THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY

REPORT ON AUDIT
OF
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of the City of Trenton
Trenton, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Housing Authority of the City of Trenton (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement as listed in the table of contents.

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

Basis for Opinion

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

Prior Period Adjustment (Emphasis-of-Matter)

As discussed in Note P to the financial statements, the Authority restated its beginning capital assets and net position balances. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 8 through 15, the Schedule of Proportionate Share of Net Pension Liability on page 49, the Schedule of Employer's Required Contributions (Pension) on page 50, the Schedule of Changes in Benefit Terms and Assumptions Applied (Pension) on page 51, the Schedule of Proportionate Share of Net OPEB Liability on page 52, the Schedule of Employer's Required Contributions (OPEB) on page 52 and the Schedule of Changes in Benefit Terms and Assumptions Applied (OPEB) on page 53 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 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. Although our opinion on the basic financial statements is not affected, the following material departures from the prescribed guidelines exist within the Schedule of Proportionate Share of Net OPEB Liability and Schedule of Employer's Required Contributions (OPEB). The Schedules do not present the covered employee payrolls applicable to the periods reported. We do not express an opinion or provide any assurance on the information.

Supplementary 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 accompanying Statement and Certification of Program Costs – CFP; Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement and Certification of Program Costs – CFP; Schedule of Expenditures of Federal Awards; and the Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Aprio, LLP

Birmingham, Alabama
September 18, 2024

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*

Board of Commissioners
The Housing Authority of the City of Trenton
Trenton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Housing Authority of the City of Trenton (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 18, 2024.

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

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

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

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

Purpose of this Report

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

Aprio, LLP

Birmingham, Alabama
September 18, 2024

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

Board of Commissioners
The Housing Authority of the City of Trenton
Trenton, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program
We have audited The Housing Authority of the City of Trenton's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended December 31, 2023. The Authority's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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

Auditors' Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a 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.

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

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

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

Aprio, LLP

Birmingham, Alabama
September 18, 2024

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2023

The Housing Authority of the City of Trenton's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority's net position increased by $3.3 million during 2023, and was $21.2 million and $24.5 million for 2022 and 2023, respectively.

- Revenues decreased by $1.4 million during 2023, and were $25.7 million and $24.3 million for 2022 and 2023, respectively.

- Expenses increased by over $.5 million during 2023, and were $20.5 million and over $21 million for 2022 and 2023, respectively.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

~ MANAGEMENT DISCUSSION
AND ANALYSIS ~

BASIC FINANCIAL STATEMENTS

~ AUTHORITY-WIDE FINANCIAL STATEMENTS ~
~ NOTES TO FINANCIAL STATEMENTS ~

OTHER REQUIRED SUPPLEMENTARY INFORMATION

~ REQUIRED SUPPLEMENTARY INFORMATION ~
(OTHER THAN MD&A)

Authority-Wide Financial Statements

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and "Net Position", formerly known as net assets. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues such as rental income and operating grants; operating expenses such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

THE AUTHORITY'S MAIN PROGRAMS

Significant Programs – The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to offer housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Other – In addition to the significant programs above, the Authority also maintains the following reporting units:

- Central Office Cost Center
- Resident Opportunity and Supportive Services Program
- Choice Neighborhood Planning Grant Program

TABLE 1
CONDENSED STATEMENT OF NET POSITION

The following table reflects the Condensed Statement of Net Position compared to the prior year.

	2023	2022	Variance
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	$ 6,716,948	$ 6,531,729	$ 185,219
Capital Assets	61,372,864	62,867,346	(1,494,482)
Deferred Outflows of Resources	9,757,402	3,815,221	5,942,181
Total Assets and Deferred Outflows of Resources	**$ 77,847,214**	**$ 73,214,296**	**$ 4,632,918**
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	$ 5,036,682	$ 5,396,220	$ (359,538)
Non-Current Liabilities	35,079,182	35,111,235	(32,053)
Deferred Inflows of Resources	13,244,702	11,478,320	1,766,382
Total Liabilities and Deferred Inflows of Resources	**$ 53,360,566**	**$ 51,985,775**	**$ 1,374,791**
Net Position:			
Net Investment in Capital Assets	$ 46,509,743	$ 45,444,336	$ 1,065,407
Unrestricted Net Position	(22,023,095)	(24,215,815)	2,192,720
Total Net Position	**$ 24,486,648**	**$ 21,228,521**	**$ 3,258,127**

Major Factors Affecting the Condensed Statement of Net Position

Capital assets decreased during 2023 due to depreciation exceeding capital expenditures on improvements to the Public Housing dwelling properties. For additional information see 'Capital Assets' in Tables 3 and 4 (below), and the Notes to the Financial Statements. Deferred outflows of resources increased due primarily to changes in the Authority's proportionate share in the State of New Jersey's Local Government Retired Employees Health Benefit Plan (OPEB).

Current liabilities decreased due mainly to reductions of accounts payable to vendors and contractors, and a reduction of unearned revenues reported from unexpended grant proceeds as of year-end. Deferred inflows of resources increased due predominantly to differences between projected and actual OPEB plan experience and changes of assumptions applied in the applicable OPEB plan actuarial valuations.

TABLE 2

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following Schedule compares the revenues and expenses for the current and previous years.

	2023	2022	Variance
Revenues:			
Tenant Rental Revenue	$ 6,545,473	$ 5,923,362	$ 622,111
Operating Grants	14,164,010	13,547,949	616,061
Capital Contributions	2,440,587	4,166,908	(1,726,321)
Interest Income	13,930	476	13,454
Other Revenue	1,153,552	2,082,108	(928,556)
Total Revenues	**$ 24,317,552**	**$ 25,720,803**	**$ (1,403,251)**
Expenses:			
Administrative	$ 4,259,382	$ 3,507,099	$ 752,283
Tenant Services	420,136	553,135	(132,999)
Utilities	2,913,425	2,948,142	(34,717)
Maintenance	5,543,760	6,421,700	(877,940)
Protective Services	1,676,636	1,143,932	532,704
General	2,639,905	2,286,635	353,270
Interest	504,707	590,889	(86,182)
Depreciation	3,101,474	3,083,118	18,356
Total Expenses	**$ 21,059,425**	**$ 20,534,650**	**$ 524,775**
Increase (Decrease) in Net Position	**$ 3,258,127**	**$ 5,186,153**	**$ (1,928,026)**

Major Factors Affecting the Schedule of Revenues, Expenses and Changes in Net Position

Overall, total revenues decreased $1.4 million during 2023. Tenant rental revenues increased due to increases of rates and tenants' incomes. Operating grants increased due to subsidies recognized under the Public Housing and Choice Neighborhoods Planning Programs. Capital contributions decreased due to reduced modernization activity on the Authority's Public Housing dwelling properties. Other revenue decreased due mainly to reductions of benefits recognized under the pension and OPEB plans.

Administrative expenses increased due primarily to increases of personnel and related costs. Maintenance expenses decreased due to reductions of labor, supplies and materials. Protective services expenses increased due to increases of personnel and related costs, and external contracting costs incurred. General expenses increased due predominantly to an increase of bad debts incurred on tenant receivables, and increases of development and rehabilitation assistance subsidies passed through to local affiliates.

