

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**

**WITH  
REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
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**YEAR ENDED JUNE 30, 2021**

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## REPORT OF INDEPENDENT AUDITORS

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Housing Authority of the Township of Brick (the "Authority") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority, as of June 30, 2021, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

February 21, 2022  
Toms River, New Jersey

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

As Management of the Housing Authority of the Township of Brick (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

A. Financial Highlights

1. The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$4,735,423 (net position) as opposed to \$3,926,468 for the prior fiscal year.
2. At the close of the current fiscal year, the Authority reported ending unrestricted net position (deficit) of (\$113,605).
3. The Authority's unrestricted cash and cash equivalents and restricted cash balances at June 30, 2021 were \$7,199,886 representing an increase of \$669,207 from the prior fiscal year.
4. The Authority had total operating revenues of \$4,798,257 and total operating expenses of \$3,945,074 for the year ended June 30, 2021.
5. The Authority's capital outlays for the fiscal year were \$59,427.
6. The Authority's expenditures of federal awards amounted to \$3,437,952 for the fiscal year.
7. As of June 30, 2021, the Authority reported a net OPEB liability of \$1,722,336 and \$626,661 of deferred outflows of resources and \$1,420,953 of deferred inflows of resources related to OPEB as well.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

B. Using the Annual Report

1. Management's Discussion and Analysis

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

2. Financial Statements

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

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

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

The Statement of Cash Flows presents relevant information about the Authority's cash receipts and cash payments during the year.

The financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 12 through 16 in this Report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

B. Using the Annual Report (continued)

3. Notes to Financial Statements

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

4. Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Schedule of Expenditures of Federal awards can be found on page 43 of this report.

C. The Authority as a Whole

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

A large portion of the Authority's net position reflects its net investment in capital assets (e.g., land, buildings, equipment and construction in progress). The Authority uses these capital assets to provide housing services for its tenants; consequently, these assets are not available for future spending. The Authority also maintains a large restricted net position balance, which consists of cash reserves that contain temporary constraints by grantors and creditors. The unrestricted net position of the Authority is available for future use to provide program services.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

C. The Authority as a Whole (continued)

Computations of Net Position are as follows:

	As of	
	6/30/2021	6/30/2020
Cash and Other Assets	\$ 3,974,258	\$ 3,483,509
Restricted Cash	3,297,243	3,102,561
Capital Assets - Net	3,797,065	3,928,332
Deferred Outflows of Resources	913,641	337,130
Total Assets and Deferred Outflows	<u>11,982,207</u>	<u>10,851,532</u>
Less: Total Liabilities	5,223,356	4,640,532
Less: Deferred Inflows of Resources	2,023,428	2,284,532
Net Position	<u>\$ 4,735,423</u>	<u>\$ 3,926,468</u>
Net Investment in Capital Assets	\$ 1,628,710	\$ 1,705,550
Restricted Net Position	3,220,318	3,102,561
Unrestricted Net Position	<u>(113,605)</u>	<u>(881,643)</u>
Net Position	<u>\$ 4,735,423</u>	<u>\$ 3,926,468</u>

- Cash and other assets increased from \$3,483,509 in 2020 to \$3,974,258 in 2021. This increase was primarily due to the increase in cash and cash equivalents primarily due to generating \$827,289 from operating activities.
- Restricted cash increased \$194,682 primarily due the deposit of funds into the Capital Reserve Escrow. These funds are restricted for capital improvements related to the Authority's participation in the Rental Assistance Demonstration program.
- Capital assets, net decreased from \$3,928,332 in 2020 to \$3,797,065 in 2021 as depreciation expense of \$190,694 exceeded capital purchases of \$59,426.
- Total liabilities increased \$582,824, primarily due to the increase of the accrued pension liability as part of GASB 68 and the accrued OPEB liability as part of GASB 75.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

C. The Authority as a Whole (continued)

Computations of Changes in Net Position are as follows:

	Year Ended	
	6/30/2021	6/30/2020
<u>Revenues</u>		
Tenant Revenues	\$ 970,684	\$ 966,809
HUD Subsidies	3,218,689	3,077,421
Other Revenues	608,884	804,226
Total Operating Revenues	<u>4,798,257</u>	<u>4,848,456</u>
<u>Expenses</u>		
Other Operating Expenses	1,885,849	1,906,430
Housing Assistance Payments	1,868,531	1,832,322
Depreciation Expense	190,694	326,632
Total Operating Expenses	<u>3,945,074</u>	<u>4,065,384</u>
Operating Income	<u>853,183</u>	<u>783,072</u>
<u>Non-Operating Revenues &amp; Expenses</u>		
Interest on Investments	25,437	59,042
Interest Expense	<u>(69,665)</u>	<u>(71,549)</u>
Change in Net Position	808,955	770,565
Net Position - Beginning of Year	<u>3,926,468</u>	<u>3,155,903</u>
Net Position - End of Year	<u>\$ 4,735,423</u>	<u>\$ 3,926,468</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

C. The Authority as a Whole (continued)

- Tenant revenue increased from \$966,809 in 2020 to \$970,684 in 2021 due to an increase in unit months leased.
- HUD subsidies increased from \$3,077,421 in 2020 to \$3,218,689 in 2021 or \$141,268. The primary reason for the increase was due to an increase in the funding of the Section 8 Housing Choice Vouchers Program.
- Total operating expenses decreased from \$4,065,384 in 2020 to \$3,945,074 in 2021 or \$120,310. The decrease is primarily due to a decrease in administrative expenses of \$81,384.

D. Budgetary Highlights

For the year ended June 30, 2021, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

As indicated by the excess of revenues over expenses (when accounting for the non-budgeted depreciation expense), the Authority stayed within its operating budget.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

E. Capital Assets and Debt Administration

1. Capital Assets

As of June 30, 2021, the Authority's net investment in capital assets, net of accumulated depreciation was \$1,628,710. This investment in capital assets includes land, buildings, equipment, and construction in progress and is shown net of accumulated depreciation.

Major capital assets purchased during the year totaled \$59,427.

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

The following table summarizes the change in capital assets as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Land	\$ 108,250	\$ 108,250	\$ -
Construction in progress	59,426	297,000	(237,574)
Buildings and improvements	15,480,001	15,183,001	297,000
Furniture and equipment	665,740	665,739	1
Total fixed assets	<u>16,313,417</u>	<u>16,253,990</u>	59,427
Less: accumulated depreciation	<u>12,516,352</u>	<u>12,325,658</u>	190,694
Net capital assets	<u><u>\$ 3,797,065</u></u>	<u><u>\$ 3,928,332</u></u>	<u><u>\$ (131,267)</u></u>

2. Long Term Debt

On November 30, 2016, the Authority entered into a loan agreement with Lakeland Bank in the amount of \$2,400,000 in connection with the Authority's Rental Assistance Demonstration Program to provide long-term capital improvement funding for low-income properties in the Township of Brick, New Jersey. The loan term shall be twenty (20) years with a variable interest rate. The current interest rate is 3.125% with monthly principal and interest payments totaling \$10,341.

Further details can be found in the notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

F. Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending June 30, 2022:

1. The state of the national and local economy.
2. The need for Congress to fund the war on terrorism and the continued cut-back of funding of federal programs.
3. The Authority's use of unrestricted reserves to offset the possible proration of subsidy from HUD.

G. Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Jacob Naszimento, Executive Director, Housing Authority of the Township of Brick, 165 Chambers Bridge Road, Brick, NJ 08723.

**FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 3,807,725
Tenant security deposits	94,918
Accounts receivable	12,650
Prepaid expenses	<u>58,965</u>
Total current assets	<u>3,974,258</u>
Non-current assets:	
Restricted cash	3,297,243
Capital assets, net	<u>3,797,065</u>
Total non-current assets	<u>7,094,308</u>
Total assets	<u>11,068,566</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	286,980
State of New Jersey S.H.B.P.	<u>626,661</u>
Total deferred outflows of resources	<u>913,641</u>
Total assets and deferred outflows of resources	<u><u>\$ 11,982,207</u></u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**STATEMENT OF NET POSITION (continued)**  
**JUNE 30, 2021**

LIABILITIES

Current liabilities:	
Accounts payable	\$ 124,063
Accrued expenses	13,328
Accrued compensated absences, current	65,901
Tenant security deposits	94,918
Mortgage payable, current	56,202
Other current liabilities	<u>94,041</u>
Total current liabilities	<u>448,453</u>
Non-current liabilities:	
Accrued compensated absences, non-current	52,768
Accrued pension liability	887,646
Accrued OPEB liability	1,722,336
Mortgage payable, non-current	<u>2,112,153</u>
Total non-current liabilities	<u>4,774,903</u>
Total liabilities	<u>5,223,356</u>

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	602,475
State of New Jersey S.H.B.P.	<u>1,420,953</u>
Total deferred inflows of resources	<u>2,023,428</u>

NET POSITION

Net position:	
Net investment in capital assets	1,628,710
Restricted	3,220,318
Unrestricted	<u>(113,605)</u>
Total net position	<u>4,735,423</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,982,207</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

Operating revenues:	
Tenant revenue	\$ 970,684
HUD operating grants	3,218,689
Other revenues	<u>608,884</u>
Total operating revenues	<u>4,798,257</u>
Operating expenses:	
Administrative	567,333
Tenant services	63,237
Utilities	397,778
Ordinary repairs and maintenance	700,701
Insurance	112,621
General	44,179
Housing assistance payments	1,868,531
Depreciation	<u>190,694</u>
Total operating expenses	<u>3,945,074</u>
Operating income	<u>853,183</u>
Non-operating revenues (expenses):	
Investment income	25,437
Interest expense	<u>(69,665)</u>
Net non-operating revenues (expenses)	<u>(44,228)</u>
Change in net position	808,955
Net position, beginning of the year	<u>3,926,468</u>
Net position, end of the year	<u>\$ 4,735,423</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 1,573,712
Cash received from grantors	3,219,019
Cash paid to employees	(560,922)
Cash paid to vendors and suppliers	<u>(3,404,520)</u>
Net cash provided by operating activities	<u>827,289</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on long term debt	(54,427)
Interest paid on long term debt	(69,665)
Purchase of capital assets	<u>(59,427)</u>
Net cash used in capital and related financing activities	<u>(183,519)</u>
Cash Flows from Investing Activities:	
Investment income	<u>25,437</u>
Net cash provided by investing activities	<u>25,437</u>
Net increase in cash and cash equivalents	669,207
Cash and cash equivalents, beginning of year	<u>6,530,679</u>
Cash and cash equivalents, end of year	<u>\$ 7,199,886</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 3,807,725
Tenant security deposits	94,918
Restricted cash	<u>3,297,243</u>
Cash and cash equivalents, end of year	<u>\$ 7,199,886</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 853,183
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	190,694
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable, net	(9,016)
Prepaid expenses	(7,208)
Deferred outflows of resources	(576,511)
Accounts payable	13,812
Accrued expenses	6,411
Accrued compensated absences	6,166
Tenant security deposits	3,160
Other current liabilities	6,295
Accrued pension liability	(30,741)
Accrued OPEB liability	632,148
Deferred inflows of resources	<u>(261,104)</u>
Net cash provided by operating activities	<u>\$ 827,289</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**A. Organization**

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

The governing board is essentially autonomous but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board to manage the day-to-day operations of the Authority.

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

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

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

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

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

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

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

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

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

**C. Reporting Entity**

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

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

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**C. Reporting Entity (continued)**

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

Brick Housing and Community Development Corporation ("BHCDC")

BHCDC was incorporated in the State of New Jersey in 2018 as a non-profit 501(c)(3) corporation to create, own, develop, construct and/or manage affordable housing for the residents of the Township.

In accordance with GASB 61, the Authority's financial statements are presented utilizing the blended method because the Authority's governing body and BHCDC's governing body are substantively the same and as such, a blended presentation of their financial statements is warranted. Additionally, based on the application of the above criteria, the Authority's financial statements are not included in any other reporting entity's financial statements.

**D. Description of Programs**

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

Section 8 Housing Choice Vouchers

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

Business Activities

The Business Activities Fund is utilized as part of the Rental Assistance Demonstration ("RAD") program. The Authority's public housing units were converted to project based vouchers and transferred to this fund. RAD was created in order to give public housing authorities ("PHA") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continue to pay 30% of their income towards rent.

CARES Act Funding

During the year ended June 30, 2021, the Authority was awarded CARES Act funding as part of the Section 8 Housing Choice Vouchers program. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**E. Use of Management Estimates**

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

**F. Cash and Cash Equivalents**

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities.

The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, when the funds are secured in accordance with the act.

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

For the Statement of Cash Flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**G. Accounts Receivable, Net**

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

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

**H. Allowance for Doubtful Accounts**

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

**I. Prepaid Expenses**

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

**J. Capital Assets, Net**

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

◆	Buildings	40 Years
◆	Site Improvements	15 Years
◆	Furniture, Fixtures and Equipment	5 Years

The Authority has established a capitalization threshold of \$500.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**K. Impairment of Long Lived Assets**

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended June 30, 2021, there were no impairment losses incurred.

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

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

**M. Accounts Payable and Accrued Liabilities**

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

**N. Prepaid Rent**

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

**O. Compensated Absences**

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event take place.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**P. Pensions**

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

**Q. Taxes**

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

**R. Other Post Employment Benefits ("OPEB")**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the net OPEB, and OPEB expense, and information about the fiduciary net position of the State Health Benefits Plan ("SHBP") and additions to/deductions from SHBP's fiduciary net position have been determined on the same basis as they are reported by SHBP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**S. Deferred Outflows of Resources / Deferred Inflows of Resources**

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

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**T. Equity Classifications**

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

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

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

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

**U. Operating Revenues and Expenses**

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

**V. Budgets and Budgetary Accounting**

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

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

**W. Economic Dependency**

The Section 8 Housing Choice Vouchers program of the Authority is economically dependent on grants and subsidies from HUD. The program operates at a loss prior to receiving the grants.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

As of June 30, 2021, the Authority had funds on deposit in checking, savings, and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$7,199,886, and the bank balances approximated \$6,987,774.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 3,807,725
Tenant security deposits	94,918
Restricted	<u>3,297,243</u>
Total cash and cash equivalents	<u>\$ 7,199,886</u>

Of the bank balance, \$1,000,000 was covered by federal depository insurance and the remaining \$5,987,774 was collateralized by GUDPA as of June 30, 2021.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of June 30, 2021, the Authority's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following as of June 30, 2021:

<u>Description</u>	<u>Amount</u>
Accounts receivable - tenants	\$ 3,288
Accounts receivable - other government	<u>9,362</u>
Total accounts receivable, net	<u>\$ 12,650</u>

Accounts Receivable - Tenants

Accounts receivable - tenants represents amounts owed to the Authority by tenants for outstanding rent. The Authority considers this amount fully collectible and accordingly, has made no allowance for doubtful accounts.

Accounts Receivable - Other Government

Accounts receivable - other government consist of amounts due from other housing authorities for portable tenants in the Housing Choice Vouchers program. Management estimates the amount to be fully collectible and as such has made no allowance for doubtful accounts.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4. RESTRICTED DEPOSITS**

As of June 30, 2021, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Amount</u>
Housing assistance payments reserves	\$ 6,710
CARES Act funds	76,925
Capital reserves escrow	<u>3,213,608</u>
Total restricted deposits	<u>\$ 3,297,243</u>

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

CARES Act funds are restricted to be used on expenditures directly related to COVID-19. These funds are to be used to prevent, prepare for, and respond to COVID-19, as well as help the Authority maintain normal operations during the period impacted by COVID-19.

Capital reserve escrow funds are restricted for capital improvements related to the properties participating in the RAD program.

**NOTE 5. CAPITAL ASSETS, NET**

The following is a summary of changes in capital assets for the year ended June 30, 2021:

Description	June 30, 2020	Additions	Disposals	Transfers	June 30, 2021
<u>Non-depreciable</u>					
Land	\$ 108,250	\$ -	\$ -	\$ -	\$ 108,250
Construction in progress	<u>296,999</u>	<u>59,427</u>	<u>-</u>	<u>(297,000)</u>	<u>59,426</u>
Subtotal	<u>405,249</u>	<u>59,427</u>	<u>-</u>	<u>(297,000)</u>	<u>167,676</u>
<u>Depreciable</u>					
Buildings and improvements	15,183,001	-	-	297,000	15,480,001
Furniture and equipment	<u>665,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>665,740</u>
Subtotal	<u>15,848,741</u>	<u>-</u>	<u>-</u>	<u>297,000</u>	<u>16,145,741</u>
Less: accumulated depreciation	<u>12,325,658</u>	<u>190,694</u>	<u>-</u>	<u>-</u>	<u>12,516,352</u>
Net capital assets	<u>\$ 3,928,332</u>	<u>\$ (131,267)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,797,065</u>

Depreciation expense for the year ended June 30, 2021 amounted to \$190,694.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6. ACCOUNTS PAYABLE**

As of June 30, 2021, accounts payable consisted of the following:

<u>Description</u>	<u>Amount</u>
Accounts payable - vendors	\$ 90,571
Accounts payable - other government	<u>33,492</u>
Total accounts payable	<u>\$ 124,063</u>

Accounts Payable - Vendors

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

Accounts Payable - Other Governments

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

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

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for Authority owned property in accordance with the provisions of its Cooperation Agreement with the Township. Under the Cooperation Agreement, the Authority must pay the Township the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the year ended June 30, 2021, the Authority incurred PILOT expense in the amount of \$33,493.

**NOTE 8. OTHER LIABILITIES**

Non-current liabilities of the Authority as of June 30, 2021 consisted of the following:

<u>Description</u>	<u>June 30, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2021</u>	<u>Amounts due within one Year</u>
Accrued pension liability	\$ 918,387	\$ -	\$ (30,741)	\$ 887,646	\$ -
Accrued OPEB liability	1,090,188	632,148	-	1,722,336	-
Compensated absences	112,503	6,166	-	118,669	65,901
Loan payable	<u>2,222,782</u>	<u>-</u>	<u>(54,427)</u>	<u>2,168,355</u>	<u>56,202</u>
Total non-current liabilities	<u>\$ 4,343,860</u>	<u>\$ 638,314</u>	<u>\$ (85,168)</u>	<u>\$ 4,897,006</u>	<u>\$ 122,103</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9. MORTGAGE PAYABLE**

<u>Description</u>	<u>Amount</u>
On November 30, 2016, the Authority entered into a loan agreement with Lakeland Bank in the amount of \$2,400,000 in connection with the Authority's RAD Program to provide long-term capital improvement funding for the Authority's low income properties in the Township. The loan term is twenty (20) years and interest will be calculated at 3.125% per annum with monthly principal and interest payments totaling \$10,341. A balloon payment of \$1,072,640 is due on December 1, 2036. The loan is secured by a first mortgage on the underlying land and buildings.	\$ <u>2,168,355</u>
Less: current portion	<u>56,202</u>
Mortgage payable, net of current portion	\$ <u><u>2,112,153</u></u>

Maturities of long-term debt over the next five years and in five year increments consist of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 56,202	\$ 67,891	\$ 124,093
2023	58,009	66,084	124,093
2024	64,966	64,395	129,361
2025 - 2029	319,211	295,984	615,195
2030 - 2034	380,250	237,575	617,825
2035 - 2037	<u>1,289,717</u>	<u>119,179</u>	<u>1,408,896</u>
	<u>\$ 2,168,355</u>	<u>\$ 851,108</u>	<u>\$ 3,019,462</u>

Interest expense for the year ended June 30, 2021 totaled \$69,665.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10. PENSION PLAN**

**A. Plan Description**

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

**B. Benefits**

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

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

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

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

**C. Contributions**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by all active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10. PENSION PLAN (continued)**

**C. Contributions (continued)**

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

**D. Pension Liabilities, Pension Expense, Deferred Outflow of Resources, and Deferred Inflow of Resources Related to Pension**

At June 30, 2021, the Authority reported a liability of \$887,646, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2019, and rolled forward to June 30, 2020.

For the year ended June 30, 2021, the Authority did not recognize a pension benefit or expense. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 28,796	\$ 371,666
Changes in proportion	161,811	227,670
Differences between expected and actual experience	16,163	3,139
Net differences between actual and projected earning on pension plan investments	30,340	-
Contributions paid subsequent to the measurement date	<u>49,870</u>	<u>-</u>
Total	<u>\$ 286,980</u>	<u>\$ 602,475</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10. PENSION PLAN (continued)**

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

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

	<u>Amount</u>
Year ending June 30:	
2022	\$ (238,855)
2023	(360,437)
2024	(218,407)
2025	290,481
2026	<u>211,723</u>
	<u>\$ (315,495)</u>

**E. Actuarial Assumptions**

The collective total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions.

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10. PENSION PLAN (continued)**

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

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class, including the PERS's target asset allocation as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
US Equity	27.00%	7.71%
Non-US developed market equity	13.50%	8.57%
Emerging market equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
US treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate on plan investments was applied to all projected benefit payments to determine the total pension liability.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10. PENSION PLAN (continued)**

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	\$ <u>1,126,184</u>	\$ <u>887,646</u>	\$ <u>698,142</u>

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

**A. Plan Description**

The SHBP is a cost-sharing multiple-employer defined benefit OPEB plan administered by the the Division. It covers employees of local government employers that have adopted a resolution to participate in the SHBP. For additional information about SHBP, please refer to the Division's Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**B. Benefits**

SHBP provides medical and prescription drug to retirees and their covered dependents of the employers. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of services credit in a State of locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 11. OTHER POST-RETIREMENT BENEFITS PLAN (continued)**

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

At June 30, 2021, the Authority reported a liability of \$1,722,336, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and rolled forward to June 30, 2020.

For the year ended June 30, 2021, the Authority recognized an OPEB benefit of \$59,366. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 257,607	\$ 383,021
Changes in Proportion	301,491	717,201
Differences between expected and actual experience	45,365	320,731
Net differences between projected and actual investment earnings on OPEB plan investments	1,094	-
Contributions made subsequent to the measurement date	<u>21,104</u>	<u>-</u>
Total	<u>\$ 626,661</u>	<u>\$ 1,420,953</u>

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

Year ending June 30:	<u>Amount</u>
2022	\$ (116,631)
2023	(116,631)
2024	(116,631)
2025	(116,728)
2026	(116,886)
Thereafter	<u>(210,785)</u>
	<u>\$ (794,292)</u>

**D. Actuarial Assumptions**

The total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11. OTHER POST-RETIREMENT BENEFITS PLAN (continued)**

**D. Actuarial Assumptions (continued)**

This actuarial valuation used the following assumptions:

Inflation Rate	2.50%
Salary increases:	
Public Employees' Retirement System (PERS)	
Rate through 2026	2.00-6.00% based on years of service
Rate thereafter	3.00-7.00% based on years of service

Mortality rates were based on the Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using the MP-2020 scale.

Certain actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PERS experience studies prepared for July 1, 2014 to June 30, 2018. 100% of active members are considered to participate in the Plan upon retirement.

**E. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21% as of June 30, 2020. This represents the municipal bond return rate 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.

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

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 2.21%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Authority's proportionate share of the net OPEB liability	<u>\$ 2,036,166</u>	<u>\$ 1,722,336</u>	<u>\$ 1,473,912</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 11. OTHER POST-RETIREMENT BENEFITS PLAN (continued)**

**G. Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Authority's proportionate share of the net OPEB liability	\$ <u>1,425,235</u>	\$ <u>1,722,336</u>	\$ <u>2,111,395</u>

**NOTE 12. RESTRICTED NET POSITION**

Restricted net position consisted of the following as of June 30, 2021:

<u>Description</u>	<u>Amount</u>
Housing assistance payments reserves	\$ 6,710
Capital reserve escrow	<u>3,213,608</u>
Total restricted net position	<u>\$ 3,220,318</u>

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

Capital reserve escrow funds are restricted for capital improvements related to the properties contained in the RAD program.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 13. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNIT**

	<u>Brick Housing and Community Development Corporation</u>
Assets:	
Current assets	\$ <u>208,194</u>
Liabilities:	
Current liabilities	<u>95,882</u>
Net Position:	
Unrestricted	\$ <u><u>112,312</u></u>
Operating revenues:	
Other revenues	\$ <u>22,051</u>
Operating expenses:	
Tenant services	<u>-</u>
Net income	\$ <u><u>22,051</u></u>

**NOTE 14. RISK MANAGEMENT**

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 15. CONTINGENCIES**

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of June 30, 2021, the Authority estimates that no material liabilities will result from such audits.

**NOTE 16. VULNERABILITY - IMPACT OF COVID-19**

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

**NOTE 17. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through February 21, 2022, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of the Township of Brick (the "Authority") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 21, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

February 21, 2022  
Toms River, New Jersey

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

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

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

We have audited the Housing Authority of the Township of Brick's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State of New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

## **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

February 21, 2022  
Toms River, New Jersey

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass- through Number</u>	<u>Grant Period</u> <u>From / To</u>		<u>Grant Award</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>							
Housing Voucher Cluster							
Section 8 Housing Choice Vouchers	14.871	N/A	7/1/20	6/30/21	\$ 3,110,158	\$ 3,329,421	\$ 3,329,421
Housing Choice Vouchers CARES Act Funding	14.HCC	N/A	7/1/20	6/30/21	<u>110,246</u>	<u>108,531</u>	<u>110,246</u>
Total Housing Voucher Cluster					<u>3,220,404</u>	<u>3,437,952</u>	<u>3,437,952</u>
Total U.S. Department of Housing and Urban Development					<u>\$ 3,220,404</u>	<u>\$ 3,437,952</u>	<u>\$ 3,437,952</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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

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

**NOTE 3. INDIRECT COST RATE**

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

I. Summary of Auditors' Results

Financial Statement Section

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

Federal Awards Section

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

4. Identification of major programs:

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

- |    |  |           |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee?                                   | Yes       |

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

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

IV. Summary of Prior Audit Findings

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
REQUIRED PENSION INFORMATION  
YEAR ENDED JUNE 30, 2021**

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

	June 30, <u>2014</u>	June 30, <u>2015</u>	June 30, <u>2016</u>	June 30, <u>2017</u>	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Contractually required contribution	\$ 60,130	\$ 58,403	\$ 53,366	\$ 46,025	\$ 63,563	\$ 56,776	\$ 49,578	\$ 59,546
Contributions in relation to the contractually required contribution	<u>60,130</u>	<u>58,403</u>	<u>53,366</u>	<u>46,025</u>	<u>63,563</u>	<u>56,776</u>	<u>49,578</u>	<u>59,546</u>
(Over) / under funded	<u>\$ -</u>							
Authority's covered-employee payroll	<u>\$ 487,811</u>	<u>\$ 469,583</u>	<u>\$ 394,584</u>	<u>\$ 474,649</u>	<u>\$ 593,309</u>	<u>\$ 526,898</u>	<u>\$ 496,747</u>	<u>\$ 527,378</u>
Contributions as a percentage of covered-employee payroll	<u>12.33 %</u>	<u>12.44 %</u>	<u>13.52 %</u>	<u>9.70 %</u>	<u>11.29 %</u>	<u>11.29 %</u>	<u>11.29 %</u>	<u>11.29 %</u>

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

	June 30, <u>2014</u>	June 30, <u>2015</u>	June 30, <u>2016</u>	June 30, <u>2017</u>	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Authority's proportion of the net pension liability	<u>0.0080 %</u>	<u>0.0080 %</u>	<u>0.0071 %</u>	<u>0.0062 %</u>	<u>0.0069 %</u>	<u>0.0057 %</u>	<u>0.0057 %</u>	<u>0.0057 %</u>
Authority's proportionate share of the net pension liability	<u>\$ 1,525,196</u>	<u>\$ 1,326,399</u>	<u>\$ 1,393,411</u>	<u>\$ 1,534,388</u>	<u>\$ 1,597,211</u>	<u>\$ 887,646</u>	<u>\$ 924,776</u>	<u>\$ 887,646</u>
Authority's covered-employee payroll	<u>\$ 487,811</u>	<u>\$ 469,583</u>	<u>\$ 394,584</u>	<u>\$ 474,649</u>	<u>\$ 593,309</u>	<u>\$ 526,898</u>	<u>\$ 496,747</u>	<u>\$ 527,378</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>312.66 %</u>	<u>282.46 %</u>	<u>353.13 %</u>	<u>323.27 %</u>	<u>269.20 %</u>	<u>168.47 %</u>	<u>186.17 %</u>	<u>168.31 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>48.72 %</u>	<u>52.08 %</u>	<u>40.14 %</u>	<u>40.14 %</u>	<u>48.10 %</u>	<u>53.60 %</u>	<u>53.60 %</u>	<u>53.60 %</u>

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

See report of independent auditors.

**HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK  
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION  
JUNE 30, 2021**

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

	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Statutorily required contribution	\$ 53,786	\$ 29,205	\$ 19,771	\$ 21,104
Contributions in relation to the statutorily required contribution	<u>53,786</u>	<u>29,205</u>	<u>19,771</u>	<u>21,104</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$ 593,309</u>	<u>\$ 526,898</u>	<u>\$ 496,747</u>	<u>\$ 527,378</u>
Contributions as a percentage of covered-employee payroll	<u>9.07 %</u>	<u>5.54 %</u>	<u>3.98 %</u>	<u>4.00 %</u>

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

	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Authority's proportion of the net OPEB liability	<u>0.0137 %</u>	<u>0.0087 %</u>	<u>0.0080 %</u>	<u>0.0096 %</u>
Authority's proportionate share of the net OPEB liability	<u>\$ 2,973,772</u>	<u>\$ 1,361,429</u>	<u>\$ 1,090,188</u>	<u>\$ 1,722,336</u>
Authority's covered-employee payroll	<u>\$ 593,309</u>	<u>\$ 526,898</u>	<u>\$ 496,747</u>	<u>\$ 527,378</u>
Authority's proportionate share of the net OPEB liability asset as a percentage of its covered-employee payroll	<u>501.22 %</u>	<u>258.39 %</u>	<u>219.47 %</u>	<u>326.58 %</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.03 %</u>	<u>1.97 %</u>	<u>1.98 %</u>	<u>0.91 %</u>

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

See report of independent auditors.

Housing Authority of Township of Brick								
Financial Data Schedule (FDS)								
June 30, 2021								
Line	Item #	Account Description	14.871 Housing Choice Vouchers	BUSINESS ACTIVITIES	Blended Component Unit	CARES ACT	ELIM	TOTAL
ASSETS:								
CURRENT ASSETS:								
Cash:								
111		Cash - unrestricted	\$ 843,782	\$ 2,912,987	\$ 50,956	-	\$ -	\$ 3,807,725
112		Cash - restricted - modernization and developmer	-	-	-	-	-	-
113		Cash - other restricted	6,710	3,213,608	-	76,925	-	3,297,243
114		Cash - tenant security deposits	-	-	94,918	-	-	94,918
115		Cash - restricted for payment of current liabilities:	-	-	-	-	-	-
100		Total cash	850,492	6,126,595	145,874	76,925	-	7,199,886
Accounts and notes receivables								
121		Accounts receivable - PHA project:	-	-	-	-	-	-
122		Accounts receivable - HUD other project:	-	-	-	-	-	-
124		Accounts receivable - other governmen	9,295	-	67	-	-	9,362
125		Accounts receivable - miscellaneous	-	-	-	-	-	-
126		Accounts receivable- tenant:	-	-	3,288	-	-	3,288
126		Allowance for doubtful accounts - tenant:	-	-	-	-	-	-
126		Allowance for doubtful accounts - othe	-	-	-	-	-	-
127		Notes and mortgages receivable- curren	-	-	-	-	-	-
128		Fraud recovery	5,442	-	-	-	-	5,442
128		Allowance for doubtful accounts - fraud	(5,442)	-	-	-	-	(5,442)
129		Accrued interest receivable:	-	-	-	-	-	-
120		Total receivables, net of allowances for doubtful account	9,295	-	3,355	-	-	12,650
Current investments								
131		Investments - unrestrictec	-	-	-	-	-	-
132		Investments - restricted	-	-	-	-	-	-
135		Investments - restricted for payment of current liabilit	-	-	-	-	-	-
142		Prepaid expenses and other assets	-	-	58,965	-	-	58,965
143		Inventories	-	-	-	-	-	-
143		Allowance for obsolete inventorie	-	-	-	-	-	-
144		Interprogram - due from	-	-	-	-	-	-
145		Assets held for sale	-	-	-	-	-	-
150		TOTAL CURRENT ASSETS	859,787	6,126,595	208,194	76,925	-	7,271,501
NONCURRENT ASSETS:								
Fixed assets:								
161		Land	-	108,250	-	-	-	108,250
162		Buildings	-	14,161,690	-	-	-	14,161,690
163		Furniture, equipment & machinery - dwelling	-	-	-	-	-	-
164		Furniture, equipment & machinery - administration	-	665,740	-	-	-	665,740
165		Leasehold improvement	-	1,318,311	-	-	-	1,318,311
166		Accumulated depreciator	-	(12,516,352)	-	-	-	(12,516,352)
167		Construction in Progress	-	59,426	-	-	-	59,426
168		Infrastructure	-	-	-	-	-	-
160		Total fixed assets, net of accumulated depreciator	-	3,797,065	-	-	-	3,797,065
Other non-current assets:								
171		Notes and mortgages receivable - non-curren	-	-	-	-	-	-
172		Notes and mortgages receivable-non-current - past du	-	-	-	-	-	-
173		Grants Receivable Non Current	-	-	-	-	-	-
174		Other assets	-	-	-	-	-	-
175		Undistributed debits	-	-	-	-	-	-
176		Investment in joint venture:	-	-	-	-	-	-
180		TOTAL NONCURRENT ASSETS	-	3,797,065	-	-	-	3,797,065
200		Deferred Outflows of Resurces - Pension & OPEB	292,366	621,275	-	-	-	913,641
290		TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,152,153	\$ 10,544,935	\$ 208,194	\$ 76,925	\$ -	\$ 11,982,207

Housing Authority of Township of Brick							
Financial Data Schedule (FDS)							
June 30, 2021							
Line	Item #	Account Description	14.871 Housing Choice Vouchers	BUSINESS ACTIVITIES	Blended Component Unit	CARES ACT	TOTAL
<b>LIABILITIES AND EQUITY:</b>							
<b>Liabilities:</b>							
<b>Current Liabilities:</b>							
311		Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312		Accounts payable < 90 days	781	89,689	101	-	90,571
313		Accounts payable > 90 days past due	-	-	-	-	-
321		Accrued wage/payroll taxes payable	3,041	10,287	-	-	13,328
322		Accrued compensated absences - current portion	31,415	34,486	-	-	65,901
324		Accrued contingency liability	-	-	-	-	-
325		Accrued interest payable	-	-	-	-	-
331		Accounts payable - HUD PHA programs	-	-	-	-	-
332		Accounts payable - PHA projects	-	-	-	-	-
333		Accounts payable - other government	-	33,492	-	-	33,492
341		Tenant security deposits	-	-	94,918	-	94,918
342		Unearned revenue	-	16,253	863	76,925	94,041
343		Current portion of L-T debt - capital projects	-	56,202	-	-	56,202
344		Current portion of L-T debt - operating borrowing:	-	-	-	-	-
345		Other current liabilities	-	-	-	-	-
346		Accrued liabilities - other	-	-	-	-	-
347		Interprogram - due to	-	-	-	-	-
348		Loan liability - Current	-	-	-	-	-
310		<b>TOTAL CURRENT LIABILITIES</b>	<b>35,237</b>	<b>240,409</b>	<b>95,882</b>	<b>76,925</b>	<b>448,453</b>
<b>NONCURRENT LIABILITIES:</b>							
351		Long-term debt, net of current - capital project	-	2,112,153	-	-	2,112,153
352		Long-term debt, net of current - operating borrowing	-	-	-	-	-
353		Non-current liabilities- other	-	-	-	-	-
354		Accrued compensated absences - noncurrent	11,017	41,751	-	-	52,768
355		Loan Liability - Non Current	-	-	-	-	-
356		FASB 5 Liabilities	-	-	-	-	-
357		Accrued pension and OPEB liability:	835,195	1,774,787	-	-	2,609,982
350		<b>TOTAL NONCURRENT LIABILITIES</b>	<b>846,212</b>	<b>3,928,691</b>	<b>-</b>	<b>-</b>	<b>4,774,903</b>
300		<b>TOTAL LIABILITIES</b>	<b>881,449</b>	<b>4,169,100</b>	<b>95,882</b>	<b>76,925</b>	<b>5,223,356</b>
400		Deferred Inflows of Resource:	647,497	1,375,931	-	-	2,023,428
<b>EQUITY:</b>							
508		Invested in Capital Assets, Net of Related Deb	-	1,628,710	-	-	1,628,710
511		Restricted Net Assets	6,710	3,213,608	-	-	3,220,318
512		Unrestricted Net Assets	(383,503)	157,586	112,312	-	(113,605)
513		<b>TOTAL EQUITY</b>	<b>(376,793)</b>	<b>4,999,904</b>	<b>112,312</b>	<b>-</b>	<b>4,735,423</b>
600		<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY</b>	<b>\$ 1,152,153</b>	<b>\$ 10,344,935</b>	<b>\$ 208,194</b>	<b>\$ 76,925</b>	<b>\$ 11,982,207</b>
		Proof of concept	-	-	-	-	-

Housing Authority of Township of Brick							
Financial Data Schedule (FDS)							
June 30, 2021							
Line Item #	Account Description	14,871 Housing Choice Vouchers	Business Activities	Blended Component Unit	CARES ACT	ELIM	TOTAL
<b>REVENUE:</b>							
70300	Net tenant rental revenue	\$ -	\$ 970,684	\$ -	\$ -	\$ -	\$ 970,684
70400	Tenant revenue - other	-	-	-	-	-	-
70500	Total tenant revenue	-	970,684	-	-	-	970,684
70600	HUD PHA grants	3,110,158	-	-	108,531	-	3,218,689
70610	Capital grants	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-
70800	Other government grants	-	1,205,566	-	-	(1,205,566)	-
71100	Investment income - unrestricted	767	5,536	-	-	-	6,303
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery	1,325	-	-	-	-	1,325
71500	Other revenue	525,029	60,479	22,051	-	-	607,559
71600	Gain or loss on sale of fixed asset:	-	-	-	-	-	-
72000	Investment income - restricted	-	19,134	-	-	-	19,134
70000	<b>TOTAL REVENUE</b>	<b>3,637,279</b>	<b>2,261,399</b>	<b>22,051</b>	<b>108,531</b>	<b>(1,205,566)</b>	<b>4,823,694</b>
<b>EXPENSES:</b>							
Administrative							
91100	Administrative salaries	178,316	85,381	-	-	-	263,697
91200	Auditing fees	3,130	8,724	-	-	-	11,854
91300	Outside management fee:	27,272	66,559	-	-	-	93,831
91310	Book-keeping fee	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	33,873	49,844	-	-	-	83,717
91600	Office expenses	2,201	61,533	-	12,441	-	76,175
91700	Legal expenses	-	11,187	-	-	-	11,187
91800	Travel	497	-	-	-	-	497
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	-	26,375	-	-	-	26,375
	Total administrative	245,289	309,603	-	12,441	-	567,333
92000	Asset Management Fee	-	-	-	-	-	-
Tenant services							
92100	Tenant services - salaries	-	21,074	-	-	-	21,074
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions- tenant service	-	5,409	-	-	-	5,409
92400	Tenant services - other	-	90	-	36,664	-	36,754
	Total tenant services	-	26,573	-	36,664	-	63,237
Utilities							
93100	Water	-	57,646	-	-	-	57,646
93200	Electricity	-	128,072	-	-	-	128,072
93300	Gas	-	94,505	-	-	-	94,505
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	-	117,555	-	-	-	117,555
93700	Employee benefit contributions- utility	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
	Total utilities	-	397,778	-	-	-	397,778
Ordinary maintenance & operation							
94100	Ordinary maintenance and operations - labor	-	276,244	-	-	-	276,244
94200	Ordinary maintenance and operations - materials & other	-	44,764	-	-	-	44,764
94300	Ordinary maintenance and operations - contract cost	-	285,896	-	-	-	285,896
94500	Employee benefit contributions- ordinary maintenance	-	93,797	-	-	-	93,797
	Total ordinary maintenance	-	700,701	-	-	-	700,701

Housing Authority of Township of Brick							
Financial Data Schedule (FDS)							
June 30, 2021							
Line Item #	Account Description	14,871 Housing Choice Vouchers	Business Activities	Blended Component Unit	CARES ACT	ELIM	TOTAL
	Protective services						
95100	Protective services - labor	-	-	-	-	-	-
95200	Protective services- other contract cost	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-
95500	Employee benefit contributions- protective service	-	-	-	-	-	-
	Total protective services	-	-	-	-	-	-
	General expenses						
96100	Insurance premiums	-	112,621	-	-	-	112,621
96200	Other general expenses	2,437	-	-	-	-	2,437
96210	Compensated absences	7,598	-	-	-	-	7,598
96300	Payments in lieu of taxes	-	33,493	-	-	-	33,493
96400	Bad debt - tenant rents	-	651	-	-	-	651
96500	Bad debt- mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-
96710	Interest of mortgage (or bonds) payabl	-	69,665	-	-	-	69,665
96720	Interest on Notes Payable (Short and Long Term	-	-	-	-	-	-
96730	Amortization of bond issue cost	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
	Total general expenses	10,035	216,430	-	-	-	226,465
96900	<b>TOTAL OPERATING EXPENSES</b>	255,324	1,651,085	-	49,105	-	1,955,514
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING</b>	3,381,955	610,314	22,051	59,426	(1,205,566)	2,868,180
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non capitalizex	-	-	-	-	-	-
97300	Housing assistance payment	2,672,301	-	-	-	(1,205,566)	1,466,735
97350	HAP Portability - ir	401,796	-	-	-	-	401,796
97400	Depreciation expense	-	190,694	-	-	-	190,694
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	3,329,421	1,841,779	-	49,105	(1,205,566)	4,014,739
	<b>OTHER FINANCING SOURCES (USES)</b>						
10010	Operating transfers in	-	59,426	-	-	(59,426)	-
10020	Operating transfers out	-	-	-	(59,426)	59,426	-
10030	Operating transfers from/to primary governmen	-	-	-	-	-	-
10040	Operating transfers from/to component uni	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	59,426	-	(59,426)	-	-
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	307,858	479,046	22,051	-	-	808,955
	<b>MEMO ACCOUNT INFORMATION:</b>						
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning equity	(684,651)	4,520,858	90,261	-	-	3,926,468
11040	Prior period adjustments and equity transfer:	-	-	-	-	-	-
11170	Administrative fee equity	(478,070)	-	-	-	-	(478,070)
11180	Housing assistance payments equity	6,710	-	-	-	-	6,710
		(471,360)	-	-	-	-	(471,360)
11190	Unit months available	4,896	3,192	-	-	-	8,088
11210	Number of unit months leasec	4,684	3,149	-	-	-	7,833
	Equity Roll Forward Test						
	Calculation from R/E Statemen	\$ (376,793)	\$ 4,999,904	\$ 112,312	\$ -	\$ -	\$ 4,735,423
	B/S Line 513	\$ (376,793)	\$ 4,999,904	\$ 112,312	\$ -	\$ -	\$ 4,735,423
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -