

JERSEY CITY
HOUSING AUTHORITY
Jersey City, New Jersey

FINANCIAL STATEMENTS
For the Two Years Ended March 31, 2023, and 2022

JERSEY CITY HOUSING AUTHORITY
Jersey City, New Jersey
FINANCIAL STATEMENTS
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Polcari & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jersey City Housing Authority
Jersey City, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Net Position, Revenue, Expenses, and Changes in Net Position, and Cash Flows of the Jersey City Housing Authority, as of and for the years ended March 31, 2023, and 2022, and the related notes to the financial statements, which collectively comprise the Jersey City Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of March 31, 2023, and 2022, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jersey City Housing 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jersey City Housing 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jersey City Housing 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 Jersey City Housing 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 the management's discussion and analysis on pages 4-13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jersey City Housing Authority's basic financial statements. The Financial Data Schedule and the Statement and Certification of Completed Modernization Grants are presented for the purpose of additional analysis and in not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* presented for purposes of additional analysis and is not a required part of the basic financial statements. The Financial Data Schedule, Statement and Certification of Completed Modernization Grants and supporting schedules of the Authority's portion of the Public Employees Retirement Systems (PERS) and Other Post-Employment Benefits (OPEB) liabilities are presented for 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 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 17, 2024, on our consideration of the Jersey City Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Jersey City Housing 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 Jersey City Housing Authority's internal control over financial reporting and compliance.



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 17, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Fiscal Year ended March 31, 2023

Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended March 31, 2023. Please read it in conjunction with the Authority's financial statements.

Overview of the financial statements

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records are structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, equals net position. Assets and liabilities are presented in order of liquidity, and are classified as current and non-current.

Net position is reported in three broad categories:

Net Investment in Capital Assets: This component 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 consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: This component consists of assets that are not restricted and do not meet the definition of Net Investment in Capital Assets or Restricted Net Position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Fiscal Year ended March 31, 2023

Overview of the financial statements (continued)

The **Statement of Revenues, Expenses, and Changes in Net Position** presents Information showing how the Authority's net position changed during the year. This statement Includes operating revenues, such as rental Income, HUD operating grants, operating expenses, such as administrative, tenant services, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment Income, Interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement Is the change in net position, which Is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and Investing activities.

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the Information included In the financial statements.

In addition to the basic financial statements and accompanying notes, this report Includes two types of supplementary Information: required supplementary information and other supplementary information. Required supplementary Information must be Included to conform to generally accepted accounting principles. Management's Discussion and Analysis and certain pension and OPEB information is required supplementary Information.

Other supplementary Information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards Is required by the Uniform Guidance.

Program Information

Public and Indian Housing: The Authority owns and manages 1,847 ACC units and private management companies additional 580 mixed finance ACC units. Under the Low Income Public Housing program, the Authority rents units that it owns, to low-income households. The program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Funding to enable the Authority to provide housing at a rent that is based on 30% of household income. The Conventional Public Housing Program Includes the Capital Fund Program, which is the primary funding source for physical and management Improvements to the Authority's properties. The Authority also owns and manages 126 non-federal units.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2023

Program information (continued)

Section 8 Housing Choice Vouchers: HUD has contracted with the Authority for the support for 4,234 Housing Choice Vouchers. Under the Housing Choice Vouchers Program, the Authority administers contracts with landlords that own rental property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contribution Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Financial position and analysis

Table 1 compares the Authority's financial position for the fiscal years ended March 31, 2023 and 2022:

	2023	2022	Increase (Decrease)	Percent Variance
Assets:				
Cash & cash equivalents	\$ 20,796,351	\$ 15,830,641	\$ 4,965,710	31.37%
Other current assets	1,975,049	2,057,130	(82,081)	-3.99%
Capital assets, net	59,740,888	62,583,744	(2,842,856)	-4.54%
Noncurrent assets	89,296,190	83,985,198	5,310,992	6.32%
Total assets	171,808,478	164,456,713	7,351,765	4.47%
Deferred Outflows of Resources	13,671,075	14,426,414	(755,339)	-5.24%
Total assets and deferred outflows of resources	\$ 185,479,553	\$ 178,883,127	\$ 6,596,426	3.69%
Liabilities:				
Current Liabilities	8,350,866	5,142,316	3,208,550	62.40%
Noncurrent Liabilities	94,340,135	82,552,157	11,787,978	14.28%
Total Liabilities	102,691,001	87,694,473	14,996,528	17.10%
Deferred Inflows of Resources	33,558,716	34,769,462	(1,210,746)	-3.48%
Net position:				
Net Invested in capital assets	41,549,543	53,056,299	(11,506,756)	-21.69%
Restricted net position	99,150,375	81,542,354	17,608,021	21.59%
Unrestricted net position	(83,119,216)	(78,179,461)	(4,939,755)	6.32%
Total net position	57,580,702	56,419,192	1,161,510	2.06%
Total Liabilities, Deferred Outflows of resources and net position	\$ 193,830,419	\$ 178,883,127	\$ 14,947,292	8.36%

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2023

Financial position and analysis (continued)

Cash and Cash Equivalents (excluding restricted cash) increased by \$4,532,187 or 34.52%. This is primarily due to the Authority reporting a negative cash flow from operations of approximately \$2,900,000. The Authority also used approximately \$890,000 of unrestricted cash to repay principal and interest on debt.

Other Current Assets decreased by \$82,081 or 35.25% primarily due to a decrease in net tenant accounts receivable of approximately \$81,000. That decrease was due primarily to write-offs of outstanding tenant accounts receivable.

Non-Current Assets, excluding the change in fixed assets, which is discussed later in this analysis, increased by \$5,310,992. The primary reason for the increase is the increase of \$3,156,284 in mortgage notes receivable. This increase represents interest earned in the current year that is added to the notes receivable. These mortgage notes arose in prior years when public housing properties were converted to mixed properties. All of these mortgage notes and the related interest thereon are payable in future periods beyond March 31, 2024. During the year ended March 31, 2023 the Authority adopted GASB 87, *Leases*. In connection therewith, long-term lease receivables of \$1,434,802 were recorded as of March 31, 2023 and \$775,956 of long-term receivables were recorded at March 31, 2022 (an increase of \$658,837).

Current Liabilities increased by \$3,208,550 or 62.44% primarily due to an increase of approximately \$1,800,000 in the current portion of long-term debt. This increase is due to the additional borrowing of \$10,182,138 under an Energy Performance Contract as discussed further on page 11 of this analysis

Noncurrent Liabilities increased by \$3,437,112 or 4.17% primarily due to an increase of approximately \$7,100,000 in long-term debt related to the additional borrowings under HUD's EPC program previously discussed. This increase is offset by a decrease of approximately \$1,700,000 in accrued pension and OPEB liabilities. Accrued compensated absences also decreased by \$1,200,000 due to numerous employee retirements and a change in the Authority's personnel policy that reduced vacation carryovers from 420 days to 210 days. Personal days that can be carried over were also reduced under the new policy.

Deferred Outflows of Resources and Deferred Inflows of Resources were reported as a result of recording the Authority's net pension and net OPEB liabilities as required by GASB 68 and GASB 75, respectively.

Table 2 focuses on the changes in net position:

	2023	2022	Increase (Decrease)	Percent Variance
Operating Revenue & Expense				
Operating Revenue	\$ 98,735,279	\$ 100,230,943	\$ (1,495,664.00)	-1.49
Operating Expenses	106,928,737	98,802,785	8,125,952	8.22
Operating Loss	(8,193,458)	1,428,158	(9,621,616)	-673.71
Net Non-Operating Revenue (Expense)	9,133,501	6,397,990	2,735,511	42.76
Change in Net Position	\$ 940,043	\$ 7,826,148	\$ (6,886,105)	-87.99
Net Position, Beginning of Year	56,670,873	49,266,725	-	0.00
Prior Period Adjustment	(30,214)	(422,000)	391,786	-92.84
Net Position, End of Year	57,580,702	56,670,873	909,829	1.61

Table 3 presents a summary of the Authority's revenue by source:

	2023	2022	Increase (Decrease)	Percent Variance
Operating Revenue				
Tenant Revenue	\$ 10,756,972	\$ 10,266,698	\$ 490,274	4.78
HUD Operating Grants	82,585,497	84,675,243	(2,089,746)	-2.47
Other Income	5,392,810	5,331,097	61,713	1.16
Total Operating Revenue	98,735,279	100,273,038	(1,537,759)	-1.53
Non-Operating Revenues				
Investment Income	28,476	39,071	(10,595)	-27.12
Mortgage Interest Income	3,184,388	3,031,205	153,183	
Capital Grants & Other	2,530,493	1,448,475	1,082,018	74.70
Total Non-Operating Revenue	5,743,357	4,518,751	1,224,606	27.10
Total Revenues	\$ 104,478,636	\$ 104,791,789	\$ (313,153)	-0.30

Tenant Revenue increased \$490,724, or 4.78%, due to normal increases in tenant income.

HUD Operating Grants decreased by \$2,089,746, or by 2.47% This was primarily due to HUD proration of operating subsidies.

Capital Grants and Other increased by \$1,082,018 or 74.70% as the Authority recognized a Gain from Pension and OPEB adjustments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2023

Financial position and analysis (continued)

Table 4 presents a summary of the Authority's operating expenses:

	2023	2022	Increase (Decrease)	Percent Variance
Administrative	\$ 10,904,962	\$ 10,161,156	\$ 743,806	7.32%
Tenant Services	1,233,092	1,244,491	(11,399)	-0.92%
Utilities Expense	5,111,283	5,156,599	(45,316)	-0.88%
Maintenance	14,091,648	11,029,425	3,062,223	27.76%
Protective Services	-	16,644	(16,644)	-100.00%
Insurance	846,773	775,150	71,623	9.24%
General Expense	2,854,227	4,242,928	(1,388,701)	-32.73%
Extraordinary Maintenance	145,802	145,802	-	0.00%
Depreciation Expenses	5,903,395	5,151,370	752,025	14.60%
Housing Assistance Payments	65,837,555	60,879,220	4,958,335	8.14%
Total Expenses	\$ 106,928,737	\$ 98,802,785	\$ 8,125,952	8.22%

Maintenance Expenses increased \$3,062,223 or 27.76% primarily due to increases in maintenance contract costs. Maintenance costs increased because several maintenance projects were deferred in prior years due to COVID, resulting in additional non-recurring costs of approximately \$1,100,000. In addition, security service contract costs of approximately \$450,000 were incurred in the current year, and employee benefit costs increased by approximately \$600,000, an increase of approximately 20%.

General expense decreased by \$1,388,701 (32.73%) as 2022 operations included an expense of for grant funds received and passed through to an affordable housing program.

Depreciation Expenses increased by \$752,025 or 14.60%, primarily due to the addition of \$3,490,634 of fixed assets transferred from construction in progress to various depreciable asset classes as capital fund programs were completed. The Authority also acquired approximately \$1,100,000 of building improvements during the current year through its EPC contract, which are being depreciated.

Housing Assistance Payments increased by \$8,806,513 or 16.91% primarily due increasing rents in the Jersey City housing market and the expansion of various section 8 programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2023

Capital assets

Table 5 summarizes the Authority's capital assets:

	2023	2022	Increase (Decrease)	Percent Variance
Land	\$ 5,062,319	\$ 5,062,319	\$ -	0.00%
Buildings, Improvements & Equipment	218,624,810	214,050,288	4,574,522	2.14%
Construction In Progress	3,091,370	4,605,354	(1,513,984)	-32.87%
	<u>226,778,499</u>	<u>223,717,961</u>	<u>3,060,538</u>	<u>1.37%</u>
Less: Accumulated Depreciation	(167,037,611)	(161,134,217)	(5,903,394)	3.66%
Capital Assets, Net	<u>\$ 59,740,888</u>	<u>\$ 62,583,744</u>	<u>\$ (2,842,856)</u>	<u>-4.54%</u>

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. The Authority purchased \$3,060,538 of capital assets, primarily through the capital fund program. The Authority also recorded the disposition of capital assets as part of their transfer to certain mixed finance entities.

Additional information and details can be found in Note 7 to the Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2023

Analysis of Debt Activity

Table 6

The Authority entered into a lease purchase agreement on November 23, 2010 for energy savings equipment expiring in November, 2025. The assets recorded under the capital lease totaled \$8,500,000, and are included in capital assets on the Statements of Net Position. Under terms of the refinanced lease, monthly payments of \$64,909.97 including interest at 2.2397% were due through November, 2025.

In July, 2022 the Authority entered a new capital lease agreement, borrowing an additional \$10,182,138 under the capital lease agreement, resulting in a new capital lease obligation of \$12,686,677. The assets are depreciated over the shorter of the lease term or the estimated useful life. (FDS Number: 351.020 Long Term Capital Projects Mortgage Revenue)

March 31, 2022	\$ 3,448,607
Current Year Borrowing	10,182,138
Current Year Debt Paid	2,485,298
March 31, 2023	<u>\$ 11,145,447</u>

In December of 2007, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency issued tax exempt, twenty year Capital Fund Program Revenue Bonds totaling \$18,585,000. The Authority's share amounted to \$10,000,000 and this accrues interest between 4% and 5% and is payable semiannually, with principal on May 1st and November 1st. (FDS Number: 343.010 - CFFP "FDS Number: 351.010" Long Term Debt CFFP)

March 31, 2022	\$ 3,855,000
Current Year Debt Paid	560,000
March 31, 2023	<u>\$ 3,295,000</u>

Mortgage loan payable to the New Jersey Housing Mortgage Finance Agency (NJHMFA) in the original amount of \$1,077,250 bearing interest at a rate of 7.75% with monthly principal and interest payments, maturing in September, 2022. (FDS Number: 351.020 " Long Term Capital Projects Mortgage Revenue+ FDS Number: 343.020 "Capital Projects/Mortgage")

March 31, 2022	\$ 43,360
Current Year Debt Paid	43,360
March 31, 2023	<u>\$ -</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2023

Analysis of Debt Activity (continued)

Table 6 (continued)

Mortgage loan payable to the Department of Community Affairs of the State of New Jersey as part of the Balanced Housing Program in the original amount of \$1,073,315 bearing no interest and maturing in September, 2022. (FDS Number: 351.020 - Long Term Capital Projects Mortgage Revenue)

March 31, 2022	\$ 1,073,315
Current Year Debt Paid	-
March 31, 2023	<u>\$ 1,073,315</u>

Mortgage loan payable to the Department of Community Affairs of the State of New Jersey from the Petroleum Overcharge Reimbursement Fund in the original amount of \$283,860 bearing no interest and maturing in September, 2022. (FDS Number: 351.020 - Long Term Capital Projects Mortgage Revenue)

March 31, 2022	\$ 283,860
Current Year Debt Paid	-
March 31, 2023	<u>\$ 283,860</u>

Loan payable to the Community Preservation Corporation dated December 29, 2005 in the original amount of \$1,750,000. Principal and Interest payments are due monthly at 2.836% maturing in March, 2036. (FDS Number: 351.020 - Long Term Capital Projects Mortgage Revenue+ FDS Number: 343.020 - Capital Projects/Mortgage Receivable)

March 31, 2022	\$ 1,110,091
Current Year Debt Paid	63,543
March 31, 2023	<u>\$ 1,046,548</u>

Mortgage loan payable to NJHMFA as part of the Balance Housing Program in an original amount of \$422,00. The funds were loaned through the Affordable Housing Program. There is no interest or principal payments due, and the note matured in September 2022.

March 31, 2022	\$ 422,000
Current Year Debt Paid	-
March 31, 2023	<u>\$ 422,000</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2023**

Analysis of Debt Activity (continued)

Table 6 (continued)

The Authority entered into an agreement with the United States Department of Housing and Urban Development for the repayment of \$8,230,428 in phase-down funding overpayments. The Authority is responsible to repay the amount over 30 years in equal annual installments of \$275,000 (29 payments) and \$255,427.00 (final). The repayment agreement is interest free, (FDS Number: 344 - Current Portion of Long-term Debt - Operating Borrowings + FDS Number: 352 - Long-term Debt, Net of Current Operating Borrowings)

March 31, 2022	\$ 6,855,247
Current Year Debt Paid	275,000
March 31, 2023	<u>\$ 6,580,247</u>

Additional information and details can be found in Note 8 to the Financial Statements.

Significant economic factors affecting the Authority are as follows:

- Federal funding of the US Department of Housing and Urban Development (HUD).
- 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, insurance, healthcare, community safety and other costs.
- Regulations, licensing and/or insurance requirements that affect the cost of materials, supplies and services, such as mandated upgrades to meet building code requirements and employee safety practices that require special equipment, workforce training and/or modified work practices.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Jersey City Housing Authority
Attn: Arlyn Agustin, Chief Financial Officer
400 U.S. Highway #1 (Marlon Gardens)
Jersey City, New Jersey 07306

JERSEY CTY HOUSING AUTHORITY
Jersey City, New Jersey
COMPARATIVE STATEMENTS OF NET POSITION

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	March 31, 2023	March 31, 2022
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents - Unrestricted	\$ 8,075,406	\$ 12,613,077
Cash and Cash Equivalents - Restricted	12,198,788	2,700,891
Tenant Security Deposits	522,157	516,673
Accounts Receivable - Tenants (Net of Allowance for Doubtful Accounts of \$539,716 and \$736,932, Respectively)	81,273	162,643
Accounts Receivable - HUD	-	40,012
Accounts Receivable - Other Government	262,423	110,746
Accounts Receivable Miscellaneous	8,384	52,054
Inventory (Net of Allowance for Obsolete Inventories of \$9,200 and \$42,657, Respectively)	711,748	457,028
Operating Lease Receivables - Current Portion	468,561	396,765
Prepaid Expenses and Other Current Assets	442,660	602,492
Total Current Assets	22,771,400	17,652,381
<u>FIXED ASSETS</u>		
Land	5,062,319	5,062,319
Buildings	210,899,118	208,350,317
Furniture, Equipment and Machinery	7,725,692	5,699,971
Construction in Progress	3,091,370	4,605,354
Total Fixed Assets	226,778,499	223,717,961
Less: Accumulated Depreciation	(167,037,611)	(161,134,217)
Net Fixed Assets	59,740,888	62,583,744
Insurance Surplus Deposits	719,906	632,155
Operating Lease Receivable - Noncurrent	1,434,802	775,956
Notes, Loans, & Mortgages Receivable - Non-Current	87,141,482	83,985,198
Deferred Outflow of Resources - Pension and OPEB	13,671,075	14,426,414
Total Assets and Deferred Outflow of Resources	\$ 185,479,553	\$ 180,055,848

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

<u>CURRENT LIABILITIES</u>		
Accounts Payable - Vendors	\$ 920,473	\$ 605,578
Accrued Payroll and Related Taxes	2,534,108	1,500,146
Accrued Interest Payable	122,585	90,828
Tenant Security Deposits	522,157	516,673
Prepaid Tenant Rents	2,804	-
Current Portion of LT Debt - Capital Projects	3,365,202	1,539,007
Current Portion of LT Debt - Operating Borrowings	275,000	275,000
Other Current Liabilities	310,973	180,977
Compensated Absences - Current Portion	297,564	434,107
Total Current Liabilities	8,350,866	5,142,316
Long Term Debt - Capital Projects	14,826,143	7,713,438
Long Term Debt - Operating Borrowings	6,305,427	6,855,427
Other Noncurrent Liabilities	463,356	616,907
Accrued Compensated Absences - Noncurrent	2,678,069	3,906,966
Accrued Pension and OPEB Liabilities	61,716,274	63,459,419
Total Liabilities	94,340,135	87,694,473
Deferred Inflow of Resources - Operating Leases	1,704,141	921,040
Deferred Inflow of Resources - Pension and OPEB	31,854,575	34,769,462
Total Liabilities and Deferred Flow of Resources	127,898,851	123,384,975
<u>NET POSITION</u>		
Net Investment in Capital Assets	41,549,543	53,056,299
Restricted	99,150,375	81,542,354
Unrestricted	(83,119,216)	(77,927,780)
Total Net Position	\$ 57,580,702	\$ 56,670,873

See Notes to Financial Statements.

JERSEY CTY HOUSING AUTHORITY
Jersey City, New Jersey
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	<u>For the Year Ended</u> <u>March 31, 2023</u>	<u>For the Year Ended</u> <u>March 31, 2022</u>
<u>OPERATING REVENUES</u>		
Total Tenant Revenue	\$ 10,756,972	\$ 10,266,698
HUD Operating Grants	82,585,497	84,675,243
Other	<u>5,392,810</u>	<u>5,289,002</u>
Total Operating Revenues	<u>98,735,279</u>	<u>100,230,943</u>
<u>OPERATING EXPENSES</u>		
Administration	10,904,962	10,161,156
Tenant Services	1,233,092	1,244,491
Utilities	5,111,283	5,156,599
Maintenance & Operations	14,091,648	11,029,425
Protective Services	-	16,644
General Expense	3,846,802	5,163,880
Housing Assistance Payments	65,837,555	60,879,220
Depreciation Expense	<u>5,903,395</u>	<u>5,151,370</u>
Total Operating Expenses	<u>106,928,737</u>	<u>98,802,785</u>
Excess of Operating Revenues Over Expenses	(8,193,458)	1,428,158
<u>NON OPERATING REVENUES/(EXPENSES)</u>		
Interest Income	28,476	39,071
Mortgage Interest Income	3,184,388	3,031,205
Gain on Sale of Assets	4,654	22,136
Special Items - Pension/OPEB Gain	3,927,893	1,717,539
Casualty Losses	-	(25,000)
Interest Expense	<u>(537,749)</u>	<u>(266,200)</u>
Total Non Operating Revenues and Expenses	<u>6,607,662</u>	<u>4,518,751</u>
Income/(Loss) Before Contributions and Transfers	(1,585,796)	5,946,909
Capital Grants	<u>2,525,839</u>	<u>1,879,239</u>
Increase/(Decrease) In Net Position	940,043	7,826,148
Beginning Net Position	<u>56,670,873</u>	<u>49,266,725</u>
Prior Period Adjustments	<u>(30,214)</u>	<u>(422,000)</u>
Ending Net Position	<u>\$ 57,580,702</u>	<u>\$ 56,670,873</u>

See Notes to Financial Statements.

JERSEY CTY HOUSING AUTHORITY
Jersey City, New Jersey
COMPARATIVE STATEMENTS OF CASH FLOWS

	<u>For the Year Ended</u> <u>March 31, 2023</u>	<u>For the Year Ended</u> <u>March 31, 2022</u>
<u>CASH FLOWS FORM OPERATING ACTIVITIES</u>		
Cash Received:		
From Tenants Revenues	\$ 10,846,630	\$ 9,317,877
From Government Agencies for Operating Grants	82,473,832	86,007,230
For Other Operating Revenues	5,436,480	5,535,734
Cash Paid:		
To Employees for Operations	(11,785,773)	(9,013,392)
To Suppliers for Operations	(23,549,243)	(25,055,342)
For Housing Assistance Payments	(65,837,555)	(60,879,220)
Net Cash Provided by Operating Activities	<u>(2,415,629)</u>	<u>5,912,887</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Interest Paid	(505,992)	(278,667)
Acquisition of Property and Equipment	(3,060,538)	(1,341,961)
Proceeds from Sale of Property	4,654	152,500
Capital Grants Received	2,525,839	1,879,239
Cash Paid for the Retirement of Debt	(1,793,238)	(1,318,362)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(2,829,275)</u>	<u>(907,251)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Income	28,476	39,071
Cash Received from Long Term Borrowings	10,182,138	61,393
Cash paid in excess of insurance proceeds on casualty loss	-	(25,000)
Net Cash Provided by Investing Activities	<u>10,210,614</u>	<u>75,464</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	4,965,710	5,081,100
Cash and Equivalents at Beginning of Period	<u>15,830,641</u>	<u>10,749,541</u>
Cash and Equivalents at End of Period	<u>\$ 20,796,351</u>	<u>\$ 15,830,641</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operations		
Operating Income/(Loss)	\$ (8,193,458)	\$ 1,428,158
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities		
Depreciation	5,903,395	5,151,370
Net Changes in Deferred Outflows and Inflows	-	-
Decrease/(Increase) in Assets		
Accounts Receivable - Tenants	81,370	109,651
Accounts Receivable - HUD	40,012	1,290,347
Accounts Receivable - Other Governments	(151,677)	41,640
Accounts Receivable - Miscellaneous	43,670	246,732
Inventory	(254,720)	305,337
Prepaid Expenses	159,832	(114,692)
Surplus Insurance Deposits	(87,751)	-
Increase/(Decrease) in Liabilities		
Accounts Payable	284,681	(523,139)
Accrued Payroll and Related Taxes	1,033,962	570,815
Accrued Compensated Absences	(1,365,440)	1,406,941
Tenant Security Deposits	5,484	19,615
Prepaid Tenant Rents	2,804	(1,078,087)
Other Liabilities	(23,555)	(2,941,801)
Accrued Pension and OPEB Liabilities	105,762	-
Net Cash Provided by Operating Activities	<u>\$ (2,415,629)</u>	<u>\$ 5,912,887</u>

See Notes to Financial Statements.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

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

B. Basis of Accounting / Financial Statement Presentation

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

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

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

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"). GASB 75 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with post-employment benefits other than pensions ("OPEB") of State and Local Governments. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 75 details the recognition and disclosure requirements for employers with liabilities to a defined benefit OPEB plan and for employers whose employees are provided with defined contribution OPEB.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB 14 and 32*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials is appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

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

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

D. Description of Programs

Public and Indian Housing Program

The Public and Indian Housing program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Section 8 Housing Choice Voucher

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

Mainstream Vouchers

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

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Resident Opportunity and Supportive Services Program / Service Coordinators ("ROSS")

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Family Self-Sufficiency Program ("FSS")

The purpose of the FSS program is to enable HUD-assisted families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies.

Continuum of Care Program ("COC")

The COC program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and state and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Section 8 Moderate Rehabilitation Single Room Occupancy ("SRO")

Under the SRO program, HUD enters into annual contribution contracts with public housing authorities in connection with the moderate rehabilitation of residential properties. Public housing authorities make Section 8 rental assistance payments to participating landlords on behalf of homeless individuals who rent the rehabilitated dwellings. HUD provides rental assistance for a period up to ten (10) years. Owners are compensated for the cost of rehabilitation as well as the other costs of maintaining the property, through rental assistance payments.

State and Local Programs

The Authority administers various grants from the state of New Jersey and the City of Jersey City. The activities of state and local grants are reported in this fund.

E. Use of Management Estimates

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

F. Cash and Cash Equivalents

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

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

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants' accounts receivable balances primarily consist of rents past due and vacated tenants. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason.

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

H. Allowance for Doubtful Accounts

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

I. Prepaid Expenses

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

J. Inventories

Inventories are valued at cost using the First in First out (FIFO) method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority establishes an allowance for obsolete inventory. The Authority uses the consumption method for expense recognition and relies upon its periodic (annual) inventory for financial reporting purposes.

K. Capital Assets

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- Building and Land Improvements 15 Years
- Infrastructure 15 Years
- Furniture and Equipment 3 - 7 Years

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Impairment of Long-Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the years ended March 31, 2023 and March 31, 2022, no impairment losses were recognized.

M. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

N. Prepaid Tenant Rent

Prepaid tenant rent consists of rent payments made by tenants that apply to future periods.

O. Compensated Absences

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

P. Operating Revenues and Expenses

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Operating Revenues and Expenses

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

R. Taxes

The Authority is a body corporate and politic as defined in NJSA 40A:12A-17, and as such, under New Jersey law, is exempt from real estate, sales and income taxes. Pursuant to its Cooperation Agreement with the City of Jersey City, the Authority and the City may agree that the Authority make payments in lieu of taxes (PILOT) up to the equivalent of ten percent of net shelter rents as defined in the current Cooperation Agreement.

S. Deferred Outflows / Inflows of Resources

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

T. Pensions

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

U. Equity Classifications

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

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

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

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Economic Dependency

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving subsidies.

W. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with GAAP. The Authority is also required to adopt and submit annually to the State of New Jersey, Department of Community Affairs, an Authority wide budget sixty (60) days prior to the start of the Authority's fiscal year.

X. New Accounting Pronouncement

On April 1, 2022 the Authority was required to adopt Governmental Accounting Standards Board NO. 87, *Leases*. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, the lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Additional information regarding the Authority's lease receivables and lease liabilities can be found in Note 12 to the Financial Statements.

NOTE 2. CASH ON DEPOSIT

As of March 31, 2023 and March 31, 2022 the Authority had funds on deposit in checking accounts.

All bank deposits as of the statement of net position date are entirely insured or collateralized by a collateral pool maintained by public depositories. As of March 31, 2023, the carrying amount of the Authority's cash (on deposit) was \$20,796,351 and the bank balances were \$21,226,746. Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>Amount at March 31, 2023</u>	<u>Amount at March 31, 2022</u>
Operations	\$ 8,075,406	\$ 12,6130,77
Tenant Security Deposits	522,157	516,673
Restricted	<u>12,198,788</u>	<u>2,700,891</u>
TOTAL CASH	<u>\$20,796,351</u>	<u>\$ 15,830,640</u>

Of the bank balances, \$761,340 was covered by federal depository insurance and the remaining \$20,465,406 was collateralized with the pledging financial institution as of March 31, 2023. Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of March 31, 2023, the Authority's bank balances were not exposed to custodial credit risk.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at March 31, 2023 and March 31, 2022:

<u>Description</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Accounts receivable – HUD	\$ -0-	\$ 40,012
Accounts receivable - tenants, net	81,273	162,643
Accounts receivable – other govt.	262,243	110,746
Accounts receivable – miscellaneous	<u>8,384</u>	<u>52,054</u>
 TOTAL	 \$ <u>351,900</u>	 \$ <u>365,555</u>

Accounts receivable - HUD

Accounts receivable - HUD represents amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. At March 31, 2022, accounts receivable HUD consisted of reimbursable expenses within the Residential Opportunity and Supportive Services.

Accounts receivable - tenants

Accounts receivable - tenants represents amounts due for tenant rents. Accounts receivable at March 31, 2023 and March 31, 2022 are shown net of an allowance for doubtful accounts of \$539,716 and \$736,932, respectively.

Accounts receivable - other government

Accounts receivable - other government consists of amounts that are due from various other governments under sub-grant awards and portability receivables due from other government agencies under the housing choice voucher program.

Accounts receivable - miscellaneous

Accounts receivable - miscellaneous consists of amounts owed to the Authority from the County of Hudson and Hope VI fees owed from tax credit properties.

NOTE 4. INVENTORIES

Inventories consist of materials and supplies and fuel which are valued at its lower of cost or market using the first-in first-out method. At March 31, 2023 and 2022 an allowance for obsolescence of \$9,200 and \$42,657 was provided, respectively.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 5. NOTES RECEIVABLE

The Authority has utilized Hope VI and other development funds in accordance with HUD guidelines to assist the construction of numerous public housing developments through the issuance of mortgage loans. Outstanding notes receivable as of March 31, 2023 consisted of the following:

<u>Description</u>	<u>Amount</u>
The Authority issued a second mortgage loan receivable to A. Harry Moore Phase I Associates, LLC in the original amount of \$2,961,966. Interest accrues at 6% annually whereby principal and interest are due in 40 years (2046). The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2023 include \$3,718,440 of accrued interest.	\$ 6,680,806
The Authority issued 3rd, 4th and 5th mortgage loans to A. Harry Moore Phase II Associates, L.L.C. in the original amount of \$4,359,202. The 3rd and 4th mortgage loans accrue interest at 6.25% annually. The 5th mortgage loan is interest free. Principal and interest on the mortgages are due in forty years (2046 - 2048) The mortgages are secured by the rental property. Amounts owed under the mortgages at March 31, 2023 include \$5,429,554 of accrued interest.	9,788,756
The Authority has a second mortgage loan receivable from Lafayette Family Phase III Urban Renewal Associates, LP in the original amount of \$6,603,606. Interest accrues at 4.387% annually whereby amounts are paid from project cash flow. Principal and interest are due on December 31, 2049. The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2023 include \$5,004,7735 of accrued interest. Principal and interest are due on December 31, 2049.	11,608,386
The Authority issued two loans to Lafayette Community Limited Partnership in the original amount of \$9,982,037 and \$163,192, respectively. The loans bore interest at an annual rate of 7% until September 1, 2002 and thereafter bears no interest. The loan matures on September 6, 2057 and is secured by the rental property.	10,145,229
The Authority issued a second mortgage loan receivable to Lafayette Family Phase II Urban Renewal Associates, L.P. in the original amount of \$5,001,149. Interest accrues at 4.83% annually whereby amounts are paid from project cash flow. Principal and interest are due in April, 2047. The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2023 include \$6,496,363 of accrued interest	11,497,512
The Authority issued 2nd, 3rd, 4th and 5th mortgage loans to Dwight Street Urban Renewal Associates, L.P. in the original amount of \$4,162,337. The 2nd and 3rd mortgage loans accrue interest at 4.5% per annum and are due in February, 2049. The 4th and 5th mortgage loans are non-interest bearing and are due in July, 2050. The mortgages are secured by rental property. Amounts owed under the mortgages at March 31, 2023 include \$2,854,065 of accrued interest.	7,016,402

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 5. NOTES RECEIVABLE (continued)

<u>Description</u>	<u>Amount</u>
The Authority issued 3rd, 4th, 5th and 6th mortgage loans to Lafayette Senior Living Center, L.P. in the original amount of \$1,409,681. The 4th and 5th mortgage loans accrue interest at 4.68% annually. The 3rd and 6th mortgage loans are interest free. Principal and interest on the mortgages are due on May 30, 2048. The mortgages are secured by the rental property. Amounts owed under the mortgages at March 31, 2023 include \$412,405 of accrued interest.	1,822,086
The Authority issued three loans to Lafayette Family Urban Renewal Associates, L.P. in the original amount of \$6,099,341. The loans accrue interest at rates of 0%, 1% and 5.02% annually and are payable out of available cash flow. The loans mature at various periods between 2047 and 2052 and are secured by the rental property. Amounts owed under the mortgages at March 31, 2023 include \$5,900,644 of accrued interest	11,999,985
The Authority has a mortgage loan receivable in the amount of \$3,337,294 from AHM Housing Urban Renewal Associates, LLC. Interest accrued at 5.715% through completion of the project and is interest free subsequent to the completion date. Principal and interest are due on October 28, 2060. The mortgage is secured by the underlying property	3,337,294
The Authority made a \$400,000 HOME loan to AHM Housing Urban Renewal Associates LLC. The loan bears no interest and payments are only due from available cash flow. The outstanding loan matures on October 28, 2060.	400,000
HOPE VI mortgage loan receivable from Glennview Townhouses Urban, Renewal Associates, LP. in the original amount of \$5,000,000. Interest accrues at 4.5% and the loan matures January 1, 2051. Amounts owed under the mortgage at March 31, 2023 include \$3,432,163 of accrued interest	8,432,163
Mortgage loan receivable from Glennview Townhouses II Urban Renewal Associates, LP in the original amount of \$1,541,099. The loan bears interest at 1%, compounded annually and matures December 1, 2064. Amounts owed under the mortgage at March 31, 2023 include \$128,263 of accrued interest.	1,669,362
The Authority has two mortgage loans receivable from Montgomery Senior Living Center Urban Renewal Associates, LP in the amounts of \$400,000 and \$176,350, respectively. Interest accrues at 1% per annum and the loans mature on October 1, 2064. Amounts owed under the mortgage at March 31, 2023 include \$50,867 of accrued interest.	627,217
The Authority has two mortgage loans receivable from AHM Housing Urban Renewal Associates IV, LLC in the amount of \$33,022 and \$307,028, respectively. Interest accrues at 1% per annum and the loans mature on December 1, 2064. Amounts owed under the mortgages at March 31, 2023 include \$21,643 of accrued interest.	316,184
Trust Fund to Montgomery - Phase I construction in the amount of \$1,800,000 with no interest to be accrued. The loan is secured by a mortgage on the underlying property.	1,800,000
TOTAL NOTES RECEIVABLE	<u><u>\$ 87,141,482</u></u>

