule of Findings and Questioned Costs	39-40
Required Pension Information	41
Financial Data Schedule	42-46

**REPORT OF INDEPENDENT AUDITORS**

To the Board of Commissioners of the  
Housing Authority of Bergen County:

***Opinion***

We have audited the accompanying financial statements of the Housing Authority of Bergen County (the "Authority") as of and for the year ended March 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 March 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 audits 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 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinions. 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 and *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 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 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 financial statements. The accompanying financial data schedule is also not a required part of the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Novogradac & Company LLP*

November 15, 2022  
Toms River, New Jersey

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

**HOUSING AUTHORITY OF BERGEN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2022**

As management of the Housing Authority of Bergen County (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

**Contacting the Authority**

This 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 information should be addressed to: Lynn Bartlett, Executive Director, Housing Authority of Bergen County, One Bergen County Plaza, Floor 2, Hackensack, New Jersey 07601.

**Special Conditions and Economic Factors**

Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

**Overview of the Financial Statements**

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity. The following information is included:

**The Statement of Net Position**

This statement reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

**Net Investment in Capital Assets**

This component of Net Position consists of all capital assets, net, 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**

This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Unrestricted Net Position**

Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

**Statement of Revenue, Expenses, and Changes in Net Position**

Reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.

This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense.

**Statement of Cash Flows**

Presents information on the effects changes in assets and liabilities have on cash during the course of the fiscal year.

**Notes to the Financial Statements**

Provides additional information that is essential to a full understanding of the data provided in the financial statements.

**HOUSING AUTHORITY OF BERGEN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2022**

Our overall analysis of the Authority as a whole begins on the following pages. The most important question asked about the Authority's finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of net position, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned or incurred regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in it. One can think of the Authority's net position as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net position analysis will assist the reader with measuring the health or financial position of the Authority. Over time, significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating.

To fully assess the financial health of the Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

**FINANCIAL HIGHLIGHTS**

- The Authority's net position increased by \$1,859,801 or 20% during fiscal year ended March 31, 2022. Net Position was \$10,956,957 in 2022 and \$9,097,156 in 2021.
- Total revenue increased by \$2,055,033 or (3.6%) from \$57,746,009 in 2021 to \$59,801,042 in 2022. The increase in revenues is attributed mainly to the Authority receiving more State and Local funding in the amount of \$567,323. Also due to the change in assumption of GASB 68 for pension in the amount of \$1,470,961.
- Operating expenses for all Authority programs increased by approximately \$2,395,119 or 4.31%. Total operating expenses were \$55,509,393 for 2021 and \$57,904,512 for 2022.

To fully understand the financial statements of the Authority, one must start with an understanding of what the Authority actually does. The following is a brief description of the programs and services that the Authority provides for the residents of Bergen County:

**Section 8 Housing Choice Vouchers (HCV)**

HUD has contracted with the Authority to provide support for the Housing Choice Voucher Program. The Authority makes Housing Assistance Payments to Landlords for Low Income tenants. The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay based on 30% of their respective adjusted household income.

In 2022, there were 45,142 unit-months of voucher payments, compared to 45,638 in 2021. The average voucher payment in 2022 was \$1,019, compared to \$965 in 2021. Total HUD HAP and Administrative contributions of \$49,317,442 in 2022 was \$234,023 more than the amount received in 2021.

For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program. However, it is responsible for bi-annually inspecting the units to assure that they meet or exceed HUD established housing quality standards.



**HOUSING AUTHORITY OF BERGEN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2022**

**Mainstream Vouchers (MV)**

The purpose of the Mainstream Vouchers program is to aid persons with disabilities (elderly and non-elderly) in obtaining decent, safe, and sanitary rental housing.

**Continuum of Care Program**

This program provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency-syndrome (AIDS), and related diseases. Rental assistance requires a match in assistance made in cash or in-kind services provided by the grantee from federal or private sources to be used for supportive services. The Authority maintains a budget authority of 104 vouchers for the Continuum of Care Program.

**Community Development Block Grant / Entitlement Program**

The primary objective of the Community Development Block Grants (CDBG)/Entitlement Grants program (large cities and urban counties) is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

**Housing Opportunities for Persons with AIDS**

The Housing Opportunities for Persons with AIDS (HOPWA) program is designed to provide States and localities with resources and incentives to devise long-term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families.

**CARES Act Funding Programs**

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

**Business Activities**

Business activities include operations of Garden House, a two family dwelling located in East Rutherford, New Jersey owned by the Authority and operated as low income housing; funds remaining under the Authority's internal Community Development Fund and Affordable Housing Fund; the HOPWA program administered on behalf of the City of Paterson Department of Human Services; the Health and Human Services Shelter administered on behalf of Bergen County and the Martin Luther King building which includes 4 units of senior citizen housing and a community center for senior citizens. Included in this section since 2017 are the 6 formerly Public Housing Properties converted under HUD's RAD Program effective 1/1/17.

The properties are as follows:

- David Roche Apartments (100 units) in Dumont, New Jersey
- Boiling Springs Gardens (143 units) in East Rutherford, New Jersey
- Highland View Apartments (95 units) in Palisades Park, New Jersey
- Ramapo Brae Condo's (54 Units) in Mahwah, New Jersey
- De Simone Court Condo's (12 Units) in Ramsey, New Jersey
- Carucci Apartments (99 units) in Lyndhurst, New Jersey

**HOUSING AUTHORITY OF BERGEN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2022**

**Rental Assistance Demonstration (RAD)**

The Authority has 503 units in its inventory, which includes 5 super units. Super units are rent free units that are occupied by Authority employees who are the superintendents of the buildings. In exchange for the rent free unit, the superintendents are responsible for the repair and maintenance of the buildings. The Authority is responsible for the management, maintenance, and utilities costs for all units. The units must be maintained in accordance with HUD established housing quality standards. An annual inspection of each unit must be performed by the Authority to assure that it meets or exceeds these standards. Each of the Authority's buildings, and the units that comprise those buildings, are subject to random third-party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income.

On a monthly basis, the Authority receives funding from HUD in the form of Housing Assistance Payments (HAP) and administrative fees. HUD regularly assesses the needs of the PHA and disburses funds in accordance with the cash management requirements. HUD funds the program through the Congressional appropriations process and HUD allocation methodology that provides renewal funding each year. This methodology includes re-benchmarking, proration, inflation, spending, and timing.

**Emergency Solutions Grant**

The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended the McKinney-Vento Homeless Assistance Act, revised the Emergency Shelter Grants Program and renamed it to the Emergency Solutions Grants (ESG) program. The ESG Interim Rule took effect on January 4, 2012. The change in the program name reflects the change in focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The program provides funding to: engage homeless individuals and families living on the street, improve the number and quality of emergency shelters for homeless individuals and families, help operate these shelters, provide essential services to shelter residents, rapidly re-house homeless individuals and families, and prevent families and individuals from becoming homeless.

**Analysis of Net Position (Statements of Net Position)**

**Total Net Position** for FY 2021 was \$9,097,156 and for FY 2022 the amount was \$10,957,228. This represents an overall net increase of \$1,860,072 or 20.4%. Of this amount, restricted net position decreased by \$279,177 and investment in capital assets increased by \$1,122,718, and unrestricted net position increased by 1,016,531.

**Cash and cash equivalents** decreased from \$9,123,796 in FY 2021 to \$8,667,294 in FY 2022, or by \$456,502 or 5%.

**Restricted Cash and Security Deposits** decreased from \$7,163,560 in FY 2021 to \$6,077,409 in FY 2022, or by \$1,086,151. The decrease was primarily due to the receipt of Section 8 Housing Choice Vouchers CARES Act funding in advance in the amount of \$881,615 in FY 2021, and a decrease in housing assistance payment reserves in the amount of \$712,380 during FY 2022.

**Capital Assets, net** increased from \$10,892,862 in FY 2021 to \$11,887,995 in FY 2022, or by \$995,133 or 9.1%. This increase is primarily due to the purchase of a new administrative building in the Section 8 Housing Choice Vouchers Program in the amount of \$1,862,738 offset by depreciation expense of \$1,131,757.

**Non-current Liabilities** decreased from \$13,584,217 in FY 2021 to \$10,373,952 in FY 2022, or by \$3,210,265, or 23.6%. This change was primarily a result of a decrease in the Authority's net pension liability as calculated by the State of New Jersey P.E.R.S.

**HOUSING AUTHORITY OF BERGEN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2022**

**Analysis of Net Position (Statements of Net Position) (continued)**

	2022	2021	Net Change	Percent Variance
Cash & Cash Equivalents	\$ 8,667,294	\$ 9,123,796	\$ (456,502)	-5.0%
Receivables (net)	1,429,447	1,752,098	(322,651)	-18.4%
Prepaid expenses	389,865	298,704	91,161	30.5%
Restricted Cash & Security Deposits	6,077,409	7,163,560	(1,086,151)	-15.2%
Capital Assets	11,887,995	10,892,862	995,133	9.1%
Deferred Outflows of Resources	439,348	1,290,977	(851,629)	-66.0%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 28,891,358</b>	<b>\$ 30,521,997</b>	<b>\$ (1,630,639)</b>	-5.3%
Current Liabilities	2,975,682	3,791,085	(815,403)	-21.5%
Non Current Liabilities	10,373,952	13,584,217	(3,210,265)	-23.6%
Deferred Inflows of Resources	4,584,496	4,049,539	534,957	13.2%
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>17,934,130</b>	<b>21,424,841</b>	<b>(3,490,711)</b>	-16.3%
Net Investment in Capital Assets	8,273,676	7,150,958	1,122,718	15.7%
Restricted Net Position	5,755,969	6,035,146	(279,177)	-4.6%
Unrestricted Net Position	(3,072,417)	(4,088,948)	1,016,531	-24.9%
<b>Total Net Position</b>	<b>10,957,228</b>	<b>9,097,156</b>	<b>1,860,072</b>	20.4%
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 28,891,358</b>	<b>\$ 30,521,997</b>	<b>\$ (1,630,639)</b>	-5.3%

***Analysis of Program Revenues***

The Authority administers the following programs and the total revenue generated from these programs during FY 2022 was as follows:

Program	Revenues Generated
Community Development Block Grants (CDBG)	\$ 103,711
Housing Choice Vouchers (HCV)	50,170,258
State and Local (SL)	599,568
Mainstream Vouchers (MV)	716,533
Housing Choice Vouchers - CARES Act Funding	881,615
Emergency Housing Vouchers (EHV)	396,942
Continuum of Care (CofC)	1,496,366
Housing Opportunities for People with Aids (HOPWA)	408,691
Emergency Solutions Grant (ESG)	564,952
Central Office Cost Center (COCC)	2,468,317
Business Activities (BA)	5,662,241
Elimination of interprogram revenues	(3,670,841)
<b>Total Revenue</b>	<b>\$ 59,798,353</b>

Total revenues for Fiscal Year 2021 were \$57,746,009 as compared to \$59,798,353 of total revenues for Fiscal Year 2022. Comparatively, FY 2022 revenues exceeded FY 2021 by \$2,052,344 or by 3.6%.

**HOUSING AUTHORITY OF BERGEN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>Pct. Change</u>
Total Tenant Revenue	\$ 1,938,837	\$ 1,882,043	\$ 56,794	3.0%
HUD and Other Gov't Grants	55,227,602	53,992,332	1,235,270	2.3%
Other Revenue	<u>2,494,473</u>	<u>1,871,634</u>	<u>622,839</u>	33.3%
Total Revenue	<u>\$ 59,660,912</u>	<u>\$ 57,746,009</u>	<u>\$ 1,914,903</u>	3.3%

The primary reason for this change was increased HUD grants and increased other revenue due to the following:

- The Authority received \$267,490 more in Mainstream grant income during FY 2022.
- The Authority received \$396,942 in Emergency Housing Vouchers program income during FY 2022.
- The increase in HUD and Other Governmental Grants was due to the receipt of State and Local grants in the amount of \$567,323.
- The Authority had a decrease in the Authority's net pension liability as calculated by the State of New Jersey P.E.R.S. which was offset into other revenue.

**Analysis of Entity Wide Expenditures**

**Total Operating Expenses** for FY 2021 were \$55,509,393 as compared to the \$57,901,552 of total operating expenses for FY 2022. This represents an overall increase of \$2,392,159 or 4.31%.

**Administrative Expenses** increased from \$6,314,566 in FY 2021 to \$7,109,692 in FY 2022 or \$795,126 or 12.59%. This increase is primarily due to an increase in state and local funds received during the audit period that were used for administrative purposes.

**Insurance and General** expenditures for FY 2021 were \$847,095 as compared to \$595,852 in FY 2022. This represents a decrease of \$251,243 or 29.66%. The decrease is primarily due to a decrease in compensated absence expense.

**Tenant Services** expenditures for FY 2021 were \$497,583 as compared to \$928,474 in FY 2022. This represents an increase of \$430,891 or 86.60%. The increase is primarily due to increases in COVID-19 expenditures.

**Housing Assistance Payments** were \$44,510,267 for FY 2021 as compared to \$45,796,789 for FY 2022. This represents an increase of \$1,286,522 or 2.89%. The increase was primarily due to an increase in cost of living.

**HOUSING AUTHORITY OF BERGEN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2022**

**Analysis of Entity Wide Expenditures (continued)**

The table below illustrates our analysis:

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>Pct. Change</u>
Administrative	\$ 7,109,692	\$ 6,314,566	\$ 795,126	12.59%
Tenant Services	928,474	497,583	430,891	86.60%
Utilities	618,140	580,981	37,159	6.40%
Ordinary Repairs & Maintenance	1,720,848	1,576,962	143,886	9.12%
Insurance and General	595,852	847,095	(251,243)	-29.66%
Housing Assistance Payments	45,796,789	44,510,267	1,286,522	2.89%
Depreciation	1,131,757	1,181,939	(50,182)	-4.25%
<b>Total Operating Expenses</b>	<b><u>\$ 57,901,552</u></b>	<b><u>\$ 55,509,393</u></b>	<b><u>\$ 2,392,159</u></b>	<b><u>4.31%</u></b>

**ANALYSIS OF CAPITAL ASSET ACTIVITY AND LONG-TERM DEBT**

The table below illustrates the changes in Capital Assets throughout the fiscal year:

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>Percent Variance</u>
Land	\$ 1,060,630	\$ 1,060,630	\$ -	0.0%
Buildings	40,767,151	38,542,772	2,224,379	5.8%
Furniture, Equipment & Machinery	3,073,821	3,039,212	34,609	1.1%
Construction in Process	273,719	405,817	(132,098)	-32.6%
Total Capital Assets	45,175,321	43,048,431	2,126,890	4.9%
Accumulated Depreciation	33,287,326	32,155,569	1,131,757	3.5%
Net Capital Assets	<b><u>\$ 11,887,995</u></b>	<b><u>\$ 10,892,862</u></b>	<b><u>\$ 995,133</u></b>	<b><u>9.1%</u></b>

Total additions of \$2,171,983 for the year were offset by depreciation expense in the amount of \$1,131,757, resulting in an overall net increase in fixed assets of \$995,133, or 9.1%.

**Long-term Debt**

The Authority borrowed \$4,260,000 utilizing five separate loans during the year ended March 31, 2017 from the Housing Development Corporation of Bergen County. The mortgages are related to funding replacement reserve accounts in accordance with the Authority's RAD program. The balance at March 31, 2022 totaled \$3,614,319 with \$128,868 due currently. See footnote number 8 for more information.

**ECONOMIC FACTORS AND NEXT YEARS' BUDGET AND RATES**

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. However, local economic conditions affect the ability of Section 8 Housing Choice Voucher clients to find suitable housing that meet program guidelines. Therefore, funding of programs could be significantly affected by cuts to federal budgets.

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**STATEMENT OF NET POSITION**  
**AS OF MARCH 31, 2022**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 8,667,294
Tenant security deposits	217,529
Accounts receivable, net	1,429,447
Prepaid expenses	<u>389,865</u>
Total current assets	<u>10,704,135</u>
Non-current assets:	
Restricted cash	5,859,880
Capital assets, net	<u>11,887,995</u>
Total non-current assets	<u>17,747,875</u>
Total assets	<u>28,452,010</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	<u>439,348</u>
Total assets and deferred outflows of resources	<u>\$ 28,891,358</u>

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**STATEMENT OF NET POSITION (continued)**  
**AS OF MARCH 31, 2022**

**LIABILITIES**

Current liabilities:	
Accounts payable	\$ 904,014
Accrued expenses	156,114
Accrued interest payable	3,012
Accrued compensated absences, current	41,046
Tenant security deposits	217,529
Current portion of mortgages payable	128,868
Tax filing penalties payable to IRS	513,758
Unearned revenues	165,418
Other current liabilities	<u>845,923</u>
Total current liabilities	<u>2,975,682</u>
Non-current liabilities:	
Mortgages payable, excluding current portion	3,485,451
Accrued compensated absences, non-current	545,325
Net pension liability	<u>6,343,176</u>
Total non-current liabilities	<u>10,373,952</u>
Total liabilities	<u>13,349,634</u>

**DEFERRED INFLOWS OF RESOURCES**

State of New Jersey P.E.R.S.	<u>4,584,496</u>
------------------------------	------------------

**NET POSITION**

Net position:	
Net investment in capital assets	8,273,676
Restricted	5,755,969
Unrestricted	<u>(3,072,417)</u>
Total net position	<u>10,957,228</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 28,891,358</u>



**HOUSING AUTHORITY OF BERGEN COUNTY  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED MARCH 31, 2022**

Operating revenues:	
Tenant revenue	\$ 1,938,837
HUD operating grants	53,884,121
Other government grants	1,343,481
Other revenues	<u>2,494,473</u>
Total operating revenues	<u>59,660,912</u>
Operating expenses:	
Administrative	7,109,692
Tenant services	928,474
Utilities	618,140
Ordinary repairs and maintenance	1,720,848
Insurance and general	595,852
Housing assistance payments	45,796,789
Depreciation	<u>1,131,757</u>
Total operating expenses	<u>57,901,552</u>
Operating income	<u>1,759,360</u>
Non-operating revenues (expenses):	
Investment income	137,441
Interest expense	<u>(36,729)</u>
Net non-operating revenues	<u>100,712</u>
Change in net position	1,860,072
Total net position, beginning of year	<u>9,097,156</u>
Total net position, end of year	<u>\$ 10,957,228</u>

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

Cash Flows from Operating Activities:	
Cash received from grantors	\$ 55,501,025
Cash received from tenants and other activities	3,713,007
Cash paid to suppliers	(51,494,182)
Cash paid to employees	<u>(7,063,540)</u>
Net cash provided by operating activities	<u>656,310</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	(2,171,983)
Principal payments on long-term debt	(127,585)
Interest paid on long term debt	<u>(36,836)</u>
Net cash used in capital and related financing activities	<u>(2,336,404)</u>
Cash Flows from Investing Activities:	
Investment income	<u>137,441</u>
Net cash provided by investing activities	<u>137,441</u>
Net decrease in cash, cash equivalents, and restricted cash	(1,542,653)
Cash, cash equivalents, and restricted cash, beginning of year	<u>16,287,356</u>
Cash, cash equivalents, and restricted cash, end of year	\$ <u><u>14,744,703</u></u>
Reconciliation of Cash, Cash Equivalents, and Restricted Cash to the Statement of Net Position:	
Cash and cash equivalents	\$ 8,667,294
Tenant security deposits	217,529
Restricted cash	<u>5,859,880</u>
Cash, cash equivalents, and restricted cash, end of year	\$ <u><u>14,744,703</u></u>

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,759,360
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,131,757
Bad debt expense	98,197
Development costs expensed during the year	45,093
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Accounts receivable, net	224,454
Prepaid expenses	(91,161)
Deferred outflows of resources	851,629
Accounts payable	(583,277)
Accrued expenses	46,152
Tenant security deposits	7,497
Accrued compensated absences	(240,696)
Net pension liability	(2,857,550)
Deferred inflows of resources	534,957
Unearned revenue	(802,417)
Other current liabilities	<u>532,315</u>
Net cash provided by operating activities	\$ <u><u>656,310</u></u>

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**A. Organization**

The Housing Authority of Bergen County (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 Bergen County, New Jersey (the "County"). The Authority is responsible for operating certain low-rent housing programs in the County 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 Statement Presentation**

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

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

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

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplemental 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 BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

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

On January 30, 2008, HUD issued *PIH Notice 2008-9* which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

Both administrative fees 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 fees and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statements No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

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

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

**D. Description of Programs**

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

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**D. Description of Programs (continued)**

Section 8 Housing Choice Vouchers

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Mainstream Vouchers

The purpose of the Mainstream Vouchers program is to aid persons with disabilities (elderly and non-elderly) in obtaining decent, safe, and sanitary rental housing.

CARES Act Funding Programs

During the year ended March 31, 2022, the Authority was awarded CARES Act funding as part of the Section 8 Housing Choice Vouchers Program and Mainstream Vouchers. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

Community Development Block Grant / Entitlement Program

The primary objective of the Community Development Block Grants (CDBG)/Entitlement Grants program (large cities and urban counties) is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

Continuum of Care Program

This program provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency-syndrome (AIDS), and related diseases. Rental assistance requires a match in assistance made in cash or in-kind services provided by the grantee from federal or private sources to be used for supportive services. The Authority maintains a budget authority of 104 vouchers for the Continuum of Care Program.

Housing Opportunities for Persons with Aids Program

The Housing Opportunities for Persons with AIDS (HOPWA) program is designed to provide states and localities with resources and incentives to devise long-term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families.

Business Activities

Business activities include operations of Garden House, a two family dwelling located in East Rutherford, New Jersey owned by the Authority and operated as low income housing; funds remaining under the Authority's internal Community Development Fund and Affordable Housing Fund; the HOPWA program administered on behalf of the City of Paterson Department of Human Services; the Health and Human Services Shelter administered on behalf of Bergen County and the Martin Luther King building which includes 4 units of senior citizen housing and a community center for senior citizens. Additionally, the Authority's 498 public housing units which were converted to project based section eight are accounted for in this fund.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**D. Description of Programs (continued)**

Emergency Solutions Grant

The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended the McKinney-Vento Homeless Assistance Act, revised the Emergency Shelter Grants Program and renamed it to the Emergency Solutions Grants (ESG) program. The ESG Interim Rule took effect on January 4, 2012. The change in the program name reflects the change in focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The program provides funding to: engage homeless individuals and families living on the street, improve the number and quality of emergency shelters for homeless individuals and families, help operate these shelters, provide essential services to shelter residents, rapidly re-house homeless individuals and families, and prevent families and individuals from becoming homeless.

