

**PASSAIC COUNTY PUBLIC HOUSING AGENCY**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH**  
**REPORT OF INDEPENDENT AUDITORS**

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
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FOR THE YEAR ENDED DECEMBER 31, 2023**

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CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners  
Passaic County Public Housing Agency:

### **Opinion**

We have audited the accompanying financial statements of the Passaic County Public Housing Agency (the "Agency") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2023, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis of Opinion**

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

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

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

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

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 Agency'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.

**Other Matters (continued)**

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2024 on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

*Novogradac & Company LLP*

July 2, 2024  
Toms River, New Jersey

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

As Management of the Passaic County Public Housing Agency (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Agency's financial statements as presented elsewhere in this report.

**A – Financial Highlights**

1. For the fiscal year ended December 31, 2023, the assets of the Agency exceeded its liabilities by \$3,467,075 (net position). This represents a decrease from the previous year when assets exceeded liabilities by \$3,878,640.
2. For the fiscal year December 31, 2023, the Agency reported ending unrestricted net position of \$3,412,527. The unrestricted net position decreased \$403,558 from the prior year.
3. The Agency had total operating revenues of \$11,779,130 and total operating expenses of \$11,348,856 for the year ended December 31, 2023.
4. The Agency's expenditures of federal awards amounted to \$11,281,762 for the fiscal year ended December 31, 2023.

**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 Agency's financial statements. The Agency's financial statements and notes to the financial statements included in this report were prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), applicable to the Governmental entities for Proprietary Fund types.

2. Financial Statements

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

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

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

B – Using the Annual Report (continued)

2. Financial Statements (continued)

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in the net position are included, regardless of when cash is received or paid.

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

The financial statements report on the Agency's activities. The activities are primarily supported by HUD subsidies and grants. The Agency's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 8 through 11 included in this report.

3. Notes to Financial Statements

The accompanying notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements begin on page 12 of this report.

C – Budgetary Highlights

For the fiscal year ended December 31, 2023, the Agency prepared a budget for its Section 8 Housing Choice Vouchers Program. The budget was prepared in accordance with the accounting procedures prescribed by HUD.

D – The Agency as a Whole

The Agency's net position decreased during the fiscal year. The Agency's revenues include subsidies and grants received from HUD. The Agency receives subsidies each month based on a pre-authorized funding level.

The following table provides a summary of the Agency's assets, liabilities and net position:

	<u>2023</u>	<u>2022</u>
Cash and other current assets	\$ 3,571,235	\$ 3,884,708
Capital assets, net	30,390	44,253
Right-of-use asset - leases	61,035	109,862
Restricted cash	<u>459,735</u>	<u>442,615</u>
Total assets	<u>\$ 4,122,395</u>	<u>\$ 4,481,438</u>



**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

D – The Agency as a Whole (continued)

	<u>2023</u>	<u>2022</u>
Liabilities	\$ <u>655,320</u>	\$ <u>602,798</u>
Net position:		
Net investment in capital assets	28,907	44,253
Restricted	25,641	18,302
Unrestricted	<u>3,412,527</u>	<u>3,816,085</u>
Total net position	<u>3,467,075</u>	<u>3,878,640</u>
Total net position & liabilities	\$ <u>4,122,395</u>	\$ <u>4,481,438</u>

The following table provides a summary of the Agency's changes in net position:

	<u>2023</u>	<u>2022</u>
<u>Revenues:</u>		
HUD grants	\$ 11,658,750	\$ 10,345,560
Other revenues	120,380	71,669
Investment income	<u>143,812</u>	<u>40,917</u>
Total revenues	<u>11,922,942</u>	<u>10,458,146</u>
<u>Expenses:</u>		
Other operating expenses	1,109,811	1,109,690
HAP expenses	10,241,696	9,325,441
Transfer to affiliate	<u>983,000</u>	<u>3,240,000</u>
Total expenses	<u>12,334,507</u>	<u>13,675,131</u>
Change in net position	(411,565)	(3,216,985)
Beginning net position	<u>3,878,640</u>	<u>7,095,625</u>
Ending net position	\$ <u>3,467,075</u>	\$ <u>3,878,640</u>

E – Capital Assets and Long-term Debt

The Agency made no capital asset purchases during the year ended December 31, 2023. A summary of capital assets can be found in Note 5 of the financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

E – Capital Assets and Long-term Debt

On January 6, 2022, Passaic Affordable Housing Corporation entered into an agreement to purchase property to develop for affordable housing complex. During the year ended December 31, 2023, the Agency transferred \$983,000 to assist in the purchase and development of the affordable housing complex.

