

Report On Audit

**HOUSING AUTHORITY OF THE
TOWN OF GUTTENBERG**

**For the Year Ended
March 31, 2024**

Housing Authority of the Town of Guttenberg

Table of Contents

	<u>Page Number</u>
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-18
Financial Statements	
Statement of Net Position	19-20
Statement of Revenue, Expenses and Changes in Net Position	21
Statement of Cash Flows	22-23
Notes to Financial Statements	24-60
Required Supplementary Information	
Schedule of Changes in Total OPEB Liabilities and Ratios	61
Schedule of Proportionate Share of the Net Pension Liability Of the Public Employee Retirement System (ERS)	62-65
Supplementary Information	
Schedule of Expenditures of Federal Awards	66-67
Financial Data Schedule	68-76
Other Reports and Comments	
Independent Auditor's 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>	77-78
Independent Auditors Report on Compliance for each Major Program and on Internal Control over Compliance Required by Uniform Guidance	79-81
Schedule of Findings and Questioned Cost	82
Independent Accountant's Report on Applying Agreed-upon Procedures – REAC	83-84

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Town of Guttenberg
6900 Broadway
Guttenberg, New Jersey 07093

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and business activities of the Housing Authority of the Town of Guttenberg, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Guttenberg basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and business activities of the Housing Authority of the Town of Guttenberg as of March 31, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the Town of Guttenberg and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Housing Authority of the Town of Guttenberg'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Housing Authority of the Town of Guttenberg'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 Housing Authority of the Town of Guttenberg.
- Housing Authority of the Town of Guttenberg's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and OPEB and PERS supplemental information on pages 5 through 18 and pages 61-65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Guttenberg's basic financial statements. The accompanying supplemental information on pages 66-76 is presented for additional analysis and is not required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The electronic filed Financial Data Schedule is presented for additional analysis as required by the U.S. Department of Housing and Urban Development's Real Estate Assessment Center and is also not required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, and Financial Data Schedule, are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Expenditures of Federal Awards, and Financial Data Schedule, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, in our consideration of the Housing Authority of the Town of Guttenberg'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the Town of Guttenberg's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the Town of Guttenberg's internal control over financial reporting and compliance.



Lincroft, New Jersey

Date: September 13, 2024

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

As Management of the Housing Authority of the Town of Guttenberg (the Authority), present the following discussion and analysis which is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached financial statements. Management Discussion and Analysis is designed to focus on the current year activities, resulting changes, and current known facts. It is by necessity highly summarized, and to gain a thorough understanding of the Authority's financial position, the financial statements and footnotes should be viewed in their entirety beginning on page 19 of this report. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

FINANCIAL HIGHLIGHTS

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,670,491, an increase in the financial position of \$1,513,659 or over 100% percent as compared to the prior year.

As noted above, the net position of the Authority was \$2,670,491 as of March 31, 2024. Of this amount, the unrestricted net position is a deficit balance of \$2,414,334, representing a decrease in the deficit of \$564,462 or 19% percent from the previous year. Additional information on the Authority's unrestricted net positions can be found in Note 19 the financial statements, which is included in this report.

The Authority's reported net investment in capital assets increased by \$970,733 or 24% percent for an ending balance of \$5,076,900. The major factors that contributed for the increase was the purchase of fixed assets in the amount of \$1,583,671, less the recording of depreciation expense in the amount of \$612,938.

The restricted net position decreased \$21,536 or 73% from the previous year for an ending balance of \$7,925. Additional information on the Authority's restricted net position can be found in Note 18 to the financial statements, which is included in this report.

The Authority's total cash and cash equivalent on March 31, 2024, is \$1,684,778, representing an increase of \$392,031 or 30% percent from the prior fiscal year. The full detail of this amount can be found in the Statement of Cash Flows on pages 22-23 of this report.

The Authority's total assets and deferred outflows are \$8,464,335 of which capital assets net book value is \$5,076,900, deferred outflows in the amount of \$954,747, other assets in the amount of \$4,633, leaving total current assets at \$2,428,055.

Total current assets increased from the previous year by \$837,400 or 53% percent. Operating cash increased by \$188,971, restricted deposits and funded reserves increased by \$203,060, accounts receivables increased by \$427,680, and prepaid expenses increased by \$17,689.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

FINANCIAL HIGHLIGHTS - CONTINUED

Capital assets reported an increase in the net book value of the capital assets in the amount of \$970,733 or 24% percent. The major factors that contributed for the increase was the purchase of fixed assets in the amount of \$1,583,671, less the recording of depreciation expense in the amount of \$612,938. A full detail of capital outlays can be found in the Notes to the Financial Statements Section Note – 8 Fixed Assets.

Other assets decreased \$3,706 or 44% percent. Right to use assets decreased by \$3,706 or 44% percent for an ending balance of \$4,633. Full detail of this account can be found in the Notes to the Financial Statements Section Note – 9 Right to Use Assets.

The Authority reported a decrease in the deferred outflows for the pension cost in the amount of \$8,630 or 1% percent for an ending balance of \$954,747. The Authority reported a decrease in the deferred inflows for the pension cost in the amount of \$199,216 or 11%, for an ending balance of \$1,554,710. A full detail of the pension reporting requirement can be found in the Notes to the Financial Statements Section Note – 10 Deferred Outflows/Inflows of Resources.

The Authority's total liabilities are reported at \$4,239,134, of which current liabilities are stated at \$789,313 and noncurrent liabilities are stated at \$3,449,821. Total liabilities increased during the year as compared to the prior year by the amount of \$481,354 or 13% percent. Total current liabilities increased during the year by \$495,577, leaving non-current liabilities with a decrease of \$14,223 as compared to the previous year.

As previously stated, total current liabilities increased from the previous year by \$495,577 or over 100% percent. Accounts payable increased by \$252,320, accrued liabilities increased by \$374, tenant security deposits payable increased by \$11,408, unearned revenue increased by \$231,469, and the current portion of lease payable increased by \$6 for an ending balance of \$3,716.

Total noncurrent liabilities decreased by \$14,223 or less than 1% percent. Long-term obligations such as noncurrent compensated absences with an ending balance of \$125,298, with no offsetting assets, decreased \$4,870 or 4% from the previous year. The noncurrent portion of leases payable decreased \$3,715 for an ending balance of \$932.

Accrued pension and OPEB liabilities decreased by \$5,638 or less than 1% percent. Additional information on GASB #68 and #75 effect and the Authority's accrued pension as well as the accrued OPEB liability on March 31, 2024, can be found in Notes 15-16 to the financial statements, which is included in this report.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

FINANCIAL HIGHLIGHTS - CONTINUED

The Authority had total operating revenue of \$5,695,866 as compared to \$5,458,228 from the prior year for an increase of \$237,638 or 4% percent. The Authority had total operating expenses of \$5,957,249 as compared to \$5,917,222 from the previous year for an increase of \$40,027 or 1% percent, resulting in excess expenses over revenue from operations in the amount of \$261,383 for the current year as compared to excess expenses over revenue from operations in the amount of \$458,994 for a decrease in the deficit of \$197,611 or 43% percent from the previous year.

Total capital improvements contributions from HUD were in the amount of \$1,545,927 as compared to \$527,579 from the previous year for an increase of \$1,018,348 or over 100% percent. The Authority had capital outlays in the amount of \$1,583,671 for the fiscal year. A full detail of capital outlays can be found in the Notes to the Financial Statements Section Note – 8 Fixed Assets.

The Authority's Expenditures of Federal Awards amounted to \$5,262,926 for the fiscal year 2023 as compared to \$4,109,076 for the previous fiscal year 2022 for an increase of \$1,153,850 or 28% percent.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

1. Public and Indian Housing Program
2. Section 8 Housing Choice Voucher Program
3. Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The basic financial statements are prepared on an entity wide basis and consist of:

- 1) Statement of Net Position
- 2) Statement of Revenue, Expenses, and Changes in Net Position
- 3) Statement of Cash Flows
- 4) Notes to the Financial Statements

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities in the United States of America for the Enterprise Fund types. The Authority's activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations. The financial statements can be found on pages 19 through 23.

Statement of Net Position – This statement presents information on the Authority's total of assets and deferred outflows of resources, and total of liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenue, Expenses and Changes in Net Position – This statement presents information showing how the Authority's net position increased or decreased during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows and cash outflows in the future periods.

Statement of Cash Flows– This statement presents information showing the total cash receipts and cash disbursements of the Housing Authority during the current year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt payments, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Housing Authority in prior periods and subsequently received during the current year (i.e. accounts receivable, notes receivable, etc.).

Notes to the Financial Statements - Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Housing Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Housing Authority may face. The Notes to Financial Statements can be found in this Report beginning on page 24 through 58.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Housing Authority's various programs and the required information mandated by regulatory bodies that fund the Housing Authority's various programs.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments and Non-profit Organizations. The schedule of Expenditures of Federal Awards can be found on pages 64-65 of this report.

- 1. Federal Awards** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), federal award is defined as federal financial assistance and federal cost reimbursement contracts that non-federal agencies receive directly or indirectly from federal agencies or pass-through entities. Federal financial assistance is defined as assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations and other assistance.

- 2. Type A and Type B Programs** - The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the levels of expenditures or expenses to be used in defining Type A and Type B Federal financial assistance programs. Type A programs for the Housing Authority of the Town of Guttenberg are those which equal or exceeded \$750,000 in expenditures for the fiscal year ended March 31, 2024. Type B programs for the Housing Authority of the Town of Guttenberg are those which are less than \$750,000 in expenditures for the fiscal year ended March 31, 2024.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE)

The following summarizes the computation of Net Position between March 31, 2024, and March 31, 2023:

Computations of Net Position are as follows:

	Year Ended		Increase
	March-24	March-23	(Decrease)
Cash	\$ 1,684,778	\$ 1,292,747	\$ 392,031
Other Current Assets	743,277	297,908	445,369
Capital Assets - Net	5,076,900	4,106,167	970,733
Deferred Outflows	954,747	963,377	(8,630)
Other Assets	4,633	8,339	(3,706)
Total Assets	8,464,335	6,668,538	1,795,797
Less: Current Liabilities	(789,313)	(293,736)	(495,577)
Less: Non Current Liabilities	(3,449,821)	(3,464,044)	14,223
Less: Deferred Inflows	(1,554,710)	(1,753,926)	199,216
Net Position	<u>\$ 2,670,491</u>	<u>\$ 1,156,832</u>	<u>\$ 1,513,659</u>
Net Investment in Capital Assets	\$ 5,076,900	\$ 4,106,167	\$ 970,733
Restricted Net Position	7,925	29,461	(21,536)
Unrestricted Net Position	(2,414,334)	(2,978,796)	564,462
Net Position	<u>\$ 2,670,491</u>	<u>\$ 1,156,832</u>	<u>\$ 1,513,659</u>

Cash increased by \$392,031 or 30% percent. Net cash provided by operating activities was \$396,893, net cash used by capital and related financing activities was \$46,419, and net cash provided by investing activities was \$41,557. The full detail of these amounts can be found in the Statement of Cash Flows on pages 22-23 of this audit report.