**E. Cash, Cash Equivalents and Investments**

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 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 GUDPA.

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.

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 the time of purchase. Investments are carried at cost plus accrued interest which approximates market value. Income from investments is recognized on the accrual basis.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**F. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated units. 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.

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

**G. 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.

**H. Prepaid Expenses**

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

**I. 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
•	Furniture, Fixtures and Equipment	5-10 Years

The Authority has established a capitalization threshold of \$2,500 for all equipment and building improvements.

**J. 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 impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended March 31, 2022, no impairment losses were incurred.



**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**K. Inter-Program Receivables and Payables**

Inter-program receivables and payables are current, and are the result of the use of business activities 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; however, they are reflected in the accompanying FDS as required by HUD.

**L. Accounts Payable and Accrued Expenses**

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.

**M. Unearned Revenue**

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

**N. 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 County.

**O. Use of Management Estimates**

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

**P. Compensated Absences**

Compensated absences represent amounts to which employees are entitled 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. New employees accrue 6 vacation days after satisfactory completion of the new hire period. Such employees will continue to earn one day per month until the completion of 12 full months of employment. From the beginning of the second year of employment, 1 1/4 days are earned per month for a maximum of 15 days per year, and from the beginning of the sixth year of employment, 1 2/3 days per month are earned for a total of 20 days per year. Employees' sick leave accumulates and employees may be compensated for sick leave at retirement at a rate of 50%, but no payment shall exceed \$16,000.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**Q. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

**R. 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 State of New Jersey, 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.

**S. Equity Classifications**

Equity is classified as net position and displayed in three components:

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

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

**T. Budgets and Budgetary Accounting**

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving federal expenditure 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 the Authority is also required to submit an authority wide budget for each fiscal year to the Director of the Division of Local Government Services 60 days prior to the end of the fiscal year.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of March 31, 2022, the Authority had funds on deposit in checking and money market accounts. As of March 31, 2022, the carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$14,744,703, and the bank balances approximated \$14,958,656.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 8,667,294
Restricted	5,859,880
Tenant security deposits	<u>217,529</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 14,744,703</u>

Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining \$14,708,656 was collateralized with the pledging financial institution as of March 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. As of March 31, 2022, the Authority's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

As of March 31, 2022, accounts receivable, net consisted of the following:

<u>Category</u>	<u>Amount</u>
Accounts receivable - HUD	\$ 395,333
Accounts receivable - other government	368,241
Accounts receivable - miscellaneous	441,115
Accounts receivable - tenants, net	<u>224,758</u>
Total accounts receivable, net	<u>\$ 1,429,447</u>

Accounts Receivable - HUD

HUD program receivables represent amounts due to the Authority for operating and capital grants. The Authority considers these amounts fully collectible and accordingly, has made no allowance for doubtful accounts.

Accounts Receivable - Other Government

Accounts receivable - other government consist of amounts due from other Public Housing Authorities for portable tenants, as well as from state and local governments for reimbursements of grant expenditures. The balance is shown net of an allowance for doubtful accounts of \$400,000.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consist primarily of amounts due from managed properties for reimbursements and contract fees owed. The Authority considers these amounts fully collectible and accordingly, has made no allowance for doubtful accounts.

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$7,711.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 4. CAPITAL ASSETS, NET**

A summary of the changes in capital assets, net during the year ended March 31, 2022 is as follows:

Description	March 31, 2021	Additions	Dispositions	Transfers	March 31, 2022
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,060,630	\$ -	\$ -	\$ -	\$ 1,060,630
Construction in progress	<u>405,817</u>	<u>88,083</u>	<u>(45,093)</u>	<u>(175,088)</u>	<u>273,719</u>
Total	<u>1,466,447</u>	<u>88,083</u>	<u>(45,093)</u>	<u>(175,088)</u>	<u>1,334,349</u>
<u>Depreciable capital assets:</u>					
Buildings	38,542,772	186,554	-	175,088	38,904,414
Furniture and equipment	<u>3,039,212</u>	<u>1,897,346</u>	<u>-</u>	<u>-</u>	<u>4,936,558</u>
Total	<u>41,581,984</u>	<u>2,083,900</u>	<u>-</u>	<u>175,088</u>	<u>43,840,972</u>
Less: accumulated depreciation	<u>(32,155,569)</u>	<u>(1,131,757)</u>	<u>-</u>	<u>-</u>	<u>(33,287,326)</u>
Net capital assets	\$ <u>10,892,862</u>	\$ <u>1,040,226</u>	\$ <u>(45,093)</u>	\$ <u>-</u>	\$ <u>11,887,995</u>

Depreciation expense for the year ended March 31, 2022 totaled \$1,131,757.

**NOTE 5. RESTRICTED DEPOSITS**

Restricted deposits consist of the following as of March 31, 2022:

<u>Cash Category</u>	<u>Amount</u>
Housing assistance payment reserves	\$ 201,522
Emergency housing vouchers - service fees	66,837
RAD Rehabilitation Reserves	5,554,417
Family Self Sufficiency	37,104
Tenant Security Deposits	<u>217,529</u>
Total restricted deposits	\$ <u>6,077,409</u>

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

Emergency housing vouchers - services are restricted to support the efforts in implementing and operating an effective services program that will best address the needs of eligible EHV individuals. RAD rehabilitation reserve funds are restricted for capital improvements related to properties specified in the mortgage agreement with the Housing Development Corporation of Bergen County.

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

Tenant security deposits are held in trust and restricted for refund to tenant upon termination or discontinuance.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 6. LONG TERM OBLIGATIONS**

For the year ended March 31, 2022, the following changes occurred in the Authority's long-term obligations:

	Balance at March 31, 2021	Additions	Retirements	Balance at March 31, 2022	Due in One Year
Accrued compensated absences	\$ 827,067	\$ 240,629	\$ (481,325)	\$ 586,371	\$ 41,046
Mortgages payable	3,741,904	-	(127,585)	3,614,319	128,868
Net pension liability	<u>9,200,726</u>	<u>-</u>	<u>(2,857,550)</u>	<u>6,343,176</u>	<u>-</u>
Total long term obligations	<u>\$ 13,769,697</u>	<u>\$ 240,629</u>	<u>\$(3,466,460)</u>	<u>\$ 10,543,866</u>	<u>\$ 169,914</u>

**NOTE 7. ACCRUED COMPENSATED ABSENCES**

The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued at the Statement of Net Position date for which payment is probable. As of March 31, 2022, the Authority had accrued \$586,371, of which \$41,046 is estimated to be currently due.