F – Significant Changes from Year Ended December 31, 2022 to December 31, 2023

Restricted cash increased from \$442,615 in 2022 to \$459,735 in 2023 or \$17,120. The increase was primarily due to the increase of FSS program escrows offset by a decrease of housing assistance payments reserves during the year.

HUD Operating grants increased by \$1,313,190 from 2022 to 2023 due an increase in Section 8 Housing Choice Vouchers, Emergency Housing Vouchers and Family Self-Sufficiency Program subsidies in the amounts of \$830,738, \$414,264 and \$68,188, respectively.

Other revenues increased by \$48,711 as the Agency received more funds from portable tenants and fraud recoveries during the year ended December 31, 2023.

Housing assistance payments increased by \$916,255 primarily due to an increase in unit months leased in both the Section 8 Housing Choice Vouchers and Emergency Housing Vouchers Programs.

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

The state of the Federal budget deficit and the uncertainty surrounding the funding of domestic programs remains a significant factor in planning the Agency's annual budget. The Section 8 Housing Choice Vouchers Program subsidies have been experiencing slow growth and administrative fees are being funded at a level less than 100% per year.

The Agency's unrestricted net position totaling \$3,467,075 appears sufficient to cover any reasonable shortfall that may occur in the subsequent year.

H – Contacting the Agency's Financial Management

The financial report is designed to provide a general overview of the Agency'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 Janice DeJohn, Executive Director, Passaic County Public Housing Agency, 155 Willowbrook Boulevard, Suite 100, Wayne, NJ 07470.

## FINANCIAL STATEMENTS

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2023**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 3,509,002
Accounts receivable	<u>62,233</u>
Total current assets	<u>3,571,235</u>
Non-current assets:	
Restricted cash	459,735
Right-of-use asset - leases, net	61,035
Capital assets, net	<u>30,390</u>
Total non-current assets	<u>551,160</u>
Total assets	<u>\$ 4,122,395</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 35,775
Accrued compensated absences, current	6,866
Unearned revenues	54,277
Lease liability, current	<u>53,421</u>
Total current liabilities	<u>150,339</u>
Non-current liabilities:	
Accrued compensated absences, non-current	61,790
Lease liability, non-current	9,097
Other non-current liabilities	<u>434,094</u>
Total non-current liabilities	<u>504,981</u>
Total liabilities	<u>655,320</u>

NET POSITION

Net position:	
Net investment in capital assets	28,907
Restricted	25,641
Unrestricted	<u>3,412,527</u>
Total net position	<u>3,467,075</u>
Total liabilities and net position	<u>\$ 4,122,395</u>

See accompanying notes to financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Operating revenues:	
HUD operating grants	\$ 11,658,750
Other revenues	<u>120,380</u>
Total operating revenues	<u>11,779,130</u>
Operating expenses:	
Administrative	794,110
Tenant services	216,335
General	34,025
Housing assistance payments	10,241,696
Amortization	48,827
Depreciation	<u>13,863</u>
Total operating expenses	<u>11,348,856</u>
Operating income	<u>430,274</u>
Non-operating revenues (expenses):	
Interest expense	(2,651)
Investment income	<u>143,812</u>
Net non-operating revenues (expenses)	<u>141,161</u>
Income before special items	571,435
Transfer to affiliate	<u>(983,000)</u>
Change in net position	(411,565)
Total net position, beginning of year	<u>3,878,640</u>
Total net position, end of year	<u>\$ 3,467,075</u>