None of the notes receivable are due within one year.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 6. RESTRICTED DEPOSITS

Restricted deposits consist of the following at March 31, 2023 and March 31, 2022:

Cash Category	March 31, 2023	March 31, 2022
State Leveraging Fund	\$ 11,340	\$ 8,833
Housing Choice Voucher Program HAP Reserves	1,116,457	1,039,000
Family Self Sufficiency ("FSS") Program escrows	573,651	616,90
Emergency Rental Assistance Program funds	348,729	0
Continuum of Care unspent HAP funds	4,591	0
Bergen Avenue project reserves	641,220	629,601
Arlington Gardens project reserves	400,188	406,549
Unspent EPC loan funds	9,102,612	0
TOTAL RESTRICTED CASH	\$ 12,198,788	\$ 2,700,891

State leveraging funds are held in trust at Wells Fargo Bank as a reserve for debt service.

Tenant security deposits represent amounts held by the Authority on behalf of tenants participating in the Public and Indian Housing Program.

FSS program escrows are restricted for use by FSS program participants within the Section 8 Housing Choice Vouchers Program.

Bergen Avenue project reserves are controlled by the New Jersey Housing Mortgage Finance Agency for certain capital and other project expenditures within 254 Bergen Avenue.

Arlington Gardens project reserves are held in a separate bank account for certain capital and other project expenditures.

CARES Act funds are held in the Authority's operating account until expended for eligible expenses under the CARES Act program grants.

Unspent funds borrowed under HUD's Energy Performance Contract Program are held in a restricted account until such time as the funds are expended to purchase energy efficient equipment at the housing authority's public housing developments.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 7. . . CAPITAL ASSETS, NET

A summary of the changes in capital assets during the years ended March 31, 2023, and March 31, 2022, is as follows:

	Balances at March 31,2022	Additions	Disposition s	Transfers	Balances at March 31,2023
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,062,319	\$ -	\$ -		\$ 5,062,319
Construction in progress	4,605,354	1,976,650	-	(3,490,634)	3,091,370
Total	9,667,673	1,976,650	-	(3,490,634)	8,153,689
<u>Depreciable capital assets:</u>					
Buildings	208,350,317	1,083,888	-	1,464,913	210,899,118
Dwelling equipment	5,699,971	-	-	2,025,721	7,725,692
Total	214,050,288	1,083,888	-	3,490,634	218,624,810
Total capital assets	223,717,961	3,060,538	-	-	226,778,499
Less: accumulated depreciation	(161,134,217)	(5,903,395)	1		(167,037,611)
Net capital assets	\$ 62,583,744	\$ (2,842,857)	\$ 1	\$ -	\$ 59,740,888
	Balances at March 31,2021	Additions	Disposition s	Transfers	Balances at March 31,2022
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,079,936	\$ -	\$ (17,617)		\$ 5,062,319
Construction in progress	6,787,812	1,341,962	-	(3,524,420)	4,605,354
Total	11,867,748	1,341,962	(17,617)	(3,524,420)	9,667,673
<u>Depreciable capital assets:</u>					
Buildings	206,860,979	-	(215,381)	1,704,719	208,350,317
Dwelling equipment	3,881,731	-	(1,461)	1,819,701	5,699,971
Total	210,742,710	-	(216,842)	3,524,420	214,050,288
Total capital assets	222,610,458	1,341,962	(234,459)	-	223,717,961
Less: accumulated depreciation	(156,164,751)	(5,151,370)	181,904		(161,134,217)
Net capital assets	\$ 66,445,707	\$ (3,809,408)	\$ (52,555)	\$ -	\$ 62,583,744

Depreciation expense for the fiscal year ended March 31, 2023 and March 31, 2022 totaled \$5,151,370 and \$5,588,893 respectively.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 8. NON-CURRENT LIABILITIES

<p>During 2007, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency ("NJHMFA") issued tax exempt, twenty year Capital Fund Program Revenue Bonds totaling \$18,585,0013. The Authority's share of funds from the bond issue pool amounted to \$10,000,000. Interest accrues at rates between 4% and 5% and is payable semi-annually on May 1st and November 1st. Repayment of the funds is paid solely from Capital Fund allocations received by the Authority from HUD. The bonds are secured by future capital fund grant allocations and mature in November, 2027</p>	\$ 3,295,000
<p>Mortgage loan payable to NJHMFA as part of the Balance Housing Program in an original amount of \$422,00. The funds were loaned through the Affordable Housing Program. There is no interest or principal payments due, and the note matured in September 2022.</p>	422,000
<p>Mortgage loan payable to the Department of Community Affairs of the State of New Jersey as part of the Balanced Housing Program in the original amount of \$1,073,315. The loan is interest free and matured in September, 2022 and is secured by a second mortgage on the property at 254 Bergen Avenue.</p>	1,073,315
<p>Mortgage loan payable to the Department of Community Affairs of the State of New Jersey from the Petroleum Overcharge Reimbursement Fund in the original amount of \$283,860. The loan is interest free, matured in September 2022 and is secured by a third mortgage on the property at 254 Bergen Avenue.</p>	283,860
<p>Loan payable to the Community Preservation Corporation dated December 29, 2005 in the original amount of \$1,750,000 for the acquisition of the Arlington Gardens property. Principal and interest payments are due monthly in the amount of \$8,607 including interest at 2.836%. The loan matures in March, 2036 and is secured by the property located at 301-305 Randolph Avenue.</p>	1,046,548
<p>The Authority has an agreement with HUD for the repayment of \$8,230,428 in phase-down funding overpayments. The Authority is responsible to repay the amount over 30 years in equal annual installments of \$275,000. The repayment agreement is interest free, unsecured and matures in 2047.</p>	<u>6,580,427</u>
<p>TOTAL</p>	13,643,192
<p>Less: Current Portion</p>	<u>3,171,187</u>
<p>BONDS AND LOANS PAYABLE, EXCLUDING CURRENT PORTION</p>	<u>\$10,472,005</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 8. NON-CURRENT LIABILITIES (continued)

CAPITAL LEASE

Description

The Authority entered into a lease purchase agreement on November 23, 2010 for energy savings equipment expiring in November, 2025. The assets recorded under the capital lease totaled \$8,500,000, and are included in capital assets on the Statement of Net Position. Under the terms of the capital lease, monthly payments of \$64,910 including interest at 2.2397% were due through November, 2025.

In July 2022, the Authority entered a new capital lease agreement, for an additional \$10,182,138 and added the outstanding balance under the original capital lease agreement of \$2,504,539 to the new capital lease, resulting in a new capitalized lease obligation of \$12,686,677. Of the \$10,182,138 borrowed during the fiscal year ended March 31, 2023, \$1,083,947 was expended to make energy efficient improvements to the authority's properties. Those improvements are being depreciated over their estimated useful life of fifteen years. As of March 31, 2023, accumulated depreciation of \$72,263 has been recorded. The unspent balance of the loan proceeds and interest earned thereon is included in restricted cash since the funds can be used only to purchase additional energy efficient equipment per the authority's contract with HUD. Under the terms of the new capital lease, monthly payments of \$114,937 including interest at 3.982% are due through December, 2032.

The assets purchased under the agreement are depreciated over their estimated useful life of fifteen years.

Total Capital Lease Payable	\$ 12,070,625
Less: current portion	<u>925,178</u>
Capital lease, excluding current portion	<u>\$11,145,447</u>

Annual debt service for principal and interest on all outstanding debt over the next five years and in five-year increments thereafter is as follows:

Year	Principal	Interest
2024	\$ 3,640,202	\$ 1,496,363
2025	1,967,320	1,451,673
2026	2,088,140	1,425,646
2027	2,210,412	1,387,001
2028	2,308,481	1,346,632
2029-2033	8,449,441	6,561,937
2034-2038	1,652,350	5,849
2039-2043	1,375,000	0
2044-2048	<u>1,080,426</u>	<u>0</u>
	<u>\$ 24,771,772</u>	<u>\$ 13,675,101</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 8. NON-CURRENT LIABILITIES (continued)

Long-term debt activity for the year ended March 31, 2023 and March 31, 2022 consisted of the following:

<u>Description</u>	<u>March 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2023</u>	<u>Amounts Due In One Year</u>
Bonds and Loans	\$ 13,221,191	\$ -	\$ (941,930)	\$ 12,701,177	\$ 2,715,024
Capital Lease	2,739,681	10,182,138	(851,194)	12,070,625	925,178
Compensated Absences	3,906,966	-	(931,333)	2,975,633	297,564
Net Pension Liability	15,368,322	3,182,989	-	18,551,311	-
Net OPEB Liability	48,091,096	-	(4,926,133)	43,164,963	-
Other Liabilities	616,907	-	(153,551)	463,356	-
TOTAL	<u>\$ 83,944,163</u>	<u>\$ 13,365,127</u>	<u>\$ (7,804,141)</u>	<u>\$ 89,927,065</u>	<u>\$ 3,937,766</u>

<u>Description</u>	<u>March 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2022</u>	<u>Amounts Due In One Year</u>
Bonds and Loans	\$ 14,176,377	\$ -	\$ (955,186)	\$ 13,221,191	\$ 2,015,356
Capital Lease	3,448,607	-	(708,926)	2,739,681	724,968
Compensated Absences	2,934,132	972,834	-	3,906,966	434,107
Net Pension Liability	21,709,126	-	(6,340,804)	15,368,322	-
Net OPEB Liability	34,642,994	13,448,102	-	48,091,096	-
Other Liabilities	547,639	69,268	-	616,907	-
TOTAL	<u>\$ 77,458,875</u>	<u>\$ 14,490,204</u>	<u>\$ (8,004,916)</u>	<u>\$ 83,944,163</u>	<u>\$ 3,174,431</u>

In

September 2022, two loans payable to New Jersey Department of Community Affairs (DCA) in the amounts of \$1,073,315 and \$283,360 matured and are payable in full without interest. DCA is holding escrow deposits of \$641,220 pertaining to these loans that the Authority has requested DCA to offset against the loan balances. The Authority has not yet received a response to this request. The loans are included in current portion of long-term debt until this issue is resolved.

The Authority also has a loan payable to New Jersey HMFA as part of the Balance Housing Program in an original amount of \$422,00 that were loaned through the Affordable Housing Program. The Authority believes that this amount is forgivable based on the terms of the original agreement. However, since the Authority has not yet received confirmation that the loan will be forgiven and be treated as a grant by New Jersey HMFA, the amount is included in the current portion of long-term debt pending resolution of the matter.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 9. PENSION PLAN

A. Plan Description

The State of New Jersey, Public Employees Retirement System (PERS) is a cost-sharing multiple employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR), which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

B. Benefits

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

1. Members who were enrolled prior to July 1, 2007
2. Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3. Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4. Members 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 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers one and two before reaching age 60, tiers 3 and 4 before age 62 with 25 years or more of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month a member retires prior to the age at which a member can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

C. Contributions

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 9. PENSION PLAN (continued)

C. Contributions (continued)

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

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2023 and 2022, the Authority reported a liability of \$18,551,311 and \$15,368,322 respectively for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2021, and rolled forward to June 30, 2022.

For the year ended March 31, 2023, and 2022, the Authority recognized a pension benefit of \$1,401,752 and \$1,845,034 respectively. At March 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

March 31, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 57,458	\$ 2,777,866
Changes in Proportion	0	0
Differences between expected and actual	133,895	118,076
Net difference between actual and projected earning on pension plan investments	<u>767,822</u>	<u>0</u>
	\$ <u>959,195</u>	\$ <u>2,895,942</u>
March 31, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 80,038	\$ 5,471,222
Changes in Proportion	762,650	597,298
Differences between expected and actual	242,378	110,018
Net difference between actual and projected earning on pension plan investments	<u>0</u>	<u>4,048,420</u>
	\$ <u>1,085,066</u>	\$ <u>10,226,958</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 9. PENSION PLAN (continued)

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

Year ending March 31:	Amount
2024	\$ (1,591,313)
2025	(810,770)
2026	(395,373)
2027	862,553
2028	<u>(1,895)</u>
	\$ <u>(1,936,747)</u>

The components of the current year pension liability of the Authority as of June 30, 2023 and 2022 were as follows:

March 31, 2023	Employees Retirement <u>System</u>	Authority's <u>Percentage</u>	Authority's <u>Share</u>
Authority's total pension liability	\$41,029,268,965	0.1229265637%	\$50,435,870
Plan Net Position	<u>25,810,084,045</u>	0.1229265367%	<u>31,884,559</u>
Net Pension Liability	<u>\$11,972,782,878</u>		<u>\$18,551,311</u>

Net Pension as a percentage of total pension liability 37%

March 31, 2022	Employees Retirement <u>System</u>	Authority's <u>Percentage</u>	Authority's <u>Share</u>
Authority's total pension liability	\$40,359,568,055	0.1297287978%	\$52,194,156
Plan Net Position	<u>28,386,785,177</u>	0.1297287978%	<u>36,825,835</u>
Net Pension Liability	<u>\$11,972,782,878</u>		<u>\$15,368,321</u>

Net Pension as a percentage of total pension liability 42%

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 9. PENSION PLAN (continued)

E. Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation is based on the following assumptions:

Inflation Rate	2.75%
Wage	3.25%
Salary increase:	2.75 – 6.55%, based on years of service
Investment rate of return	7.00%

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the bases year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

F. Long-Term Expected Rate of Return

In accordance with State statute, the long term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 9. PENSION PLAN (continued)

Best estimates of arithmetic rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real ASsets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S Treasuris	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

G. Long-Term Expected Rate of Return

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Authority as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

FYE March 31, 2023

At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase 8.00%
\$ 24,034,841	\$ 18,551,331	\$ 14,175,423

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 9. PENSION PLAN (continued)

FYE March 31, 2022

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% increase (8.00%)
\$	21,151,635	\$ 15,532,147	\$ 10,763,216

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The Authority administers a cost sharing multiple employer defined benefit postemployment health care benefit (OPEB) plan. The Authority was required to adopt a resolution to participate in the Plan. Coverage under the plan is available to employee spouses and benefits may continue to surviving spouses. For additional information about the plan, please refer to the State of New Jersey (the State), Division of Pension and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

B. Benefits Provided

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

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

C. Basis of Presentation

GASB Statement No. 75 requires the Authority to recognize its proportionate share of the net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2023

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

D. Net OPEB Liability

The Authority's other post-employment benefit ("OPEB") liability of \$43,164,962 was measured as of June 30, 2022. The components of the net OPEB liability as of June 30, 2023 and 2022 are as follows:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Total OPEB Liability	\$ 43,008,147	\$ 48,225,409
Plan Fiduciary Net Position (Deficit)	(156,815)	134,314
Net OPEB Liability	\$ 43,164,962	\$ 48,091,096

Plan Fiduciary Net Position as a
Percentage of the Total OPEB

The total OPEB liability as of June 30, 2022 was determined by actuarial valuation as of Jul 1, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases (Based on years of service within the respective plan)
Public Employees Retirement System (PERS)
Initial Fiscal Year Applied
For all future periods 2.75% to 6.55%

Mortality: Pub-2010 General classification headcount weighted mortality with
fully generation al mortality improvement projections from the central
year using Scale MP-2021

HEALTH CARE TREND ASSUMPTIONS

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PERS experience studies prepared for July 1, 2019 to June 30, 2022. 100% of active members are considered to participate in the Plan upon retirement.

DISCOUNT RATE

The discount rate for June 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State of New Jersey. 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 is less than the municipal bond rate, it is not considered in the municipal bond rate, rather the discount rate is set at the municipal bond rate.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2023

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the Authority as of June 30, 2022 and June 30, 2021 calculated using the discount rate as disclosed above, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

March 31, 2023

	At 1% decrease (2.54%)	At discount rate (3.54%)	At 1% increase (4.54%)
Total OPEB Liability	\$ 50,036,880	\$ 43,164,962	\$ 37,635,860

March 31, 2022

	At 1% decrease (1.21%)	At discount rate (2.21%)	At 1% increase (3.21%)
Total OPEB Liability	\$ 56,593,995	\$ 48,091,096	\$ 29,646,200

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE HEALTH CARE TREND RATE

The following presents the total OPEB liability of the Authority as of June 30, 20220 calculated using the healthcare trend rate as disclosed above as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare cost trend rate	1% Increase
Total OPEB Liability	\$ 36,618,137	\$ 43,164,962	\$ 37,635,860

	1% Decrease	Healthcare cost trend rate	1% Increase
Total OPEB Liability	\$ 40,124,170	\$ 48,091,096	\$ 58,486,947

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

E. OPEB (Benefit) Expense, Deferred Outflows and Deferred Inflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2023 and 2022, the Authority recognized an OPEB expense of \$136,196 and \$526,378.

At March 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	2023	2023
	Deferred Outflows of Resources	Deferred Inflows Of Resources
Changes of Assumptions	\$ 5,760,543	\$ 14,731,369
Changes in Proportion		
Differences between expected and actual experience	2,229,085	8,001,056
Net differences between projected and actual investment earnings on OPEB plan investment	11,363	
Total	<u>\$ 8,000,991</u>	<u>\$ 22,731,425</u>
	2022	2022
	Deferred Outflows of Resources	Deferred Inflows Of Resources
Changes of Assumptions	\$ 6,918,048	\$ 8,500,666
Changes in Proportion	5,321,199	5,980,471
Differences between expected and actual experience	1,079,107	10,061,367
Net differences between projected and actual investment earnings on OPEB plan investment	22,994	
Total	<u>\$ 13,341,348</u>	<u>\$ 24,542,504</u>

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

Year Ending June 30:	
2023	\$(3,911,353)
2024	(3,914,806)
2025	(3,091,464)
2026	(1,380,666)
2027	(309,540)
Thereafter	(<u>2,123,498</u>)
	<u>\$(14,731,327)</u>

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to the change in proportion.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 11. RESTRICTED NET POSITION

At March 31, 2023 and March 31, 2022, restricted net position consisted of the following:

<u>Description</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
State Debt Leveraging Fund	\$ 11,340	\$ 8,835
Hope VI Notes Receivable and Accrued Interest	87,141,482	78,701,060
Bergen Avenue Project reserves	641,220	629,601
Arlington Gardens Project Reerves	400,188	406,549
Other Unspent HAP Funds	348,729	373,553
Mainstream Unspent HAP Funds	383,756	383,756
Housing Choice Voucher Program Unspent HAP Funds	1,116,457	1,039,000
Unspent Continuum of Care Funds	4,591	
Unspent EPC Loan Proceeds	9,102,612	-
	<u>\$ 99,150,375</u>	<u>\$ 81,542,354</u>

State debt leveraging funds represent amount held in escrow in accordance with the New Jersey Housing and Mortgage Finance Agency Revenue Bond Capital Fund Program 2007 Series A bond indenture.

Hope VI loan reserves and the related accrued interest are restricted for public housing development upon collection of the loan and related accrued interest.

Bergen Avenue project reserves are restricted by the New Jersey Housing Mortgage Finance Agency for certain capital and other project expenditures within 254 Bergen Avenue.

Arlington Gardens project reserves are held in a separate bank account and restricted for certain capital and other project expenditures.

NOTE 12. LEASES

As described in Note 1, the Authority was required to adopt GASB 87 *Leases* as of April 1, 2022. The Authority has entered int various lease with third parties where the Authority is lessor.

Lessor

The Authority has entered into four operating leases under which it rents office space to other government and not for profit entities. Under GASB 87 the Authority is required to report the value of future lease payments at their present value using an internal borrowing rate which the Authority has determined to be 6.0%. The Authority has recorded a deferred inflow of future revenues for these leases. Deferred inflows at March 31, 2023 and 2022 were \$1,704,141 and \$921,040, respectively, net of accumulated amortization of \$1,959,661 and \$1,263,085, respectively.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

NOTE 12. LEASES (Continued)

The following are the principal and interest income due under the lease agreements for the next five years and thereafter:

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>
2024	\$468,561	\$ 95,134
2025	332,887	75,833
2026	221,740	58,427
2027	98,965	50,131
2028	108,134	40,531
Thereafter	<u>673,076</u>	<u>105,724</u>
	<u>\$1,903,363</u>	<u>\$425,780</u>

NOTE 13. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters. The Authority maintains insurance policies acquired from independent insurance covering all structural property, automobiles, crime coverage, personal property and general liability. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 14. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of March 31, 2023, the Authority estimates that no material liabilities will result from such audits.

NOTE 15. SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated subsequent events through April 18, 2024, the date on which the financial statements were available to be issued and concluded that one subsequent event has occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

The Authority has applied to NJHMFA for release of reserves and escrows to satisfy two mortgages related to 254 Bergen Avenue. The total amount of mortgages that became due in September 2022 were \$705,360. As of September 17, 2024, the reserves have not been released and the mortgages remain payable.

NOTE 15. PRIOR PERIOD ADJUSTMENT

During the fiscal year ended March 31, 2022, the Authority made certain adjustments to beginning equity which reduced the balance by \$422,000 to correct understated mortgage balances. In 2023, a prior period adjustment of \$30,214 was recorded to increase previously recorded accounts payable

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ

Entry Wide Balance Sheet Summary

Submitted/Single Audit
Submission Type: Audit
Fiscal Year End: 03/31/2023

Project Total	14.679 Mortgage Vouchers	14.610 Public Housing Act Funding	14.248 Section 8 Moderate Density Single Room Occupancy	14.898 PIH Family Self- Sufficiency Program	14.287 County of Care Program	8 Other Federal Program 1	14.870 Resident Opportunity and Supportive Services	14.100 NYC CARES Funding	14.871 Housing Choice Vouchers	14.870 Emergency/ Housing Voucher	14.870 FSS Escrow Forfeiture Account	21.023 Emergency Assistance Program	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$0	\$0	\$0	\$0	\$42,808	\$0	\$0	\$0	\$188,154	\$188,256	\$0	\$371,659	\$2,572,707	\$8,075,406	\$0	\$8,075,406
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,340	\$0	\$11,340
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$4,591	\$0	\$0	\$0	\$1,579,813	\$0	\$110,295	\$348,729	\$0	\$12,187,448	\$0	\$12,187,448
114 Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,157	\$0	\$52,157
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$47,397	\$0	\$0	\$0	\$1,747,957	\$159,255	\$110,295	\$720,288	\$0	\$20,796,351	\$0	\$20,796,351
100 Total Cash	\$0	\$0	\$0	\$0	\$94,796	\$0	\$0	\$0	\$1,936,964	\$159,255	\$110,295	\$720,288	\$0	\$20,796,351	\$0	\$20,796,351
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$252,719	\$0	\$0	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$0	\$94,796	\$0	\$0	\$0	\$252,719	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143 Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$0	\$0	\$0	\$0	\$94,796	\$0	\$0	\$0	\$252,719	\$0	\$0	\$0	\$0	\$0	\$0	\$0
161 Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
162 Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
167 Construction in Progress	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
280 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$94,796	\$0	\$0	\$0	\$252,719	\$0	\$0	\$0	\$0	\$0	\$0	\$0
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321 Accrued Wages/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current/Portion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Housing Authority City of Jersey City (NJ009)

Jersey City, NJ

Entity Wide Balance Sheet Summary

Fiscal Year End: 03/31/2023

Submission Type: Audited/Single Audit

Project Total	14.879 Mainstream Vouchers	14. PHC Public Housing CARES Act Funding	2 State/Local	14. MSC Mainstream CARES Act Funding	14.248 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PH Family Self-Sufficiency Program	14.267 Continuum of Care Program	8 Other Federal Program 1	14.870 Resident Opportunity and Supportive Services	14. HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	14. EHV Emergency Housing Voucher	14. EFA FSS Escrow Forfeiture Account	21.023 Emergency Assistance Program	COCC	Subtotal	ELUM	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$2,926	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,595	\$0	\$122,595
\$118,659	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$435,503	\$0	\$0	\$85,254	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$522,157	\$0	\$522,157
\$2,804	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,804	\$0	\$2,804
\$1,520,176	\$0	\$0	\$1,845,026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,365,202	\$0	\$3,365,202
\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$0	\$275,000
\$12,553	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,553	\$0	\$12,553
\$213,059	\$0	\$0	\$16,004	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$229,063	\$0	\$229,063
\$3,340,134	\$0	\$0	\$3,357,139	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,500	\$0	\$0	\$203,062	\$7,077,235	-\$7,077,235	\$203,536
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$6,976,350	\$0	\$0	\$5,462,976	\$0	\$0	\$0	\$5,271	\$0	\$0	\$0	\$255,472	\$176,800	\$0	\$0	\$2,593,692	\$15,429,101	-\$7,077,235	\$6,350,866
\$13,945,446	\$0	\$0	\$960,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,906,143	\$0	\$14,906,143
\$6,305,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,305,427	\$0	\$6,305,427
\$1,091,202	\$0	\$0	\$33,692	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$463,366	\$463,366	\$0	\$0	\$1,267,959	\$2,679,069	\$0	\$463,366
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$18,891,253	\$0	\$0	\$1,794,646	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,789,769	\$0	\$0	\$0	\$32,241,506	\$61,716,274	\$0	\$61,716,274
\$40,071,428	\$0	\$0	\$2,069,005	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,589,821	\$0	\$0	\$0	\$53,509,015	\$85,389,239	\$0	\$85,389,239
\$47,047,819	\$0	\$0	\$5,269,981	\$0	\$0	\$0	\$5,271	\$0	\$0	\$0	\$9,655,293	\$176,800	\$0	\$0	\$36,062,107	\$101,417,370	-\$7,077,235	\$94,340,135
\$11,449,686	\$0	\$0	\$926,288	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,541,445	\$0	\$0	\$0	\$16,941,307	\$33,569,716	\$0	\$33,569,716
\$39,337,996	\$0	\$0	\$1,196,535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,286	\$0	\$0	\$0	\$2,030,726	\$41,549,543	\$0	\$41,549,543
\$94,455,434	\$393,795	\$0	\$2,841,408	\$0	\$0	\$0	\$4,581	\$0	\$0	\$0	\$1,116,457	\$0	\$0	\$548,729	\$0	\$93,150,375	\$0	\$93,150,375
\$26,781,246	-\$295,665	\$0	-\$3,795,036	\$0	\$0	\$0	\$39,408	\$0	\$0	\$0	-\$10,253,970	-\$18,545	\$186,548	\$371,559	-\$42,542,167	-\$83,119,216	\$0	-\$83,119,216
\$198,012,184	\$148,091	\$0	\$222,907	\$0	\$0	\$0	\$43,997	\$0	\$0	\$0	-\$5,123,227	-\$18,845	\$186,548	\$720,288	-\$40,811,441	\$57,990,702	\$0	\$57,990,702
\$164,000,689	\$148,091	\$0	\$9,419,186	\$0	\$0	\$0	\$49,266	\$0	\$0	\$0	\$5,273,511	\$158,255	\$186,548	\$720,288	\$12,091,970	\$192,566,788	-\$7,077,235	\$195,479,553

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2023

Submission Type: Audited/Single Audit

	Project Total	14.879 Mainstream Vouchers	14.879 Public Housing CARES Act Funding	2 State/Local	14.NSC Mainstream CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.885 PHA Family Self Sufficiency Program	14.287 Continuum of Care Program	8 Other Federal Program 1	14.870 Resident Opportunity and Supportive Services	14.HCC HCY CARES Act Funding	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.EFA FSS Escrow Forfeiture Account	21.023 Emergency Rental Assistance Program	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$9,537,328	\$0	\$0	\$1,189,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,726,628	\$0	\$10,726,628
70400 Tenant Revenue - Other	\$30,346	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,346	\$0	\$30,346
70500 Total Tenant Revenue	\$9,567,674	\$0	\$0	\$1,189,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,756,974	\$0	\$10,756,974
70600 HUD PHA Operating Grants	\$4,212,411	\$0	\$0	\$0	\$0	\$0	\$206,215	\$1,503,675	\$0	\$89,485	\$0	\$59,223,776	\$975,591	\$0	0	\$0	\$2,585,497	\$0	\$2,585,497
70610 Capital Grants	\$2,525,639	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,525,639	\$0	\$2,525,639
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70740 Front Line Service Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70750 Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$10,451	\$0	\$0	\$5,702	\$0	\$0	\$0	\$0	\$0	\$0	\$5,051	\$211	\$41	\$0	\$0	\$0	\$2,475,241	\$0	\$2,475,241
71200 Mortgage Interest Income	\$3,184,288	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,184,288	\$0	\$3,184,288
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$785,161	\$0	\$0	\$171,260	\$0	\$0	\$0	\$0	\$0	\$0	\$4,700	\$112,439	\$188,507	\$0	\$0	\$0	\$2,805,130	\$0	\$2,805,130
71500 Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$4,054	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,054	\$0	\$4,054
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$32,478,075	\$4,212,411	\$0	\$1,367,502	\$0	\$0	\$206,215	\$1,508,329	\$0	\$89,485	\$59,345,979	\$975,591	\$188,548	\$0	\$0	\$0	\$110,646,828	\$0	\$110,646,828
81100 Administrative Salaries	\$916,028	\$432,251	\$0	\$102,285	\$0	\$0	\$0	\$0	\$0	\$0	\$440,554	\$59,004	\$4,421,041	\$0	\$0	\$0	\$4,421,041	\$0	\$4,421,041
81200 Auditing Fees	\$22,423	\$1,953	\$0	\$14,400	\$0	\$0	\$0	\$0	\$0	\$0	\$18,832	\$0	\$0	\$0	\$0	\$0	\$20,885	\$0	\$20,885
81300 Management Fee	\$45,679	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$99,781	\$9,744	\$0	\$0	\$0	\$3,566,842	\$0	\$3,566,842	
81400 Book-keeping Fee	\$28,673	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$390,210	\$0,080	\$0	\$0	\$0	\$82,103	\$0	\$82,103	
81400 Advertising and Marketing	\$5,637	\$0	\$0	\$1,185	\$0	\$0	\$0	\$0	\$0	\$0	\$4,194	\$17,435	\$0	\$0	\$0	\$5,619	\$0	\$17,435	
81500 Employee Benefit Contributions - Administrative	\$71,249	\$0	\$0	\$81,506	\$0	\$0	\$12	\$0	\$0	\$0	\$17,029	\$29,078	\$75,570	\$0	\$0	\$1,630,770	\$0	\$1,630,770	
81500 Office Expenses	\$119,557	\$0	\$0	\$15,855	\$0	\$0	\$0	\$0	\$0	\$0	\$84,073	\$1,333	\$0	\$0	\$0	\$219,865	\$0	\$219,865	
81700 Legal Expense	\$35,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,029	\$14,857	\$0	\$0	\$0	\$39,397	\$0	\$39,397	
81800 Travel	\$335	\$0	\$0	\$1,217	\$0	\$0	\$0	\$0	\$0	\$0	\$3,808	\$0	\$0	\$0	\$0	\$5,360	\$0	\$5,360	
81810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
81900 Other	\$2,882,069	\$0	\$0	\$39,705	\$0	\$0	\$44	\$4,100	\$0	\$3,869	\$293,589	\$104,249	\$22,384	\$0	\$0	\$2,640,533	\$0	\$2,640,533	
81900 Total Operating - Administrative	\$8,225,155	\$518,763	\$0	\$258,984	\$0	\$0	\$56	\$4,100	\$0	\$4,178	\$2,945,079	\$1,042,49	\$487,715	\$0	\$0	\$15,033,907	\$0	\$15,033,907	
92000 Asset Management Fee	\$85,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,320	\$0	\$85,320	
92100 Tenant Services - Salaries	\$346,851	\$59,756	\$0	\$0	\$163,289	\$0	\$21,028	\$0	\$0	\$47,121	\$105,598	\$0	\$4,861	\$0	\$0	\$785,280	\$0	\$785,280	
92200 Reimbursement	\$1,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,950	\$0	\$1,950	
92300 Employee Benefit Contributions - Tenant Services	\$173,046	\$15,213	\$0	\$50	\$85,762	\$0	\$12,107	\$0	\$0	\$15,815	\$51,170	\$0	\$17,412	\$0	\$0	\$370,555	\$0	\$370,555	
92400 Tenant Services - Other	\$84,309	\$0	\$0	\$36	\$0	\$0	\$0	\$0	\$0	\$0	\$1,788	\$0	\$8,224	\$0	\$0	\$74,327	\$0	\$74,327	
92500 Total Tenant Services	\$585,956	\$71,969	\$0	\$36	\$200,051	\$0	\$33,133	\$0	\$0	\$82,636	\$159,514	\$0	\$123,082	\$0	\$0	\$1,233,082	\$0	\$1,233,082	
93100 Water	\$1,877,894	\$0	\$0	\$166,136	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,044,120	\$0	\$2,044,120	
93200 Electricity	\$1,078,962	\$0	\$0	\$25,507	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,765	\$0	\$0	\$1,190,234	\$0	\$1,190,234	
93300 Gas	\$1,466,884	\$0	\$0	\$72,871	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$81,468	\$0	\$0	\$1,601,333	\$0	\$1,601,333	
93400 Fuel	\$56,828	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,828	\$0	\$0	\$56,828	\$0	\$56,828	
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
93600 Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
93800 Other Utilities Expense	\$298,939	\$0	\$0	\$10,069	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218,768	\$0	\$218,768	
93900 Total Utilities	\$4,869,367	\$0	\$0	\$274,683	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,111,263	\$0	\$5,111,263	
94100 Ordinary Maintenance and Operations - Labor	\$2,495,211	\$0	\$0	\$203,339	\$0	\$0	\$0	\$0	\$0	\$0	\$262,636	\$0	\$1,457,203	\$0	\$0	\$4,118,689	\$0	\$4,118,689	
94200 Ordinary Maintenance and Operations - Materials and Other	\$1,640,067	\$0	\$0	\$342,719	\$0	\$0	\$0	\$0	\$0	\$0	\$1,075	\$0	\$56,301	\$0	\$0	\$2,250,162	\$0	\$2,250,162	
94300 Ordinary Maintenance and Operations Contracts	\$3,337,624	\$0	\$0	\$497,604	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,164	\$0	\$0	\$3,864,292	\$0	\$3,864,292	
94300 Employee Benefit Contributions - Ordinary Maintenance	\$2,514,008	\$0	\$0	\$244,136	\$0	\$0	\$0	\$0	\$0	\$2,371	\$188,839	\$0	\$5,360,369	\$0	\$0	\$2,519,569	\$0	\$2,519,569	
94400 Total Maintenance	\$10,286,510	\$0	\$0	\$1,297,698	\$0	\$0	\$0	\$0	\$0	\$2,371	\$453,950	\$0	\$8,525,933	\$0	\$0	\$15,883,512	\$0	\$15,883,512	
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2023

Submission Type: Audited/Single Audit

Project Total	14.979 Mainstream Vouchers	14.979 Public Housing CARES Act Funding	2 State/Local	14.MISC Mainstream CARES Act Funding	14.239 Section Rehabilitation Single Room Occupancy	14.889 PIH Family Self- Sufficiency Program	14.267 Continuum of Care Program	8 Other Federal Program 1	14.870 Resident Opportunity and Supportive Services	14.HCC HOV CARES Act Funding	14.871 Housing Choice Voucher	14.EHV Emergency Voucher	14.EFA FSS Escrow Account	21.023 Emergency Rental Assistance Program	COCC	Subtotal	ELIM	Total
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95900 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96100 Property Insurance	\$547,713	\$0	\$33,022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$214	\$0	\$0	\$0	\$4,431	\$385,300	\$0	\$389,731
96120 Liability Insurance	\$255,996	\$0	\$24,659	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,781	\$0	\$0	\$0	\$6,925	\$367,261	\$0	\$374,186
96130 Workman's Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96140 All Other Insurance	\$68,514	\$0	\$885	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,683	\$84,082	\$0	\$108,765
96100 Total Insurance Premiums	\$872,223	\$0	\$38,566	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,966	\$0	\$0	\$0	\$30,029	\$946,773	\$0	\$1,000,029
96200 Other General Expenses	\$2,869,954	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$174,922	\$0	\$0	\$0	\$2,843,806	\$0	\$3,018,728
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,280	\$59,280	\$0	\$59,280
96230 Payments in Lieu of Taxes	\$0	\$0	\$74,795	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,795	\$0	\$74,795
96400 Bad debt - Tenant Rents	\$21,070	\$0	\$2,097	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,167	\$0	\$23,167
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96800 Severance Expenses	\$0	\$0	\$76,883	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$174,922	\$0	\$0	\$59,280	\$310,085	\$0	\$389,267
96800 Total Other General Expenses	\$2,869,954	\$0	\$76,883	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$174,922	\$0	\$0	\$59,280	\$310,085	\$0	\$3,018,728
96710 Interest on Mortgage (or Bonds) Payable	\$17,586	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,586	\$0	\$17,586
96720 Interest on Notes Payable (Short and Long Term)	\$462,801	\$0	\$37,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,163	\$0	\$500,163
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$600,387	\$0	\$37,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,163	\$0	\$500,545
96900 Total Operating Expenses	\$25,735,862	\$500,732	\$2,000,052	\$37,233	\$0	\$249,107	\$37,233	\$0	\$89,485	\$0	\$3,036,538	\$278,251	\$0	\$48,715	\$8,852,360	\$4,174,865	-\$6,188,190	\$35,575,475
97000 Excess of Operating Revenue over Operating Expenses	\$1,742,183	\$3,651,679	-\$584,120	\$0	\$0	-\$42,162	\$1,471,096	\$0	\$0	\$0	\$55,707,438	\$697,251	\$186,548	\$1,979,421	-\$834,143	\$89,905,191	\$0	\$89,905,191
97100 Extraordinary Maintenance	\$152,061	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$152,061	\$0	\$152,061
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$4,006,185	\$0	\$0	\$0	\$1,679,336	\$0	\$1,679,336	\$0	\$0	\$55,467,743	\$1,986,499	\$0	\$0	\$3,498,792	\$0	\$65,837,555	\$0	\$69,333,740
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$5,327,245	\$0	\$287,759	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,402	\$0	\$0	\$0	\$0	\$5,615,407	\$0	\$5,615,407
97500 Fund Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97700 Debt Principal Payment - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$249,107	\$1,615,569	\$0	\$69,485	\$0	\$39,124,893	\$1,986,050	\$0	\$3,936,807	\$8,832,349	\$113,634,976	-\$6,188,190	\$107,456,466
97800 Dwelling Units Rent Expense	\$4,646,917	\$0	\$2,289,811	\$0	\$0	\$249,107	\$1,615,569	\$0	\$69,485	\$0	\$39,124,893	\$1,986,050	\$0	\$3,936,807	\$8,832,349	\$113,634,976	-\$6,188,190	\$107,456,466
98000 Total Expenses	\$31,225,189	\$4,646,917	\$2,289,811	\$0	\$0	\$249,107	\$1,615,569	\$0	\$69,485	\$0	\$39,124,893	\$1,986,050	\$0	\$3,936,807	\$8,832,349	\$113,634,976	-\$6,188,190	\$107,456,466
10010 Operating Transfer In	\$1,860,234	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,860,234	\$0	\$1,860,234
10020 Operating Transfer Out	-\$1,860,234	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,860,234	\$0	-\$1,860,234
10030 Operating Transfers from Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from Component Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10060 Proceeds from Property Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$1,713,103	\$0	\$198,162	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$313,348	\$0	\$0	\$0	\$1,759,280	\$3,827,883	\$0	\$5,587,163
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10094 Transfers between Program and Project - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$1,713,103	\$0	\$198,162	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$313,348	\$0	\$0	\$0	\$1,759,280	\$3,827,883	\$0	\$5,587,163
10300 Debt Amortization or Debt Revenue over Primary Year	\$2,065,980	-\$434,505	-\$763,717	\$0	\$0	-\$42,162	-\$107,240	\$0	\$0	\$0	\$530,941	-\$589,248	\$186,548	-\$7,459,371	\$64,148	\$840,043	\$0	\$840,043
11020 Required Annual Debt Principal Payments	\$2,105,459	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,105,459	\$0	\$2,105,459
11030 Beginning Equity	\$102,624,737	\$595,597	\$3,311,510	\$0	\$0	\$42,162	\$0	\$0	-\$30,214	\$0	-\$9,652,889	\$570,803	\$0	\$0	-\$4,252,589	\$58,368,978	\$0	\$58,368,978
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$221,467	\$0	-\$2,330,896	\$0	\$0	\$0	\$151,237	\$0	\$30,214	\$0	\$0	\$0	\$0	\$0	\$0	\$251,081	\$0	\$251,081

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2023

Submission Type: Audit/Single Audit

	Project Total	14,879 Mainstream Vouchers	14,414 Public CARES Act Funding	2 State/Local	14,414 MSC Midstate CARES Act Funding	14,248 Section 8 Moderate Rehabilitation Single Room Occupancy	14,890 PH Emergency Sub- sidy Program	14,267 Continuum of Care Program	8 Other Federal Program 1	14,870 Resident Opportunity and Supportive Services	14,400 HCV CARES Act Funding	14,871 Housing Choice Voucher	14,814 Emergency Housing Voucher	14,814 FRS Emergency Rehabilitate Account	21,023 Emergency Rental Assistance Program	COCC	Subtotal	ELIM	Total	
11050 Changes In Compensated Absence Balance																				
11060 Changes In Contingent Liability Balance																				
11070 Changes In Unrecognized Pension Transition Liability																				
11080 Changes In Special Term/Sovereigns Benefits Liability																				
11090 Changes In Allowance for Doubtful Accounts - Dwelling Rents																				
11100 Changes In Allowance for Doubtful Accounts - Other																				
11170 Administrative Fee Equity																				
11180 Housing Assistance Payments Equity																				
11210 Unit Months Available	27,140	2,400	0	1,512	0	0	0	471	0	0	0	\$10,238,884	658						\$-10,238,884	
11220 Number of Unit Months Leased	25,568	2,116	0	1,276	0	0	471	0	0	0	0	\$1,116,457	92						\$1,116,457	
11270 Excess Cash	\$152,422																			\$152,422
11610 Land Purchases	\$0																			\$0
11620 Building Purchases	\$1,865,839																			\$1,865,839
11630 Furniture & Equipment - Dwelling Purchases	\$0																			\$0
11640 Furniture & Equipment - Administrative Purchases	\$0																			\$0
11650 Leasehold Improvements Purchases	\$0																			\$0
11660 Infrastructure Purchases	\$0																			\$0
13510 GFIP Debt Service Payments	\$737,700																			\$737,700
13901 Replacement Housing Factor Funds	\$0																			\$0

JERSEY CITY HOUSING AUTHORITY
Jersey City, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2023

	<u>Federal Expenditures</u>
DIRECT FEDERAL AWARDS	
<u>US Department of Housing & Urban Development</u>	
Housing Voucher Cluster:	
Section 8 Voucher Program (CFDA # 14.871)	\$ 59,223,776
Mainstream Vouchers (CFDA # 14.879)	4,212,411
Emergency Housing Vouchers (CFDA # 14.EHV)	975,591
Total Housing Voucher Cluster	64,411,778
Coronavirus Aid, Economic Relief and Economic Security Act (CARES)	
Public Housing CARES Act Funds (CFDA# 14.PHC)	-
HCV CARES Act Funds (CFDA# 14.HCC)	-
Mainstream Vouchers CARES Act Funds (CFDA# 14.MSC)	-
Total CARES Act Funds	-
Low Rent Public Housing (CFDA # 14.850)	12,680,175
Public Housing Capital Fund (CFDA# 14.872)	6,239,308
Continuum of Care Program (CFDA # 14.267)	534,435
Resident Opportunity and Supportive Services (CFDA # 14.870)	69,485
PIH Family Self Sufficiency Program (CFDA # 14.896)	206,915
Subtotal - US Department of Housing & Urban Development - Direct	84,142,096
US Department of the Treasury	
Emergency Rental Assistance Program (CFDA# 21.023)	2,475,241
Total Direct Federal Assistance	86,617,337
 <u>US Department of Housing & Urban Development Passed Through the Hudson County Division of Housing and Community Development - Continuum of Care Program</u>	
York Street Project (CFDA # 14.267)	577,247
Women Rising (CFDA # 14.267)	391,993
Subtotal - US Department of Housing & Urban Development - Indirect	969,240
Total Expenditures of Federal Awards	\$ 87,586,577

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation - The Schedule of Expenditures of Federal Awards is presented in accordance with generally accepted accounting principles and is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.
2. There were no subrecipient activities during the audit period.
3. The Authority has elected not to use the 10% de minimis cost rate.
4. The Authority received no non-cash assistance.
5. The Authority did not have any HUD issued mortgages or loans.

JERSEY CITY HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF COMPLETED MODERNIZATION GRANTS
 As of March 31, 2023

	NJ39P009501-17 2017 <u>Total</u>	NJ39P009501-18 2018 <u>Capital Fund</u>	NJ39P009501-19 2019 <u>Capital Fund</u>
Funds Approved	\$ 4,436,326	\$ 6,758,606	\$ 7,113,360
Funds Expended	<u>4,436,326</u>	<u>6,758,606</u>	<u>7,113,360</u>
Excess/(Deficiency) Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 4,436,326	\$ 6,758,606	\$ 7,113,360
Funds Expended	<u>4,436,326</u>	<u>6,758,606</u>	<u>7,113,360</u>
Excess/(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO STATEMENT OF CERTIFICATION AND COMPLETED MODERNIZATION GRANTS

1. The distribution of cost by project and account classification accompanying the Financial Status Reports and Actual Modernization Cost Certificate submitted to HUD for approval were in agreement with the Authority's records.
2. All modernization costs have been paid and all related liabilities have been discharged through payment.

Jersey City Housing Authority
Schedule of Proportionate Share of the Net Pension Liability
of the Public Employees Retirement System (PERS)
For the Year Ended March 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Housing Authority's Proportion of the Net Pension Liability	0.1229%	0.1297%	0.1331%	0.1331%	0.1286%	0.1286%	0.1210%	0.1260%	0.1363%	0.1465%
Housing Authority's Proportionate Share of the Net Pension Liability	\$18,511,311	\$15,368,321	\$20,719,128	\$21,709,126	\$25,319,184	\$29,938,044	\$35,829,504	\$28,291,027	\$25,521,097	\$28,001,608
Housing Authority's Covered Employee Payroll	\$8,599,279	\$9,276,108	\$10,454,848	\$10,420,333	\$10,559,821	\$10,316,181	\$9,856,186	\$9,411,623	\$8,805,692	\$9,483,747
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	215.27%	165.68%	198.18%	208.33%	239.77%	290.20%	363.52%	300.60%	289.83%	295.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.00%	58.32%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Until a full 10 year trend is compiled, the Authority is presenting information for the years that are available.

Jersey City Housing Authority
Schedule of Authority Contributions to the
Public Employees Retirement System (PERS)
For the Year Ended March 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$1,550,163	\$1,519,275	\$1,456,315	\$1,456,315	\$1,279,078	\$1,191,422	\$1,028,449	\$1,123,862	\$1,103,948	\$1,170,858
Contribution in Relation to the Contractually Required Contribution	(1,550,163)	(1,519,275)	(1,456,315)	(1,456,315)	(1,279,078)	(1,191,422)	(1,028,449)	(1,123,862)	(1,103,948)	(1,170,858)
Contribution Deficiency/(Excess)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Authority's Covered Payroll	\$8,599,279	\$9,276,108	\$10,454,848	\$10,559,821	\$10,559,821	\$10,316,181	\$9,856,186	\$9,411,623	\$8,805,692	\$9,483,747
Contribution as a Percentage of Covered Employee Payroll	18.03%	16.38%	13.93%	13.79%	12.11%	11.55%	10.43%	11.94%	12.54%	12.35%

Until a full 10 year trend is compiled, the Authority is presenting information for the years that are available.

Jersey City Housing Authority
Schedule of Changes in the Housing Authority's
Total OPEB Liability and Related Ratios
For the Year Ended March 31, 2023

	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Housing Authority's Proportion of the Net OPEB Liability	0.2673%	0.2672%	0.2774%	0.2557%	0.2742%	0.2593%
Housing Authority's Proportionate Share of the Net OPEB Liability	\$43,164,962	\$48,091,096	\$49,775,290	\$34,642,993	\$42,962,410	\$52,928,545
Housing Authority's Covered Employee Payroll	\$8,599,279	\$9,276,108	\$10,454,808	\$10,422,333	\$10,559,821	\$10,316,181
Housing Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	501.96%	518.44%	476.10%	332.39%	406.85%	513.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.36%	0.28%	0.91%	1.98%	1.97%	1.03%

Until a full 10 year trend is compiled, the Authority is presenting information for the years that are available.

Jersey City Housing Authority
Schedule of Authority Contributions to the
Other Post-Employment Benefits Plan (OPEB)
For the Year Ended March 31, 2022

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$3,979,313	\$4,189,809	\$4,630,700	\$4,530,885	\$4,670,337	\$4,839,321
Contribution in Relation to the Contractually Required Contribution	(3,979,313)	(4,189,809)	(4,630,700)	(4,530,885)	(4,670,337)	(4,839,321)
Contribution Deficiency/(Excess)	<u>\$ -</u>					
Authority's Covered Payroll	8,599,279	9,276,108	10,454,808	10,422,333	10,559,821	10,316,181
Contribution as a Percentage of Covered Employee Payroll	46.27%	45.17%	44.29%	43.47%	44.23%	53.03%

Until a full 10 year trend is compiled, the Authority is presenting information for the years that are available.



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

Board of Commissioners
Jersey City Housing Authority
Jersey City, 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 Jersey City Housing Authority, ("the Authority") as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise Housing Authority's basic financial statements, and have issued our report thereon dated September 17, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items Finding Cost-2023-001.

Jersey City's Response to Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 17, 2024



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

Board of Commissioners
Jersey City Housing Authority
Jersey City, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jersey City Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2023. The Jersey City Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. In our opinion, the Jersey City Housing 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 years ended March 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management on 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to 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.

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

Noncompliance with the compliance requirements referred to above is considered material if there a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *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 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 internal control over compliance. Accordingly, no such opinion is expressed.

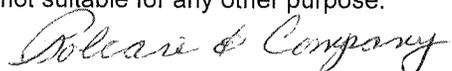
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses internal over compliance that we identified during the audit.

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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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


CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 17, 2024

Jersey City Housing Authority

Jersey City, New Jersey

March 31, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION 1 - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified

Internal Control over Financial Reporting:

Significant Deficiencies Identified?

X yes no

Significant Deficiencies identified that are
not considered to be material weakness(es)?

yes X none reported

Noncompliance Material to Financial Statements Noted?

yes X no

Federal Awards

Internal Control over Major Programs:

Significant Deficiencies Identified?

yes X no

Significant Deficiencies identified that are
not considered to be material weakness(es)?

yes X none reported

Type of audit report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)

yes X no

Identification of Major Programs

CFDA

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers - Cluster
14.879	Mainstream Voucher Program
14.850	Low Rent Public Housing
14.872	Public Housing Capital Fund Program

Dollar Threshold used to distinguish between type A
and type B Programs

\$2,627,597

Auditee qualified as low-risk?

yes X no

SECTION 2 – FINANCIAL STATEMENT FINDINGS

2023-001

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

Jersey City Housing Authority
Jersey City, New Jersey
March 31, 2023

Section 2 Financial Statement Findings

Status of Prior Year Prior Year Findings:

Finding- 2022-001

Entity Wide

Type of Deficiency – Material Weakness

Compliance Requirement - Reporting

The Authority's March 31, 2022, Financial statements were not ready for audit until March 2024.

Cause:

The Authority did not have appropriate controls in place to compile and monitor the compilation of the Authority's financial statements for March 31, 2022. The result of this inaction caused a two-year delay in the issuance of the Authority's audit report in addition to impeding management's ability to access the financial condition of the Authority.

Condition:

The Authority did not implement or establish internal controls to compile and monitor the preparation of the March 31, 2022, financial statements. CFR-200.512 subpart F requires that the authority complete and submit its financial statements to HUD and the federal audit clearinghouse nine months after its fiscal year end.

Effect of Condition:

The effect of not having timely financial statements hindered the Authority's ability to access the financial during the year as well as failing to submit their financial statements to the federal audit clearinghouse with in the nine months required time frame.

Recommendation:

We recommend that the Authority implement additional controls such as assessing the performance of its financial staff to ensure the timely submission of future financial statements.

Questioned Costs \$0

Response:

This finding is repeated in 2023 audit findings. See Finding 2023-001 for auditee's response.

Jersey City Housing Authority
Jersey City, New Jersey
March 31, 2023

Section 2 Financial Statement Findings

Current Year Findings:

Finding- 2023-001

Redevelopment Authority – Entity Wide

Type of Deficiency – Material Weakness

Compliance Requirement - Reporting

The Authority's March 31, 2023, Financial statements were not ready for audit until September 2024.

Cause:

The Authority did not have appropriate controls in place to compile and monitor the compilation of the Authority's financial statements for March 31, 2023. The result of this inaction caused a two-year delay in the issuance of the Authority's audit report in addition to impeding management's ability to access the financial condition of the Authority.

Condition:

The Authority did not implement or establish internal controls to compile and monitor the preparation of the March 31, 2023, financial statements. CFR-200.512 subpart F requires that the authority complete and submit its financial statements to HUD and the federal audit clearinghouse nine months after its fiscal year end.

Effect of Condition:

The effect of not having timely financial statements hindered the Authority's ability to access the financial during the year as well as failing to submit their financial statements to the federal audit clearinghouse within the nine months required time frame.

Recommendation:

We recommend that the Authority implement additional controls such as assessing the performance of its financial staff to ensure the timely submission of future financial statements.

Questioned Costs \$0

Response:

The Jersey City Housing Authority (JCHA) is addressing audit findings related to internal controls and financial reporting. Recognizing the need for modernization, the JCHA has invested in a new comprehensive Public Housing Authority software, Yardi and other digital tools. Their outdated IT infrastructure has been a hindrance to operations, finance, and management.

Section 2 Financial Statement Findings - Continued

The Accounting and Finance Department aim to revamp and enhance their financial processes and procedures. Working with their fee consultants, BDO, the Accounting & Finance Department will be developing a new comprehensive financial management system which will include:

1. New workflow infrastructures
2. Regular meetings with departments and sites to focus on program and fiscal issues, especially reporting requirements.
3. Expenditure review processes and staff training to ensure adherence to it.
4. Random internal monitoring verifies compliance with the process.

The target completion date for this system is March 31, 2025.



400 US Highway #1 (Marion Gardens) Jersey City, New Jersey 07306
Tel: 201.547.6600 Fax: 201.547.8989 Web: www.jcha.us

Corrective Action Plan

For the year ended March 31, 2023

U. S. Department of Housing and Urban Development:

The Jersey City Housing Authority respectfully submits the following corrective action plan for the year ended March 31, 2023.

Auditor:

Polcari & Company CPA
2035 Hamburg Tpke
Unit H
Wayne, New Jersey 07470

The findings from March 31, 2023, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings - Financial Statement Audit

Federal Award Findings and Questioned Costs

Finding- 2023-001

Redevelopment Authority – Entity Wide

Type of Deficiency – Material Weakness

Compliance Requirement - Reporting

The Authority's March 31, 2023, Financial statements were not ready for audit until January 2024.

Cause:

The Authority did not have appropriate controls in place to compile and monitor the compilation of the Authority's financial statements for March 31, 2023. The result of this inaction caused a two-year delay in the issuance of the Authority's audit report in addition to impeding management's ability to access the financial condition of the Authority.

Condition:

The Authority did not implement or establish internal controls to compile and monitor the preparation of the March 31, 2023, financial statements. CFR-200.512 subpart F requires that the authority complete and submit its financial statements to HUD and the federal audit clearinghouse nine months after its fiscal year end.



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Effect of Condition:

The effect of not having timely financial statements hindered the Authority's ability to access the financial during the year as well as failing to submit their financial statements to the federal audit clearinghouse with in the nine months required time frame.

Recommendation:

We recommend that the Authority implement additional controls such as assessing the performance of its financial staff to ensure the timely submission of future financial statements.

Questioned Costs \$0

View of Responsible Officials and Corrective Actions:

The Jersey City Housing Authority (JCHA) is addressing audit findings related to internal controls and financial reporting. Recognizing the need for modernization, the JCHA has invested in a new comprehensive Public Housing Authority software, Yardi and other digital tools. Their outdated IT infrastructure has been a hindrance to operations, finance, and management.

The Accounting and Finance Department aim to revamp and enhance their financial processes and procedures. Working with their fee consultants, BDO, the Accounting & Finance Department will be developing a new comprehensive financial management system which will include:

1. New workflow infrastructures
2. Regular meetings with departments and sites to focus on program and fiscal issues, especially reporting requirements.
3. Expenditure review processes and staff training to ensure adherence to it.
4. Random internal monitoring verifies compliance with the process.

The target completion date for this system is March 31, 2025

If there are any questions regarding this plan, please contact:

Stephen Cea
Executive Director
(201) 547-6600
scea@jcha.us