Capital Assets

As of year-end, the Authority had $61.4 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of $1.5 million from the end of last year.

TABLE 3

CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	2023	2022	Variance	% Change
Land	$ 1,976,466	$ 1,976,466	$ -	0%
Buildings and Improvements	135,932,927	135,630,427	302,500	0%
Furniture and Equipment	6,001,997	5,751,997	250,000	4%
Construction in Process	7,936,423	6,881,931	1,054,492	15%
Accumulated Depreciation	(90,474,949)	(87,373,475)	(3,101,474)	4%
Net Capital Assets	**$ 61,372,864**	**$ 62,867,346**	**$ (1,494,482)**	**-2%**

TABLE 4

CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, January 1, 2023	**$ 62,867,346**
Additions:	
Construction in Process	1,580,587
Equipment Purchases	26,405
Depreciation Expense	(3,101,474)
Ending Balance, December 31, 2023	**$ 61,372,864**

DEBT OUTSTANDING

As of year-end, the Authority had $14.9 million in capital debt outstanding.

TABLE 5

OUTSTANDING DEBT, AT YEAR-END

	December 31, 2023	December 31, 2022
Capital Fund Revenue Bonds	$ 1,840,000	$ 2,700,000
Energy Performance Contract - Capital Debt	13,023,121	14,723,010
Total	**$ 14,863,121**	**$ 17,423,010**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is the Authority's Executive Director. Specific requests may be submitted to The Housing Authority of the City of Trenton, 875 New Willow Street, Trenton, New Jersey 08638.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Enterprise Fund
Current Assets	
Cash	$ 4,556,481
Accounts Receivable	1,553,570
Prepaid Costs	356,468
Inventory	91,271
Total Current Assets	6,557,790
Restricted Assets	
Cash	159,158
Total Restricted Assets	159,158
Capital Assets	
Land	1,976,466
Buildings and Improvements	135,932,927
Furniture and Equipment	6,001,997
Construction in Process	7,936,423
	151,847,813
(Less): Accumulated Depreciation	(90,474,949)
Net Capital Assets	61,372,864
Total Assets	68,089,812
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pension	145,594
Deferred Outflows of Resources - OPEB	9,611,808
Total Deferred Outflows of Resources	9,757,402
Total Assets and Deferred Outflows of Resources	$ 77,847,214

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
STATEMENT OF NET POSITION
DECEMBER 31, 2023

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

		Enterprise Fund
Current Liabilities		
Accounts Payable	$	1,518,868
Accrued Wages and Payroll Taxes		120,495
Accrued Compensated Absences		118,834
Accrued Interest Payable		46,634
Tenant Security Deposits		404,898
Unearned Revenue		103,375
Current Portion of Capital Debt		2,723,578
Total Current Liabilities		5,036,682
Non-current Liabilities		
Long Term Capital Debt		12,139,543
FSS Escrow Liability		159,158
Accrued Compensated Absences		159,509
Accrued Pension Liability		5,183,523
Accrued OPEB Liability		17,437,449
Total Non-current Liabilities		35,079,182
Total Liabilities		40,115,864
Deferred Inflows of Resources		
Deferred Inflows of Resources - Pension		1,252,904
Deferred Inflows of Resources - OPEB		11,361,765
Deferred Inflows of Resources - Land Lease		630,033
Total Deferred Inflows of Resources		13,244,702
Total Liabilities and Deferred Inflows of Resources		53,360,566
Net Position		
Net Investment in Capital Assets		46,509,743
Unrestricted Net Position		(22,023,095)
Total Net Position		24,486,648
Total Liabilities, Deferred Inflows of Resources and Net Position	$	77,847,214

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund
Operating Revenues	
Dwelling Rent	$ 6,545,473
Operating Grants	14,164,010
Other Revenue	1,153,552
Total Operating Revenues	21,863,035
Operating Expenses	
Administrative	4,259,382
Tenant Services	420,136
Utilities	2,913,425
Maintenance	5,543,760
Protective Services	1,676,636
General	2,639,905
Depreciation	3,101,474
Total Operating Expenses	20,554,718
Operating Income (Loss)	1,308,317
Non-Operating Revenues (Expenses)	
Interest Income	13,930
Interest Expense	(504,707)
Total Non-Operating Revenues (Expenses)	(490,777)
Increase (decrease) before Capital Contributions	817,540
Capital Contributions	2,440,587
Increase (Decrease) in Net Position	3,258,127
Net Position, Beginning	22,190,333
Beginning Balance Restatement - Note P	(961,812)
Net Position, Ending	$ 24,486,648

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

		Enterprise Fund
Cash flows from operating activities:		
Cash Received from Dwelling Rent	$	5,831,970
Cash Received from Operating Grants		13,118,352
Cash Received from Other Sources		918,652
Cash Payments for Salaries and Benefits		(8,699,177)
Cash Payments to Vendors and Landlords		(9,623,565)
Net cash provided (used) by operating activities		1,546,232
Cash flows from capital and related financing activities:		
Capital Grants Received		2,309,540
Capital Outlay		(1,640,742)
Principal and Interest Paid on Capital Debt		(3,075,712)
Net cash provided (used) by capital and related financing activities		(2,406,914)
Cash flows from investing activities:		
Interest Received from Cash and Restricted Cash		13,930
Net cash provided (used) by investing activities		13,930
Net Decrease in Cash and Restricted Cash		(846,752)
Total Cash and Restricted Cash, Beginning of Year		5,562,391
Total Cash and Restricted Cash, End of Year	$	4,715,639

Reconciliation of cash and restricted cash presented on the Statement of Net Position, to ending cash and restricted cash presented above on the Statement of Cash Flows:

Cash	$	4,556,481
Restricted Cash		159,158
Cash and Restricted Cash, End of Year	$	4,715,639

Continued on next page

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	$ 1,308,317
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	3,101,474
Bad Debt Expense (Tenants)	600,459
Change in Accounts Receivable (Tenants)	(711,142)
Change in Accounts Receivable (Grants)	(1,045,658)
Change in Prepaid Costs and Inventory	(47,083)
Change in Accounts Payable - Operating	(214,571)
Change in Accrued and Deferred Personnel Costs	(1,506,958)
Change in Unearned Revenue (Tenants)	(2,361)
Change in Security and Escrow Deposits Held	63,755
Net cash provided (used) by operating activities	$ 1,546,232

See the accompanying notes to financial statements.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "Enterprise Fund" in the basic financial statements as follows:

> Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.
>
> Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as applicable pronouncements issued by the Financial Accounting Standards Board.

Cash and Restricted Cash

Cash consisted of funds held in checking accounts. Restricted cash consisted of Family Self Sufficiency Program escrow deposits held in a checking account on behalf participating tenants.

Accounts Receivable

Tenant accounts receivable total $1,226,427 and are reported net of an allowance for doubtful accounts of $771,792, at a net realizable value of $454,635. Other receivables consisted of grant receivables due from HUD of $1,098,935.

Prepaid Items and Inventory

Prepaid items and inventory consist of payments made to vendors for services and materials that will benefit future periods.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under unearned revenue and consisted of $77,339 of prepaid tenant rents and $26,036 of unexpended grant proceeds.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is reported as non-operating revenue. These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any inter-program revenues and expenses for these financial statements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings	30 years
Improvements	10 - 15 years
Furniture and equipment	5 - 10 years

Authority management has assessed the carrying values of capital asset balances as of December 31, 2023, and as of September 18, 2024. No significant capital asset value impairments exist as of the noted dates.

PILOT Agreement

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with the City of Trenton, whereby the Partnership agrees to pay a negotiated sum in lieu of local real property taxes. The Authority incurred PILOT expense of $347,045 during 2023 and owed the City $621,544 of PILOT as of December 31, 2023, which is reported in accounts payable on the Statement of Net Position.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a deferred inflow of resources is an acquisition of assets by the Authority that is applicable to a future reporting period.

Indirect Costs Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Directors. The applicable jurisdictions appoint the Board of Directors. However, the Housing Authority has complete legislative and administrative authority, and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Directors and submitted to the New Jersey Division of Local Government Services (DLGS). The Authority's budget is not funded by DLGS, but rather the U.S. Department of Housing and Urban Development (HUD) based upon performance funding and program and capital grants. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units,* and *Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following blended component units:

Trenton City Housing and Redevelopment Corporation (TCHRC) is a related not-for-profit New Jersey corporation, which was created to serve as an instrumentality of the Authority in facilitating low-moderate income housing opportunities in the Trenton community. TCHRC's Board of Directors is substantively the same as the Authority's board and the Authority maintains operational responsibility of TCHRC. TCHRC's year end is December 31. However, TCHRC did not have any financial activity during 2023 or financial balances as of December 31, 2023.

Page Homes Redevelopment, LLC (PHR, LLC) is a related limited liability company. TCHRC is the sole member of PHR, LLC. PHR, LLC was created to serve as an instrumentality of the Authority, to facilitate the Page Homes Redevelopment Project through the Authority's participation in HUD's Rental Assistance Demonstration (RAD) Program. PHR, LLC's year end is December 31. However, PHR, LLC did not have any financial activity during 2023 or financial balances as of December 31, 2023.

NOTE C - CASH AND RESTRICTED CASH DEPOSITS

Custodial Credit Risk - The Authority's policy is to limit credit risk by adherence to the list of HUD-permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally-insured investments.

The Housing Authority's cash and restricted cash consisted of funds held in interest and non-interest-bearing checking accounts totaling a reconciled balance of $4,715,639. Deposits balances held with financial institutions were secured as follows:

	Bank Deposits
Insured by FDIC	$ 672,856
Collateralized with specific securities pledged to the Authority and held by a third party financial institution	4,823,863
	$ 5,496,719

The Authority had no realized gains or losses on the sale of investments.

NOTE D - PENSION PLAN

Public Employees' Retirement System

Plan Description – The Authority is a participating employer in the State of New Jersey Public Employees' Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pension and Benefits. Benefits under PERS include retirement, death and disability benefits, and have been established and may be amended by action of the State legislature. For additional information about PERS, please refer to the 'Schedule of Employer Allocations and Schedule of Pension Amounts by Employer' and the 'Sixty-Second Annual Report of the Actuary' which can be found at www.state.nj.us/treasury/financial-reports.shtml.

Benefits Provided – PERS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who enroll prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to Nov. 2, 2008
3	Members who were eligible to enroll on or after Nov. 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 $1/55^{th}$ 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 $1/60^{th}$ 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 1 and 2 members before reaching age 60, tiers 2 and 4 before age 62 with 25 or more years 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 that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members 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.

Contributions – The actuarial valuation as of July 1, 2022 reflects Chapter 78, P.L. 2011, which increased the member (employee) contribution rate from 5.5% to 6.5% of compensation effective October 2011. Further, in July 2012, the member contribution rate increased by 1/7th of 1% each July through July of 2018 when a 7.50%-member contribution rate was reached. Contribution rates for employers are determined by an actuarial valuation. During the year ended December 31, 2023, employees were required to contribute 7.50% of their annual salary and the Authority contributed an additional 16.37% of the employees' compensation.

During the years ended December 31, 2023, 2022 and 2021, the Authority's contributions to PERS required and made were $508,940, $496,757, and $472,322, respectively.

Refund of Contributions – Eligible upon service termination prior to age 60 (age 62 for Tier 3 and Tier 4 members and age 65 for Tier 5 members) and prior to 10 years of service. Benefit equals refund of accumulated deductions plus, if the member has completed three years of service, interest allowed thereon.

NOTE D – PENSION PLAN - CONTINUED

Pension Liabilities, Pension Benefit, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

As of December 31, 2023, the Authority reported a liability of $5,183,523 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to the measurement date of June 30, 2023. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all employers participating in PERS for the year ended June 30, 2023. As of June 30, 2023, the Authority's proportion was .0357869992%, which was a reduction of .0045714956% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Authority recognized a pension benefit of $200,784. As of December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	$ 49,561	$ 21,189
Changes of assumptions	11,387	314,144
Net difference between projected and actual earnings on plan investments	23,871	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	60,775	917,571
Total	**$ 145,594**	**$ 1,252,904**

Deferred outflows and inflows of resources related to changes in proportion are excluded from the amounts below. These amounts will be recognized (amortized) by each employer over the average remaining service lives of all Plan members, which is 5.08 years. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense (benefit) as follows:

Year Ended June 30:	
2024	$ (273,671)
2025	(152,752)
2026	213,461
2027	(38,201)
2028	649
Total	**$ (250,514)**

NOTE D – PENSION PLAN - CONTINUED

Actuarial Assumptions – The collective total pension liability as of the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation	2.75%
Salary increases	2.75 – 6.55% 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 Employee Mortality Table with an 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. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Risk Migration Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
International Small Cap Equity	1.25%	9.22%
Private Equity	13.00%	12.50%
Total	**100.00%**	

NOTE D – PENSION PLAN – CONTINUED

Discount rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate - The following table 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%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's Net Pension Liability	**6,804,734**	**5,183,523**	**3,884,555**

NOTE E – RETIRED EMPLOYEES HEALTH BENEFIT PLAN

Plan Description – The Authority is a participating employer in the State of New Jersey Local Government Retired Employees Health Benefit Plan (the Plan), a cost-sharing multiple employer defined benefit other post-employment benefit (OPEB) plan, which is administered as a trust. It covers employees of local government employers that have adopted a resolution to participate in the Plan. All of the Authority's eligible retirees receive health insurance benefits through the Plan. Obligations and benefits of the Plan are established and may be amended by State statute. Under the Plan; benefits risks and liabilities are pooled (shared) and Plan assets received from participating employers are legally used to pay benefits to participating retirees. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the various employers. Required contributions are actuarially determined. A single actuarial valuation covers all Plan members, and the same contribution rate applies for each employer. Plan financial statements and required supplementary information are reported with the State's PERS financial statements and can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml. The Plan's net OPEB liability, deferred outflows of resources, deferred inflows of resources and fiduciary net position are accounted for and reported using the accrual basis under U.S. Generally Accepted Accounting Principles.

Benefits Provided – The Plan provides medical and prescription drugs to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 48, P.L. 1999, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit In a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a Collective Negotiations Agreement.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for post-retirement 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.

Contributions – The funding policy for the Plan is pay-as-you-go; therefore, there is no pre-funding of the liability. Contributions to pay for the health benefit premiums of participating employees in the Plan are collected from participating local employers and retired members. Local employers and retired members remit contributions on a monthly basis.

NOTE E – RETIRED EMPLOYEES HEALTH BENEFIT PLAN - CONTINUED

Investment of Plan Assets – The OPEB Plan only invests in the State of New Jersey Cash Management Fund. The long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 3.65%.

Components of Net OPEB Liability – GASB Statement No. 75 (GASBS No. 75) requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB benefit. The Plan's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB benefit are allocated to the Authority based on the ratio of the Plan members of the Authority to the total members of the Plan during the measurement period of July 1, 2022 through June 30, 2023.

The components of the Authority's net OPEB liability of the Plan as of June 30, 2023 are as follows:

Components of Net OPEB Liability	
Total OPEB Liability	$ 17,301,539
Plan Fiduciary Net Position (Deficit)	(135,910)
Total	**$ 17,437,449**

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the June 30, 2023 measurement date using standardized update procedures based on the assumptions applied to the June 30, 2022 actuarial valuation, identified below.

NOTE E – RETIRED EMPLOYEES HEALTH BENEFIT PLAN - CONTINUED

Actuarial Assumptions – This actuarial valuation used the following actuarial assumptions:

Inflation	2.75%
Salary increases	2.75 – 6.55%

Actuarial assumptions applied for salary increases were also 2.55% - 6.55% for the June 30, 2022 measurement date. The actuarial assumptions with respect to inflation have not changed since the June 30, 2021 measurement date.

Mortality rates were based on the Pub-2010 General Headcount-Weighted Mortality Table with fully generational mortality improvement projections from the central year using the MP-2021 Scale.

Certain actuarial assumptions used in the June 30, 2022 valuation were based on the results of the State of New Jersey Public Employees' Retirement System's (PERS) experience study, which was prepared for the period of July 1, 2018 through June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Healthcare Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.5% and decreases to a 4.5% long-term trend rate after nine years. The post-65 medical benefits PPO trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO, the trend rate is increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years. For the Medicate Part B reimbursement, the trend rate is 5%.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the healthcare trend rate - The following table 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 OPEB 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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Net OPEB Liability (Asset)	**14,819,780**	**17,437,449**	**20,788,865**

NOTE E – <u>RETIRED EMPLOYEES HEALTH BENEFIT PLAN - CONTINUED</u>

Discount rate – The discount rate used to measure the net OPEB liability was 3.65% as of June 30, 2023. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate. The discount rate increased .11% from the discount rate as of the June 30, 2022 measurement date of 3.54%.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate - The following table presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.65%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	**Current Discount Rate (3.65%)**	**1% Increase (4.65%)**
Authority's Net OPEB Liability (Asset)	**20,198,124**	**17,437,449**	**15,216,912**

NOTE E – RETIRED EMPLOYEES HEALTH BENEFIT PLAN - CONTINUED

OPEB Benefit, Deferred Outflows of Resources and Deferred Inflows of Resources

The Authority's proportion of the net OPEB liability was based on the ratio of the Authority's Plan members relative to the total number of members to the Plan during the measurement period of July 1, 2022 through June 30, 2023. As of June 30, 2023, the Authority's proportion was .116199%, which was an increase of .030556% from its proportion measured as of June 30, 2022 of .088643%.

For the year ended December 31, 2023, the Authority recognized an OPEB benefit of $97,871. As of December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	$ 804,125	$ 4,735,441
Changes of assumptions	2,258,804	4,929,008
Net difference between projected and actual earnings on plan investments	-	2,877
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,265,934	1,694,439
Authority's contributions made from July 1, 2023 through December 31, 2023	282,945	-
Total	**$ 9,611,808**	**$ 11,361,765**

The amounts below do not include deferred outflows of resources related to the Authority's contributions subsequent to the measurement date. These amounts will be recognized as a reduction to the collective net OPEB liability. Additionally, deferred outflows and inflows of resources related to changes in proportion are excluded from the amounts below. These amounts will be recognized (amortized) over the average remaining service lives of all Plan members, which is 7.95 years. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in OPEB expense (benefit) as follows:

Year Ended June 30:	
2024	$ (1,978,268)
2025	(1,620,326)
2026	(876,569)
2027	(410,904)
2028	(829,428)
Thereafter	(888,902)
Total	**$ (6,604,397)**

NOTE F – ACCRUED COMPENSATED ABSENCES

The Authority's policy allows employees to accumulate and carry-over up to one year of earned vacation. This policy also allows for full payment of earned leave upon termination.

The sick leave policy, which is in accordance with state laws, allows employees to accumulate unused sick leave. Upon normal retirement under the Public Employees Retirement System, employees shall be entitled to receive a lump sum payment as supplemental compensation for each full day of earned and unused accumulated sick leave of one-half (1/2) of the eligible employee's daily rate of pay. No lump sum payment shall exceed $15,000. Leave accrued but not yet paid as of December 31, 2023, is reported as a liability allocated between current and noncurrent.

NOTE G – OTHER NON-CURRENT LIABILITIES

The Housing Authority pledged a portion of its annual Capital Fund grant from HUD to secure the Authority's allocable portion of bonds issued jointly by the Authority and other participating New Jersey housing authorities. The Authority's allocable share of the net proceeds, $12,453,954 was used to acquire, construct, equip, renovate and improve public housing developments owned and operated by the Authority for rental to, and occupancy by qualified tenants under the applicable HUD rules and regulations. The bonds are designated "Capital Fund Program Revenue Bonds, 2004 Series A." The bonds bear interest at a rate not to exceed 4.7%, are paid semi-annually and mature in 2025. Interest expense incurred during the year was $116,913. The principal balance as of December 31, 2023, was $1,840,000. The bonds are payable as follows:

	Principal	**Interest**	**Principal Balance Due**
2024	$ 900,000	$ 76,022	$ 940,000
2025	940,000	33,135	-
	$ 1,840,000	**$ 109,157**	**$ -**

In March of 2009, the Authority obtained financing, under an Energy Performance Contract loan agreement, from TD Bank to fund the installation and maintenance of energy efficient equipment and fixtures in the Authority's Public Housing units. In July of 2015, the Authority refinanced the principal balance of $18,990,959 with a $23,590,959 loan agreement with TD Bank. The agreement bears interest at a rate of 2.86%. Monthly principal and interest payments are payable through 2029. The agreement is secured by the equipment and fixtures. Interest expense incurred during the year was $387,794. The principal balance as of December 31, 2023, was $13,023,121. Debt service requirements are as follows:

	Principal	**Interest**	**Principal Balance Due**
2024	$ 1,823,578	$ 348,680	$ 11,199,543
2025	1,953,454	294,832	9,246,089
2026	2,089,803	237,186	7,156,286
2027	2,232,870	175,552	4,923,416
2028	2,382,982	109,734	2,540,434
2029	2,540,434	39,527	-
	$ 13,023,121	**$ 1,205,511**	**$ -**

NOTE G – OTHER NON-CURRENT LIABILITIES - CONTINUED

A summary of non-current liabilities is as follows as of December 31, 2023:

	January 1, 2023 Balance	Increase	Decrease	December 31, 2023 Balance	Due Within One Year
Bonds Payable	$ 2,700,000	$ -	$ 860,000	$ 1,840,000	$ 900,000
Energy Performance Contract Liability	14,723,010	-	1,699,889	13,023,121	1,823,578
Compensated Absences	279,216	298,762	299,635	278,343	118,834
Accrued Pension Liability	6,090,652	-	907,129	5,183,523	-
Accrued OPEB Liability	13,830,998	3,606,451	-	17,437,449	-
FSS Escrow Liability	126,170	32,988	-	159,158	-
Other Non-current Liabilities	-	-	-	-	-
Less: Current portion	(2,638,811)			(2,842,412)	
Non-current Liabilities	**$ 35,111,235**	**$ 3,938,201**	**$ 3,766,653**	**$ 35,079,182**	**$ 2,842,412**

NOTE H – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE I – LONG-TERM CONTRACTUAL COMMITMENTS

The Authority had the following outstanding contractual commitments of as of December 31, 2023:

Type of Commitment:	
Renovations/ Modernizations	$ 821,809
Professional Services	23,989
Maintenance and Operations	95,000
Total Outstanding Contractual Commitments	**$ 940,798**

NOTE J – CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE K – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or claims not reimbursed.

NOTE L – SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives; accounts receivable valuations; and the net pension and OPEB liabilities, deferred outflows and inflows of resources and related benefits or expenses. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE M –LOAN RECEIVABLE AGREEMENTS

HOPE VI Project Loan Agreements

In April of 2010, the Authority entered into a 90-year land lease in which the Authority leased land, with a book value of $510,000, to Carl Miller Associates, LLC for a one-time rental payment of $10. Through the end of 2015 the Authority loaned $13,550,522 to Carl Miller Associates, LLC to fund development costs of the Miller Homes Site Revitalization Project under three non-interest-bearing loan agreements in the amounts of $739,216, $11,942,465, and $760,000; dated in December of 2012. The loan agreements do not bear interest and are secured with subordinate leasehold mortgages against the applicable property. Upon expiration of the 90-year land lease, ownership of any remaining structures and improvements will transfer to the Authority. Due to uncertainties regarding collectability, the advances have been fully reserved. Any assets received as reimbursement of these loans will be recognized as revenue upon receipt. No funds were loaned, and $47,492 of reimbursements were received during 2023.

RAD Program Loan Agreement

In August of 2019, through the Authority's participation in HUD's Rental Assistance Demonstration (RAD) Program, the Authority loaned Rossell Avenue Urban Renewal, LLC $625,501 to partially fund the construction of an affordable rental community known as Turner Pointe. The RAD loan made to the LLC was funded by the proceeds of an award from the Federal HOME Loan Bank, Affordable Housing Program under a Direct Subsidy Agreement passed through the Authority to the LLC. The loan does not bear interest, is payable upon maturity in December of 2049 and is secured by a second mortgage on the applicable property. The outstanding principal balance of the loan was $625,501 as of December 31, 2023. Due to uncertainties regarding any future consideration the Authority may receive on the loan, Authority management has recorded an allowance against the principal balance of the loan. Any assets received as reimbursement of this loan will be recognized as revenue upon receipt. No funds were loaned, and no reimbursements were received during 2023.

NOTE N – CAPITAL ASSETS

A summary of capital asset balances and activity as of, and for the year ended December 31, 2023, is as follows:

	January 1, 2023 Balance (Restated)	Additions	Transfers and Disposals	December 31, 2023 Balance
Land	$ 1,976,466	$ -	$ -	$ 1,976,466
Construction in Process	6,881,931	1,580,587	(526,095)	7,936,423
Total Assets not being depreciated	8,858,397	1,580,587	(526,095)	9,912,889
Buildings and Improvements	135,630,427	-	302,500	135,932,927
Furniture and Equipment	5,751,997	26,405	223,595	6,001,997
Total Capital Assets	150,240,821	1,606,992	-	151,847,813
Less Accumulated Depreciation				
Buildings and Improvements	(81,683,760)	(3,061,293)	-	(84,745,053)
Furniture and Equipment	(5,689,715)	(40,181)	-	(5,729,896)
Net Book Value	**$ 62,867,346**	**$ (1,494,482)**	**$ -**	**$ 61,372,864**

NOTE O – LAND LEASE

On August 1, 2019, the Authority entered into a Ground Lease Agreement with Rossell Avenue Urban Renewal, LLC, under which the Authority leased land with a historical cost basis of $179,000 to the LLC for a term of 75 years for a base rent amount of $1,453,238 payable in full by December of 2051. Due to uncertainties regarding the realizability of the base rent, Authority management has recorded an allowance against the base rent in the amount of $1,453,238. Therefore, the Authority has not recognized or deferred recognition of any revenue related to the base rent portion of the lease.

Additional rent under the Agreement consisted of rent payments of $647,533 received during 2020. The Authority has deferred recognition of $630,033 of the additional rent as of December 31, 2023, which is reported as a deferred inflow of resources in the Statement of Net Position.

NOTE P – BEGINNING BALANCE RESTATEMENT (CAPITAL ASSETS)

During 2023, Authority management determined that it was reporting a carrying value of previously disposed property on its Statement of Net Position. The applicable property was disposed of in 2010. Therefore, the Authority has restated its beginning capital asset and net position balances. Beginning capital assets and net position have been reduced by $961,812, as follows:

	Adjusted Balances as of 12/31/2022	**Previously Reported as of 12/31/2022**	**Beginning Balance Reduction**
Buildings and Improvements	$ 135,630,427	$ 161,597,568	$ (25,967,141)
Furniture and Equipment	5,751,997	6,228,152	(476,155)
Accumulated Depreciation	(87,373,475)	(112,854,959)	25,481,484
Depreciable Property	**$ 54,008,949**	**$ 54,970,761**	**$ (961,812)**

The restatement reduced beginning net position by $961,812, from $22,190,333 to $21,228,521.

NOTE Q – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through September 18, 2024, the date the financial statements were available to be issued and determined that no significant subsequent events have occurred.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2023

	NJ39P005501-20
Funds Approved	$ 4,852,963
Funds Expended	4,852,963
Excess of Funds Approved	$ -
Funds Advanced	$ 4,852,963
Funds Expended	4,852,963
Excess of Funds Advanced	$ -

1. The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Housing Authority's records.

2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

Grantor Program or Cluster Title	Federal Assistance Listing No.	Pass-through Entity Identifying No.	Federal Expenditures
Public Housing Program	14.850a	N/A	$ 11,892,353
Resident Opportunity and Supportive Services Program	14.870	N/A	97,990
Capital Fund Program	14.872	N/A	4,421,414
Choice Neighborhood Planning Grant	14.892	N/A	192,840
TOTAL HUD EXPENDITURES			16,604,597
TOTAL FEDERAL EXPENDITURES			**$ 16,604,597**

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3 – AWARDS PASSED-THROUGH TO SUBRECIPIENTS

No federal award funds were passed-through to subrecipient grantees during the year ended December 31, 2023.

NOTE 4 – NON-MONETARY FEDERAL AWARDS ASSISTANCE

The Authority did not receive or expend non-monetary federal awards assistance during the year ended December 31, 2023.

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

NOTE 5 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

The Housing Authority of the City of Trenton (NJ005)
TRENTON, NJ
Entity Wide Balance Sheet Summary
Fiscal Year
End: 12/31/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.892 Choice Neighborhoods Planning Grants	COCC	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	$ 2,452,986	$ -	$ -	$ 1,672,561	$ -	$ 4,125,547
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-
113 Cash - Other Restricted	159,158	-	-	-	-	159,158
114 Cash - Tenant Security Deposits	404,898	-	-	-	-	404,898
115 Cash - Restricted for Payment of Current Liabilities	26,036	-	-	-	-	26,036
100 Total Cash	**$ 3,043,078**	**$ -**	**$ -**	**$ 1,672,561**	**$ -**	**$ 4,715,639**
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	935,388	-	163,547	-	-	1,098,935
124 Accounts Receivable - Other Government	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-
126 Accounts Receivable - Tenants	1,226,427	-	-	-	-	1,226,427
126.1 Allowance for Doubtful Accounts -Tenants	(771,792)	-	-	-	-	(771,792)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	**$ 1,390,023**	**$ -**	**$ 163,547**	**$ -**	**$ -**	**$ 1,553,570**
131 Investments - Unrestricted	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	-	-	-	356,468	-	356,468
143 Inventories	96,075	-	-	-	-	96,075
143.1 Allowance for Obsolete Inventories	(4,804)	-	-	-	-	(4,804)
144 Inter Program Due From	1,730,000	-	-	163,547	(1,893,547)	-
145 Assets Held for Sale	-	-	-	-	-	-
150 Total Current Assets	**$ 6,254,372**	**$ -**	**$ 163,547**	**$ 2,192,576**	**$ (1,893,547)**	**$ 6,716,948**

The Housing Authority of the City of Trenton (NJ005)

TRENTON, NJ

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.892 Choice Neighborhoods Planning Grants	COCC	ELIM	Total Enterprise Fund
161 Land	1,976,466	-	-	-	-	1,976,466
162 Buildings	135,702,515	-	-	230,412	-	135,932,927
163 Furniture, Equipment & Machinery - Dwellings	2,608,039	-	-	-	-	2,608,039
164 Furniture, Equipment & Machinery - Administration	1,223,684	-	-	2,170,274	-	3,393,958
165 Leasehold Improvements	-	-	-	-	-	-
166 Accumulated Depreciation	(88,192,656)	-	-	(2,282,293)	-	(90,474,949)
167 Construction in Progress	7,936,423	-	-	-	-	7,936,423
168 Infrastructure	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	**$ 61,254,471**	**$ -**	**$ -**	**$ 118,393**	**$ -**	**$ 61,372,864**
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-
180 Total Non-Current Assets	**$ 61,254,471**	**$ -**	**$ -**	**$ 118,393**	**$ -**	**$ 61,372,864**
200 Deferred Outflow of Resources	**$ 7,832,628**	**$ -**	**$ -**	**$ 1,924,774**	**$ -**	**$ 9,757,402**
290 Total Assets and Deferred Outflow of Resources	**$ 75,341,471**	**$ -**	**$ 163,547**	**$ 4,235,743**	**$ (1,893,547)**	**$ 77,847,214**
311 Bank Overdraft	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	334,132	-	-	21,445	-	355,577
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	85,666	-	-	34,829	-	120,495
322 Accrued Compensated Absences - Current Portion	71,987	-	-	46,847	-	118,834
324 Accrued Contingency Liability	-	-	-	-	-	-
325 Accrued Interest Payable	46,634	-	-	-	-	46,634
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-
333 Accounts Payable - Other Government	621,544	-	-	-	-	621,544

The Housing Authority of the City of Trenton (NJ005)
TRENTON, NJ
Entity Wide Balance Sheet Summary
Fiscal Year
End: 12/31/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.892 Choice Neighborhoods Planning Grants	COCC	ELIM	Total Enterprise Fund
341 Tenant Security Deposits	404,898	-	-	-	-	404,898
342 Unearned Revenue	103,375	-	-	-	-	103,375
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	2,723,578	-	-	-	-	2,723,578
345 Other Current Liabilities	-	-	-	-	-	-
346 Accrued Liabilities - Other	537,849	-	-	3,898	-	541,747
347 Inter Program - Due To	1,730,000	-	163,547	-	(1,893,547)	-
348 Loan Liability - Current	-	-	-	-	-	-
310 Total Current Liabilities	**$ 6,659,663**	**$ -**	**$ 163,547**	**$ 107,019**	**$ (1,893,547)**	**$ 5,036,682**
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	12,139,543	-	-	-	-	12,139,543
353 Non-current Liabilities - Other	159,158	-	-	-	-	159,158
354 Accrued Compensated Absences - Non Current	157,884	-	-	1,625	-	159,509
355 Loan Liability - Non Current	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	17,595,648	-	-	5,025,324	-	22,620,972
350 Total Non-Current Liabilities	**$ 30,052,233**	**$ -**	**$ -**	**$ 5,026,949**	**$ -**	**$ 35,079,182**
300 Total Liabilities	**$ 36,711,896**	**$ -**	**$ 163,547**	**$ 5,133,968**	**$ (1,893,547)**	**$ 40,115,864**
400 Deferred Inflow of Resources	**$ 10,366,612**	**$ -**	**$ -**	**$ 2,878,090**	**$ -**	**$ 13,244,702**
508.4 Net Investment in Capital Assets	46,391,350	-	-	118,393	-	46,509,743
511.4 Restricted Net Position	-	-	-	-	-	-
512.4 Unrestricted Net Position	(18,128,387)	-	-	(3,894,708)	-	(22,023,095)
513 Total Equity - Net Assets / Position	**$ 28,262,963**	**$ -**	**$ -**	**$ (3,776,315)**	**$ -**	**$ 24,486,648**
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	**$ 75,341,471**	**$ -**	**$ 163,547**	**$ 4,235,743**	**$ (1,893,547)**	**$ 77,847,214**

The Housing Authority of the City of Trenton (NJ005)

TRENTON, NJ

Entity Wide Revenue and Expense Summary

Fiscal Year
End: 12/31/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.892 Choice Neighborhoods Planning Grants	COCC	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	$ 6,325,458	$ -	$ -	$ -	$ -	$ 6,325,458
70400 Tenant Revenue - Other	220,015	-	-	-	-	220,015
70500 Total Tenant Revenue	**$ 6,545,473**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,545,473**
70600 HUD PHA Operating Grants	13,873,180	97,990	192,840	-	-	14,164,010
70610 Capital Grants	2,440,587	-	-	-	-	2,440,587
70710 Management Fee	-	-	-	1,736,675	(1,736,675)	-
70720 Asset Management Fee	-	-	-	39,380	(39,380)	-
70730 Book Keeping Fee	-	-	-	121,695	(121,695)	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	**$ 16,313,767**	**$ 97,990**	**$ 192,840**	**$ 1,897,750**	**$ (1,897,750)**	**$ 16,604,597**
70800 Other Government Grants	-	-	-	-	-	-
71100 Investment Income - Unrestricted	467	-	-	13,463	-	13,930
71200 Mortgage Interest Income	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-
71500 Other Revenue	548,797	-	-	604,755	-	1,153,552
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-
70000 Total Revenue	**$ 23,408,504**	**$ 97,990**	**$ 192,840**	**$ 2,515,968**	**$ (1,897,750)**	**$ 24,317,552**
91100 Administrative Salaries	1,163,999	-	-	1,026,335	-	2,190,334
91200 Auditing Fees	49,459	-	-	73	-	49,532
91300 Management Fee	1,736,675	-	-	-	(1,736,675)	-
91310 Book-keeping Fee	121,695	-	-	-	(121,695)	-
91400 Advertising and Marketing	-	-	-	-	-	-
91500 Employee Benefit contributions - Administrative	539,266	-	-	285,529	-	824,795
91600 Office Expenses	487,075	-	-	52,799	-	539,874
91700 Legal Expense	107,031	-	-	83,906	-	190,937

The Housing Authority of the City of Trenton (NJ005)
TRENTON, NJ
Entity Wide Revenue and Expense Summary
Fiscal Year
End: 12/31/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.892 Choice Neighborhoods Planning Grants	COCC	ELIM	Total Enterprise Fund
91800 Travel	5,717	-	-	27,320	-	33,037
91810 Allocated Overhead	-	-	-	-	-	-
91900 Other	240,673	-	-	190,200	-	430,873
91000 Total Operating - Administrative	**$ 4,451,590**	**$ -**	**$ -**	**$ 1,666,162**	**$ (1,858,370)**	**$ 4,259,382**
92000 Asset Management Fee	**$ 39,380**	**$ -**	**$ -**	**$ -**	**$ (39,380)**	**$ -**
92100 Tenant Services - Salaries	227,187	77,370	-	-	-	304,557
92200 Relocation Costs	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	78,719	20,620	-	-	-	99,339
92400 Tenant Services - Other	16,240	-	-	-	-	16,240
92500 Total Tenant Services	**$ 322,146**	**$ 97,990**	**$ -**	**$ -**	**$ -**	**$ 420,136**
93100 Water	323,419	-	-	1,164	-	324,583
93200 Electricity	1,365,333	-	-	18,015	-	1,383,348
93300 Gas	964,507	-	-	5,659	-	970,166
93400 Fuel	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-
93600 Sewer	235,086	-	-	242	-	235,328
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-
93000 Total Utilities	**$ 2,888,345**	**$ -**	**$ -**	**$ 25,080**	**$ -**	**$ 2,913,425**
94100 Ordinary Maintenance and Operations - Labor	1,644,650	-	-	33,897	-	1,678,547
94200 Ordinary Maintenance and Operations - Materials and Other	630,350	-	-	9,167	-	639,517
94300 Ordinary Maintenance and Operations Contracts	2,332,066	-	-	56,583	-	2,388,649
94500 Employee Benefit Contributions - Ordinary Maintenance	837,047	-	-	-	-	837,047
94000 Total Maintenance	**$ 5,444,113**	**$ -**	**$ -**	**$ 99,647**	**$ -**	**$ 5,543,760**
95100 Protective Services - Labor	1,196,571	-	-	-	-	1,196,571

The Housing Authority of the City of Trenton (NJ005)
TRENTON, NJ
Entity Wide Revenue and Expense Summary
Fiscal Year
End: 12/31/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.892 Choice Neighborhoods Planning Grants	COCC	ELIM	Total Enterprise Fund
95200 Protective Services - Other Contract Costs	120,381	-	-	-	-	120,381
95300 Protective Services - Other	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	359,684	-	-	-	-	359,684
95000 Total Protective Services	**$ 1,676,636**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,676,636**
96110 Property Insurance	406,628	-	-	-	-	406,628
96120 Liability Insurance	335,054	-	-	10,557	-	345,611
96130 Workmen's Compensation	281,722	-	-	119,591	-	401,313
96140 All Other Insurance	75,465	-	-	6,273	-	81,738
96100 Total insurance Premiums	**$ 1,098,869**	**$ -**	**$ -**	**$ 136,421**	**$ -**	**$ 1,235,290**
96200 Other General Expenses	169,211	-	192,840	95,060	-	457,111
96210 Compensated Absences	-	-	-	-	-	-
96300 Payments in Lieu of Taxes	347,045	-	-	-	-	347,045
96400 Bad debt - Tenant Rents	600,459	-	-	-	-	600,459
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-
96000 Total Other General Expenses	**$ 1,116,715**	**$ -**	**$ 192,840**	**$ 95,060**	**$ -**	**$ 1,404,615**
96720 Interest on Notes Payable (Short and Long Term)	504,707	-	-	-	-	504,707
96700 Total Interest Expense and Amortization Cost	**$ 504,707**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 504,707**
96900 Total Operating Expenses	**$ 17,542,501**	**$ 97,990**	**$ 192,840**	**$ 2,022,370**	**$ (1,897,750)**	**$ 17,957,951**
97000 Excess of Operating Revenue over Operating Expenses	**$ 5,866,003**	**$ -**	**$ -**	**$ 493,598**	**$ -**	**$ 6,359,601**
97100 Extraordinary Maintenance	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-
97400 Depreciation Expense	3,094,312	-	-	7,162	-	3,101,474

The Housing Authority of the City of Trenton (NJ005)
TRENTON, NJ

Entity Wide Revenue and Expense Summary

Fiscal Year
End: 12/31/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.892 Choice Neighborhoods Planning Grants	COCC	ELIM	Total Enterprise Fund
97500 Fraud Losses	-	-	-	-	-	-
90000 Total Expenses	**$ 20,636,813**	**$ 97,990**	**$ 192,840**	**$ 2,029,532**	**$ (1,897,750)**	**$ 21,059,425**
10010 Operating Transfer In	1,327,302	-	-	-	(1,327,302)	-
10020 Operating transfer Out	(1,327,302)	-	-	-	1,327,302	-
10091 Inter Project Excess Cash Transfer In	250,000	-	-	-	(250,000)	-
10092 Inter Project Excess Cash Transfer Out	(250,000)	-	-	-	250,000	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	**$ 2,771,691**	**$ -**	**$ -**	**$ 486,436**	**$ -**	**$ 3,258,127**
11020 Required Annual Debt Principal Payments	$ 2,559,890	$ -	$ -	$ -	$ -	$ 2,559,890
11030 Beginning Equity	**$ 26,453,084**	**$ -**	**$ -**	**$ (4,262,751)**	**$ -**	**$ 22,190,333**
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(961,812)	-	-	-	-	(961,812)
11170 Administrative Fee Equity	$ -	$ -	$ -	$ -	$ -	$ -
11180 Housing Assistance Payments Equity	$ -	$ -	$ -	$ -		$ -
11190 Unit Months Available	16,918	-	-	-	-	16,918
11210 Number of Unit Months Leased	15,894	-	-	-	-	15,894
11610 Land Purchases	$ -	$ -	$ -	$ -		$ -
11620 Building Purchases	1,580,587	-	-	-		1,580,587
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-		-
11650 Leasehold Improvements Purchases	-	-	-	-		-
13510 CFFP Debt Service Payments	983,051	-	-	-		983,051
13901 Replacement Housing Factor Funds	-	-	-	-		-

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule of Proportionate Share of Net Pension Liability

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2019
Authority's proportion of the net pension liability (%)	0.0486602913%	0.0454267772%	0.0407932614%	0.0420553641%	0.0419750918%
Authority's proportionate share of the net pension liability ($)	$ 10,923,260	$ 13,454,108	$ 9,496,019	$ 8,280,492	$ 7,563,275
Authority's covered payroll*	$ 3,779,059	$ 3,536,331	$ 3,281,016	$ 2,970,959	$ 3,094,038
Authority's proportionate share of the net pension liability as a percentage of its covered payroll*	289.05%	380.45%	289.42%	278.71%	244.45%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.09%	46.40%	56.27%

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2023
Authority's proportion of the net pension liability (%)	0.0431758480%	0.0424173954%	0.0403584948%	0.0357869992%
Authority's proportionate share of the net pension liability ($)	$ 7,040,852	$ 5,024,976	$ 6,090,652	$ 5,183,523
Authority's covered payroll*	$ 3,143,141	$ 3,282,978	$ 3,258,705	$ 3,108,980
Authority's proportionate share of the net pension liability as a percentage of its covered payroll*	224.01%	153.06%	186.90%	166.73%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	70.33%	62.91%	65.23%

Covered Payroll is defined in GASBS No. 82, Paragraph 5 (an Amendment to GASBS No. 68) as the payroll on which contributions to the plan are based.

Note: GASBS No. 68 was implemented as of the year ended 2015. The schedule is being built prospectively. Ultimately, ten years of data will be shown.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule of Employer's Required Contributions

	Year Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019
Contractually required contribution	$ 421,743	$ 418,348	$ 403,565	$ 377,906	$ 418,314
Contributions in relation to the contractually required contribution	421,743	418,348	403,565	377,906	418,314
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Authority's covered payroll*	$ 3,779,059	$ 3,536,331	$ 3,281,016	$ 2,970,959	$ 3,094,038
Contributions as a percentage of covered-payroll*	**11.16%**	**11.83%**	**12.30%**	**12.72%**	**13.52%**

	Year Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2023
Contractually required contribution	$ 408,294	$ 472,322	$ 496,757	$ 508,940
Contributions in relation to the contractually required contribution	408,294	472,322	496,757	508,940
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**
Authority's covered payroll*	$ 3,143,141	$ 3,282,293	$ 3,259,560	$ 3,108,980
Contributions as a percentage of covered-payroll*	**12.99%**	**14.39%**	**15.24%**	**16.37%**

Schedule of Changes in Benefit Terms and Assumptions Applied

	Actuarial Valuation as of July 1, 2014	Actuarial Valuation as of July 1, 2015	Actuarial Valuation as of July 1, 2016	Actuarial Valuation as of July 1, 2017	Actuarial Valuation as of July 1, 2018
Change in Benefit Terms	None	None	None	None	None
Change in Assumptions					
Inflation Rate	3.04%	3.08%	2.25%	2.25%	2.75%
Salary Increases	2.15 - 5.40%	1.65 - 5.15%	1.65 - 5.15%	1.65 - 5.15%	2.00 - 7.00%
Investment Rate of Return	7.90%	7.65%	7.00%	7.00%	7.00%

	Actuarial Valuation as of July 1, 2019	Actuarial Valuation as of July 1, 2020	Actuarial Valuation as of July 1, 2021	Actuarial Valuation as of July 1, 2022
Change in Benefit Terms	None	None	None	None
Change in Assumptions				
Inflation Rate	2.75%	2.75%	2.75%	2.75%
Salary Increases	2.00 - 7.00%	2.00 - 7.00%	2.75 - 6.55%	2.75 - 6.55%
Investment Rate of Return	7.00%	7.30%	7.00%	7.00%

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule of Proportionate Share of Net OPEB Liability

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2023
Authority's proportion of the net OPEB liability (%)	0.094628%	0.086738%	0.091171%	0.087164%	0.085643%	0.116199%
Authority's proportionate share of the net OPEB liability ($)	$ 14,825,007	$ 11,749,591	$ 16,362,106	$ 15,689,329	$ 13,830,998	$ 17,437,449
Plan fiduciary net position (deficit) as a percentage of the total OPEB liability	1.97%	1.98%	0.91%	0.28%	-0.36%	-0.79%

Schedule of Employer's Required Contributions

	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2023
Contractually required contribution	$ 449,241	$ 283,146	$ 278,506	$ 325,192	$ 381,710	$ 668,882
Contributions in relation to the contractually required contribution	449,241	283,146	278,506	325,192	381,710	668,882
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Note: GASBS No. 75 was implemented as of the year ended 2018. These schedules are being built prospectively. Ultimately, ten years of data will be shown.

Schedule of Changes in Benefit Terms and Assumptions Applied

	Actuarial Valuation as of June 30, 2017	Actuarial Valuation as of June 30, 2018	Actuarial Valuation as of June 30, 2019	Actuarial Valuation as of June 30, 2020	Actuarial Valuation as of June 30, 2021	Actuarial Valuation as of June 30, 2022
Change in Benefit Terms	None	None	None	None	None	None
Change in Assumptions						
Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%
Salary Increases	1.65 - 9.98%	2.00 - 7.00%	2.00 - 7.00%	2.00 - 7.00%	2.75 - 6.55%	2.75 - 6.55%

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
TRENTON, NEW JERSEY

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2023

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Are material weaknesses identified?	____Yes	X No
Are significant deficiencies that are not considered to be material weaknesses identified?	____Yes	X None Reported
Is noncompliance that could have a material effect on the financial statements identified?	____Yes	X No

FEDERAL AWARDS

Internal control over the Major Programs:		
Are material weaknesses identified?	____Yes	X No
Are significant deficiencies that are not considered to be material weaknesses identified?	____Yes	X None Reported
Type of report issued on compliance with requirements applicable to the Major Programs:	Unmodified	
Are there any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?	____Yes	X No

Identification of the Major Programs:

Name of Federal Program	Assistance Listing No.
Public Housing Program	14.850a
Capital Fund Program	14.872

Dollar threshold used to distinguish between Type A and Type B Programs: $750,000

Is the auditee identified as a Low-Risk Auditee?	____Yes	X No

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
TRENTON, NEW JERSEY

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2023

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2023

Section III: Federal Award Findings and Questioned Costs:

Summary Schedule of Prior Year Findings:

Finding 2022-001 – Procurement/ Verification Against Contractor Suspension or Debarment

Public Housing Program – Assistance Listing No. 14.850a; Grant period – year ended December 31, 2022

Condition

Four Public Housing Program funded contract awards were sampled. None of the sampled contracts contained the applicable contractors' certifications against suspension and debarment or evidence that the EPLS was searched for the contractors prior to awarding the contracts.

During audit fieldwork, on August 1, 2023, searches were performed and provided to the audit staff for each of the four applicable contractors. None of the contractors were suspended or debarred as of that date.

Current Year Status

The Authority has A) searched the EPLS for prospective contractors prior to awarding contracts and retain documentation of the searches, or B) attained certification against suspension and debarment from the prospective contractors for all applicable contracts sampled during the 2023 independent audit. This Finding is not restated.

Current Year Findings and Questioned Costs:

None