See accompanying notes to financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Cash Flows from Operating Activities:	
Cash received from others	\$ 122,457
Cash received from grantors	11,661,005
Cash paid to vendors and suppliers	(10,431,476)
Cash paid to employees	<u>(794,110)</u>
Net cash provided by operating activities	<u>557,876</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on lease	(43,248)
Interest paid on lease	<u>(2,651)</u>
Net cash used in capital and related financing activities	<u>(45,899)</u>
Cash Flows from Non-capital and Related Financing Activities:	
Transfer to affiliate	<u>(983,000)</u>
Net cash used in non-capital and related financing activities	<u>(983,000)</u>
Cash Flows from Investing Activities:	
Interest received on investments	<u>143,812</u>
Net cash provided by investing activities	<u>143,812</u>
Net decrease in cash and cash equivalents and restricted cash	(327,211)
Cash and cash equivalents and restricted cash, beginning of year	<u>4,295,948</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 3,968,737</u>
Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 3,509,002
Restricted cash	<u>459,735</u>
Cash and cash equivalents and restricted cash	<u>\$ 3,968,737</u>

See accompanying notes to financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
STATEMENT OF CASH FLOWS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 430,274
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	13,863
Amortization of right-of-use asset	48,827
Changes in operating assets and liabilities:	
Accounts receivable	(30,858)
Accounts payable	7,659
Accrued compensated absences	19,497
Unearned revenues	12,950
Other liabilities	<u>55,664</u>
Net cash provided by operating activities	<u>\$ 557,876</u>

See accompanying notes to financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**A. Organization**

The Passaic County Public Housing Agency (the "Agency") was created by resolution of the Board of Chosen Freeholders of the County of Passaic (the "County") to administer the County's Section 8 rental assistance program(s) 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 Agency is governed by the County's Board of Commissioners who appoint an executive director to manage the day-to-day operations of the Agency. The governing board is essentially autonomous but is responsible to HUD and the State of New Jersey Department of Community Affairs.

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

The Agency'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 Agency primarily administers a Section 8 Housing Choice Vouchers Program. The program is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. The individual program accounts for the governmental resources allocated to it for the purpose of carrying on a specific program in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The Section 8 Housing Choice Vouchers Program is accounted for within 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 Agency'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 Agency'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 Agency to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Agency'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 Agency 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.



**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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 Agency 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 Agency. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

On January 1, 2023, the Agency adopted GASB 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 increases the transparency and comparability among governmental organizations by requiring the recognition of subscription assets and subscription liabilities on the statement of net position by subscribers and the disclosure of key information about subscription arrangements. For the year ended December 31, 2023, the adoption of GASB 96 did not have a material effect on the financial statements of the Agency.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Agency's basic financial statements include those of the Agency 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 (County) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes all programs and activities operated by the Agency. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. However, the Agency is a department of the County and as such is included in their Comprehensive Annual Financial Report.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**D. Description of Programs**

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

Section 8 Housing Choice Vouchers

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

Family Self-Sufficiency Program

To promote the development of local strategies to coordinate the use of assistance under the Section 8 Housing Choice Vouchers Program with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Emergency Housing Vouchers Program

Emergency Housing Voucher ("EHV") Program funds are to be used to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or having a high risk of housing instability.

Family Self-Sufficiency Forfeitures Program

The program required that forfeited Family Self-Sufficiency escrow funds are to be used by the Agency for the benefit of participants in good standing.

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

The Agency 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.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

HUD requires housing agencies 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 Agency or with an unaffiliated bank or trust company for the account of the Agency.

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

**G. Accounts Receivable, Net**

Accounts receivable represents monies owed by tenants who have committed fraud or misrepresentation and now owe additional rent for prior period or retroactive rent. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

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

**H. Allowance for Doubtful Accounts**

The Agency 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 Agency 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.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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

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

The Agency has established a capitalization threshold of \$5,000.

**K. Impairment of Long Lived Assets**

The Agency evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Agency 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 Agency's financial statements. For the year ended December 31, 2023, there were no impairment losses incurred.

**L. Right-of-Use Asset and Liabilities**

Lessees are required to recognize a lease liability and an intangible right-of-use lease asset. The lease liability is the present value of future payments expected to be made over the course of the lease, and the right-of-use lease assets are measured as the initial amount of lease liability, plus any payments made to the lessor at or before the time of commencement of the lease and minus any lease incentives received from the lessor.

The Agency uses its risk-free rate at the commencement date in determining the present value of lease payments. Amortization of the right-of-use lease asset is recognized on a straight-line basis over the lease term.

**M. Accounts Payable and Accrued Liabilities**

The Agency 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. Compensated Absences**

Accumulated unpaid leave time is accrued at the estimated amounts of future benefits attributable to services already rendered. Unused sick leave may be carried to future periods and used in the event of extended illness. In the event of retirement, an employee is compensated for one-half of the unused sick days up to a maximum of \$12,000 under the Agency's current personnel policy. The Agency's sick leave policy, in accordance with New Jersey State law, allows employees to carry over unused sick leave without penalty. Employees shall be permitted to carry a maximum of one year's accrued vacation time in addition to the employee's allotted time for the current year. No employee may carry more than one year's worth of vacation time to the next year without written approval of the County Administrator.

PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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

**O. Net Position Classifications**

Net position is classified in three components:

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

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

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

**P. Use of Restricted Assets**

When both restricted and unrestricted resources are available for a particular restricted use, it is the Agency’s policy to use restricted resources first, and then unrestricted resources as needed.

**Q. Operating Revenues and Expenses**

The Agency defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Agency classifies all other revenues and expenses as non-operating.

**R. Taxes**

The Agency is a department within County government and under the State of New Jersey law, is exempt from real estate, sales and income taxes by both the federal and state governments.

**S. Budgets and Budgetary Accounting**

The Agency is required by contractual agreements to adopt annual, appropriated operating budgets for its Section 8 Housing Choice Vouchers Program. The budget is prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD’s program year end or at the end of grant period.

**T. Economic Dependency**

The Section 8 Housing Choice Vouchers Program of the Agency is economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

As of December 31, 2023, the Agency had funds on deposit in checking, money market accounts and certificates of deposit. The carrying amount of the Agency's cash and cash equivalents (including restricted cash) was \$3,968,737, and the bank balances approximated \$3,969,179.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 3,509,002
Restricted	<u>459,735</u>
Total cash and cash equivalents	<u>\$ 3,968,737</u>

Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining \$3,719,179 was collateralized through the GUDPA as of December 31, 2023.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Agency does not have a formal policy for custodial credit risk. As of December 31, 2023, the Agency's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following as of December 31, 2023:

<u>Description</u>	<u>Amount</u>
Accounts receivable - HUD	\$ 24,484
Fraud recovery receivable	29,298
Accounts receivable - other government	<u>8,451</u>
Total accounts receivable, net	<u>\$ 62,233</u>

Accounts Receivable - HUD

As of December 31, 2023, accounts receivable - HUD consisted of amounts due from HUD as part of the Emergency Housing Vouchers Program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Fraud Recovery Receivable

Fraud recovery receivable represents amounts due from tenants who participate in the Housing Choice Vouchers program, who committed fraud or misrepresentation and now owe additional rent for prior periods. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Other Government

As of December 31, 2023, accounts receivable - other government consisted of amounts due from the County for reimbursement of expenditures related to COVID-19.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4. RESTRICTED DEPOSITS**

As of December 31, 2023, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Amount</u>
Housing assistance payments reserves	\$ 8,089
FSS program escrows	434,094
FSS forfeiture funds	<u>17,552</u>
Total restricted deposits	<u>\$ 459,735</u>

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

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

FSS forfeiture funds are to be used to fund eligible expenses of FSS participants in good standing.

**NOTE 5. CAPITAL ASSETS, NET**

The following is a summary of the changes in capital assets during the year ended December 31, 2023:

<u>Description</u>	<u>December 31, 2022</u>	<u>Additions</u>	<u>Dispositions</u>	<u>December 31, 2023</u>
Depreciable capital assets:				
Furniture and equipment	\$ <u>87,185</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>87,185</u>
Total	87,185	-	-	87,185
Less: accumulated depreciation	<u>42,932</u>	<u>13,863</u>	<u>-</u>	<u>56,795</u>
Net capital assets	<u>\$ 44,253</u>	<u>\$ (13,863)</u>	<u>\$ -</u>	<u>\$ 30,390</u>

Depreciation expense for the year ended December 31, 2023 amounted to \$13,863.

**NOTE 6. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

On January 3, 2022, the Agency entered into a lease agreement as a lessee to rent administrative office space. The term of the lease is for three years, commencing on February 15, 2022 and terminating on February 28, 2025. Upon execution of the lease, \$6,891 was due for the period of February 15, 2022 through March 31, 2022. Thereafter, lease payments in the amount of \$13,781.64 are due quarterly. The lease has an implicit interest rate of 4.00%. As of January 3, 2022, a right-of-use lease asset was recorded in the amount of \$158,689. As of December 31, 2023, the value of the right-of-use lease asset was \$61,035 and amortization expense totaled \$48,827 for the year then ended. Rent and interest expense for the year ended December 31, 2023 amounted to \$51,336 and \$2,651, respectively.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)**

The following is a summary of the Agency's changes in right-of-use asset for the year ended December 31, 2023:

Description	December 31, 2022	Additions	Dispositions	December 31, 2023
Right-of-use asset	\$ 158,689	\$ -	\$ -	\$ 158,689
Less: accumulated amortization	<u>48,827</u>	<u>48,827</u>	<u>-</u>	<u>97,654</u>
Net right-of-use asset	<u>\$ 109,862</u>	<u>\$ (48,827)</u>	<u>\$ -</u>	<u>\$ 61,035</u>

The lease liability as of December 31, 2023 was \$62,518, with \$53,421 classified as a current liability.

Annual lease payments for principal and interest over the next three years is as follows:

Year	Principal	Interest	Total
2024	\$ 53,421	\$ 1,706	\$ 55,127
2025	<u>9,097</u>	<u>91</u>	<u>9,188</u>
	<u>\$ 62,518</u>	<u>\$ 1,797</u>	<u>\$ 64,315</u>

**NOTE 7. ACCOUNTS PAYABLE**

As of December 31, 2023, accounts payable consisted of the following:

Description	Amount
Accounts payable - vendors	\$ 13,535
Accounts payable - HUD	22,240
Accounts payable - PHA projects	<u>9,040</u>
Total accounts payable	<u>\$ 35,775</u>

Accounts Payable - Vendors

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

Accounts Payable - HUD

Accounts payable - HUD represents amounts due and payable to HUD for overpayment of grant funding in the Section 8 Housing Choice Vouchers Program.

Accounts Payable - PHA Projects

Accounts payable - PHA projects represents amounts due and payable to other PHAs under the portability provisions of the Section 8 Housing Choice Vouchers Program.



**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8. NON-CURRENT LIABILITIES**

Non-current liabilities activity during the year ended December 31, 2023 consisted of the following:

	December 31, 2022	Additions	Retirements	December 31, 2023	Due in One Year
Compensated absences	\$ 49,159	\$ 19,497	\$ -	\$ 68,656	\$ 6,866
FSS escrows	382,986	221,959	170,851	434,094	-
Lease liability	<u>105,766</u>	<u>-</u>	<u>43,248</u>	<u>62,518</u>	<u>53,421</u>
	<u>\$ 537,911</u>	<u>\$ 241,456</u>	<u>\$ 214,099</u>	<u>\$ 565,268</u>	<u>\$ 60,287</u>

**NOTE 9. SALARIES AND EMPLOYEE BENEFITS**

All personnel at the Agency are employees of the County. As such, costs for salaries, payroll taxes and employee benefits are charged to the Agency by the County. The Agency then reimburses the County each pay period for employee costs inclusive of all health insurance and retirement benefits.

**NOTE 10. RESTRICTED NET POSITION**

As of December 31, 2023, restricted net position consisted of the following:

<u>Cash Category</u>	<u>Amount</u>
Housing assistance payments reserves	\$ 8,089
FSS forfeiture funds	<u>17,552</u>
Total restricted deposits	<u>\$ 25,641</u>

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

FSS forfeiture funds are to be used to fund eligible expenses of FSS participants in good standing.

**NOTE 11. RISK MANAGEMENT**

The Agency 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. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage except for deductibles for the previous three years.

**NOTE 12. CONTINGENCIES**

The Agency receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 12. CONTINGENCIES (continued)**

As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of December 31, 2023, the Agency estimates that no material liabilities will result from such audits.

**NOTE 13. SELF-INSURANCE PLANS**

The County has established the following plans for its employees:

Self-Insurance Worker's Compensation Plan

The County funds the entire cost of the plan. Claims are paid directly by the plan up to their statutory limits. The County will notify the Agency of any claims made which relate to Agency personnel. The County is responsible to pay all claims.

Self-Insurance Liability Plan

The County has established a liability trust reserve for the purpose of funding payments that may arise from any general, auto or other liability claims against the County on a self-insured basis. The County funds the entire cost of the plan and will notify the Agency of any claims made which relate to Agency business. The County is responsible to pay all claims.

Self-Insurance Health Benefits Plan

The County funds the cost of the plan with claims being paid directly by the County. The Agency will reimburse the County for its allocated portion of the costs. The County will notify the Agency of any claims made which relate to Agency personnel.

**NOTE 14. TRANSFER TO AFFILIATE**

During the fiscal year ended December 31, 2003, the Agency's Board of Commissioners, by resolution, designated up to \$3,300,000 of its unrestricted net position to be set aside for the development of affordable housing units within its jurisdiction with the Passaic County Affordable Housing Corporation. On November 29, 2011, the Agency's Board of Commissioners by resolution, designated an additional \$983,000 for the project bringing the total funding up to \$4,283,000. During the year ended December 31, 2020, management located a site suitable for the development of an affordable senior citizen housing complex.

On January 6, 2022, the Passaic Affordable Housing Corporation entered into an agreement to purchase property located in Pompton Lakes, New Jersey from the County in the amount of \$1,735,000. During the year ended December 31, 2023, the Agency transferred \$983,000 to Passaic Affordable Housing Corporation to assist in the purchase and development of the affordable senior citizen housing complex.

**NOTE 15. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through July 2, 2024, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



CERTIFIED PUBLIC ACCOUNTANTS

**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  
Passaic County Public Housing Agency:

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 Passaic County Public Housing Agency (the "Agency") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated July 2, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Novogradac & Company LLP*

July 2, 2024  
Toms River, New Jersey



CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners  
Passaic County Public Housing Agency:

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

We have audited the Passaic County Public Housing Agency's (the "Agency") 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 Agency's major federal programs for the year ended December 31, 2023. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Opinion on Each Major Federal Program**

In our opinion, the Agency 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 December 31, 2023.

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

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

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

**Responsibility of Management for Compliance**

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and the State of New Jersey OMB Circular 15-08, we:

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

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

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on the major federal program is not modified with respect to these matters.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the compliance requirements 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 reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be a significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### **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.

*Novogrudac & Company LLP*

July 2, 2024  
Toms River, New Jersey

**SUPPLEMENTARY INFORMATION**



**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Period 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 Vouchers Cluster	14.871	1/1/2023 12/31/2023	\$ 11,011,117	\$ 10,620,908	\$ 10,620,908
Section 8 Housing Choice Vouchers Program			<u>443,633</u>	<u>456,854</u>	<u>456,854</u>
Emergency Housing Vouchers	14.EHV	1/1/2023 12/31/2023	<u>11,454,750</u>	<u>11,077,762</u>	<u>11,077,762</u>
Total Housing Vouchers Cluster			<u>204,000</u>	<u>204,000</u>	<u>204,000</u>
Family Self-Sufficiency Program	14.896	1/1/2023 12/31/2023	<u>204,000</u>	<u>204,000</u>	<u>204,000</u>
Total Expenditures of Federal Awards			<u>\$ 11,658,750</u>	<u>\$ 11,281,762</u>	<u>\$ 11,281,762</u>

See notes to schedule of expenditures of federal awards.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Agency under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of operations of the Agency, it is not intended to and does not present the financial position, changes in net position or cash flows of the Agency. 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 Agency has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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?   | Yes        |
| 2. | Type of auditors' report on compliance for major programs:   | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): | Yes        |
| 4. | Identification of major programs:  |            |

ALN

Name of Federal Program

Housing Voucher Cluster:

14.871

Section 8 Housing Choice Vouchers Program

14.EHV

Emergency Housing Vouchers

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

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Finding 2023-001**

Federal Agency: U.S. Department of Housing and Urban Development  
Federal Program Titles: Section 8 Housing Choice Vouchers Program  
Federal Assistance Listing Numbers: 14.871  
Noncompliance – E. Eligibility - Tenant Files  
Non Compliance Material to the Financial Statements: No  
Significant Deficiency in Internal Control over Compliance for Eligibility

Criteria: Tenant Files. The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516). These files are required to be maintained and available for examination at the time of audit.

Condition: Based upon inspection of the Agency's files and on discussion with management, there were discrepancies noted on the HUD-50058's.

Context: Of a sample size of twenty one (21) tenant files, we noted the following:

- Income was miscalculated on the HUD-50058 form in one (1) file

Our sample size is statistically valid.

Known Questioned Costs: \$304

Cause: There is a significant deficiency in internal controls over the compliance for the eligibility type of compliance related to the maintenance of tenant files. The Agency has not properly considered, designed, implemented, maintained and monitored a system of internal controls that reasonably assures the program is in compliance.

Effect: The Section 8 Housing Choice Vouchers Program is in non-compliance with the eligibility type of compliance related to the maintenance of tenant files.

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

Agency Response: The Agency accepts the recommendation of the auditor. The Agency will increase oversight in the Section 8 Housing Choice Vouchers Program to ensure that established internal control policies are being followed on a timely basis.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

III. Federal Award Findings and Questioned Costs (continued)

**Finding 2023-002**

Federal Agency: U.S. Department of Housing and Urban Development  
Federal Program Titles: Section 8 Housing Choice Vouchers Program  
Federal Assistance Listing Numbers: 14.871  
Noncompliance – N. Special Tests and Provisions - Housing Quality Standards  
Non Compliance Material to the Financial Statements: No  
Significant Deficiency in Internal Control over Compliance for Special Tests and Provisions

Criteria: Housing Quality Standards Inspections. The PHA must inspect the unit leased to a family at least annually to determine if the unit meets the Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)). For units that fail inspection the PHA must correct all life threatening HQS deficiencies within 24 hours and all other deficiencies within 30 days.

Condition: Based upon inspection of the Agency's files and on discussion with management, there were failed inspections that did not pass reinspection within 30 days without penalty.

Context: There are approximately one hundred and sixty eight (168) units with failed inspections. Of a sample size of twenty-five (25) failed inspections, one (1) failed inspection did not pass reinspection within 30 days, due to the Agency not performing the reinspection within a timely manner. Housing assistance payments were not abated nor was the tenant evicted.

Our sample size is statistically valid.

Known Questioned Costs: \$3,412

Cause: There is a significant deficiency in internal controls over the compliance for the special tests and provisions type of compliance related to HQS inspections. The Agency has not properly performed HQS inspections in compliance with program requirements.

Effect: The Section 8 Housing Choice Vouchers Program is in non-compliance with the special tests and provisions type of compliance related to HQS inspections.

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

Agency Response: The Agency accepts the recommendation of the auditor. The Agency will increase oversight in the Section 8 Housing Choice Vouchers Program to ensure that established internal control policies are being followed on a timely basis.

IV. Schedule of Prior Year Audit Findings

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

Passaic County Public Housing Agency (NJ090)

PATERSON, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.EFA FSS Escrow Forfeiture Account	Total
111 Cash - Unrestricted		\$3,464,554	\$44,448		\$3,509,002
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$442,183		\$17,552	\$459,735
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities		\$0			\$0
100 Total Cash	\$0	\$3,906,737	\$44,448	\$17,552	\$3,968,737
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects			\$24,484		\$24,484
124 Accounts Receivable - Other Government		\$8,451			\$8,451
125 Accounts Receivable - Miscellaneous		\$0	\$0		\$0
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants					
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery		\$29,298			\$29,298
128.1 Allowance for Doubtful Accounts - Fraud		\$0			\$0
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$37,749	\$24,484	\$0	\$62,233
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$3,944,486	\$68,932	\$17,552	\$4,030,970
161 Land					
162 Buildings					
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration		\$87,185			\$87,185
165 Leasehold Improvements		\$158,689			\$158,689
166 Accumulated Depreciation		-\$154,449			-\$154,449
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$91,425	\$0	\$0	\$91,425
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets		\$0	\$0		\$0
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$91,425	\$0	\$0	\$91,425
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$0	\$4,035,911	\$68,932	\$17,552	\$4,122,395

Passaic County Public Housing Agency (NJ090)

PATERSON, NJ

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.EFA FSS Escrow Forfeiture Account	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days		\$13,535			\$13,535
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion		\$6,866			\$6,866
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs		\$9,040			\$9,040
332 Account Payable - PHA Projects		\$13,200			\$13,200
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue			\$54,277		\$54,277
343 Current Portion of Long-term Debt - Capital Projects		\$53,421			\$53,421
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$96,062	\$54,277	\$0	\$150,339
351 Long-term Debt, Net of Current - Capital Projects		\$9,097			\$9,097
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		\$434,094			\$434,094
354 Accrued Compensated Absences - Non Current		\$61,790			\$61,790
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$504,981	\$0	\$0	\$504,981
300 Total Liabilities	\$0	\$601,043	\$54,277	\$0	\$655,320
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets		\$28,907			\$28,907
511.4 Restricted Net Position		\$8,089		\$17,552	\$25,641
512.4 Unrestricted Net Position	\$0	\$3,397,872	\$14,655	\$0	\$3,412,527
513 Total Equity - Net Assets / Position	\$0	\$3,434,868	\$14,655	\$17,552	\$3,467,075
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$4,035,911	\$68,932	\$17,552	\$4,122,395

Passaic County Public Housing Agency (NJ090)

PATERSON, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.EFA FSS Escrow Forfeiture Account	Total
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$204,000	\$11,011,117	\$443,633		\$11,658,750
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted		\$143,443			\$143,443
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$48,501			\$48,501
71500 Other Revenue		\$47,641		\$24,238	\$71,879
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted				\$369	\$369
70000 Total Revenue	\$204,000	\$11,250,702	\$443,633	\$24,607	\$11,922,942
91100 Administrative Salaries		\$365,470			\$365,470
91200 Auditing Fees		\$11,270			\$11,270
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative		\$240,915			\$240,915
91600 Office Expenses		\$115,385	\$49,154		\$164,539
91700 Legal Expense					
91800 Travel		\$11,916			\$11,916
91810 Allocated Overhead					
91900 Other					
91000 Total Operating - Administrative	\$0	\$744,956	\$49,154	\$0	\$794,110
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$120,206				\$120,206
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services	\$83,794				\$83,794
92400 Tenant Services - Other			\$12,335		\$12,335
92500 Total Tenant Services	\$204,000	\$0	\$12,335	\$0	\$216,335



Passaic County Public Housing Agency (NJ090)

PATERSON, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.EFA FSS Escrow Forfeiture Account	Total
93100 Water					
93200 Electricity					
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and Other					
94300 Ordinary Maintenance and Operations Contracts					
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					
96120 Liability Insurance					
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total insurance Premiums	\$0	\$0	\$0	\$0	\$0
96200 Other General Expenses		\$7,474		\$7,055	\$14,529
96210 Compensated Absences		\$19,496			\$19,496
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$26,970	\$0	\$7,055	\$34,025
96710 Interest of Mortgage (or Bonds) Payable		\$2,651			\$2,651
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$2,651	\$0	\$0	\$2,651
96900 Total Operating Expenses	\$204,000	\$774,577	\$61,489	\$7,055	\$1,047,121

Passaic County Public Housing Agency (NJ090)

PATERSON, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.EFA FSS Escrow Forfeiture Account	Total
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$10,476,125	\$382,144	\$17,552	\$10,875,821
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$9,813,102	\$395,365		\$10,208,467
97350 HAP Portability-In		\$33,229			\$33,229
97400 Depreciation Expense		\$62,690			\$62,690
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$204,000	\$10,683,598	\$456,854	\$7,055	\$11,351,507
10010 Operating Transfer In					
10020 Operating Transfer Out					
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)		-\$983,000			-\$983,000
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	-\$983,000	\$0	\$0	-\$983,000
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	-\$415,896	-\$13,221	\$17,552	-\$411,565
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$3,850,764	\$27,876	\$0	\$3,878,640
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$3,426,779			\$3,426,779
11180 Housing Assistance Payments Equity		\$8,089			\$8,089
11190 Unit Months Available	0	10104	348		10452
11210 Number of Unit Months Leased	0	10086	285		10371