**NOTE 8. MORTGAGES PAYABLE**

Mortgages payable consisted of the following as of March 31, 2022:

<u>Description</u>	<u>Amount</u>
The Authority entered into a mortgage with the Housing Development Corporation of Bergen County related to the RAD conversion of the David F Roche project on December 13, 2016 in the amount of \$1,000,000. Interest shall be fixed per annum at a rate of 1%. Commencing on February 1, 2017, principal and interest payments shall be due monthly. The mortgage matures on January 1, 2047 and is secured by the underlying land and building.	\$ 848,431
The Authority entered into a mortgage with the Housing Development Corporation of Bergen County related to the RAD conversion of the Boiling Springs project on December 13, 2016 in the amount of \$1,550,000. Interest shall be fixed per annum at a rate of 1%. Commencing on February 1, 2017, principal and interest payments shall be due monthly. The mortgage matures on January 1, 2047 and is secured by the underlying land and building.	1,315,069
The Authority entered into a mortgage with the Housing Development Corporation of Bergen County related to the RAD conversion of Carucci Apartments on December 13, 2016 in the amount of \$700,000. Interest shall be fixed per annum at a rate of 1%. Commencing on February 1, 2017, principal and interest payments shall be due monthly. The mortgage matures on January 1, 2047 and is secured by the underlying land and building.	593,902
The Authority entered into a mortgage with the Housing Development Corporation of Bergen County related to the RAD conversion of the Highland View project on December 13, 2016 in the amount of \$535,000. Interest shall be fixed per annum at a rate of 1%. Commencing on February 1, 2017, principal and interest payments shall be due monthly. The mortgage matures on January 1, 2047 and is secured by the underlying land and building.	453,912

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 8. MORTGAGES PAYABLE (continued)**

The Authority entered into a mortgage with the Housing Development Corporation of Bergen County related to the RAD conversion of the Ramsey/Mahwah project on December 13, 2016 in the amount of \$475,000. Interest shall be fixed per annum at a rate of 1%. Commencing on February 1, 2017, principal and interest payments shall be due monthly. The mortgage matures on January 1, 2047 and is secured by the underlying land and building.

	<u>403,005</u>
Total mortgages payable	3,614,319
Less: current portion	<u>128,868</u>
Total mortgages payable, net of current portion	\$ <u>3,485,451</u>

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

Year	Principal	Interest	Total
2023	\$ 128,868	\$ 35,554	\$ 164,422
2024	130,163	34,259	164,422
2025	131,471	32,951	164,422
2026	132,791	31,631	164,422
2027	134,126	30,297	164,423
2028-2032	691,112	130,999	822,111
2033-2037	726,531	95,580	822,111
2038-2042	763,764	58,346	822,110
2043-2047	<u>775,493</u>	<u>19,215</u>	<u>794,708</u>
	\$ <u>3,614,319</u>	\$ <u>468,832</u>	\$ <u>4,083,151</u>

**NOTE 9. 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 Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

**B. Benefits**

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 9. 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 less 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 March 31, 2022, the Authority reported a liability of \$6,343,176, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2020, and rolled forward to June 30, 2021.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

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

For the year ended March 31, 2022, the Authority recognized pension expense of \$843,651. At March 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 33,035	\$ (2,258,212)
Changes in Proportion	306,273	(609,915)
Differences between expected and actual experience	100,040	(45,410)
Net differences between actual and projected earnings on pension plan investments	<u>-</u>	<u>(1,670,959)</u>
Total	\$ <u>439,348</u>	\$ <u>(4,584,496)</u>

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

	<u>Amount</u>
Year ending March 31:	
2023	\$ (1,615,017)
2024	(1,153,119)
2025	(786,230)
2026	(591,011)
2027	<u>229</u>
	\$ <u>(4,145,148)</u>

**E. Actuarial Assumptions**

The collective total pension liability at the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions.

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



**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**E. Actuarial Assumptions (continued)**

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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

In accordance with the State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 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.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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

**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 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 percent) or 1 percentage point higher (8 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>8,730,201</u>	\$ <u>6,343,176</u>	\$ <u>4,442,448</u>

**NOTE 10. RESTRICTED NET POSITION**

Restricted net position consists of the following at March 31, 2022:

<u>Description</u>	<u>Amount</u>
Emergency housing voucher reserves	\$ 201,552
RAD rehabilitation reserves	<u>5,554,417</u>
Total restricted net position	\$ <u>5,755,969</u>

Emergency housing voucher reserves are restricted for use only in the Emergency Housing Vouchers Program for tenant rents.

RAD rehabilitation reserves are restricted for capital improvements related to properties specified in the related mortgage agreements with the Housing Development Corporation of Bergen County.

**NOTE 11. COMMITMENTS**

The Authority entered into a lease agreement with the County of Bergen to lease its facilities. The lease commenced on March 1, 2018, and was for a two year period, with three one-year options to renew, which terminates on February 28, 2023. Rent was \$186,000 for the first year of the lease agreement, and increases by two percent annually, thereafter. Rent must be prepaid 30 days prior to the termination of the current term.

**NOTE 12. ECONOMIC DEPENDENCY**

The Section 8 Housing Choice Vouchers program is economically dependent on annual grants from HUD.

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 13. 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 March 31, 2022, the Authority estimates that no material liabilities will result from such audits.

Vulnerability – Impact of COVID-19

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

**NOTE 14. RISK MANAGEMENT**

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

**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. Management evaluated the activity of the Authority through November 15, 2022 (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 Bergen County:

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 Bergen County (the "Authority") as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated November 15, 2022.

***Report on Internal Control Over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Norograde & Company LLP*

November 15, 2022  
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 THE  
STATE OF NEW JERSEY OMB CIRCULAR 15-08**

To the Board of Commissioners of the  
Housing Authority of Bergen County:

***Opinion on Each Major Federal Program***

We have audited the Housing Authority of Bergen County's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2022.

***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). 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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.

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.

*Novogradac & Company LLP*

November 15, 2022  
Toms River, New Jersey



**HOUSING AUTHORITY OF BERGEN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2022**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass- through Number</u>	<u>Grant Period</u> <u>From</u> / <u>To</u>		<u>Grant Award</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>							
Housing Voucher Cluster:							
Section 8 Housing Choice Vouchers	14.871	N/A	4/1/21	3/31/22	\$ 51,148,251	\$ 51,148,250	\$ 51,148,251
Section 8 Housing Choice Vouchers - CARES Act Funding	14.HCC	N/A	4/1/21	3/31/22	881,615	881,615	881,615
Mainstream Vouchers	14.879	N/A	4/1/21	3/31/22	637,681	637,681	637,681
Emergency Housing Vouchers	14.EHV	N/A	4/1/21	3/31/22	<u>140,846</u>	<u>140,846</u>	<u>140,846</u>
Total Housing Voucher Cluster					<u>52,808,393</u>	<u>52,808,392</u>	<u>52,808,393</u>
Passed through the County of Bergen:							
Community Development Block Grant	14.218	N/A	4/1/21	3/31/22	103,711	103,711	103,711
Passed through the County of Bergen and the Housing Development Corporation of Bergen County:							
Emergency Solutions Grant	14.231	N/A	4/1/21	3/31/22	564,952	564,952	564,952
Continuum of Care Program	14.267	N/A	12/1/19	11/30/21	2,267,360	1,494,977	1,749,347
Housing Opportunities for Persons with AIDS	14.241	N/A	4/1/21	3/31/22	<u>407,949</u>	<u>407,949</u>	<u>407,949</u>
Total U.S. Department of Housing and Urban Development					<u>56,152,365</u>	<u>55,379,981</u>	<u>55,634,352</u>
Total Federal Awards and Expenditures					<u>\$ 56,152,365</u>	<u>\$ 55,379,981</u>	<u>\$ 55,634,352</u>

**HOUSING AUTHORITY OF BERGEN COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Housing Authority of Bergen County (the "Authority") under programs of the federal government for the year ended March 31, 2022. 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). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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

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

**NOTE 3. INDIRECT COST RATE**

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF BERGEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**I. Summary of Auditors' Results**

**Financial Statements**

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditors' report issued:                    | Unmodified    |
| 2. | Internal control over financial reporting           |               |
| a. | Material weakness(es) identified?                   | No            |
| b. | Significant deficiency(ies) identified?             | None reported |
| 3. | Noncompliance material to the financial statements? | No            |

**Federal Awards**

- |    |  |               |
|----|--|---------------|
| 1. | Internal control over compliance:  |               |
| a. | Material weakness(es) identified?  | No            |
| b. | Significant deficiency(ies) identified?  | None reported |
| 2. | Type of auditors' report on compliance for major programs:   | Unmodified    |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |
| 4. | Identification of major programs:  |               |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	Housing Voucher Cluster:
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers
14.HCC	Section 8 Housing Choice Vouchers - CARES Act
14.EHV	Emergency Housing Vouchers

- |    |  |             |
|----|--|-------------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$1,661,399 |
| 6. | Auditee qualified as low-risk Auditee?                                   | No          |

**HOUSING AUTHORITY OF BERGEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2022**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Federal Audit Findings

There were no prior year audit findings.

**HOUSING AUTHORITY OF BERGEN COUNTY  
REQUIRED PENSION INFORMATION  
FOR THE YEAR ENDED MARCH 31, 2022**

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

	March 31, <u>2014</u>	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>	March 31, <u>2021</u>	March 31, <u>2022</u>
Contractually required contribution	\$ 356,467	\$ 440,787	\$ 444,907	\$ 481,191	\$ 494,530	\$ 844,910	\$ 555,157	\$ 617,213	\$ 627,071
Contributions in relation to the contractually required contribution	<u>356,467</u>	<u>440,787</u>	<u>444,907</u>	<u>481,191</u>	<u>494,530</u>	<u>844,910</u>	<u>555,157</u>	<u>617,213</u>	<u>627,071</u>
(Over) / under funded	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Authority's covered-employee payroll	\$ <u>2,973,524</u>	\$ <u>3,036,660</u>	\$ <u>3,191,600</u>	\$ <u>3,554,911</u>	\$ <u>3,238,092</u>	\$ <u>4,138,134</u>	\$ <u>3,200,324</u>	\$ <u>3,175,554</u>	\$ <u>2,920,494</u>
Contributions as a percentage of covered employee payroll	<u>11.99</u> %	<u>14.52</u> %	<u>13.94</u> %	<u>13.54</u> %	<u>15.27</u> %	<u>20.42</u> %	<u>17.35</u> %	<u>19.44</u> %	<u>21.47</u> %

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

	March 31, <u>2014</u>	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>	March 31, <u>2021</u>	March 31, <u>2022</u>
Authority's proportion of the net pension liability	<u>0.0473</u> %	<u>0.0535</u> %	<u>0.0517</u> %	<u>0.0542</u> %	<u>0.0534</u> %	<u>0.0550</u> %	<u>0.0571</u> %	<u>0.0564</u> %	<u>0.0535</u> %
Authority's proportionate share of the net pension liability	\$ <u>9,041,775</u>	\$ <u>10,010,775</u>	\$ <u>11,616,728</u>	\$ <u>16,042,016</u>	\$ <u>12,426,546</u>	\$ <u>10,820,213</u>	\$ <u>10,283,778</u>	\$ <u>9,200,726</u>	\$ <u>6,343,176</u>
Authority's covered-employee payroll	\$ <u>2,973,524</u>	\$ <u>3,036,660</u>	\$ <u>3,191,600</u>	\$ <u>3,238,092</u>	\$ <u>3,238,092</u>	\$ <u>4,138,134</u>	\$ <u>3,200,324</u>	\$ <u>3,175,554</u>	\$ <u>2,920,494</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>304.08</u> %	<u>329.66</u> %	<u>363.98</u> %	<u>495.42</u> %	<u>383.76</u> %	<u>261.48</u> %	<u>321.34</u> %	<u>289.74</u> %	<u>217.20</u> %
Plan fiduciary net position as a percentage of the total pension liability	<u>48.72</u> %	<u>52.08</u> %	<u>47.93</u> %	<u>43.35</u> %	<u>48.10</u> %	<u>48.10</u> %	<u>56.30</u> %	<u>58.32</u> %	<u>70.33</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.

BERGEN COUNTY HOUSING AUTHORITY																	
NJ067																	
Financial Data Schedule (FDS)																	
March 31, 2022																	
Line Item #	Account Description	Project Total	14.218 Community Dev. Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	14.HCC HCV CARES	Mainstream Vouchers	14.MSC Mainstream CARES	14.241 Housing Opportunities for Persons with AIDS	14.267 Continuum of Care	Business Activities	State & Local	14.EHV Emergency Housing Vouchers	14.231 Emergency Solutions Grant	COCC	Elimination	TOTAL	
	<b>ASSETS:</b>																
	<b>CURRENT ASSETS:</b>																
	Cash:																
111	Cash - unrestricted	\$ -	\$ -	\$ 4,137,812	\$ -	\$ 45,710	\$ -	\$ 72,622	\$ 125,465	\$ 2,461,229	\$ 78,758	\$ 50,336	\$ -	\$ 1,695,362	\$ -	\$ 8,667,294	
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-	-	-	5,554,417	-	268,359	-	-	-	5,822,776	
114	Cash - tenant security deposits	-	-	-	-	-	-	-	-	217,529	-	-	-	-	-	217,529	
115	Cash - restricted for payment of current liabilities	-	-	37,104	-	-	-	-	-	-	-	-	-	-	-	37,104	
100	Total cash	-	-	4,174,916	-	45,710	-	72,622	125,465	8,233,175	78,758	318,695	-	1,695,362	-	14,744,703	
	Accounts and notes receivables:																
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	346,001	-	44,645	-	-	4,687	-	-	-	-	-	-	395,333	
124	Accounts receivable - other government	-	-	107,569	-	-	-	27,003	-	627,949	-	-	-	-	-	762,521	
125	Accounts receivable - miscellaneous	-	-	(394,280)	-	-	-	-	3,215	28,785	116,672	-	292,443	-	-	46,835	
126	Accounts receivable- tenants	-	-	-	-	-	-	-	-	232,469	-	-	-	-	-	232,469	
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	-	(7,711)	-	-	-	-	-	(7,711)	
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
120	Total receivables, net of allowances for doubtful accounts	-	-	59,290	-	44,645	-	27,003	7,902	881,492	116,672	-	-	292,443	-	1,429,447	
	Current investments																
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
142	Prepaid expenses and other assets	-	-	186,315	-	-	-	-	932	126,891	-	4,499	-	71,228	-	389,865	
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
144	Interprogram - due from	-	-	-	-	-	-	-	-	-	-	-	-	734,569	(734,569)	-	
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
150	TOTAL CURRENT ASSETS	-	-	4,420,521	-	90,355	-	99,625	134,299	9,241,558	195,430	323,194	-	2,793,602	(734,569)	16,564,015	
	<b>NONCURRENT ASSETS:</b>																
	Fixed assets:																
161	Land	-	-	-	-	-	-	-	-	1,060,630	-	-	-	-	-	1,060,630	
162	Buildings	-	-	1,862,738	-	-	-	-	-	38,904,413	-	-	-	-	-	40,767,151	
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-	-	2,239,007	-	-	-	-	-	2,239,007	
164	Furniture, equipment & machinery - administration	-	-	643,185	-	-	-	-	-	-	-	-	191,629	-	-	834,814	
166	Accumulated depreciation	-	-	(365,025)	-	-	-	-	-	(32,763,855)	-	-	(158,446)	-	-	(33,287,326)	
167	Construction in Progress	-	-	-	-	-	-	-	-	273,719	-	-	-	-	-	273,719	
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
160	Total fixed assets, net of accumulated depreciation	-	-	2,140,898	-	-	-	-	-	9,713,914	-	-	-	33,183	-	11,887,995	
	Other non-current assets:																
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
180	TOTAL NONCURRENT ASSETS	-	-	2,140,898	-	-	-	-	-	9,713,914	-	-	-	33,183	-	11,887,995	
200	Deferred Outflow of Resources	-	-	165,658	-	-	-	-	-	84,582	-	-	-	189,108	-	439,348	
290	TOTAL ASSETS AND DEFERRED OUTFLOW	\$ -	\$ -	\$ 6,727,077	\$ -	\$ 90,355	\$ -	\$ 99,625	\$ 134,299	\$ 19,040,054	\$ 195,430	\$ 323,194	\$ -	\$ 3,015,893	\$ (734,569)	\$ 28,891,358	