Other current assets increased by \$445,369. Accounts receivable increased by \$427,680 and prepaid expenses increased by \$17,689 during the fiscal year 2023.

Capital assets reported an increase in the net book value of the capital assets in the amount of \$970,733 or 24% percent. The major factors that contributed for the increase was the purchase of fixed assets in the amount of \$1,583,671, less the recording of depreciation expense in the amount of \$612,938. A full detail of capital outlays can be found in the Notes to the Financial Statements Section Note – 8 Fixed Assets.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

Other assets decreased \$3,706 or 44% percent. Right to use assets decreased by \$3,706 or 44% percent for an ending balance of \$4,633. Full detail of this account can be found in the Notes to the Financial Statements Section Note – 9 Right to Use Assets.

The Authority reported a decrease in the deferred outflows for the pension cost in the amount of \$8,630 or 1% percent for an ending balance of \$954,747. The Authority reported a decrease in the deferred inflows for the pension cost in the amount of \$199,216 or 11%, for an ending balance of \$1,554,710.

Total current liabilities increased from the previous year by \$495,577 or over 100% percent. Accounts payable increased by \$252,320, accrued liabilities increased by \$374, tenant security deposits payable increased by \$11,408, unearned revenue increased by \$231,469, and the current portion of lease payable increased by \$6 for an ending balance of \$3,716.

Total noncurrent liabilities decreased by \$14,223 or less than 1% percent. Long-term obligations such as noncurrent compensated absences with an ending balance of \$125,298, with no offsetting assets, decreased \$4,870 or 4% from the previous year. The noncurrent portion of leases payable decreased \$3,715 for an ending balance of \$932.

Accrued pension and OPEB liabilities decreased by \$5,638 or less than 1% percent. Additional information on GASB #68 and #75 effect and the Authority's accrued pension as well as the accrued OPEB liability on March 31, 2024, can be found in Notes 15-16 to the financial statements, which is included in this report.

The Authority's reported net position of \$2,670,491 is made up of three categories. The net investment in capital assets in the amount of \$5,076,900 represents a majority of the total account balance. The net investment in capital assets (e.g., land, buildings, vehicles, equipment, and construction in process); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide housing services to the tenants; consequently, these assets are not available for future spending. The schedule below reflects the activity in this account for the current fiscal year:

Balance March 31, 2023	\$ 4,106,167
Fixed Asset Acquisitions	1,583,671
Depreciation Expense	(612,938)
Balance March 31, 2024	\$ 5,076,900

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The Authority reported a decrease in the deficit of unrestricted position in the amount of \$564,462 or 19% percent resulting in an ending deficit balance in the amount of \$2,414,334. A full detail of this account can be found in the Notes to the Financial Statement Section Note – 19.

The Authority reported a restricted position in the amount of \$7,925 which decreased \$21,536 or 73% percent compared to the prior fiscal year. A full detail of this account can be found in the Notes to the Financial Statements Section Note – 18.

The following summarizes the changes in Net Position between March 31, 2024, and March 31, 2023:

Computation of Changes in Net Position are as follows:

	<u>Year Ended</u>		Increase (Decrease)
	March-24	March-23	
<u>Revenues</u>			
Tenant Revenues	\$ 1,770,836	\$ 1,657,714	\$ 113,122
HUD Subsidies	3,716,999	3,581,497	135,502
Other Revenues	208,031	219,017	(10,986)
Total Operating Income	<u>5,695,866</u>	<u>5,458,228</u>	<u>237,638</u>
<u>Expenses</u>			
Operating Expenses	5,344,311	5,347,934	(3,623)
Depreciation Expense	612,938	569,288	43,650
Total Operating Expenses	<u>5,957,249</u>	<u>5,917,222</u>	<u>40,027</u>
Operating Income before Non Operating Expenses	(261,383)	(458,994)	197,611
Interest Income	41,557	23,232	18,325
Extraordinary Maintenance	-	-	-
HUD Capital Grants	1,545,927	527,579	1,018,348
Change in Net Position	1,326,101	91,817	1,234,284
Net Position Prior Year	1,156,832	447,281	709,551
Prior Period Adjustments	187,558	617,734	(430,176)
Total Net Position	<u>\$ 2,670,491</u>	<u>\$ 1,156,832</u>	<u>\$ 1,513,659</u>

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

Approximately 65% percent of the Authority's total revenue was provided by HUD operating subsidy, while 31% percent resulted from tenant revenue. Charges for various services and fraud recovery provided for the remaining 4% percent of the total operating income.

The Housing Authority of the Town of Guttenberg received capital fund improvement grant money during the year in the amount of \$1,545,927 as compared to \$527,579 for the previous year.

The Authority operating expenses cover a range of expenses. The largest expense was for Housing Assistance Payments representing 44% percent of total operating expenses. Administrative expenses accounted for 17% percent, maintenance expense accounted for 12% percent, utilities expense accounted for 11% percent, other operating expenses accounted for 5% percent, tenant services accounted for less than 1% and depreciation accounted for the remaining 10% of the total operating expenses.

The Authority's operating expenses exceeded its operating revenue resulting in excess expenses over revenue from operations in the amount of \$261,383 as compared to excess expenses over revenue from operations of \$458,994 for the previous year. The key elements to the decrease in deficit in comparison to the prior year are as follows:

- The Authority's tenants dwelling rents increased \$113,122 or 7% percent.
- The Authority's operating grants received from HUD increased \$135,502 or 4% percent.
- The Authority reported a decrease in other revenue in the amount of \$10,986 or 5% percent mainly due to a decrease in the portability income.
- The Authority experienced an increase in the following expense accounts:
 - Housing Assistance Payments expense increased \$130,524 or 5% percent.
 - Depreciation expense increased \$43,650 or 8% percent.
- The Authority experienced a decrease in the following expense accounts:
 - Administrative expenses decreased \$1,301 or less than 1% percent.
 - Tenant Services expenses decreased \$5,475 or 71% percent.
 - Utilities expenses decreased \$51,032 or 7% percent.
 - Maintenance expenses decreased \$68,564 or 8% percent.
 - Other operating expenses decreased \$7,775 or 2% percent.

Total net cash provided by operating activities during the year was \$396,893 as compared to cash used of \$76,131 for the prior year. A full detail of this amount can be found on the Statement of Cash Flows on pages 22-23 of this report.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) – CONTINUED

Overall, the Authority reported a decrease in the deficit in unrestricted net position of \$564,462 for an ending deficit balance of \$2,414,334. Additional information on the Authority's unrestricted net position can be found in Note 19 to the financial statements, which is included in this report.

The following are financial highlights of significant items for a four-year period of time ending on March 31, 2024:

	March-24	March-23	March-22	March-21
Significant Income				
Total Tenant Revenue	\$ 1,770,836	\$ 1,657,714	\$ 1,435,135	\$ 1,495,659
HUD Operating Grants	3,716,999	3,581,497	3,283,700	2,957,389
HUD Capital Grants	1,545,927	527,579	377,720	468,764
Investment Income	41,557	23,232	13,763	15,488
Other Income	208,031	219,017	95,732	90,755
Total	\$ 7,283,350	\$ 6,009,039	\$ 5,206,050	\$ 5,028,055
Payroll Expense				
Administrative Salaries	\$ 482,213	\$ 452,161	\$ 399,236	\$ 373,927
Utilities Labor	74,621	81,338	71,257	61,214
Maintenance Labor	298,485	325,351	290,527	256,623
Employee Benefits Expense	407,122	439,410	392,038	420,827
Total Payroll Expense	\$ 1,262,441	\$ 1,298,260	\$ 1,153,058	\$ 1,145,223
Other Significant Expenses				
Other Administrative Expenses	\$ 316,040	\$ 343,426	\$ 337,450	\$ 356,110
Utilities Expense	545,341	581,712	687,661	528,110
Maintenance Materials Cost	64,031	130,511	115,619	137,769
Maintenance Contract Cost	223,483	178,324	181,246	202,806
Insurance Premiums	192,170	180,085	171,684	162,891
Housing Assistance Payments	2,467,870	2,382,753	2,394,588	2,254,862
Total	\$ 3,808,935	\$ 3,796,811	\$ 3,888,248	\$ 3,642,548
Total Operating Expenses	\$ 5,957,249	\$ 5,917,222	\$ 5,762,127	\$ 5,392,469
Total of Federal Awards	\$ 5,262,926	\$ 4,109,076	\$ 3,661,420	\$ 3,426,153

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

THE AUTHORITY AS A WHOLE

The Authority's revenues consist primarily of rents and subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level.

THE HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG PROGRAMS

Public and Indian Housing Program:

Under the Public and Indian Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD's rent subsidy program provides housing assistance to low-income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) the Housing Authority of the Town of Guttenberg flat rent amount.

Section 8 Housing Choice Voucher Program:

Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a lease that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

Public Housing Capital Fund Program:

The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments to keep them clean, safe and in good condition.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

BUDGETARY HIGHLIGHTS

For the year ended March 31, 2024, individual program or grant budgets were prepared by the Authority and adopted by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

The Authority also submits its annual operating and capital budgets to the State of New Jersey Department of Community Affairs in accordance with New Jersey statute. After the New Jersey Department of Community Affairs approves the budget, it is formally adopted by resolution of the Housing Authority's Board of Commissioners. Once adopted, the Board of Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses.

Each fund's budget is prepared on a detailed line-item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

NEW INITIATIVES

For the year 2024, the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 72% percent of its revenue from the Department of Housing and Urban Development, (2023 was 68% percent), the Authority is constantly monitoring for any appropriation changes especially since it appears the nation is continuing an era of need for additional public assistance to help families meet the challenges of a very tumultuous economy.

The current administration of the Authority is determined to improve the financial results of the Authority's operations. The Authority has made steady progress in various phases of our operations, all the while maintaining a strong occupancy percentage in the public housing units and a high utilization rate in Housing Assistance Programs. Interactions with the residents are a constant reminder of the need of the services. Regardless of the constraints (financial or regulatory) placed on this Housing Authority, the Authority will continuously look for ways to better provide or expand housing and housing assistance to qualified residents of the Town of Guttenberg all the while being mindful of their responsibility to be good stewards of the public's tax dollars.

CAPITAL ASSETS AND DEBT ADMINISTRATION

1 – Capital Assets

The Authority's investment in capital assets as of March 31, 2024, was \$5,076,900 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, equipment, and construction in progress. The total increase during the year in the Authority's investment in capital assets for the current year was \$970,733 or 24% percent. Major capital expenditures of \$1,583,671 were made during the fiscal year 2024.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

CAPITAL ASSETS AND DEBT ADMINISTRATION – CONTINUED

Major capital assets events during the fiscal year included the following:

- Security Camera Upgrades
- A & E Fees
- Emergency Elevator Renovations
- Vacuum Condenser

	March-24	March-23	Variance
Land	\$ 533,472	\$ 533,472	\$ -
Building	19,072,892	19,035,149	37,743
Furniture, Equipment - Dwelling	356,581	356,581	-
Furniture, Equipment - Administration	321,109	321,109	-
Leasehold Improvements	892,755	892,755	-
Construction in Process	1,957,446	411,518	1,545,928
Total Fixed Assets	23,134,255	21,550,584	1,583,671
Accumulated Depreciation	(18,057,355)	(17,444,417)	(612,938)
Net Book Value	\$ 5,076,900	\$ 4,106,167	\$ 970,733

Additional information on the Authority's capital assets can be found in Note 8 to the financial statements, which is included in this report.

2 - Debt Administration

As of March 31, 2024, the Authority had no outstanding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority of Town of Guttenberg is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. We do not expect this consistent trend to change.

The capital budgets for the 2025 year will be submitted to HUD for approval and no major changes are expected. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing property including administrative fees involved in the modernization.

The following factors were considered in preparing the Authority's budget for the year ending March 31, 2025.

- State of New Jersey economy including the impact on tenant income. Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income. Tenant rental payments are based on tenant income.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON MARCH 31, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES -CONTINUED

- Continued increases in health care insurance are expected to impact employee benefits cost over the next several years.
- Inflationary pressure on utility rates, supplies and other cost.
- Trends in the housing market which affect rental housing available for the Section 8 tenants, along with the amount of the rents charged by the private landlords, are expected to have a continued impact on Section 8 HAP payments.
- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Ruddys Andrade, Executive Director, Housing Authority of the Town of Guttenberg, 6900 Broadway, Guttenberg, New Jersey 07093, or call (201) 861-0900.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
STATEMENT OF NET POSITION - 1
AS MARCH 31, 2024

	2024
Assets	
Current Assets:	
Cash and Cash Equivalents	
Operating	\$ 1,337,594
Restricted	347,184
Total cash and equivalents	1,684,778
Accounts Receivables, Net of Allowances	575,949
Prepaid Expenses	167,328
Total Current Assets	2,428,055
Noncurrent Assets	
Capital Assets	
Land	533,472
Building	19,072,892
Furniture, Equipment - Dwelling	356,581
Furniture, Equipment - Administration	321,109
Leasehold Improvements	892,755
Construction in Process	1,957,446
Total Capital Assets	23,134,255
Less: Accumulated Depreciation	(18,057,355)
Net Book Value	5,076,900
Other Assets	
Right to Use Assets	4,633
Total Other Assets	4,633
Total Assets	7,509,588
Deferred Outflow of Resources	
State of New Jersey P.E.R.S. and OPEB	954,747
Total Assets and Deferred Outflow of Resources	\$ 8,464,335

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
STATEMENT OF NET POSITION - 2
AS MARCH 31, 2024

	2024
Liabilities	
Current Liabilities:	
Accounts Payable	\$ 371,822
Accrued Liabilities	54,351
Tenant Security Deposit Payable	126,071
Unearned Revenue	233,353
Operating Lease Payable - Current	3,716
Total Current Liabilities	789,313
Noncurrent Liabilities	
Accrued Compensated Absences - Long-Term	125,298
Operating Lease Payable - Non Current	932
Accrued Other Post-Employment Benefits Liabilities	3,323,591
Total Noncurrent Liabilities	3,449,821
Total Liabilities	4,239,134
Deferred Inflow of Resources	
State of New Jersey P.E.R.S. and OPEB	1,554,710
Net Position:	
Net Investment in Capital Assets	5,076,900
Restricted	7,925
Unrestricted	(2,414,334)
Total Net Position	2,670,491
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 8,464,335

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED MARCH 31, 2024**

	2024
Revenue:	
Tenant Rental Revenue	\$ 1,770,836
HUD PHA Operating Grants	3,716,999
Other Revenue	208,031
Total Revenue	5,695,866
 Operating Expenses:	
Administrative Expense	1,013,237
Tenant Services	2,225
Utilities Expense	655,322
Maintenance Expense	742,777
Other Operating Expenses	305,825
Housing Assistance Payments	2,624,925
Depreciations Expense	612,938
Total Operating Expenses	5,957,249
 Excess Expenses From Operations	(261,383)
 Non Operating Income:	
Investment Income	41,557
Extraordinary Maintenance	-
Excess Operating Expenses Before Capital Grant Contributions	(219,826)
 Capital Grants	1,545,927
 Change in Net Position	1,326,101
Beginning Net Position	1,156,832
Prior Period Adjustments	187,558
Beginning Net Position, Restated	1,344,390
 Ending Net Position	\$ 2,670,491

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
STATEMENT OF CASH FLOWS - 1
FOR THE TWELVE MONTHS ENDED MARCH 31, 2024

	2024
Cash Flow From Operating Activities	
Receipts from Tenants	\$ 1,734,623
Receipts from Federal Grants	3,426,485
Receipts from Misc. Sources	208,031
Payments to Vendors and Suppliers	(429,558)
Payments for Housing Assistance Payments	(2,624,925)
Payments to Employees	(855,319)
Payment of Employee Benefits	(407,122)
Payments for Utilities	(655,322)
Net Cash Provided by Operating Activities	396,893
Cash Flow From Capital and Related Financing Activities	
Receipts from Capital Grants	1,545,927
Acquisitions and Construction of Capital Assets	(1,583,671)
(Decrease) in Accrued Other Post-Employment Benefits Liabilities	(5,638)
Net Effect of Deferred Inflows and Outflows	(186,880)
Right to Use Assets -Operating Lease	(3,715)
Prior Period Adjustment	187,558
Net Cash (Used) by Capital and Related Financing Activities	(46,419)
Cash Flow From Investing Activities	
Interest Income	41,557
Net Cash Provided by Investing Activities	41,557
Net Increase in Cash and Cash Equivalents	392,031
Beginning Cash, Cash Equivalents and Restricted Cash	1,292,747
Ending Cash, Cash Equivalents and Restricted Cash	\$ 1,684,778
<u>Reconciliation of Cash Balances:</u>	
Cash and Cash Equivalents - Unrestricted	\$ 1,337,594
Cash and Cash Equivalents - Restricted	347,184
Total Ending Cash	\$ 1,684,778

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
STATEMENT OF CASH FLOWS - 2
FOR THE TWELVE MONTHS ENDED MARCH 31, 2024

	2024
Reconciliation of Operating Income to Net Cash	
(Used) by Operating Activities	
Excess of Expenses From Operations	\$ (261,383)
Adjustments to reconcile excess revenue over expenses to net cash used by operating activities:	
Depreciation Expense	612,938
(Increase) Decrease in:	
Accounts Receivables	(427,680)
Prepaid Expenses	(17,689)
Increase (Decrease) in:	
Accounts Payable	252,320
Accrued Liabilities	374
Unearned Revenue	231,469
Operating Lease Payable	6
Compensated Absences	(4,870)
Tenant Security Deposit	11,408
Net Cash Provided by Operating Activities	\$ 396,893

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 1 - SUMMARY OF ORGANIZATION, ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization - The Authority is a governmental, public corporation which was organized under the laws public corporation created under federal and state housing laws as defined by State statute (N.J., S.A. 4A: 12A-1, et. Seq. the Housing Authority Act) for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low- and moderate-income families residing in the Town of Guttenberg in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD).

The Authority is governed by a Board of Commissioners which is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the State of New Jersey Department of Community Affairs. An Executive Director is appointed by the Housing Authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance, and management of public housing for low- and moderate-income families residing in the Town of Guttenberg. Operating and modernization subsidies are provided to the Authority by the federal government.

The financial statements include all the accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The Authority is not included in any governmental "reporting entity" since its board members; while they are appointed primarily by the Mayor of Guttenberg and Town Council, the Board of Commissioners have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters. The Authority has also concluded that it is excluded from the Town of Guttenberg reporting entity.

The Authority's financial statements include the accounts of all the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based on the following criteria, the Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

2. Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Authority has determined that the applicable measurement focus (flow of economic resources) and accounting basis (accrual) is similar to that of a commercial enterprise. As such, the use of proprietary funds best reflects the activities of the Authority.

The Authority has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The Statement establishes accounting and financial reporting standards for non-exchange transactions including financial or capital resources. The Authority's primary source of non-exchange revenue relates to grants and subsidies. 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.

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. It is a cost sharing, multiple employers defined benefit pension plan. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide coverage, including post-retirement health care, for substantially all full-time employees of the state, its counties, municipalities, school districts or public agencies, provided the employee is not a member of another state administered retirement system.

The Authority adopted in April 2022, GASB Statement No. 87, *Accounting for Leases*. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease receivables and liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Basis of Accounting -Continued

Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Housing Authority to account for operations in a manner like private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Revenue Recognition

The major sources of income for the Authority are HUD operating subsidies, rental payments from tenants, and other sources such as miscellaneous fees, laundry income, tenant late fees, and HAP portability payments. The Authority recognizes short-term rental income from tenants who have signed a lease agreement for less than one year, in accordance with HUD guidelines. The Authority considers both rental income and subsidies to be exempt from compliance with ASC 606 as they are covered under current and future lease standards. However, tenant reimbursements for costs like utilities, which are based on consumption, are subject to ASC 606 and recognized as revenue when incurred. Additionally, the Authority also generates revenue from miscellaneous fees, portability payments, tenant late fees all of which are considered integral to the primary operations and are recognized as revenue at the time they are received.

The Authority provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for extremely low and very low-income families.

Non-operating revenue and expenses consist of revenues and expenses that are related to financing and investing activities and result from non-exchange transactions or ancillary activities. Tenants dwelling rental charges are determined and billed monthly and are recognized as revenue when assessed because they are measurable and are collectible within the current period. The amounts not received by March 31, are accounts receivable and any amounts received for subsequent period are recorded as deferred revenue.

HUD's rent subsidy program provides housing to low-income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts:

- (a) 30% of the family's adjusted monthly income,
- (b) 10% of the family's monthly income, or
- (c) Housing Authority of the Town of Guttenberg's flat rent amount.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Report Presentation –

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In accordance with GASB Statement No. 34 (as amended), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("Statement"). The Statement 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 a Statement of Cash Flows. The Statement also requires the Authority to include Management's Discussion and Analysis as part of Required Supplementary Information.

The federally funded programs administered by the Authority are detailed in the Financial Data Schedule and the Schedule of Expenditures of Federal Awards; both are which are included as Supplemental information.

Other accounting policies are as follows:

1 – Cash and cash equivalents are stated at cost, which approximates market. The Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts.

3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight-line basis.

4 – Repairs funded out of operations, such as painting, roofing and plumbing, are charged against income for all programs.

5 – Operating subsidies received from HUD are recorded as income when earned.

6 – The cost of accumulated unpaid compensated absences, including fringe benefits, is reported in the period earned rather than in the period paid.

7 – Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Other accounting policies - Continued

8 – The Authority does not have any infrastructure assets for its Enterprise Fund.

9 – Inter-fund receivable and payables arise from inter-fund transactions and are recorded by all funds in the period in which the transactions are executed.

10- Advertising cost is charged to expense when incurred.

11- When expenses are incurred where both restricted and unrestricted net positions are available the Authority will first use the restricted funds until they are exhausted and then the unrestricted net position will be used.

12- Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized. Liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site-specific costs. Generally, such recognition coincides with the Authority's commitment to a formal plan of action.

13- Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Authority but which will only be resolved when one or more future events occur or fail to occur. The Authority's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Authority or unasserted claims that may result in such proceedings, the Authority's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Authority's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Other accounting policies - Continued

14 - Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and is exempt from income taxes under Section 115.

Under federal, state, and local law, the Authority's program is exempt from income, property and excise taxes. However, the Authority is required to make payments in lieu of taxes (PILOT) for the low-income housing program in accordance with the provision of a Cooperation Agreement. Under the Cooperation Agreement, the Authority pay the municipality a 10% of its net shelter rent.

15 - Net Position

In accordance with the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"*, the Authority has classified its net position into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), granters, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component of net position consists of net position that do not meet the definitions of "restricted" or "net investment in capital assets."

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Other accounting policies - Continued

16 - Operating and non-operating revenues and expenses

The major sources of revenue are tenants dwelling rentals, HUD operating subsidy, and other revenue. Other revenue composed primarily of miscellaneous fees, portability income for the Housing Choice Voucher program, laundry income and resident's charges.

Operating expenses include wages, utilities, maintenance, depreciation of capital assets, administrative expenses and all other expenses relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities.

Non-Operating Revenue and Expenses

The authority's nonoperating revenues relate primarily to capital grants provided by HUD and interest income. For reporting purposes, capital grant revenue is recognized when expenditures are incurred, and advance receipts are initially recorded as unearned revenue. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

17-Impairment Losses

The Authority reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2024.

18- Recent Accounting Pronouncements

The Authority has implemented all new accounting pronouncements that are in effect and that may impact its financial statements. The Authority does not believe that there are any new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Budgetary and Policy Control –

The Authority submits its annual operating subsidy and capital budgets to HUD. The Authority also submits its annual operating and capital budgets to the State of New Jersey Department of Community Affairs in accordance with New Jersey statute. After the New Jersey Department of Community Affairs approves the budget, it is formally adopted by resolution of the Housing Authority’s Board of Commissioners. Once adopted, the Board of Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund’s budget is prepared on a detailed line-item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

Activities - The programs administered by the Authority were:

<u>Program</u>	<u>CFDA #</u>	<u>Project #</u>	<u>Units Authorized</u>
<u>Public Housing</u>			
Public and Indian Housing Program	14.850	NJ36	249
Public Housing Capital Fund Program	14.872	NJ36	
<u>Section 8</u>			
Section 8 Housing Choice Vouchers	14.871	NJ36	198

Public and Indian Housing Program:

Under the Public and Indian Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD’s rent subsidy program provides housing assistance to low-income families so that they are able to lease “decent, safe, and sanitary” housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family’s adjusted monthly income, (b) 10% of the family’s monthly income, or (c) the Housing Authority of the Town of Guttenberg flat rent amount.

Public Housing Capital Fund Program:

The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority’s apartments to keep them clean, safe and in good condition.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Activities - Continued

Section 8 Housing Choice Voucher Program:

Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a lease that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

Business Activities

The Authority operates several laundry rooms and the proceeds from the laundry machines are recorded in this account.

Community Project Funding

An Economic Development Initiative (EDI), Community Project Funding (CPF) grant is a congressionally legislated provision that directs specific approved funds to be awarded to a particular entity for a specific amount and to be spent on the project or purpose identified in the authorizing legislation. This provision is made explicit in a particular a fiscal year's appropriations bill.⁰⁴ Entities that are not named within that appropriations bill may not access CPF funds. Revenue from Rental Contracts

stopped

The Authority recognizes rental revenue from tenant(s) who entered into a lease agreement (contract) for a unit in the development. The lease agreement allows the tenant use of the unit the expiration of the lease term or cancellation by the tenant or landlord due to cause. Lease terms are for one year, unless mutually agreed to by the landlord and the tenant(s) prior to move in. Tenant(s) have to be income qualified in accordance with income limitations before allowed to occupy unit.

The lease agreement has similar terms; therefore, all lease contract revenue has been aggregated in the caption rental income in the statement of income. The lease contract revenue is recognized at the end of each month when the performance obligation of providing a unit is complete. The performance obligation each month also includes applicable maintenance services provided to maintain the tenant(s) unit and the buildings(s). Since the performance of these services are completed simultaneously each month, they are treated as performance obligation.

Tenant(s) lease payments are due the first day of each month of the lease term. The monthly unit rental charge is determined based on HUD calculation. Any tenant(s) rental payment not received by the fifth day of each month will be charged a late fee. Any rental payment received in advance of the first day of the month are recognized as deferred revenue since the conditions for recognizing revenue will not occur until the end of the following month.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

Board of Commissioners - The criteria used in determining the scope of the entity for financial reporting purposes are as follows:

1. The ability of the Board to exercise supervision of a component unit's financial independence.
2. The Board's governing authority extends to financial decision-making authority and is held primarily accountable for decisions.
3. The Board appoints the management of the Authority who is responsible for the day-to-day operations and this management are directly accountable to the Board.
4. The ability of the Board to significantly influence operations through budgetary approvals, signing and authorizing contracts, exercising control over facilities, and approving the hiring or retention of key managerial personnel.
5. The ability of the Board to have absolute authority over all funds of the Authority and have accountability in fiscal matters.

NOTE 2 – ESTIMATES

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectibility of accounts receivable, the use, and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates, particularly given that the COVID-19 pandemic continues to create financial uncertainty throughout the economy. The most significant estimates included in the preparation of the financial statements are allowance for doubtful accounts and estimated fixed asset lives.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 3 - PENSION PLAN

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. It is a cost sharing, multiple employers defined benefit pension plan. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide coverage, including post-retirement health care, for substantially all full-time employees of the state, its counties, municipalities, school districts or public agencies, provided the employee is not a member of another state administered retirement system.

Membership is mandatory for such employees. Contributions to the plan are made by both the employee and the Authority. Required employee contributions to the system are based on a flat rate determined by the New Jersey Division of Pensions for active plan members. Benefits paid to retired employees are based on length of service, latest earnings, and veteran status. Authority contributions to the system are determined by PERS and are billed annually to the Authority.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0925. On the web:
<http://www.state.nj.us/treasury/pensions/pdf/financial/2014divisioncombined.pdf>

Funding Policy -continued

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and Chapter 115, P.L. of 1998, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employer's contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 7.50% of base wages.

The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments, and the cost of medical premiums after retirement for qualified retirees, and noncontributory death benefits. The Authority's contribution for 2024 amounted to \$96,311.

Post Employment Retirement Benefits

The Authority provides post employment health care benefits and life insurance for its eligible retirees. Eligibility requires that employees be 55 years or older with various years of service.

Further information on the Pension Plan and its effects due to the adoption of GASB 68 can be found in Note 17- Accrued Pension Liability.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 4 – CASH, CASH EQUIVALENTS

The Housing Authority of the Town of Guttenberg cash, cash equivalents are stated at cost, which approximates market. Cash, cash equivalents and investment include cash in banks, petty cash and a money market checking account and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

Concentration of Credit Risk

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/FSLIC 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. These funds at various banks are collateral pledge under the New Jersey Government Code of the Banking Law.

Risk Disclosures

Collateral for Deposits

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.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at the time of purchase. On March 31, 2024, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 4 – CASH EQUIVALENTS AND RESTRICTED CASH – CONTINUED

Credit Risk

This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

The Authority's checking accounts are categorized to give indication of the level of credit risk assumed by the Authority. Custodial credit risk is the risk in the event of a bank failure, the Authority's deposits may not be returned to it. The custodial credit risk categories are described as follows:

<u>Depository Accounts</u>	<u>March-24</u>	<u>March-23</u>
Insured	\$ 500,200	\$ 500,200
Collateralized held by pledging bank's trust department in the Authority's name	1,184,578	792,547
Total Cash, Cash Equivalents	<u>\$ 1,684,778</u>	<u>\$ 1,292,747</u>

Restricted Cash

The Authority has restricted cash on March 31, 2024, and 2022 which consists of the following:

	<u>March-24</u>	<u>March-23</u>
Tenant Security Deposits	\$ 126,071	\$ 114,663
HCV HAP Reserves	221,113	29,461
Total Restricted Cash	<u>\$ 347,184</u>	<u>\$ 144,124</u>

The Authority has restricted cash on March 31, 2024, in the amount of \$126,071. The amount is held as security deposits for the tenants an interest-bearing account. The restricted cash in the amount of \$221,113 for 2024 was reported under the Housing Voucher Program as a HAP reserve for future use. In accordance with HUD's PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

Investments

The Authority's investments included in the total cash amount above on March 31, 2024, included the following:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Money Market Account	Upon Demand	\$ 327,669
Savings Account	Upon Demand	29,190
Total		<u>\$ 356,859</u>

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts Receivable on March 31, 2024, and 2023, consisted of the following:

	March-24	March-23
Tenants Accounts Receivable	\$ 36,213	\$ 31,832
Less: Allowance for Doubtful Accounts	(31,738)	(28,143)
Net Accounts Receivables - Tenants	<u>4,475</u>	<u>3,689</u>
Fraud Tenants Accounts Receivable	67,421	64,336
Less: Allowance for Doubtful Accounts	(19,461)	(20,952)
Net Accounts Receivables - Tenants Fraud	<u>47,960</u>	<u>43,384</u>
Accounts Receivable - HUD	523,514	101,196
Net Accounts Receivables	<u>\$ 575,949</u>	<u>\$ 148,269</u>

Tenant rents are due on the first day of each month. If a rent payment is not received by the 5th day of the month, it is considered past due and late fees are applied. The Authority records its accounts receivable at cost minus an allowance for doubtful accounts, which is established as needed based on factors such as historical collection experience, the current state of accounts receivable, economic conditions, and other considerations. This process involves assessing the creditworthiness of individual tenants and the portfolio as a whole. The determination of the collectability of amounts due requires the Authority to make judgments about future events and trends. Management continually monitors tenant payment patterns, investigates past-due accounts, and stays informed of industry and economic trends to estimate the necessary allowances.

NOTE 6 - PREPAID EXPENSES

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items. All purchases of insurance premiums are written off on a monthly basis. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed. Prepaid expenses on March 31, 2024, and 2023 consisted of the following:

	March-24	March-23
Prepaid Insurance Premiums	\$ 157,284	\$ 139,742
Prepaid Software Cost	-	-
Prepaid Pension Cost	10,044	9,897
Total Prepaid Expenses	<u>\$ 167,328</u>	<u>\$ 149,639</u>

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 7 – INTERFUND ACTIVITY

Interfund activity is reported as short-term loans, services provided during the course of operations, reimbursements, or transfers. Short term loans are reported as interfund short term receivables and payable as appropriate. The amounts between the various programs administered by the Authority on March 31, 2024, are detailed on the Financial Data Schedule of this report. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

NOTE 8 - FIXED ASSETS

Fixed assets consist primarily of expenditures to acquire, construct, place in operations, and improve the facilities of the Authority and are stated by an appraisal value. Expenditures for repairs, maintenance and minor renewals are charged against income in the year they are incurred. Major renewals and betterment are capitalized. Expenditures are capitalized when they meet the Capitalization Policy requirements. Under the policy, assets purchased or constructed at a cost not exceeding \$10,000 are expensed when incurred.

Donated fixed assets are stated at their fair value on the date donated.

Depreciation Expense

Depreciation expense for March 31, 2024, was \$612,938 and \$569,288 for 2023.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

1. Building and Structure	40 years
2. Office Improvements	7 years
3. Site Improvements	15 years
4. Building Components	15 years
5. Office Equipment	5 years

The Authority reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2024.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 8 - FIXED ASSETS -CONTINUED

Below is a schedule of changes in fixed assets for the twelve months ending March 31, 2024:

	<u>March-23</u>	<u>Additions</u>	<u>March-24</u>
Land	\$ 533,472	\$ -	\$ 533,472
Building	19,035,149	37,743	19,072,892
Furniture, Equipment - Dwelling	356,581	-	356,581
Furniture, Equipment - Administration	321,109	-	321,109
Leasehold Improvements	892,755	-	892,755
Construction in Process	411,518	1,545,928	1,957,446
Total Fixed Assets	<u>21,550,584</u>	<u>1,583,671</u>	<u>23,134,255</u>
Accumulated Depreciation	<u>(17,444,417)</u>	<u>(612,938)</u>	<u>(18,057,355)</u>
Net Book Value	<u>\$ 4,106,167</u>	<u>\$ 970,733</u>	<u>\$ 5,076,900</u>

Below is a schedule of the net book value of the fixed assets for the Housing Authority of the Town of Guttenberg as of March 31, 2024:

	<u>March-24</u>
Land	\$ 533,472
Building	2,541,968
Furniture, Equipment - Dwelling	-
Furniture, Equipment - Administration	35,601
Leasehold Improvements	8,413
Construction in Process	<u>1,957,446</u>
Net Book Value	<u>\$ 5,076,900</u>

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 9 – RIGHT TO USE ASSETS

Right of use (ROU) assets represent the Authority’s right to use an underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. The lease liability is based on the future estimated cash payments discounted over the non-cancellable portion of the lease term. An implicit discount rate is included in the Authority’s lease agreement. The operating lease ROU assets also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term ROU asset (operating lease) and on the straight-line basis over lease term.

In July 2020, the Authority entered a lease with a copy company to lease one (1) copier. The agreement requires 60 monthly payments of \$310. The Authority has recorded the right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The discount rate used was 0.15%. As of March 31, 2024, the weighted average discount rate for the remaining lease term is 0.50%. The right to use assets are amortized on a straight-line basis over the life of the related lease. The amount of amortization expense for the fiscal year ended March 31, 2024, was \$3,706.

Initial Copier Present Value	\$	18,531
Less Accumulated Depreciation		(13,898)
Net Right to Use Asset	\$	<u>4,633</u>

Future minimum lease payments under operating leases as of March 31, 2024, are as follows:

March-24	\$	3,716
March-25		932
Total Lease Payable	\$	<u>4,648</u>

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements
March 31, 2024

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A deferred outflow is an outflow of resources, which is a consumption of net assets by the government that is applicable to the reporting period. A deferred inflow is an inflow of resources, which is an acquisition of net assets by the government that is applicable to the reporting period.

The OPEB and Pension Liability discussed in Note 16-17 resulted in the Authority incurring deferred outflows and inflows. The difference between expected and actual experience with regard to economic and demographic factors, when the actuary calculated the net OPEB and pension liability, is amortized over a five-year closed period for OPEB and PERS, reflecting the average remaining service life of members (active and inactive members), respectively. The first year of amortization is recognized as OPEB and pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The Authority’s deferred outflows and inflows are as follows:

Deferred Outflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	\$ 117,733	\$ 9,980	\$ 127,713
Changes in Assumptions	304,254	2,293	306,547
Net Difference Between Projected and Actual Earning on Pension Plan Investments	600	4,807	5,407
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	234,081	189,869	423,950
Contributions After Measurement Date	-	91,130	91,130
Total	\$ 656,668	\$ 298,079	\$ 954,747

Deferred Inflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	\$ 422,585	\$ 4,267	\$ 426,852
Changes in Assumptions	778,065	63,256	841,321
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	134,187	152,350	286,537
Total	\$ 1,334,837	\$ 219,873	\$ 1,554,710

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-CONTINUED

Difference in Expected and Actual Experience

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a five-year closed period reflecting the average remaining service life of the plan members (active and inactive), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is \$127,713 and \$426,852.

Changes in Assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over a five-year closed period, reflecting the average remaining service life of the plan members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is \$306,547 and \$841,321.

Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments

The difference between the System's expected rate of return of and the actual investment earnings on pension plan investments is amortized over a five-year closed period in accordance with GASB 68 and #75. The first year of amortization is recognized as OPEB and pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is \$5,407 and \$-0-.

Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions

The change in employer proportionate share is the amount of difference between the employer proportionate shares of net pension liability in the prior year compared to the current year. The difference between employer contributions and proportionate share of contributions is the difference between the total amount of employer contributions and the amount of the proportionate share of employer contributions. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a six-year closed period for OPEB and PERS, reflecting the average remaining service life of OPEB and PERS members (active and inactive members), respectively. The changes in proportion and differences between employer contributions and proportionate share of contributions for the fiscal year are \$423,950 and \$286,537.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 11 – ACCOUNTS PAYABLE

Accounts payable is a liability account that represents the amount owed by the Authority to its creditors for goods or services received but not yet paid for. When the Authority receives goods or services on credit, it incurs a liability to pay the vendor or supplier in the future. This liability is recorded as an accounts payable on the Authority's financial statements, specifically on the Statement of Net Position under the category of current liabilities. Accounts payable is an important aspect of a company's financial management, as it represents its short-term obligations to its vendors and suppliers. Accounts payable on March 31, 2024, and 2023, consisted of the following:

	<u>March-24</u>	<u>March-23</u>
Accounts Payable Vendors	\$ 28,270	\$ 24,127
Accounts Payable - P.I.L.O.T.	111,552	95,375
Accounts Payable HUD	232,000	-
Total Accounts Payable	<u>\$ 371,822</u>	<u>\$ 119,502</u>

NOTE 12 – ACCOUNTS PAYABLE – OTHER GOVERNMENT (PILOT PAYABLE)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the Town of Guttenberg. Under the Cooperation Agreements, the Authority must pay the municipality 10% of its net shelter rent. The total amount of PILOT payable on March 31, 2024, consisted of the following:

	<u>March-24</u>	<u>March-23</u>
Balance Beginning of Year	\$ 95,375	\$ 166,162
P.I.L.O.T. Accrued	111,552	95,375
Less: Payments Made	(95,375)	(166,162)
Total P.I.L.O.T. Payable	<u>\$ 111,552</u>	<u>\$ 95,375</u>

NOTE 13 – ACCRUED EXPENSES

Accrued expenses are Authority expenses that have been incurred but not yet paid. These expenses are recognized in the financial statements before payment has actually been made, and typically refer to items such as salaries, interest, and taxes. Accrued liabilities on March 31, 2024, and 2023, consisted of the following:

	<u>March-24</u>	<u>March-23</u>
Compensated Absences - Current P	\$ 13,922	\$ 14,464
Accrued Utilities	40,429	39,513
Total Accrued Liabilities	<u>\$ 54,351</u>	<u>\$ 53,977</u>

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements
March 31, 2024

NOTE 14 – ACCRUED COMPENSATED ABSENCES

Compensated absences are those for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the Authority will be accounted for in the period in which such services were rendered.

Unused sick leave may be carried to future periods without limitations and used in the event of extended illness. In the event of retirement, an employee is compensated for one-half of his unused sick days at the present daily compensation rate or six months of salary, whichever is less. Generally, unused vacation may be carried over to the next year and then must be used. In the event of separation from the Authority, the employee is eligible for compensation of up to one year plus any time earned in the year of separation.

The Authority has determined that the potential liability for accumulated vacation and sick time is as follows:

Balance March-23	Payments	Increase	Balance March-24	Current Portion
\$144,632	\$ (5,412)	\$ -	\$ 139,220	\$ 13,922

NOTE 15 – UNEARNED REVENUE

Unearned revenues arise when resources are received by the Authority before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. Subject to ASC 606, rental payments with acceptance provisions and future delivery commitments, wherein the Authority has not completed its obligations under the lease, are also offset against the associated accounts receivable since the requirements for revenue recognition have not been met. In subsequent periods, when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements
March 31, 2024

NOTE 16 – ACCRUED PENSION AND OPEB LIABILITIES

The Authority as of March 31, 2024, and 2023 reported accrued pension and OPEB liability amounts as follows:

	<u>March-24</u>	<u>March-23</u>
Accrued OPEB Liability	\$ 2,279,838	\$ 2,279,838
Accrued Pension Liability	1,043,753	1,049,391
Total OPEB and Pension Liability	<u>\$ 3,323,591</u>	<u>\$ 3,329,229</u>

These amounts arose due to adoption of GASB #75 (OPEB) in 2019 year as well as GASB #68 (Pension) which was adopted in 2015 year. This note will discuss the liability associated with GASB #75, which is accrued other postemployment benefits. Note - 17 will discuss the effect of GASB #68 pension liability which arose from that.

OPEB Liability

The Authority as of March 31, 2024, reported a net OPEB liability in the amount of \$2,279,838 due to GASB #75. The component of the current year net OPEB liability of the Authority as of June 30, 2022, the last evaluation date, is as follows:

	<u>June-22</u>	<u>June-21</u>
Employer Total OPEB Liability	\$ 2,271,556	\$ 2,607,147
Plan Net Position	(8,282)	(23,732)
Employer Net OPEB Liability	<u>\$ 2,279,838</u>	<u>\$ 2,583,415</u>

The Authority allocation percentage is 0.0141170% as of June 30, 2022.

OPEB Liability – Plan Description and Benefits Provided

Plan Description: The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple- employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS - CONTINUED

Plan Description and Benefits Provided

Benefits Provided: The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission.

Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who:

- 1) retired on a disability pension; or
- 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or
- 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or
- 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation's agreement.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The total OPEB liability for the year ended March 31, 2024 was \$2,279,838.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS -CONTINUED

Employees covered by benefits terms: On June 30, 2022 (the census date), the following employees were covered by the benefits terms:

Plan Members

15

Net OPEB Liability

The total OPEB liability as of June 30, 2022, latest report, was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Assumptions: The total OPEB Liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Inflation Rate = 2.16%

Salary Increases

Through 2026 = 2.75% to 6..55%

Thereafter = 3.00% to 7.00%

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2021 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2021 scale.

Certain actuarial assumptions used in the June 30, 2022, valuation was based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2013, to June 30, 2022 and July 1, 2014 to June 30, 2022, respectively. 100% of active members are considered to participate in the Plan upon retirement.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS -CONTINUED

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2022, was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the OPEB Liability to changes in the discount rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	<u>Discount Rate Sensitivity</u>		
	1% Decrease	Current Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 2,642,792	\$ 2,279,838	\$ 1,987,809

Sensitivity of the OPEB Liability to changes in healthcare cost trend rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates than the current healthcare cost trend rates:

	<u>Healthcare Cost Inflation Rate Sensitivity</u>		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 1,934,056	\$ 2,279,838	\$ 2,722,689

Change in Assumptions: Effective June 30, 2022.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS -CONTINUED

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 year for the 2022.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2022, was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements
March 31, 2024

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS -CONTINUED

Changes in Net OPEB Liability:

<u>Total OPEB Liability</u>	<u>2022</u>
Service Cost	\$ 112,464
Interest on Total OPEB liability	56,662
Expected Investment Return	12
Administrative Expenses	1,741
Changes in Benefits Term	56,817
Inflows/Outflows of Resources	
Inputs	(531,842)
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	569
Benefit Payments	
Change in Plan	-
Net Change in Total OPEB Liability	<u>(303,577)</u>
Total OPEB Liability, Beginning	<u>2,583,415</u>
Total OPEB Liability, Ending	<u><u>\$ 2,279,838</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ending June 30, 2023	\$ (206,585)
Year Ending June 30, 2024	(206,768)
Year Ending June 30, 2025	(163,281)
Year Ending June 30, 2026	(72,922)
Year Ending June 30, 2027	(16,349)
Therafter	(112,157)
Total	<u><u>\$ (778,062)</u></u>

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements
March 31, 2024

NOTE 17 – ACCRUED PENSION LIABILITY

Net Pension Liability Information

The Authority as of March 31, 2024, reported a net pension liability in the amount of \$1,043,753 due to GASB 68. The component of the current year net pension liability of the Authority as of June 30, 2023, the last evaluation date, is as follows:

	<u>March-24</u>	<u>March-23</u>
Employer Total Pension Liability	\$ 3,038,539	\$ 4,879,616
Plan Net Position	(1,994,786)	(3,830,225)
Employer Net Pension Liability	<u>\$ 1,043,753</u>	<u>\$ 1,049,391</u>

The Authority allocation percentage is 0.007233423% as of June 30, 2023.

Plan Description

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. The State of New Jersey, Public Employees' Retirement System (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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.gov/treasury/pensions/financial-reports.shtml.

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 Authority participates in the State of New Jersey, Public Employees' Retirement System (PERS).

Net Pension Liability Information

The following represents the membership tiers for PERS:

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

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements March 31, 2024

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Net Pension Liability Information -Continued

The local employers' contribution amounts are based on an 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 the 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 assets.

Allocation Percentage Methodology

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2023, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2023.

The contribution for PERS is set by NJSA 43:15A and requires contributions by 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 include 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 2023 the State's pension contribution was less than the actuarial determined amount.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Actuarial Assumptions

The total pension liability for June 30, 2023, measurement dates were determined by using an actuarial valuation as of July 1, 2021, with update procedures used to roll forward the total pension liability to June 30, 2023. The actuarial valuations used the following actuarial assumptions:

Inflation	2.75%
Salary Increases:	
Through 2026	2.00-6.00%, based on age
Thereafter	3.00-7.00%, based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2023.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2023.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Actuarial Assumptions -continued

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023, as summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets E	13.50%	8.57%
Emerging Markets Equity	5.00%	10.23%
Private Equity	13.00%	11.42%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 in determining the total pension liability.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements
March 31, 2024

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the current-period net pension liability of the employers calculated using the current-period discount rate assumption of 7.0% percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.0% percent) or 1 percentage-point higher (8.0% percent) than the current assumption (in thousands). Sensitivity of the Authority’s proportionate share of the Net Pension Liability due to change in the Discount Rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
	<hr/>		
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,375,402	\$ 1,043,753	\$ 785,163

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

Year Ending June 30, 2023	\$ (55,315)
Year Ending June 30, 2023	(30,875)
Year Ending June 30, 2025	63,513
Year Ending June 30, 2026	(3,913)
Year Ending June 30, 2027	542
Total	<hr/> <hr/> \$ (26,048)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for the 2022, 2021, 2020, 2019, 2018, 2017, and 2016 amounts, respectively.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Pension Expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the plan fiscal year ending June 30, 2023, are as follows:

Service Cost	\$	78,720
Interest on the Total Pension Liability		331,792
Benefits Changes		744
Member Contributions		(321,114)
Administrative Expenses		1,347
Expected Investment Return Net of Investment Expenses		(11,558)
Pension Expense Related to Specific Liabilities of Individual Employers		(1,083)
Current Period Recognition (Amortization) of Deferred Outflows and Inflows of Resources:		
Difference Between Expected and Actual Experience		(30,708)
Changes of Assumptions		(17,417)
Differences Between Projected and Actual Investment Earnings on Pension Plan Investments		-
Earnings on Pension Plan Investments		29,361
Total	\$	<u>60,083</u>

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 18 – NET INVESTMENT IN CAPITAL ASSETS

This component consists of land, construction in process and depreciable assets, net of accumulation and net of related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of investment in Net Investment in Capital Assets. Rather, that portion of the debt is included in the same net asset component as the unspent proceeds.

Balance March 31, 2023	\$ 4,106,167
Fixed Asset Acquisitions	1,583,671
Depreciation Expense	(612,938)
Balance March 31, 2024	<u>\$ 5,076,900</u>

NOTE 19 – RESTRICTED NET POSITION

The Authority's Restricted Net Position account balance on March 31, 2024, is \$7,925. The detail of the restricted reserve account balances is as follows:

	<u>HAP Reserves</u>
Balance as of March 31, 2023	\$ 29,461
Decrease During the Year	(21,536)
Balance as of March 31, 2024	<u>\$ 7,925</u>

Housing Choice Voucher Program - Reserves

The restricted cash in the amount of \$7,925 was reported under the Housing Choice Voucher Program as a HAP reserve for future use. In accordance with HUD's PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

Housing Choice Voucher Program HUD Held Reserves Funds

Effective January 1, 2012, HUD was required to control the disbursement of funds in such a way that the Authority does not receive funds before they are needed, resulting in the re-establishment of HUD held program reserves to comply with the Treasury requirements. HUD held reserve is a holding account at the HUD level that maintains the excess of HAP funds that have been obligated (ABA) but undisbursed to the Authority. The excess HAP funds will remain obligated but not disbursed to the Authority. HUD will hold these funds until needed by the Authority. The amount of HUD held reserves for the Authority on March 31, 2024, was not available.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 20 – UNRESTRICTED NET POSITION

The Authority’s unrestricted net position account balance on March 31, 2024, is a negative (\$2,414,334). The detail of the account balance is as follows:

	PIH Reserve	HCV ADM Reserves	Business Activities	Total
Balance as of March 31, 2023	\$ (3,014,216)	\$ (258,914)	\$ 294,334	\$ (2,978,796)
Increase During the Year	468,750	62,376	33,336	564,462
Decrease During the Year	-	-	-	-
Balance as of March 31, 2024	<u>\$ (2,545,466)</u>	<u>\$ (196,538)</u>	<u>\$ 327,670</u>	<u>\$ (2,414,334)</u>

NOTE 21 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES

HUD contributes operating subsidy for the Public and Indian program approved in the operating budget under the Annual Contribution Contract. The operating subsidy contributions for the year ended March 31, 2024, were \$957,715.

Annual Contributions Contracts for the Section 8 Housing Choice Voucher Program to provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The programs provide for such payment with respect to existing housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expense. HUD contributions for the Housing Choice Voucher for March 31, 2024, were in the amount of \$2,675,152.

NOTE 22 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority operations are concentrated in the low-income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Total financial support by HUD was \$5,262,926 to the Authority which represents approximately 72% percent of the Authority's total revenue for the year ended March 31, 2024.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 23 – CONTINGENCIES AND COMMITMENTS

Litigation – On March 31, 2024, the Authority was not involved in any threatened litigation.

Contingencies

The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the years ended March 31, 2024.

Other Insurance

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters; etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Construction Commitments

On March 31, 2024, the Authority outstanding construction commitments pertaining to its capital fund were not material. The cost pertaining to such commitments will be paid by grants approved and committed to the Authority by the U.S. Department of Housing and Urban Development.

NOTE 24 – RECLASSIFICATION

The Authority needed to make a prior period adjustment to adjust the opening balance to the pension payable amount as of June 30, 2022, in the amount of \$187,558.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Notes to Financial Statements

March 31, 2024

NOTE 25 – SUBSEQUENT EVENTS

Events that occur after the statement of net assets date but before the financial statements were available to be issued, must be evaluated for recognition or disclosed. The effects of subsequent events provide evidence about conditions that existed after the statement of net assets date required disclosure in the accompanying notes. Management has evaluated the activity of the Authority thru September 13, 2024, the date which the financial statements were available for issue 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.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Required Supplementary Information

March 31, 2023

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS

GASB #75 requires supplementary information which includes changes in the Authority's total OPEB liability along with related ratios as listed below.

Total OPEB Liability	2022	2021	2020	2019
Service Cost	\$ 112,464	\$ 87,226	\$ 89,408	\$ 47,279
Interest on Total OPEB liability	56,662	71,607	85,318	110,205
Expected Investment Return	12	(1,099)	(1,514)	-
Administrative Expenses	1,741	1,427	1,271	-
Changes in Benefits Term	56,817	149	(255)	-
Inflows/Outflows of Resources				
Inputs	(531,842)	606,517	(191,643)	-
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	569	653	480	-
Benefit Payments				(177,371)
Change in Plan	-	-	(1,135,055)	-
Net Change in Total OPEB Liability	(303,577)	766,480	(1,151,990)	(19,887)
Total OPEB Liability, Beginning	2,583,415	1,816,935	2,968,925	2,988,812
Total OPEB Liability, Ending	\$ 2,279,838	\$ 2,583,415	\$ 1,816,935	\$ 2,968,925
Covered, Employee Payroll	\$ 860,479	\$ 694,764	\$ 695,136	\$ 694,102
Total OPEB Liability as a percentage of covered employee payroll	264.95%	371.84%	261.38%	427.74%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Required Supplementary Information
March 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

GASB #68 requires supplementary information which includes the Authority's share of the net pension liability along with related ratios as listed below. The schedule below displays the Authority's proportionate share of Net Pension Liability.

	2023	2022	2021	2020	2019
Housing Authority's proportion of the net pension liability	0.007233423%	0.006953581%	0.007733812%	0.006781395%	0.00630355%
Housing Authority's proportionate share of the net pension liability	\$ 1,043,753	\$ 1,049,391	\$ 1,261,182	\$ 1,221,905	\$ 1,241,138
Housing Authority's covered employee payroll	\$ 855,319	\$ 860,479	\$ 691,764	\$ 695,136	\$ 694,102
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	122.03%	121.95%	182.31%	175.78%	178.81%
Plan fiduciary net position as a percentage of the total pension liability	34.35%	41.35%	41.35%	43.43%	53.60%

**The amounts determined for each fiscal year were determined as of June 30.*

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Required Supplementary Information

March 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

GASB #68 requires supplementary information which includes the Authority's share of the net pension liability along with related ratios as listed below. The schedule below displays the Authority's proportionate share of Net Pension Liability.

	2018	2017	2016	2015
Housing Authority's proportion of the net pension liability	0.00754755%	0.01177889%	0.01236141%	0.01784493%
Housing Authority's proportionate share of the net pension liability	\$ 1,756,949	\$ 3,488,570	\$ 2,774,892	\$ 147,111
Housing Authority's covered employee payroll	\$ 624,346	\$ 867,407	\$ 782,908	\$ 847,821
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	281.41%	402.18%	354.43%	17.35%
Plan fiduciary net position as a percentage of the total pension liability	48.01%	59.86%	52.07%	52.08%

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Required Supplementary Information

March 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

The schedule below displays the Authority's contractually required contributions along with related ratios.

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 96,311	\$ 87,688	\$ 84,604	\$ 65,963	\$ 62,700
Contribution in relation to the contractually required contribution	(96,311)	(87,688)	(84,604)	(69,920)	(62,700)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 855,319	\$ 860,479	\$ 691,764	\$ 695,136	\$ 694,102
Contribution as a percentage of covered employee payroll	11.26%	10.19%	12.23%	10.06%	9.03%

**The amounts determined for each fiscal year were determined as of June 30.*

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Required Supplementary Information
March 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

The schedule below displays the Authority's contractually required contributions along with related ratios.

	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 69,920	\$ 104,642	\$ 106,275	\$ 147,111
Contribution in relation to the contractually required contribution	(69,920)	(104,642)	(106,275)	(147,111)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 624,346	\$ 867,407	\$ 782,908	\$ 847,821
Contribution as a percentage of covered employee payroll	11.20%	12.06%	13.57%	17.35%

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2024**

Programs funded by:

U.S. Department of Housing and Urban Development

	<u>CFDA #'s</u>	<u>Beginning Balance</u>	<u>Revenue Recognized</u>	<u>Fiscal Year Expenditures</u>	<u>Ending Balance</u>
Public and Indian Housing Program					
NJ036	14.850	\$ -	\$ 957,715	\$ 957,715	\$ -
Grant Total 14.850		-	957,715	957,715	-
Section 8 Housing Choice Voucher Program					
NJ036	14.871	-	2,675,152	2,675,152	-
Grant Total 14.871		-	2,675,152	2,675,152	-
Public Housing Capital Fund Program					
NJ39PO036	14.872	-	1,398,059	1,398,059	-
Grant Total 14.872		-	1,398,059	1,398,059	-
Total Awards Funded by U.S. Department of Housing and Urban Development		\$ -	\$ 5,030,926	\$ 5,030,926	\$ -
Programs funded by:					
<u>US Department of Homeland Security</u>					
Disaster Grants - Presidentially					
NY-23	97.036	\$ -	\$ 232,000	\$ 232,000	\$ -
Grant Total 97.036		-	232,000	232,000	-
Total Awards Funded by U.S. Department of Homeland Security		\$ -	\$ 232,000	\$ 232,000	\$ -
Total Expenditures of Federal Awards		\$ -	\$ 5,262,926	\$ 5,262,926	\$ -

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2024**

Note 1. Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Housing Authority of the Town of Guttenberg is under programs of the federal government for the year ended March 31, 2024. The information in this 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 the operations of the Housing Authority of the Town of Guttenberg, it is not intended to and does not present the financial position, change in net position, or cash flows of the Housing Authority of the Town of Guttenberg.

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 cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Housing Authority of the Town of Guttenberg has not elected to use the 10 percent de minimis indirect cost rate as allowable under the Uniform Guidance.

Note 4. Loans Outstanding

Housing Authority of the Town of Guttenberg had no loans outstanding on March 31, 2024.

Note 5. Non- Cash Federal Assistance

The Authority did not receive any non-cash Federal assistance for the year ended March 31, 2024.

Note 6. Sub recipients

Of the federal expenditures presented in the schedule above, the Housing Authority of the Town of Guttenberg did not provide federal awards to any sub recipients.

Guttenberg Housing Authority (NJ036)
GUTTENBERG, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2024

	Project Total	1 Business Activities	Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
111 Cash - Unrestricted	\$657,127	\$327,670	\$352,797		\$1,337,594	\$1,337,594
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted			\$221,113		\$221,113	\$221,113
114 Cash - Tenant Security Deposits	\$126,071				\$126,071	\$126,071
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$783,198	\$327,670	\$573,910	\$0	\$1,684,778	\$1,684,778
121 Accounts Receivable - PHA Projects	\$232,000				\$232,000	\$232,000
122 Accounts Receivable - HUD Other Projects	\$59,514			\$232,000	\$291,514	\$291,514
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants	\$36,213				\$36,213	\$36,213
126.1 Allowance for Doubtful Accounts - Tenants	-\$31,738				-\$31,738	-\$31,738
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery	\$67,421				\$67,421	\$67,421
128.1 Allowance for Doubtful Accounts - Fraud	-\$19,461				-\$19,461	-\$19,461
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$343,949	\$0	\$0	\$232,000	\$575,949	\$575,949
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$167,328				\$167,328	\$167,328
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From						
145 Assets Held for Sale						
150 Total Current Assets	\$1,294,475	\$327,670	\$573,910	\$232,000	\$2,428,055	\$2,428,055

Guttenberg Housing Authority (NJ036)
GUTTENBERG, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	1 Business Activities	Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
161 Land	\$533,472		14,871		\$533,472	\$533,472
162 Buildings	\$19,072,892				\$19,072,892	\$19,072,892
163 Furniture, Equipment & Machinery - Dwellings	\$356,581				\$356,581	\$356,581
164 Furniture, Equipment & Machinery - Administration	\$321,109				\$321,109	\$321,109
165 Leasehold Improvements	\$892,755				\$892,755	\$892,755
166 Accumulated Depreciation	-\$18,057,355				-\$18,057,355	-\$18,057,355
167 Construction in Progress	\$1,725,446			\$232,000	\$1,957,446	\$1,957,446
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,844,900	\$0	\$0	\$232,000	\$5,076,900	\$5,076,900
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets	\$4,633				\$4,633	\$4,633
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$4,849,533	\$0	\$0	\$232,000	\$5,081,533	\$5,081,533
200 Deferred Outflow of Resources	\$845,288		\$109,459		\$954,747	\$954,747
290 Total Assets and Deferred Outflow of Resources	\$6,989,296	\$327,670	\$683,369	\$464,000	\$8,464,335	\$8,464,335
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$28,261		\$9		\$28,270	\$28,270
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion	\$13,311		\$611		\$13,922	\$13,922
324 Accrued Contingency Liability						
325 Accrued Interest Payable						

Guttenberg Housing Authority (NJ036)
 GUTTENBERG, NJ
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit		Fiscal Year End: 03/31/2024				
	Project Total	1 Business Activities	Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
331 Accounts Payable - HUD PHA Programs			14,871			
332 Account Payable - PHA Projects				\$232,000	\$232,000	\$232,000
333 Accounts Payable - Other Government	\$111,552				\$111,552	\$111,552
341 Tenant Security Deposits	\$126,071				\$126,071	\$126,071
342 Unearned Revenue	\$3,186		\$230,167		\$233,353	\$233,353
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities	\$3,716				\$3,716	\$3,716
346 Accrued Liabilities - Other	\$40,429				\$40,429	\$40,429
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$326,526	\$0	\$230,787	\$232,000	\$789,313	\$789,313
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other	\$932				\$932	\$932
354 Accrued Compensated Absences - Non Current	\$119,797		\$5,501		\$125,298	\$125,298
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$2,930,611		\$392,980		\$3,323,591	\$3,323,591
350 Total Non-Current Liabilities	\$3,051,340	\$0	\$398,481	\$0	\$3,449,821	\$3,449,821
300 Total Liabilities	\$3,377,866	\$0	\$629,268	\$232,000	\$4,239,134	\$4,239,134
400 Deferred Inflow of Resources	\$1,311,996		\$242,714		\$1,554,710	\$1,554,710
508.4 Net Investment in Capital Assets	\$4,844,900		\$0	\$232,000	\$5,076,900	\$5,076,900

Guttenberg Housing Authority (NJ036)
 GUTTENBERG, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2024

	Project Total	1 Business Activities	Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
511.4 Restricted Net Position	\$0		\$7,925	\$0	\$7,925	\$7,925
512.4 Unrestricted Net Position	-\$2,545,466	\$327,670	-\$196,538	\$0	-\$2,414,334	-\$2,414,334
513 Total Equity - Net Assets / Position	\$2,299,434	\$327,670	-\$188,613	\$232,000	\$2,670,491	\$2,670,491
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$6,989,296	\$327,670	\$683,369	\$464,000	\$8,464,335	\$8,464,335

Guttenberg Housing Authority (NJ036)
GUTTENBERG, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	1 Business Activities	Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
70300 Net Tenant Rental Revenue	\$1,741,912		14,871		\$1,741,912	\$1,741,912
70400 Tenant Revenue - Other	\$28,924				\$28,924	\$28,924
70500 Total Tenant Revenue	\$1,770,836	\$0	\$0	\$0	\$1,770,836	\$1,770,836
70600 HUD PHA Operating Grants	\$1,041,847		\$2,675,152		\$3,716,999	\$3,716,999
70610 Capital Grants	\$1,313,927			\$232,000	\$1,545,927	\$1,545,927
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$22,261	\$8,376	\$10,920		\$41,557	\$41,557
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery			\$8,175		\$8,175	\$8,175
71500 Other Revenue	\$8,062	\$25,460	\$166,334		\$199,856	\$199,856
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$4,156,933	\$33,836	\$2,860,581	\$232,000	\$7,283,350	\$7,283,350
91100 Administrative Salaries	\$382,649		\$99,564		\$482,213	\$482,213
91200 Auditing Fees	\$5,355		\$6,540		\$11,895	\$11,895
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing						
91500 Employee Benefit contributions - Administrative	\$185,969		\$29,015		\$214,984	\$214,984
91600 Office Expenses						

Guttenberg Housing Authority (NJ036)
GUTTENBERG, NJ

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2024

Submission Type: Audited/Single Audit

	Project Total	1 Business Activities	14,871 Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
91700 Legal Expense	\$43,212		\$5,000		\$48,212	\$48,212
91800 Travel	\$19,304		\$1,000		\$20,304	\$20,304
91810 Allocated Overhead						
91900 Other	\$181,432	\$500	\$53,697		\$235,629	\$235,629
91000 Total Operating - Administrative	\$817,921	\$500	\$194,816	\$0	\$1,013,237	\$1,013,237
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$2,225				\$2,225	\$2,225
92500 Total Tenant Services	\$2,225	\$0	\$0	\$0	\$2,225	\$2,225
93100 Water	\$104,563				\$104,563	\$104,563
93200 Electricity	\$192,295				\$192,295	\$192,295
93300 Gas	\$124,791				\$124,791	\$124,791
93400 Fuel						
93500 Labor	\$74,621				\$74,621	\$74,621
93600 Sewer	\$123,692				\$123,692	\$123,692
93700 Employee Benefit Contributions - Utilities	\$35,360				\$35,360	\$35,360
93800 Other Utilities Expense						
93000 Total Utilities	\$655,322	\$0	\$0	\$0	\$655,322	\$655,322
94100 Ordinary Maintenance and Operations - Labor	\$298,485				\$298,485	\$298,485
94200 Ordinary Maintenance and Operations - Materials and Other	\$64,031				\$64,031	\$64,031
94300 Ordinary Maintenance and Operations Contracts	\$223,483				\$223,483	\$223,483
94500 Employee Benefit Contributions - Ordinary Maintenance	\$156,778				\$156,778	\$156,778
94000 Total Maintenance	\$742,777	\$0	\$0	\$0	\$742,777	\$742,777
95100 Protective Services - Labor						

Guttenberg Housing Authority (NJ036)
GUTTENBERG, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	1 Business Activities	14,871 Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance						
96120 Liability Insurance						
96130 Workmen's Compensation						
96140 All Other Insurance	\$192,170				\$192,170	\$192,170
96100 Total Insurance Premiums	\$192,170	\$0	\$0	\$0	\$192,170	\$192,170
96200 Other General Expenses						
96210 Compensated Absences						
96300 Payments in Lieu of Taxes	\$111,552				\$111,552	\$111,552
96400 Bad debt - Tenant Rents						
96500 Bad debt - Mortgages						
96600 Bad debt - Other	\$2,103				\$2,103	\$2,103
96800 Severance Expense						
96000 Total Other General Expenses	\$113,655	\$0	\$0	\$0	\$113,655	\$113,655
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,524,070	\$500	\$194,816	\$0	\$2,719,386	\$2,719,386
97000 Excess of Operating Revenue over Operating Expenses	\$1,632,863	\$33,336	\$2,665,765	\$232,000	\$4,563,964	\$4,563,964
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						

Guttenberg Housing Authority (NJ036)
GUTTENBERG, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	1 Business Activities	14,871 Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
97300 Housing Assistance Payments			\$2,467,870		\$2,467,870	\$2,467,870
97350 HAP Portability-In			\$157,055		\$157,055	\$157,055
97400 Depreciation Expense	\$612,938		\$0		\$612,938	\$612,938
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$3,137,008	\$500	\$2,819,741	\$0	\$5,957,249	\$5,957,249
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under)	\$1,019,925	\$33,336	\$40,840	\$232,000	\$1,326,101	\$1,326,101
Total Expenses						
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,091,951	\$294,334	-\$229,453	\$0	\$1,156,832	\$1,156,832
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$187,558		\$0		\$187,558	\$187,558
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						

Guttenberg Housing Authority (NJ036)
GUTTENBERG, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	1 Business Activities	14,871 Housing Choice Vouchers	8 Other Federal Program 1	Subtotal	Total
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity			-\$196,538		-\$196,538	-\$196,538
11180 Housing Assistance Payments Equity			\$7,925		\$7,925	\$7,925
11190 Unit Months Available	2988		2424		5412	5412
11210 Number of Unit Months Leased	2959		2153		5112	5112
11270 Excess Cash	\$597,293				\$597,293	\$597,293
11610 Land Purchases	\$0				\$0	\$0
11620 Building Purchases	\$1,351,670				\$1,351,670	\$1,351,670
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0	\$0
11650 Leasehold Improvements Purchases	\$0				\$0	\$0
11660 Infrastructure Purchases	\$0				\$0	\$0
13510 CFFP Debt Service Payments	\$0				\$0	\$0
13901 Replacement Housing Factor Funds	\$0				\$0	\$0

INDEPENDENT AUDITOR'S 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

Board of Commissioners
Housing Authority of the Town of Guttenberg
6900 Broadway
Guttenberg, New Jersey 07093

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, the financial statements of the governmental activities and the business activities of Housing Authority of the Town of Guttenberg, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise Housing Authority of the Town of Guttenberg's basic financial statements, and have issued our report thereon dated September 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Housing Authority of the Town of Guttenberg'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the Town of Guttenberg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Guttenberg's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements, on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority of the Town of Guttenberg's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Lincroft, New Jersey

Date: September 13, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Housing Authority of the Town of Guttenberg
6900 Broadway
Guttenberg, New Jersey 07093

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

We have audited Housing Authority of the Town of Guttenberg's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the Town of Guttenberg's major federal programs for the year ended March 31, 2024. Housing Authority of the Town of Guttenberg's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Housing Authority of the Town of Guttenberg 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Housing Authority of the Town of Guttenberg 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 Housing Authority of the Town of Guttenberg'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 Housing Authority of the Town of Guttenberg's federal programs.

Auditor's 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 Housing Authority of the Town of Guttenberg'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 Housing Authority of the Town of Guttenberg'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 Housing Authority of the Town of Guttenberg'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 Housing Authority of the Town of Guttenberg'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 Housing Authority of the Town of Guttenberg'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Lincroft, New Jersey

Date: September 13, 2024

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG

Schedule of Findings and Questioned Cost

Year Ended March 31, 2024

Prior Audit Findings

None reported

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified

Internal Control over Financial Reporting:

Material Weakness (es) Identified?

_____ yes X no

Significant Deficiency(ies) identified that are considered to be material weakness(es)?

_____ yes X none reported

Noncompliance Material to Financial Statements Noted?

_____ yes X no

Federal Awards

Internal Control over Major Programs:

Material Weakness (es) Identified?

_____ yes X no

Significant Deficiency(ies) identified that are considered to be material weakness(es)?

_____ yes X none reported

Type of audit report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements,

_____ yes X no

Identification of Major Programs

<u>CFDA#</u>	<u>Name of Federal Program</u>	<u>Amount</u>
14.872	Public Housing Capital Fund Program	\$ 1,398,059

Dollar threshold used to Distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as a low-risk auditee

X yes _____ no

FINDINGS – FINANCIAL STATEMENT AUDIT

None reported

FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAM AUDIT

None reported

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the Town of Guttenberg
6900 Broadway
Guttenberg, New Jersey 07093

We have performed the procedure described in the second paragraph of this report, which was agreed to by Housing Authority of the Town of Guttenberg (the PHA) and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Guidance reporting package. The PHA is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of the Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), by The PHA as of and for the year ended March 31, 2024, and have issued our report thereon dated September 13, 2024. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated September 13, 2024, was expressed in relation to the basic financial statements of the PHA taken as a whole.

A copy of the reporting package required by Uniform Guidance, which includes the auditor's reports, is available in its entirety from the PHA. We have not performed any additional procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report is intended solely for the information and use of the PHA and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Guampardo's Associates

Lincroft, New Jersey
September 13, 2024

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic Financial Statements (inclusive of auditor reports)	Agrees