BERGEN COUNTY HOUSING AUTHORITY																
NJ067																
Financial Data Schedule (FDS)																
March 31, 2022																
Line Item #	Account Description	Project Total	14.218 Community Dev. Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	14.HCC HCV CARES	Mainstream Vouchers	14.MSC Mainstream CARES	14.241 Housing Opportunities for Persons with AIDS	14.267 Continuum of Care	Business Activities	State & Local	14.EHV Emergency Housing Vouchers	14.231 Emergency Solutions Grant	COCC	Elimination	TOTAL
<b>LIABILITIES AND EQUITY:</b>																
<b>Liabilities:</b>																
<b>Current Liabilities:</b>																
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	-	-	182,937	-	2,866	-	-	73,155	169,998	-	261	-	259,254	-	688,471
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	17,143	-	-	-	-	351	22,474	-	-	-	116,146	-	156,114
322	Accrued compensated absences - current portion	-	-	6,461	-	-	-	-	-	10,987	-	-	-	23,598	-	41,046
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	3,012	-	-	-	-	-	3,012
331	Accounts payable - HUD PHA programs	-	-	80,022	-	-	-	-	-	-	-	-	-	-	-	80,022
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-	-	-	135,521	-	-	-	-	-	135,521
342	Unearned Revenue	-	-	-	-	-	-	-	-	217,529	-	-	-	-	-	217,529
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	72,694	25,887	66,837	-	-	-	165,418
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	128,868	-	-	-	-	-	128,868
345	Other current liabilities	-	-	37,104	-	-	-	-	-	513,758	19,155	-	-	647,268	-	1,217,285
346	Accrued liabilities - other	-	-	109	-	-	-	268	-	116,859	23,090	-	-	2,070	-	142,396
347	Interprogram - due to	-	-	-	-	-	-	-	23,870	613,182	97,517	-	-	-	(734,569)	-
310	<b>TOTAL CURRENT LIABILITIES</b>	-	-	323,776	-	2,866	-	268	97,376	2,004,882	165,649	67,098	-	1,048,336	(734,569)	2,975,682
<b>NONCURRENT LIABILITIES:</b>																
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	3,485,451	-	-	-	-	-	3,485,451
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	-	-	85,841	-	-	-	-	-	145,969	-	-	-	313,515	-	545,325
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	2,339,925	-	-	-	-	-	1,643,261	-	-	-	2,359,990	-	6,343,176
350	<b>TOTAL NONCURRENT LIABILITIES</b>	-	-	2,425,766	-	-	-	-	-	5,274,681	-	-	-	2,673,505	-	10,373,952
300	<b>TOTAL LIABILITIES</b>	-	-	2,749,542	-	2,866	-	268	97,376	7,279,563	165,649	67,098	-	3,721,841	(734,569)	13,349,634
400	Deferred Inflow of resources	-	-	1,698,181	-	-	-	-	-	1,130,505	-	-	-	1,755,810	-	4,584,496
<b>EQUITY:</b>																
508.1	Invested in Capital Assets, Net of Related Debt	-	-	2,140,898	-	-	-	-	-	6,099,595	-	-	-	33,183	-	8,273,676
511.1	Restricted Net Assets	-	-	-	-	-	-	-	-	5,554,417	-	201,552	-	-	-	5,755,969
512.1	Unrestricted Net Assets	-	-	138,456	-	87,489	-	99,357	36,923	(1,024,026)	29,781	54,544	-	(2,494,941)	-	(3,072,417)
513	<b>TOTAL EQUITY</b>	-	-	2,279,354	-	87,489	-	99,357	36,923	10,629,986	29,781	256,096	-	(2,461,758)	-	10,957,228
600	<b>TOTAL LIABILITIES, EQUITY AND DEFERRED INFLOWS</b>	\$ -	\$ -	\$ 6,727,077	\$ -	\$ 90,355	\$ -	\$ 99,625	\$ 134,299	\$ 19,040,054	\$ 195,430	\$ 323,194	\$ -	\$ 3,015,893	\$ (734,569)	\$ 28,891,358
<b>Proof of concept</b>																

BERGEN COUNTY HOUSING AUTHORITY																			
NJ067																			
Financial Data Schedule (FDS)																			
March 31, 2022																			
Line Item #	Account Description	Operating	Capital	Project Total	14.218 Community Dev. Block Grants/Entitle ment Grants	14.871 Housing Choice Vouchers	14.HCC HCV CARES	Mainstream Vouchers	14.MSC Mainstream CARES	14.241 Housing Opportunities for Persons with AIDS	14.267 Continuum of Care	Business Activities	14.257 Homelessness Prevention (RAF)	State & Local	14.EHV Emergency Housing Vouchers	14.231 Emergency Solutions Grant	COCC	Elimination	TOTAL
	<b>REVENUE:</b>																		
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,941,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,941,546
70400	Tenant revenue - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70500	Total tenant revenue	-	-	-	-	-	-	-	-	-	-	1,941,546	-	-	-	-	-	-	1,941,546
70600	HUD PHA grants	-	-	-	103,711	49,317,442	881,615	716,533	-	407,949	1,494,977	-	-	-	396,942	564,952	-	-	53,884,121
70610	Capital grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	841,938	(841,938)	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	352,305	(352,305)	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,143	(57,143)	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	574,578	-	574,578
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	3,192,904	-	567,323	-	-	-	(2,419,455)	1,340,772
71100	Investment income - unrestricted	-	-	-	-	53,305	-	-	-	742	1,389	73,661	-	490	-	-	7,854	-	137,441
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	27,820	-	-	-	-	-	-	-	-	-	-	-	-	27,820
71500	Other revenue	-	-	-	-	771,691	-	-	-	-	-	454,130	-	31,755	-	-	634,499	-	1,892,075
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	<b>TOTAL REVENUE</b>	-	-	-	103,711	50,170,258	881,615	716,533	-	408,691	1,496,366	5,662,241	-	599,568	396,942	564,952	2,468,317	(3,670,841)	59,798,353
	<b>EXPENSES:</b>																		
	Administrative																		
91100	Administrative salaries	-	-	-	-	741,539	-	-	-	26,791	40,292	709,060	-	19,155	-	238,130	542,594	-	2,317,561
91200	Auditing fees	-	-	-	-	13,763	-	-	-	-	-	3,580	-	-	-	-	734	-	18,077
91300	Outside management fees	-	-	-	-	810,981	-	10,339	-	-	15,084	518,594	-	-	-	-	-	(841,938)	513,060
91310	Book-keeping fee	-	-	-	-	338,565	-	3,773	-	-	9,427	540	-	-	-	-	-	(352,305)	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	481	-	481
91500	Employee benefit contributions- administrative	-	-	-	-	516,288	-	-	-	-	16,356	702,870	-	-	-	64,103	603,244	-	1,902,861
91600	Office expenses	-	-	-	-	436,287	-	-	-	-	-	98,648	-	-	-	-	412,494	-	947,429
91700	Legal expenses	-	-	-	-	32,500	-	-	-	-	-	12,880	-	-	-	-	3,870	-	49,250
91800	Travel	-	-	-	-	523	-	-	-	-	-	2,504	-	-	-	-	12,723	-	15,750
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	219,586	-	-	-	381,158	-	79,855	-	550,632	-	-	113,992	-	1,345,223
	Total administrative	-	-	-	-	3,110,032	-	14,112	-	407,949	81,159	2,128,531	-	569,787	-	302,233	1,690,132	(1,194,243)	7,109,692
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tenant services																		



BERGEN COUNTY HOUSING AUTHORITY																			
NJ067																			
Financial Data Schedule (FDS)																			
March 31, 2022																			
Line Item #	Account Description	Operating	Capital	Project Total	14.218 Community Dev. Block Grants/Entitle ment Grants	14.871 Housing Choice Vouchers	14.HCC HCV CARES	Mainstream Vouchers	14.MSC Mainstream CARES	14.241 Housing Opportunities for Persons with AIDS	14.267 Continuum of Care	Business Activities	14.257 Homelessness Prevention (RAF)	State & Local	14.EHV Emergency Housing Vouchers	14.231 Emergency Solutions Grant	COCC	Elimination	TOTAL
92100	Tenant services - salaries	-	-	-	-	-	451,428	-	-	-	-	-	-	-	-	-	-	-	451,428
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-	67,825	-	-	-	-	-	-	-	-	-	-	-	67,825
92400	Tenant services - other	-	-	-	-	-	362,362	-	-	-	-	12,196	-	-	34,663	-	-	-	409,221
	Total tenant services	-	-	-	-	-	881,615	-	-	-	-	12,196	-	-	34,663	-	-	-	928,474
	Utilities																		
93100	Water	-	-	-	-	-	-	-	-	-	-	248,040	-	-	-	-	-	-	248,040
93200	Electricity	-	-	-	-	-	-	-	-	-	-	239,371	-	-	-	-	-	-	239,371
93300	Gas	-	-	-	-	-	-	-	-	-	-	92,399	-	-	-	-	-	-	92,399
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	1,209	-	-	-	-	-	-	1,209
93600	Sewer	-	-	-	-	-	-	-	-	-	-	37,121	-	-	-	-	-	-	37,121
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total utilities	-	-	-	-	-	-	-	-	-	-	618,140	-	-	-	-	-	-	618,140
	Ordinary maintenance & operation																		
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	-	-	-	-	-	476,275	-	-	-	-	211,687	-	687,962
94200	Ordinary maintenance and operations - materials & other	-	-	-	-	-	-	-	-	-	-	23,966	-	-	-	21,935	9,168	-	55,069
94300	Ordinary maintenance and operations - contract costs	-	-	-	-	-	-	-	-	-	-	748,323	-	-	-	240,784	45,853	(57,143)	977,817
94500	Employee benefit contributions- ordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total ordinary maintenance	-	-	-	-	-	-	-	-	-	-	1,248,564	-	-	-	262,719	266,708	(57,143)	1,720,848
	Protective services																		
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	General expenses																		
96100	Insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	-	-	-	-	-	145,585	-	-	-	-	-	-	145,585
96120	Liability Insurance	-	-	-	-	16,138	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	-	17,610	-	-	-	-	713	25,384	-	-	-	-	18,107	-	61,814
96200	Other general expenses	-	-	-	-	48,362	-	-	-	-	-	81,600	-	-	-	-	-	-	129,962
96210	Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	123,989	-	-	-	-	-	-	123,989
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-	98,197	-	-	-	-	-	-	98,197

BERGEN COUNTY HOUSING AUTHORITY																			
NJ067																			
Financial Data Schedule (FDS)																			
March 31, 2022																			
Line Item #	Account Description	Operating	Capital	Project Total	14.218 Community Dev. Block Grants/Entitle ment Grants	14.871 Housing Choice Vouchers	14.HCC HCV CARES	Mainstream Vouchers	14.MSC Mainstream CARES	14.241 Housing Opportunities for Persons with AIDS	14.267 Continuum of Care	Business Activities	14.257 Homelessness Prevention (RAF)	State & Local	14.EHV Emergency Housing Vouchers	14.231 Emergency Solutions Grant	COCC	Elimination	TOTAL
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,894	-	3,894
96700	Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	36,729	-	-	-	-	-	-	36,729
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total general expenses	-	-	-	-	82,110	-	-	-	-	1,280	511,484	-	-	-	-	37,707	-	632,581
96900	TOTAL OPERATING EXPENSES	-	-	-	-	3,192,142	881,615	14,112	-	407,949	82,439	4,518,915	-	569,787	34,663	564,952	1,994,547	(1,251,386)	11,009,735
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	-	-	-	103,711	46,978,116	-	702,421	-	742	1,413,927	1,143,326	-	29,781	362,279	-	473,770	(2,419,455)	48,788,618
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	45,993,328	-	623,569	-	-	1,393,122	-	-	-	106,183	-	-	(2,419,455)	45,696,747
97350	HAP Portability - in	-	-	-	-	100,042	-	-	-	-	-	-	-	-	-	-	-	-	100,042
97400	Depreciation expense	-	-	-	-	117,793	-	-	-	-	-	1,005,082	-	-	-	-	8,882	-	1,131,757
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	-	-	-	-	49,403,305	881,615	637,681	-	407,949	1,475,561	5,523,997	-	569,787	140,846	564,952	2,003,429	(3,670,841)	57,938,281
OTHER FINANCING SOURCES (USES)																			
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-	-	103,711	766,953	-	78,852	-	742	20,805	138,244	-	29,781	256,096	-	464,888	-	1,860,072
MEMO ACCOUNT INFORMATION:																			
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning equity	-	-	-	-	1,521,038	-	-	-	98,615	16,118	10,388,031	-	-	-	-	(2,926,646)	-	9,097,156
11040	Prior period adjustments and equity transfers	-	-	-	(103,711)	(8,637)	-	8,637	-	-	-	103,711	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	-	-	-	-	49,008	-	552	-	-	1,260	6,048	-	-	175	-	-	-	57,043
11210	Number of unit months leased	-	-	-	-	45,142	-	503	-	-	1,257	5,878	-	-	84	-	-	-	52,864
Equity Roll Forward Test:																			
Calculation from R/E Statement		\$ -	\$ -	\$ -	\$ -	\$ 2,279,354	\$ -	\$ 87,489	\$ -	\$ 99,357	\$ 36,923	\$ 10,629,986	\$ -	\$ 29,781	\$ 256,096	\$ -	\$ (2,461,758)	\$ -	\$ 10,957,228
B/S Line 513		\$ -	\$ -	\$ -	\$ -	\$ 2,279,354	\$ -	\$ 87,489	\$ -	\$ 99,357	\$ 36,923	\$ 10,629,986	\$ -	\$ 29,781	\$ 256,096	\$ -	\$ (2,461,758)	\$ -	\$ 10,957,228
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -