

JERSEY CITY HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED MARCH 31, 2019

WITH

REPORT OF INDEPENDENT AUDITORS

JERSEY CITY HOUSING AUTHORITY
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REPORT OF INDEPENDENT AUDITORS

The Board of Commissioners
Jersey City Housing Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the Jersey City Housing Authority (the "Authority") as of and for the year ended March 31, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2019, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 14 to the financial statements, during the year ended March 31, 2019, the Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The schedule of expenditures of federal awards and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogradac & Company LLP

July 22, 2020
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Fiscal Year ended March 31, 2019

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, 2019. 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, 2019

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, 2019**

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, 2019 and 2018:

	2019	2018	Increase (Decrease)	Percent Variance
Assets:				
Cash & cash equivalents	\$ 7,373,174	\$ 8,121,270	\$ (748,096)	-9.21%
Other current assets	2,761,446	4,393,801	(1,632,355)	-37.15%
Capital assets, net	73,350,856	76,577,165	(3,226,309)	-4.21%
Noncurrent assets	78,801,049	76,103,564	2,697,485	3.54%
Total assets	162,286,525	165,195,800	(2,909,275)	-1.76%
Deferred Outflows of Resources	11,981,009	8,300,758	3,680,251	44.34%
Total assets and deferred outflows of resources	\$ 174,267,534	\$ 173,496,558	\$ 770,976	0.44%
Liabilities:				
Current liabilities	3,818,780	4,684,026	(865,246)	-18.47%
Noncurrent liabilities	90,385,021	110,785,203	(20,400,182)	-18.41%
Total liabilities	94,203,801	115,469,229	(21,265,428)	-18.42%
Deferred Inflows of Resources	32,308,723	8,332,658	23,976,065	287.74%
Net position:				
Net invested in capital assets	60,238,291	62,222,016	(1,983,725)	-3.19%
Restricted net position	78,445,219	75,834,062	2,611,157	3.44%
Unrestricted net position	(90,928,500)	(88,361,407)	(2,567,093)	2.91%
Total net position	47,755,010	49,694,671	(1,939,661)	-3.90%
Total liabilities, deferred outflows of resources and net position	\$ 174,267,534	\$ 173,496,558	\$ 770,976	0.44%

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Fiscal Year ended March 31, 2019

Financial position and analysis (continued)

Cash and Cash Equivalents (excluding restricted cash) decreased by \$748,096 or 9.21%. This is primarily due to the Authority reporting an increase in housing assistance payments in the amount of \$1,227,327, which were partially offset by an increase in operating revenues in the amount of \$692,711.

Other Current Assets decreased by \$1,632,355 or 37.15% primarily due to decreases in amounts due from HUD regarding the reimbursement of grant expenses.

Current Liabilities decreased by \$865,246 or 18.47% primarily due to a substantial decrease in accounts payable at year-end.

Non-current liabilities decreased by \$20,400,182 or 18.41% primarily due to a decrease in the Authority's unfunded pension and OPEB liabilities.

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:

	2019	2018	Increase (Decrease)	Percent Variance
Operating revenue & expense				
Operating revenue	\$ 76,619,938	\$ 75,927,227	\$ 692,711	0.91%
Operating expenses	83,353,460	81,122,756	2,230,704	2.75%
Operating loss	(6,733,522)	(5,195,529)	(1,537,993)	29.60%
Net non-operating revenue (expense)	4,793,861	5,613,959	(820,098)	-14.61%
Change in net position	(1,939,661)	418,430	(2,358,091)	-563.56%
Net position, beginning of year	49,694,671	106,867,128	(57,172,457)	-53.50%
Change in accounting principle - adoption of GASB 75	-	(57,590,887)	57,590,887	-100%
Net position, end of year	\$ 47,755,010	\$ 49,694,671	\$ (1,939,661)	-3.90%

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2019**

Financial position and analysis (continued)

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

	2019	2018	Increase (Decrease)	Percent Variance
Operating revenue				
Tenant revenue	\$ 10,057,249	\$ 10,115,213	\$ (57,964)	-0.57%
HUD operating grants	64,104,574	63,076,228	1,028,346	1.63%
Other income	2,458,115	2,735,786	(277,671)	-10.15%
Total operating revenue	<u>76,619,938</u>	<u>75,927,227</u>	<u>692,711</u>	0.91%
Non-operating revenues				
Investment income	39,874	36,225	3,649	10.07%
Mortgage interest income	2,613,988	2,697,027	(83,039)	-3.08%
Capital grants	2,606,375	3,381,482	(775,107)	-22.92%
Total non-operating revenues	<u>5,260,237</u>	<u>6,114,734</u>	<u>(854,497)</u>	-13.97%
Total revenues	<u>\$ 81,880,175</u>	<u>\$ 82,041,961</u>	<u>\$ (161,786)</u>	-0.20%

Operating Loss increased \$1,537,993 or 29.60%, primarily due to the Authority adopting GASB 75 and recording their unfunded OPEB liability during the year.

HUD Operating Grants increased by \$1,028,346 from the prior year, or by 1.63%. This was primarily due to the Authority receiving \$520,625 more in Section 8 Housing Choice Vouchers funding, \$222,354 more in Section 8 Mainstream Vouchers funding, and \$249,247 more in Family Self-Sufficiency funding.

Capital Grants decreased by \$775,107 or 22.92% as the Authority utilized less capital funds during FY19.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2019**

Financial position and analysis (continued)

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

	2019	2018	Increase (Decrease)	Percent Variance
Administrative	\$ 10,672,435	\$ 9,733,626	\$ 938,809	9.65%
Tenant services	366,135	369,661	(3,526)	-0.95%
Utilities	4,432,710	4,582,666	(149,956)	-3.27%
Maintenance	10,305,886	10,344,708	(38,822)	-0.38%
Protective services	-	52,630	(52,630)	-100.00%
Insurance	1,183,226	1,136,692	46,534	4.09%
General expense	3,224,784	2,811,622	413,162	14.69%
Extraordinary maintenance expense	966,063	1,043,430	(77,367)	-7.41%
Depreciation expenses	6,099,881	6,172,708	(72,827)	-1.18%
Housing assistance payments	46,102,340	44,875,013	1,227,327	2.73%
Total expenses	\$ 83,353,460	\$ 81,122,756	\$ 2,230,704	2.75%

Administrative Expenses increased by \$938,809 or 9.65%, primarily due to an increase in employee benefits in the amounts of \$1,094,549 related to the adoption of GASB 75.

Utilities Expenses decreased \$149,956 or 3.27% primarily due to decreases in electricity and gas charges.

Protective Services expenses decreased by \$52,630 or 100% due to decreases in contracted costs.

Extraordinary maintenance expense decreased by \$77,367 from \$1,043,430 in FY 2018 to \$966,063 in FY 2019. This is primarily due to a reduction of expenses associated with the Public Housing program.

Depreciation Expenses decreased by \$72,827 or 1.18%, primarily due to assets becoming fully depreciated during the year.

Housing Assistance Payments increased by \$1,227,327 or 2.73% primarily due to the Authority having an increase in regular HAP during fiscal year.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2019**

Capital assets

Table 5 summarizes the Authority’s capital assets:

	2019	2018	Increase (Decrease)	Percent Variance
Land	\$ 5,096,196	\$ 5,056,197	\$ 39,999	0.79%
Buildings, improvements and equip	205,329,087	201,852,830	3,476,257	1.72%
Construction in progress	7,214,913	7,857,597	(642,684)	-8.18%
	<u>217,640,196</u>	<u>214,766,624</u>	<u>2,873,572</u>	1.34%
Less: accumulated depreciation	<u>(144,289,340)</u>	<u>(138,189,459)</u>	<u>(6,099,881)</u>	4.41%
Capital assets, net	<u>\$ 73,350,856</u>	<u>\$ 76,577,165</u>	<u>\$ (3,226,309)</u>	-4.21%

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. The Authority purchased \$2,873,573 of capital assets, primarily through their 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, 2019**

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% are due through November, 2025. 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, 2018	\$ 5,482,711
Current year debt paid	<u>662,826</u>
March 31, 2019	<u><u>\$ 4,819,885</u></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, 2018	\$ 8,835,000
Current year debt paid	<u>460,000</u>
March 31, 2019	<u><u>\$ 7,890,000</u></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 Receivable)

March 31, 2018	\$ 343,388
Current year debt paid	<u>66,829</u>
March 31, 2019	<u><u>\$ 276,559</u></u>

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2019**

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, 2018	\$ 1,073,315
Current year debt paid	<u>-</u>
March 31, 2019	<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, 2018	\$ 283,860
Current year debt paid	<u>-</u>
March 31, 2019	<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, 2018	\$ 1,336,876
Current year debt paid	<u>52,930</u>
March 31, 2019	<u>\$ 1,283,946</u>

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2019**

Analysis of Debt Activity (continued)

Table 6 (continued)

The Authority proposed 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, 2018	\$ 7,955,428
Current year borrowing	<u>275,000</u>
March 31, 2019	<u><u>\$ 7,680,428</u></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 (Marion Gardens)
Jersey City, New Jersey 07306

FINANCIAL STATEMENTS

**JERSEY CITY HOUSING AUTHORITY
STATEMENT OF NET POSITION
MARCH 31, 2019**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 7,373,174
Tenant security deposits	465,195
Accounts receivable, net	818,277
Prepaid expenses and other current assets	832,474
Inventories	<u>645,500</u>
Total current assets	<u>10,134,620</u>
Non-current assets:	
Restricted cash	1,207,488
Notes receivable, long term	77,593,561
Capital assets, net	<u>73,350,856</u>
Total non-current assets	<u>152,151,905</u>
Total assets	<u>162,286,525</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	5,711,823
State of New Jersey O.P.E.B.	<u>6,269,186</u>
Total deferred outflows of resources	<u>11,981,009</u>
Total assets and deferred outflows of resources	<u>\$ 174,267,534</u>

JERSEY CITY HOUSING AUTHORITY
STATEMENT OF NET POSITION (continued)
MARCH 31, 2019

LIABILITIES

Current liabilities:	
Accounts payable	\$ 375,896
Accrued expenses	561,566
Accrued compensated absences, current	274,726
Tenant security deposits	465,195
Prepaid tenant rent	254,592
Current portion of capital lease	677,931
Current portion of loans and bonds payable	882,003
Other current liabilities	<u>326,871</u>
Total current liabilities	<u>3,818,780</u>
Non-current liabilities:	
Accrued compensated absences, net of current portion	2,472,540
Capital lease, net of current portion	4,141,954
Loans and bonds payable, net of current portion	15,091,105
Net pension liability	25,319,184
Net OPEB liability	42,962,410
Non-current liabilities - other	<u>397,828</u>
Total non-current liabilities	<u>90,385,021</u>
Total liabilities	<u>94,203,801</u>

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	9,961,099
State of New Jersey O.P.E.B.	<u>22,347,624</u>
Total deferred inflows of resources	<u>32,308,723</u>

NET POSITION

Net position:	
Net investment in capital assets	60,238,291
Restricted	78,445,219
Unrestricted (deficit)	<u>(90,928,500)</u>
Total net position	<u>47,755,010</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 174,267,534</u>

**JERSEY CITY HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED MARCH 31, 2019**

Operating revenues:	
Tenant revenue	\$ 10,057,249
HUD operating grants	64,104,574
Other revenues	<u>2,458,115</u>
Total operating revenues	<u>76,619,938</u>
Operating expenses:	
Administrative	10,672,435
Tenant services	366,135
Utilities	4,432,710
Ordinary maintenance and operations	10,305,886
Insurance	1,183,226
General	3,224,784
Extraordinary maintenance	966,063
Housing assistance payments	46,102,340
Depreciation	<u>6,099,881</u>
Total operating expenses	<u>83,353,460</u>
Operating loss	<u>(6,733,522)</u>
Non-operating revenues (expenses):	
Investment income	39,874
Mortgage interest income	2,613,988
Interest expense	<u>(466,376)</u>
Net non-operating revenue	<u>2,187,486</u>
Loss before capital grants	(4,546,036)
Capital grants	<u>2,606,375</u>
Change in net position	<u>(1,939,661)</u>
Net position, beginning of year, as originally stated	107,285,558
Change in accounting principle - adoption of GASB 75	<u>(57,590,887)</u>
Net position, beginning of year (as restated)	<u>49,694,671</u>
Net position, end of year	<u>\$ 47,755,010</u>

See accompanying notes to financial statements.

**JERSEY CITY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019**

Cash Flows from Operating Activities:	
Cash received from grantors	\$ 65,942,132
Cash received from tenants and others	12,284,625
Cash paid to employees	(10,054,745)
Cash paid to suppliers and vendors	<u>(66,592,396)</u>
Net cash provided by operating activities	<u>1,579,616</u>
Cash Flows from Capital and Related Financing Activities:	
Interest paid	(466,376)
Purchases of capital assets	(2,873,573)
Capital grants received	2,606,375
Principal payments on loans payable	<u>(1,517,584)</u>
Net cash used in capital and related financing activities	<u>(2,251,158)</u>
Cash Flows from Investing Activities:	
Collection of notes receivable	20,974
Investment income	<u>39,874</u>
Net cash provided by investing activities	<u>60,848</u>
Net decrease in cash and cash equivalents	(610,694)
Cash and cash equivalents, beginning of year	<u>9,656,551</u>
Cash and cash equivalents, end of year	<u>\$ 9,045,857</u>

A reconciliation of cash and cash equivalents to the Statement of Net Position is as follows:

Cash and cash equivalents	\$ 7,373,174
Tenant security deposits	465,195
Restricted cash and cash equivalents	<u>1,207,488</u>
	<u>\$ 9,045,857</u>

JERSEY CITY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (continued)
YEAR ENDED MARCH 31, 2019

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (6,733,522)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	6,099,881
Bad debt expense - other	655,888
Bad debt expense - tenant rents	66,126
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Accounts receivable - other government	(119,532)
Accounts receivable - HUD	1,301,202
Accounts receivable - tenants	(68,025)
Accounts receivable - misc	(344,888)
Prepaid expenses	51,637
Inventory	122,879
Deferred outflows of resources	(3,671,181)
Accounts payable	(966,215)
Deferred inflows of resources	19,304,653
Net pension liability	(4,618,860)
Net OPEB liability	(9,966,135)
Accrued expenses	40,696
Accrued compensated absences	309,737
Tenant security deposits	32,932
Unearned revenue	83,116
Other current liabilities	(129,099)
Other liabilities	<u>128,326</u>
Net cash provided by operating activities	<u>\$ 1,579,616</u>

See accompanying notes to financial statements.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019**

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 (continued)
MARCH 31, 2019

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 are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

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

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs

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

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.

Section 8 Housing Choice Vouchers

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

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.

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents (continued)

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.

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

• Buildings	27.5 - 40 Years
• 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.

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 year ended March 31, 2019, 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 consist 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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Q. Taxes

The Authority is a unit of local government under New Jersey law and is exempt from real estate, sales and income taxes.

R. 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.

S. 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.

T. Equity Classifications

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

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

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

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. 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.

V. 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.

NOTE 2. CASH ON DEPOSIT

As of March 31, 2019, 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, 2019, the carrying amount of the Authority's cash (on deposit) was \$9,045,857 and the bank balances were \$9,228,088. Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>Amount</u>
Operations	\$ 7,373,174
Tenant security deposits	465,195
Restricted	<u>1,207,488</u>
	<u>\$ 9,045,857</u>

Of the bank balances, \$770,273 was covered by federal depository insurance and the remaining \$8,457,815 was collateralized with the pledging financial institution as of March 31, 2019.

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, 2019, the Authority's bank balances were not exposed to custodial credit risk.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at March 31, 2019:

<u>Description</u>	<u>Amount</u>
Accounts receivable - HUD	\$ 44,706
Accounts receivable - tenants, net	61,121
Accounts receivable - other government	225,291
Accounts receivable - miscellaneous	<u>487,159</u>
Total accounts receivable, net	<u>\$ 818,277</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, 2019, accounts receivable - HUD consisted of reimbursable expenses within the following grants:

<u>Program</u>	<u>Amount</u>
Public Housing Capital Fund Program	\$ 1,375
Resident Opportunity and Supportive Services	38,164
Continuum of Care	<u>5,167</u>
	<u>\$ 44,706</u>

Accounts receivable - tenants

Accounts receivable - tenants represents amounts due for tenant rents and at March 31, 2019 are shown net of an allowance for doubtful accounts of \$181,933.

Accounts receivable - other government

Accounts receivable - other government consists of amounts that are due from various Grants that were awarded by the City.

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 consists of materials and supplies and fuel which is valued at its lower of cost or market using the first-in first-out method.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

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, 2019 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, 2019 include \$2,471,764 of accrued interest.	\$ 5,433,730
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, 2019 include \$3,415,948 of accrued interest.	7,775,150
The Authority has a second mortgage loan receivable from Lafayette Family Phase III Urban Renewal Associates, L.P. 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, 2019 include \$3,220,618 of accrued interest.	9,824,224
The Authority issued two loans to Lafayette Community Limited Partnership in the original amount of \$10,121,636 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.	10,284,828
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, 2019 include \$4,437,760 of accrued interest.	9,438,909
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, 2019 include \$1,873,834 of accrued interest.	6,036,171

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

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, 2019 include \$252,159 of accrued interest.	1,661,840
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, 2019 include \$4,727,417 of accrued interest.	10,826,758
The Authority has a mortgage loan receivable in the amount of \$3,500,000 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.	3,420,523
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 with a current balance of \$4,953,333. Interest accrues at 4.5% and the loan matures January 1, 2051. Amounts owed under the mortgage at March 31, 2019 include \$2,079,534 of accrued interest.	7,032,867
Mortgage loan receivable from Glennview Townhouses II Urban Renewal Associates, LP in the original amount of \$1,525,324. The loan bears interest at 1%, compounded annually and matures December 1, 2064. Amounts owed under the mortgage at March 31, 2019 include \$59,965 of accrued interest.	1,585,289
The Authority has three mortgage loans receivable from Montgomery Senior Living Center Urban Renewal Associates, LP in the amounts of \$400,000, \$176,350 and \$850,000, respectively. Interest accrues at 1% per annum and the loans mature on October 1, 2064. Amounts owed under the mortgage at March 31, 2019 include \$277,971 of accrued interest.	1,704,321
The Authority has two mortgage loans receivable from AHM Housing Urban Renewal Associates IV, LLC in the amount of \$33,022 and \$325,000, respectively. Interest accrues at 1% per annum and the loans mature on December 1, 2064. Amounts owed under the mortgages at March 31, 2019 include \$10,929 of accrued interest.	368,951

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 5. NOTES RECEIVABLE (continued)

<u>Description</u>	<u>Amount</u>
The Authority has committed a mortgage loan from the Jersey City Affordable Housing Trust Fund to Montgomery - Phase I construction in the amount of \$1,800,000 with no interest accrued. The loan is secured by a mortgage on the underlying property	<u>1,800,000</u>
Total notes receivable	\$ <u><u>77,593,561</u></u>

The current portion on notes receivable is expected to be \$-0-.

NOTE 6. RESTRICTED DEPOSITS

Restricted deposits consist of the following at March 31, 2019:

<u>Cash Category</u>	<u>Amount</u>
State Leveraging Fund	\$ 14,065
Tenant security deposits	465,195
Family Self Sufficiency ("FSS") Program escrows	355,828
Bergen Avenue project reserves	511,429
Arlington Gardens project reserves	<u>326,166</u>
	\$ <u><u>1,672,683</u></u>

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 7. CAPITAL ASSETS, NET

A summary of the changes in capital assets during the year ended March 31, 2019 is as follows:

	<u>Balances at</u> <u>March 31, 2018</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balances at</u> <u>March 31, 2019</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,056,197	\$ -	\$ (1)	\$ 40,000	\$ 5,096,196
Construction in progress	<u>7,857,597</u>	<u>2,606,375</u>	<u>-</u>	<u>(3,249,059)</u>	<u>7,214,913</u>
Total	<u>12,913,794</u>	<u>2,606,375</u>	<u>(1)</u>	<u>(3,209,059)</u>	<u>12,311,109</u>
<u>Depreciable capital assets:</u>					
Buildings	199,879,924	192,728	-	3,123,695	203,196,347
Dwelling equipment	<u>1,972,906</u>	<u>74,470</u>	<u>-</u>	<u>85,364</u>	<u>2,132,740</u>
Total	<u>201,852,830</u>	<u>267,198</u>	<u>-</u>	<u>3,209,059</u>	<u>205,329,087</u>
Total capital assets	214,766,624	2,873,573	(1)	-	217,640,196
Less: accumulated depreciation	<u>(138,189,459)</u>	<u>(6,099,881)</u>	<u>-</u>	<u>-</u>	<u>(144,289,340)</u>
Net capital assets	<u>\$ 76,577,165</u>	<u>\$ (3,226,308)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 73,350,856</u>

Depreciation expense for the fiscal year ended March 31, 2019 amounted to \$6,099,881.

NOTE 8. NON-CURRENT LIABILITIES

BONDS AND LOANS

<u>Description</u>	<u>Amount</u>
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 \$18,585,000. 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.	\$ 5,375,000
Mortgage loan payable to NJHMFA in connection with the development of 254 Bergen Ave. The loan with the original amount of \$1,077,250 carries an annual interest rate of 7.75%, requires monthly principal and interest payments of \$7,787, matures in September, 2022 and is secured by a first mortgage on the rental property.	276,559
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, matures in September, 2022 and is secured by a second mortgage on the property at 254 Bergen Avenue.	1,073,315

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 8. NON-CURRENT LIABILITIES (continued)

BONDS AND LOANS (continued)

<u>Description</u>	<u>Amount</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. The loan is interest free, matures in September, 2022 and is secured by a third mortgage on the property at 254 Bergen Avenue.	283,860
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 Ave.	1,283,946
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.	<u>7,680,428</u>
Total bonds and loans payable	15,973,108
Less: current portion	<u>882,003</u>
Bonds and loans payable, excluding current portion	<u>\$ 15,091,105</u>

CAPITAL LEASE

<u>Description</u>	<u>Amount</u>
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 terms of the capital lease, monthly payments of \$64,910 including interest at 2.2397% are due through November, 2025. The assets are depreciated over the shorter of the lease term or the estimated useful life.	\$ 4,819,885
Less: current portion	<u>677,931</u>
Capital lease, excluding current portion	<u>\$ 4,141,954</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 8. NON-CURRENT LIABILITIES (continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,559,934	\$ 434,437	\$ 1,994,371
2021	1,874,159	386,431	2,260,590
2022	1,926,621	336,219	2,262,840
2023	1,933,237	287,076	2,220,313
2024	1,583,968	232,375	1,816,343
2025-2029	6,041,909	475,444	6,517,353
2030-2034	1,811,034	1,369,087	3,180,121
2035-2039	1,565,570	7,396	1,572,966
2040-2044	1,375,000	-	1,375,000
2045-2048	<u>1,121,561</u>	<u>-</u>	<u>1,121,561</u>
	<u>\$ 20,792,993</u>	<u>\$ 3,528,465</u>	<u>\$ 24,321,458</u>

OTHER LIABILITIES

<u>Description</u>	<u>Amount</u>
FSS Escrows	\$ 397,828
Utility accruals	232,322
Other miscellaneous liabilities	<u>94,549</u>
Total	724,699
Due within one year	<u>326,871</u>
Non-current portion	<u>\$ 397,828</u>

Long-term debt activity for the year ended March 31, 2019 consisted of the following:

<u>Description</u>	<u>March 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2019</u>	<u>Amounts due within one year</u>
Bonds and loans	\$ 16,827,867	\$ -	\$ (854,759)	\$ 15,973,108	\$ 882,003
Capital lease	5,482,711	-	(662,826)	4,819,885	677,931
Compensated absences	2,437,529	332,910	(23,173)	2,747,266	274,726
Net pension liability	29,938,044	-	(4,618,859)	25,319,185	-
Net OPEB liability	-	42,962,409	-	42,962,409	-
Other liabilities	<u>725,472</u>	<u>455,197</u>	<u>(455,970)</u>	<u>724,699</u>	<u>326,871</u>
	<u>\$ 55,411,623</u>	<u>\$ 43,750,516</u>	<u>\$ (6,615,587)</u>	<u>\$ 92,546,552</u>	<u>\$ 2,161,531</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

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 who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5. Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th 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 (continued)
MARCH 31, 2019

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, 2019, the Authority reported a liability of \$25,319,184 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2017, and rolled forward to June 30, 2018.

For the year ended March 31, 2019, the Authority recognized pension expense of \$890,103. At March 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 4,172,182	\$ (8,095,729)
Changes in Proportion	1,056,800	(1,497,321)
Differences between expected and actual experience	482,841	(130,554)
Net difference between actual and projected earning on pension plan investments	<u> -</u>	<u>(237,495)</u>
Total	\$ <u>5,711,823</u>	\$ <u>(9,961,099)</u>

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:	<u>Amount</u>
2020	\$ (3,217,036)
2021	(4,854,586)
2022	(2,941,631)
2023	3,912,376
2024	<u>2,851,601</u>
	\$ <u>(4,249,276)</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 9. PENSION PLAN (continued)

E. Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation is based on the following assumptions:

Inflation Rate	2.25%
Salary increases:	
Through 2026	1.65 - 4.15%, based on age
Thereafter	2.65 - 5.15%, based on age
Investment rate of return	7.00%

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

F. Long-term Expected Rate of Return

The long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 9. PENSION PLAN (continued)

G. Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2018 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining 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 Authority's proportionate share of the net pension liability calculated using the discount rate of 5.66 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.66 percent) or 1 percentage point higher (6.66 percent) than the current rate.

	1% Decrease (4.66%)	Discount Rate (5.66%)	1% Increase (6.66%)
Authority's proportionate share of the net pension liability	\$ <u>31,835,958</u>	\$ <u>25,319,184</u>	\$ <u>19,852,029</u>

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The SHBP is a cost-sharing multiple-employer defined benefit OPEB plan administered by the the Division. It covers employees of local government employers that have adopted a resolution to participate in the SHBP. For additional information about SHBP, please refer to the Division's Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/documents/financial/gasb/gasb75-localgov-audit-2018.pdf>.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

B. Benefits

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

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

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

At March 31, 2019, the Authority reported a liability of \$42,962,410, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and rolled forward to June 30, 2018.

For the year ended March 31, 2019, the Authority recognized OPEB expense of \$9,379,723. At March 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of Assumptions	\$ -	\$ (10,897,978)
Changes in Proportion	2,979,062	(2,726,744)
Differences between expected and actual experience	-	(8,722,902)
Net differences between projected and actual investment earnings on OPEB plan investments	22,704	-
Contributions paid subsequent to the measurement date	<u>3,267,420</u>	<u>-</u>
Total	<u>\$ 6,269,186</u>	<u>\$ (22,347,624)</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

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

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

	<u>Amount</u>
Year ending March 31:	
2020	\$ (2,116,816)
2021	(2,116,815)
2022	(2,116,816)
2023	(2,116,816)
2024	(2,122,583)
Thereafter	<u>(5,488,592)</u>
	<u>\$ (16,078,438)</u>

D. Actuarial Assumptions

The total OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

Inflation Rate	2.50%
Salary increases:	
Through 2026	1.65 - 8.98%, based on age
Thereafter	2.65 - 9.98%, based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weights Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies of the State of New Jersey's defined benefit pension plans for which 100% of active members are considered to participate in the SHBP upon retirement.

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% as of June 30, 2018. This represents the municipal bond return rate chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

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

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

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.87%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate.

	1% Decrease <u>(2.87%)</u>	Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Authority's proportionate share of the net OPEB liability	\$ <u>50,406,266</u>	\$ <u>42,962,410</u>	\$ <u>37,016,454</u>

G. Health Care Trend Assumptions

For pre-Medicare preferred provider organization ("PPO") and health maintenance organization ("HMO") medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5% For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

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

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

	1% Decrease	Discount Rate	1% Increase
Authority's proportionate share of the net OPEB liability	\$ <u>35,837,539</u>	\$ <u>42,962,410</u>	\$ <u>52,183,053</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 11. RESTRICTED NET POSITION

At March 31, 2019, restricted net position consisted of the following:

<u>Description</u>	<u>Amount</u>
State Debt Leveraging Fund	\$ 14,065
HOPE VI notes receivable and related accrued interest	77,593,561
Bergen Avenue project reserves	511,428
Arlington Gardens project reserves	<u>326,165</u>
	<u>\$ 78,445,219</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. 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 13. 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, 2019, the Authority estimates that no material liabilities will result from such audits.

NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended March 31, 2019, the Authority adopted GASB 75. As a result of adopting GASB 75, the Authority recorded a decrease in the beginning net position and an increase in net OPEB liability in the amount of \$57,590,887.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2019

NOTE 15. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through TBD, which is the date the financial statements were available to be issued. The spread of a novel strain of coronavirus (COVID-19) in the first and second quarter of 2020 has caused significant volatility in U.S. markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the Authority's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on tenants, employees and vendors, all of which are uncertain and cannot be determined at this time.

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

To the Board of Commissioners of the
Jersey City Housing Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Jersey City Housing Authority (the "Authority"), as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise Authority's financial statements, and have issued our report thereon dated July 22, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2019-001, 2019-002, 2019-003, and 2019-004.

Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Novogradac & Company LLP

July 22, 2020
Toms River, New Jersey

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

To the Board of Commissioners of the
Jersey City Housing Authority:

Report on Compliance for 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 Uniform Guidance and the State of New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2019. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Basis for Qualified Opinion on Section 8 Housing Choice Vouchers Program

As described in the accompanying schedule of findings and questioned costs in item 2019-002, the Authority did not comply with the eligibility compliance requirements of the Uniform Guidance regarding maintenance of tenant file items, as required by the Section 8 Housing Choice Vouchers Program (CFDA #14.871). Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements of these programs.

Qualified Opinion on Section 8 Housing Choice Vouchers Program

In our opinion, except for the non-compliance described in the Basis for Qualified Opinion paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Section 8 Housing Choice Vouchers Program.

Basis for Qualified Opinion on Section 8 Mainstream Vouchers Program

As described in the accompanying schedule of findings and questioned costs in item 2019-004, the Authority did not comply with the eligibility compliance requirements of the Uniform Guidance regarding maintenance of tenant file items, as required by the Section 8 Mainstream Vouchers Program (CFDA #14.879). Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements of these programs.

Qualified Opinion on Section 8 Mainstream Vouchers Program

In our opinion, except for the non-compliance described in the Basis for Qualified Opinion paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Section 8 Mainstream Vouchers Program.

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-004 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-003 to be significant deficiencies.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Novogradac & Company LLP

July 22, 2020
Toms River, New Jersey

SUPPLEMENTAL INFORMATION

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2019**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- through Entity Identifying Number</u>	<u>Grant Period From / To</u>		<u>Grant Award</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>							
Housing Voucher Cluster							
Section 8 Housing Choice Vouchers	14.871		4/1/2018	3/31/2019	\$ 46,677,634	\$ 46,677,634	\$ 46,677,634
Mainstream Vouchers	14.879		4/1/2018	3/31/2019	<u>1,928,331</u>	<u>1,928,331</u>	<u>1,928,331</u>
Total Housing Voucher Cluster					<u>48,605,965</u>	<u>48,605,965</u>	<u>48,605,965</u>
Public and Indian Housing	14.850		1/1/2017	12/31/2019	25,809,604	10,697,031	19,593,945
Public Housing Capital Fund	14.872		5/13/2014	4/15/2021	28,281,133	6,207,453	11,976,421
Continuum of Care Program	14.267		4/1/2016	3/31/2019	1,553,671	432,284	1,376,724
Resident Opportunity and Supportive Services - Service Coordinators	14.870		4/15/2018	3/3/2021	984,000	184,213	624,636
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249		4/1/2018	3/31/2019	809,473	809,473	809,473
PIH Family Self Sufficiency Program	14.896		2/19/2019	2/18/2020	<u>249,247</u>	<u>249,247</u>	<u>249,247</u>
Subtotal U.S. Department of Housing and Urban Development - Direct					<u>106,293,093</u>	<u>67,185,666</u>	<u>83,236,411</u>

See accompanying notes to the schedule of expenditures of federal awards.

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED MARCH 31, 2019

U.S. Department of Housing and Urban Development								
Passed through the Hudson County Division of Housing								
and Community Development - Continuum of								
Care Program:								
York Street Project	14.267	N/A	11/7/2018	12/4/2019	355,078	355,078	355,078	
WomenRising	14.267	N/A	6/7/2018	6/7/2019	<u>506,125</u>	<u>506,125</u>	<u>506,125</u>	
Subtotal U.S. Department of Housing and Urban								
Development - Indirect					<u>861,203</u>	<u>861,203</u>	<u>861,203</u>	
Total U.S. Department of Housing and Urban								
Development					<u>107,154,296</u>	<u>68,046,869</u>	<u>84,097,614</u>	
Total Expenditures of Federal Awards					\$ <u>107,154,296</u>	\$ <u>68,046,869</u>	\$ <u>84,097,614</u>	

See accompanying notes to the schedule of expenditures of federal awards.

JERSEY CITY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended March 31, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance, OMB Circular A-87 and the State of New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

JERSEY CITY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED MARCH 31, 2019

NOTE 4. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES - CLOSED GRANTS

	<u>R501-10</u>	<u>C501-11</u>	<u>R501-12</u>	<u>R501-13</u>	<u>501-14</u>	<u>R501-14</u>	<u>R502-10</u>	<u>R502-11</u>	<u>Total</u>
Budget	\$ <u>510,799</u>	\$ <u>998,640</u>	\$ <u>747,574</u>	\$ <u>528,469</u>	\$ <u>3,281,981</u>	\$ <u>535,038</u>	\$ <u>701,776</u>	\$ <u>424,259</u>	\$ <u>7,728,536</u>
<u>Advances:</u>									
Cumulative through 3/31/18	\$ 510,799	\$ 998,640	\$ 747,574	\$ 528,469	\$ 3,281,981	\$ 535,038	\$ 701,776	\$ 424,259	\$ 7,728,536
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative through 3/31/19	<u>510,799</u>	<u>998,640</u>	<u>747,574</u>	<u>528,469</u>	<u>3,281,981</u>	<u>535,038</u>	<u>701,776</u>	<u>424,259</u>	<u>7,728,536</u>
<u>Costs:</u>									
Cumulative through 3/31/18	510,799	998,640	747,574	528,469	3,281,981	535,038	701,776	424,259	7,728,536
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative through 3/31/19	<u>510,799</u>	<u>998,640</u>	<u>747,574</u>	<u>528,469</u>	<u>3,281,981</u>	<u>535,038</u>	<u>701,776</u>	<u>424,259</u>	<u>7,728,536</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>				

NOTES TO SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES - CLOSED GRANTS

- 1) The total amount of Capital Fund Program Costs and Advances for closed grants incurred and earned by the Jersey City Housing Authority as of and for the year ended March 31, 2019 are provided herein.
- 2) The Capital Fund grants listed have been fully drawn down and expended as per Capital Fund grant regulations.

JERSEY CITY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED MARCH 31, 2019

NOTE 5. SCHEDULE OF HOPE VI GRANT COSTS AND ADVANCES - CLOSED GRANTS

	<u>NJ39URD009I101</u>	<u>NJ39URD009I109</u>	<u>Total</u>
Budget	\$ <u>34,140,000</u>	\$ <u>9,422,883</u>	\$ <u>43,562,883</u>
<u>Advances:</u>			
Cumulative through 3/31/18	\$ 34,140,000	\$ 9,422,883	\$ 43,562,883
Current Year	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative through 3/31/19	<u>34,140,000</u>	<u>9,422,883</u>	<u>43,562,883</u>
<u>Costs:</u>			
Cumulative through 3/31/18	34,140,000	9,422,883	43,562,883
Current Year	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative through 3/31/19	<u>34,140,000</u>	<u>9,422,883</u>	<u>43,562,883</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NOTES TO SCHEDULE OF HOPE VI GRANT COSTS AND ADVANCES - CLOSED GRANTS

- 1) The total amount of HOPE VI Grant Costs and Advances for closed grants incurred and earned by the Jersey City Housing Authority as of and for the year ended March 31, 2019 are provided herein.
- 2) The HOPE VI grants listed have been fully drawn down and expended as per HOPE VI grant regulations.

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2019**

I. Summary of Auditors' Results

Financial Statements

- | | | |
|----|---|------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | No |
| 3. | Noncompliance material to the financial statements? | Yes |

Federal Awards

- | | | |
|----|--|-----------------------------------|
| 1. | Internal control over compliance: | |
| | a. Material weakness(es) identified? | Yes |
| | b. Significant deficiency(ies) identified? | Yes |
| 2. | Type of auditors' report on compliance for major programs: | |
| | 14.871 Section 8 Housing Choice Vouchers | Qualified |
| | 14.879 Section 8 Mainstream Vouchers (MS5) | Qualified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes |
| 4. | Identification of major programs: | |
| | <u>CFDA Number</u> | <u>Name of Federal Program</u> |
| | 14.871 | Section 8 Housing Choice Vouchers |
| | 14.879 | Mainstream Vouchers |
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$2,041,406 |
| 6. | Auditee qualified as low-risk Auditee? | Yes |

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED MARCH 31, 2019

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

Reference 2019-001:

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Titles: Section 8 Housing Choice Vouchers Program

Federal Catalog Numbers: 14.871

Noncompliance – N. Special Tests and Provisions – Housing Quality Standards

Non Compliance Material to the Financial Statements: No

Significant Deficiency in Internal Control over Compliance for Special Tests and Provisions

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

Condition: Based upon inspection of the Authority's files and on discussion with management, there were units that had not passed re-inspection within the required thirty day period and abatements had not been processed for those units.

Context: Of a sample size of 20 units that had initially failed inspection, one (1) unit did not pass re-inspection within 30 days. HAP abatements were either not processed or not processed in accordance with Program compliance requirements for the one unit noted. Our sample size is statistically valid.

Cause: There is a significant deficiency in internal controls over the compliance for the special tests and provisions type of compliance related to HQS inspections. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that assures the program is in compliance.

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

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

Authority Response: We agree with the Auditor's observations on the re-inspection of the failed units. However, the PHA must implement more oversight to ensure that the internal control policies are being followed in a timely manner to show improvement in this area.

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED MARCH 31, 2019

III. Federal Award Findings and Questioned Costs (continued)

Reference 2019-002:

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Titles: Section 8 Housing Choice Vouchers Program
Federal Catalog Numbers: 14.871
Material Noncompliance – E. Eligibility – Tenant Files
Non Compliance Material to the Financial Statements: Yes
Material Weakness in Internal Control over Compliance for Eligibility

Criteria: Tenant Files (Section 8 Housing Choice Vouchers Program) - The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516). These files are required to be maintained and available for examination at the time of audit.

Condition: Based upon inspection of the Authority's files and on discussion with management there were a significant number of documents that were unavailable for examination at the time of audit.

Context: There are approximately 4,000 units. Of a sample size of 43 tenant files, the following was noted:

- Original application was missing in 1 file
- HUD 9887 Form was missing in 1 file
- Signed leases were missing in 4 files
- Rent reasonableness documentation was missing in 1 file
- Annual HUD 50058 Form was missing in 1 file
- Verification of income and assets was missing in 1 file
- Annual Inspection report was missing in 1 file

Our sample size is statistically valid.

Known Questioned Costs: \$58,915

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

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

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

Authority Response: The Authority accepts the recommendation of the auditor. The affected files relate to clients that have been on the program for decades and as files get large, archiving takes place. To correct this finding, a directive will be issued to staff that will ensure that when files are archived the original application must be placed in the current working file going forward.

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED MARCH 31, 2019

III. Federal Award Findings and Questioned Costs (continued)

Reference 2019-003:

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Titles: Section 8 Housing Choice Vouchers Program

Federal Catalog Numbers: 14.871

Noncompliance – N. Special Tests and Provisions – Waiting List

Non Compliance Material to the Financial Statements: No

Significant Deficiency in Internal Control over Compliance for Special Tests and Provisions

Criteria: Selections from the Waiting List. The PHA must have written policies in its Housing Choice Vouchers Program administrative plan for selecting applicants from the waiting list and PHA documentation must show that the PHA follows these policies when selecting applicants from the waiting list. Except for as provided in 24 CFR section 982.203 (Special admission (non-waiting list), all families admitted to the program must be selected from the waiting list. “Selection” from the waiting list generally occurs when the PHA notifies a family whose name reaches the top of the waiting list to come in to verify eligibility for admission (24CFR sections 5.410, 982.54(d), and 982.201 through 982.207).

Condition: Based upon inspection of the waiting list provided to us during the time of audit, the new move-in list and discussions with management, it could not be determined with any certainty that certain new move-ins to the Housing Choice Vouchers Program were selected from the wait list in an order that is in accordance with the Authority’s policy.

Context: A sample size of twenty five (25) names were selected from the new move-in list and those names were to be traced to the waiting list to verify that the new move-in were chosen in an order that was in accordance with the Authority’s policy. It was determined that one (1) out of twenty five (25) new move-in selected could not be traced with any certainty back to the Authority's waiting list.

Cause: There is a significant deficiency in internal controls over the compliance for the special tests and provisions type of compliance. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that assures the program is in compliance.

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

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

Authority Response: We agree with the Auditors' findings. The Authority will increase oversight in the Section 8 Housing Choice Vouchers Program to ensure that established internal control policies are being followed on a timely basis.

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED MARCH 31, 2019

III. Federal Award Findings and Questioned Costs (continued)

Reference 2019-004:

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Titles: Section 8 Mainstream Vouchers (MS5)
Federal Catalog Numbers: 14.879
Material Noncompliance – E. Eligibility – Tenant Files
Non Compliance Material to the Financial Statements: Yes
Material Weakness in Internal Control over Compliance for Eligibility

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

Condition: Based upon inspection of the Authority's files and on discussion with management there were a significant number of documents that were unavailable for examination at the time of audit.

Context: There are approximately 194 units. Of a sample size of 12 tenant files, the following was noted:

- Original application was missing in 2 files
- Signed leases were missing in 3 files
- Rent reasonableness documentation was missing in 1 file

Our sample size is statistically valid.

Known Questioned Costs: \$35,840

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

Effect: The Mainstream Vouchers Program is in material non-compliance with the eligibility type of compliance related to the maintenance of tenant files. The non-compliance is also material to the financial statements.

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

Authority Response: The Authority accepts the recommendation of the auditor. The affected files relate to clients that have been on the program for decades and as files get large, archiving takes place. To correct this finding, a directive will be issued to staff that will ensure that when files are archived the original application must be placed in the current working file going forward.

IV. Schedule of Prior Year Audit Findings

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

**JERSEY CITY HOUSING AUTHORITY
REQUIRED PENSION INFORMATION
MARCH 31, 2019**

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

	March 31, <u>2014</u>	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>
Contractually required contribution	\$ 1,170,858	\$ 1,103,948	\$ 1,123,862	\$ 1,028,449	\$ 1,191,422	\$ 1,279,078
Contributions in relation to the contractually required contribution	<u>1,170,858</u>	<u>1,103,948</u>	<u>1,123,862</u>	<u>1,028,449</u>	<u>1,191,422</u>	<u>1,279,078</u>
(Over) / under funded	<u>\$ -</u>					
Authority's covered-employee payroll	<u>\$ 9,483,747</u>	<u>\$ 8,805,692</u>	<u>\$ 9,411,623</u>	<u>\$ 9,856,186</u>	<u>\$ 10,316,181</u>	<u>\$ 10,559,821</u>
Contributions as a percentage of covered-employee payroll	<u>12.35 %</u>	<u>12.54 %</u>	<u>11.94 %</u>	<u>10.43 %</u>	<u>11.55 %</u>	<u>12.11 %</u>

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

	March 31, <u>2014</u>	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>
Authority's proportion of the net pension liability	<u>0.1465 %</u>	<u>0.1363 %</u>	<u>0.1260 %</u>	<u>0.1210 %</u>	<u>0.1286 %</u>	<u>0.1286 %</u>
Authority's proportionate share of the net pension liability	<u>\$28,001,608</u>	<u>\$ 25,521,097</u>	<u>\$ 28,291,027</u>	<u>\$35,829,504</u>	<u>\$29,938,044</u>	<u>\$ 25,319,184</u>
Authority's covered-employee payroll	<u>\$ 9,483,747</u>	<u>\$ 8,805,692</u>	<u>\$ 9,411,623</u>	<u>\$ 9,856,186</u>	<u>\$ 10,316,181</u>	<u>\$ 10,559,821</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>295.26 %</u>	<u>289.83 %</u>	<u>300.60 %</u>	<u>363.52 %</u>	<u>290.20 %</u>	<u>239.77 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>48.72 %</u>	<u>52.08 %</u>	<u>47.93 %</u>	<u>40.14 %</u>	<u>48.10 %</u>	<u>53.60 %</u>

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

**JERSEY CITY HOUSING AUTHORITY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
MARCH 31, 2019**

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

	March 31, <u>2018</u>	March 31, <u>2019</u>
Statutorily required contribution	\$ 4,839,321	\$ 4,670,337
Contributions in relation to the statutorily required contribution	<u>4,839,321</u>	<u>4,670,337</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Authority's covered-employee payroll	\$ <u>10,316,181</u>	\$ <u>10,559,821</u>
Contributions as a percentage of covered-employee payroll	<u>46.91</u> %	<u>44.23</u> %

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

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

	March 31, <u>2018</u>	March 31, <u>2019</u>
Authority's proportion of the net OPEB liability	<u>0.2593</u> %	<u>0.2742</u> %
Authority's proportionate share of the net OPEB liability	\$ <u>52,928,545</u>	\$ <u>42,962,410</u>
Authority's covered-employee payroll	\$ <u>10,316,181</u>	\$ <u>10,559,821</u>
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	<u>513.06</u> %	<u>406.85</u> %
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.03</u> %	<u>1.97</u> %

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

Housing Authority of the City of Jersey City									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2019									
Line Item #	Account Description	PROJECTS	HOUSING CHOICE VOUCHERS	14.890 CAPITAL FUND EDUCATION AND TRAINING COMMUNITIES	SECTION 8 MODERATE REHAB SINGLE ROOM OCC	MAINSTREAM VOUCHERS	14.866 REVITALIZATION OF SEVERLY DISTRESSED PUBLIC HOUSING	14.896 PIH FAMILY SELF-SUFFICIENCY	
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ 4,551,751	\$ 2,073,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	Cash - restricted - modernization and development	14,065	-	-	-	-	-	-	-
113	Cash - other restricted	-	355,828	-	-	-	-	-	-
114	Cash - tenant security deposits	386,324	-	-	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-
100	Total cash	4,952,140	2,428,918	-	-	-	-	-	-
Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	1,375	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	1,677	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	185,462	-	-	-	-	-	-	-
126	Accounts receivable- tenants	212,570	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(171,353)	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	228,054	1,677	-	-	-	-	-	-
Current investments									
131	Investments - unrestricted	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	625,819	4,383	-	-	-	-	-	-
143	Inventories	559,439	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-
144	Interprogram - due from	4,973,383	133,715	-	239,666	206,654	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	11,338,835	2,568,693	-	239,666	206,654	-	-	-
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	2,727,160	-	-	-	-	-	-	-
162	Buildings	181,688,974	-	-	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	198,146	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	963,010	205,179	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(126,954,551)	(138,973)	-	-	-	-	-	-
167	Construction in Progress	6,747,841	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	65,370,580	66,206	-	-	-	-	-	-
Other non-current assets:									
171	Notes and mortgages receivable - non-current	75,793,561	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	141,164,141	66,206	-	-	-	-	-	-
200	DEFERRED OUTFLOWS RESOURCES	4,704,846	1,613,885	-	-	-	-	-	-
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 157,207,822	\$ 4,248,784	\$ -	\$ 239,666	\$ 206,654	\$ -	\$ -	\$ -

Housing Authority of the City of Jersey City									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2019									
Line Item #	Account Description	PROJECTS	HOUSING CHOICE VOUCHERS	14.890 CAPITAL FUND EDUCATION AND TRAINING COMMUNITIES	SECTION 8 MODERATE REHAB SINGLE ROOM OCC	MAINSTREAM VOUCHERS	14.866 REVITALIZATION OF SEVERLY DISTRESSED PUBLIC HOUSING	14.896 PIH FAMILY SELF-SUFFICIENCY	
LIABILITIES AND EQUITY:									
Liabilities:									
Current Liabilities:									
311	Bank overdraft	-	-	-	-	-	-	-	-
312	Accounts payable < 90 days	167,108	75,494	-	-	-	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	173,384	52,054	-	-	-	-	-	-
322	Accrued compensated absences - current portion	114,755	26,175	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	120,504	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	56,332	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-
341	Tenant security deposits	386,324	-	-	-	-	-	-	-
342	Unearned Revenue	254,592	-	-	-	-	-	-	-
343	Current portion of L-T debt - capital projects	1,157,931	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	275,001	-	-	-	-	-	-	-
345	Other current liabilities	94,077	-	-	-	-	-	-	-
346	Accrued liabilities - other	104,698	-	-	-	-	-	-	-
347	Interprogram - due to	1,360,891	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	4,209,265	153,723	-	56,332	-	-	-	-
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	9,036,953	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	7,405,427	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	397,828	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	1,032,803	235,571	-	-	-	-	-	-
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	26,813,650	9,197,773	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	44,288,833	9,831,172	-	-	-	-	-	-
300	TOTAL LIABILITIES	48,498,098	9,984,895	-	56,332	-	-	-	-
400	DEFERRED INFLOW OF RESOURCES	12,687,386	4,352,101	-	-	-	-	-	-
EQUITY:									
508.1	Net Investment in Capital Assets	55,175,696	66,206	-	-	-	-	-	-
511.1	Restricted Net Position	75,807,626	-	-	-	-	-	-	-
512.1	Unrestricted Net Position	(34,960,984)	(10,154,418)	-	183,334	206,654	-	-	-
513	TOTAL EQUITY	96,022,338	(10,088,212)	-	183,334	206,654	-	-	-
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY	\$ 157,207,822	\$ 4,248,784	\$ -	\$ 239,666	\$ 206,654	\$ -	\$ -	\$ -

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2019							
Line Item #	Account Description	STATE/LOCAL	14.870 RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES	14.267 CONTINUM OF CARE PROGRAM	COCC	ELIMINATION	TOTAL
ASSETS:							
CURRENT ASSETS:							
Cash:							
111	Cash - unrestricted	\$ 433,548	\$ -	\$ -	\$ 314,785	\$ -	\$ 7,373,174
112	Cash - restricted - modernization and development	-	-	-	-	-	14,065
113	Cash - other restricted	837,595	-	-	-	-	1,193,423
114	Cash - tenant security deposits	78,871	-	-	-	-	465,195
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-
100	Total cash	1,350,014	-	-	314,785	-	9,045,857
Accounts and notes receivables:							
121	Accounts receivable - PHA projects	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	38,164	5,167	-	-	44,706
124	Accounts receivable - other government	223,614	-	-	-	-	225,291
125	Accounts receivable - miscellaneous	127,742	-	-	173,955	-	487,159
126	Accounts receivable - tenants	30,484	-	-	-	-	243,054
126.1	Allowance for doubtful accounts - tenants	(10,580)	-	-	-	-	(181,933)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	371,260	38,164	5,167	173,955	-	818,277
Current investments							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	41,176	1,668	-	159,428	-	832,474
143	Inventories	86,061	-	-	-	-	645,500
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	-	-	10,726	355,828	(5,919,972)	-
145	Assets held for sale	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	1,848,511	39,832	15,893	1,003,996	(5,919,972)	11,342,108
NONCURRENT ASSETS:							
Fixed assets:							
161	Land	1,472,667	-	-	896,369	-	5,096,196
162	Buildings	7,836,323	-	-	13,671,050	-	203,196,347
163	Furniture, equipment & machinery - dwellings	30,270	-	-	-	-	228,416
164	Furniture, equipment & machinery - administration	5,751	-	-	730,384	-	1,904,324
165	Leaschold improvements	-	-	-	-	-	-
166	Accumulated depreciation	(5,464,033)	-	-	(11,731,783)	-	(144,289,340)
167	Construction in Progress	467,072	-	-	-	-	7,214,913
168	Infrastructure	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	4,348,050	-	-	3,566,020	-	73,350,856
Other non-current assets:							
171	Notes and mortgages receivable - non-current	1,800,000	-	-	-	-	77,593,561
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	6,148,050	-	-	3,566,020	-	150,944,417
200	DEFERRED OUTFLOWS RESOURCES	415,592	-	-	5,246,686	-	11,981,009
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 8,412,153	\$ 39,832	\$ 15,893	\$ 9,816,702	\$ (5,919,972)	\$ 174,267,534

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2019							
Line Item #	Account Description	STATE/LOCAL	14.870 RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES	14.267 CONTINUM OF CARE PROGRAM	COCC	ELIMINATION	TOTAL
LIABILITIES AND EQUITY:							
Liabilities:							
Current Liabilities:							
311	Bank overdraft	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	22,432	-	-	54,530	-	319,564
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	11,762	-	-	203,862	-	441,062
322	Accrued compensated absences - current portion	7,361	-	-	126,435	-	274,726
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	120,504
331	Accounts payable - HUD PHA programs	-	-	-	-	-	56,332
332	Accounts payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	78,871	-	-	-	-	465,195
342	Unearned Revenue	-	-	-	-	-	254,592
343	Current portion of L-T debt - capital projects	127,002	-	-	-	-	1,284,933
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	275,001
345	Other current liabilities	-	-	-	472	-	94,549
346	Accrued liabilities - other	9,998	-	-	117,626	-	232,322
347	Interprogram - due to	2,170,475	39,832	-	2,348,774	(5,919,972)	-
310	TOTAL CURRENT LIABILITIES	2,427,901	39,832	-	2,851,699	(5,919,972)	3,818,780
NONCURRENT LIABILITIES:							
351	Long-term debt, net of current - capital projects	2,790,679	-	-	-	-	11,827,632
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	7,405,427
353	Non-current liabilities- other	-	-	-	-	-	397,828
354	Accrued compensated absences - noncurrent	66,249	-	-	1,137,917	-	2,472,540
355	Loan Liability - Non Current	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	2,368,517	-	-	29,901,654	-	68,281,594
350	TOTAL NONCURRENT LIABILITIES	5,225,445	-	-	31,039,571	-	90,385,021
300	TOTAL LIABILITIES	7,653,346	39,832	-	33,891,270	(5,919,972)	94,203,801
400	DEFERRED INFLOW OF RESOURCES	1,120,709	-	-	14,148,527	-	32,308,723
EQUITY:							
508.1	Net Investment in Capital Assets	1,430,369	-	-	3,566,020	-	60,238,291
511.1	Restricted Net Position	2,637,593	-	-	-	-	78,445,219
512.1	Unrestricted Net Position	(4,429,864)	-	15,893	(41,789,115)	-	(90,928,500)
513	TOTAL EQUITY	(361,902)	-	15,893	(38,223,095)	-	47,755,010
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY	\$ 8,412,153	\$ 39,832	\$ 15,893	\$ 9,816,702	\$ (5,919,972)	\$ 174,267,534

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2019								
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	14.890 CAPITAL FUND EDUCATION AND TRAINING COMMUNITIES	SECTION 8 MODERATE REHAB SINGLE ROOM OCC	MAINSTREAM VOUCHERS	14.896 PIH FAMILY SELF-SUFFICIENCY
REVENUE:								
70300	Net tenant rental revenue	\$ 8,678,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	158,219	-	-	-	-	-	-
70500	Total tenant revenue	8,836,293	-	-	-	-	-	-
70600	HUD PHA grants	10,697,031	3,601,078	45,170,683	-	809,473	2,099,362	-
70610	Capital grants	-	2,606,375	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-
71100	Investment income - unrestricted	16,310	-	14,745	-	-	-	-
71200	Mortgage interest income	2,613,988	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-
71400	Fraud recovery	12,553	-	149,203	-	-	-	-
71500	Other revenue	292,998	-	32,549	-	-	-	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	TOTAL REVENUE	22,469,173	6,207,453	45,367,180	-	809,473	2,099,362	-
EXPENSES:								
Administrative								
91100	Administrative salaries	1,012,433	-	762,762	-	56,753	95,371	-
91200	Auditing fees	11,381	-	22,123	-	2,500	1,700	-
91300	Outside management fees	1,370,574	235,310	659,075	-	13,284	27,912	-
91310	Book-keeping fee	138,331	-	359,865	-	8,302	17,445	-
91400	Advertising and marketing	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	1,028,738	-	835,904	-	28,377	47,686	-
91600	Office expenses	74,278	-	80,840	-	-	-	-
91700	Legal expenses	119,764	-	61,031	-	-	-	-
91800	Travel	3,827	-	2,804	-	-	-	-
91810	Allocated overhead	-	-	-	-	-	-	-
91900	Other	1,064,570	105,640	141,870	-	-	-	-
	Total administrative	4,823,896	340,950	2,926,274	-	109,216	190,114	-
92000	Asset Management Fee	146,640	-	-	-	-	-	-
Tenant services								
92100	Tenant services - salaries	-	-	31,604	-	-	-	-
92200	Relocation costs	450	1,149	-	-	-	-	-
92300	Employee benefit contributions- tenant services	30,771	2,518	2,117	-	-	-	-
92400	Tenant services - other	100,635	-	1,200	-	-	-	-
	Total tenant services	131,856	3,667	34,921	-	-	-	-
Utilities								
93100	Water	1,332,572	-	-	-	-	-	-
93200	Electricity	1,028,241	-	-	-	-	-	-
93300	Gas	1,018,572	-	-	-	-	-	-
93400	Fuel	574,051	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-
93800	Other utilities expense	105,177	-	-	-	-	-	-
	Total utilities	4,058,613	-	-	-	-	-	-

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2019								
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	14.890 CAPITAL FUND EDUCATION AND TRAINING COMMUNITIES	SECTION 8 MODERATE REHAB SINGLE ROOM OCC	MAINSTREAM VOUCHERS	14.896 PIH FAMILY SELF-SUFFICIENCY
	Ordinary maintenance & operation							
94100	Ordinary maintenance and operations - labor	2,983,777	253,635	181,980	-	-	-	-
94200	Ordinary maintenance and operations - materials & other	707,064	-	5,047	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	2,822,172	-	-	-	-	-	-
94500	Employee benefit contributions- ordinary maintenance	2,039,635	71,603	24,679	-	-	-	-
	Total ordinary maintenance	8,552,648	325,238	211,706	-	-	-	-
	Protective services							
95100	Protective services - labor	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-
	Total protective services	-	-	-	-	-	-	-
	General expenses							
96100	Insurance premiums	-	-	-	-	-	-	-
96110	Property Insurance	267,678	-	139	-	-	-	-
96120	Liability Insurance	295,183	-	73,871	-	-	-	-
96130	Workmen's Compensation	177,964	12,079	28,079	-	-	-	-
96140	All Other Insurance	70,115	-	-	-	-	-	-
96200	Other general expenses	1,758,183	-	258,606	-	-	-	-
96210	Compensated absences	75,214	-	18,740	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	58,153	-	-	-	-	-	-
96500	Bad debt- mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	655,888	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-
96710	Interest of mortgage (or bonds) payable	104,895	279,124	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
	Total general expenses	2,807,385	291,203	1,035,323	-	-	-	-
96900	TOTAL OPERATING EXPENSES	20,521,038	961,058	4,208,224	-	109,216	190,114	-
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	1,948,135	5,246,395	41,158,956	-	700,257	1,909,248	-
97100	Extraordinary maintenance	6,385	959,678	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	42,414,143	-	715,316	1,738,217	-
97350	HAP Portability - in	-	-	-	-	-	-	-
97400	Depreciation expense	5,352,783	-	22,453	-	-	-	-
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	25,880,206	1,920,736	46,644,820	-	824,532	1,928,331	-

Housing Authority of the City of Jersey City									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2019									
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	14.890 CAPITAL FUND EDUCATION AND TRAINING COMMUNITIES	SECTION 8 MODERATE REHAB SINGLE ROOM OCC	MAINSTREAM VOUCHERS	14.896 PIH FAMILY SELF-SUFFICIENCY	
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	1,946,282	-	-	-	-	-	-	-
10020	Operating transfers out	-	(1,946,282)	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	500,000	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	(500,000)	-	-	-	-	-	-	-
10093	Transfers between program and project in	742,772	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	2,689,054	(1,946,282)	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (721,979)	\$ 2,340,435	\$ (1,277,640)	\$ -	\$ (15,059)	\$ 171,031	\$ -	\$ -
MEMO ACCOUNT INFORMATION:									
11020	Required annual debt principal payments	662,936	480,000	-	-	-	-	-	-
11030	Beginning equity	118,081,754	(1,880,434)	(1,052,875)	818,059	198,393	35,623	-	-
11040	Prior period adjustments and equity transfers	(21,337,437)	(460,001)	(7,757,697)	(818,059)	-	-	-	-
11170	Administrative fee equity	-	-	(9,326,319)	-	-	-	-	-
11180	Housing assistance payments equity	-	-	(535,668)	-	-	-	-	-
		-	-	(9,861,987)	-	-	-	-	-
11190	Unit months available	26,769	-	50,804	-	1,200	2,603	-	-
11210	Number of unit months leased	25,209	-	47,996	-	1,106	2,332	-	-
Equity Roll Forward Test:									
	Calculation from R/E Statement	\$ 96,022,338	\$ -	\$ (10,088,212)	\$ -	\$ 183,334	\$ 206,654	\$ -	\$ -
	B/S Line 513	\$ 96,022,338	\$ -	\$ (10,088,212)	\$ -	\$ 183,334	\$ 206,654	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2019								
Line Item #	Account Description	14.896 PIH FAMILY SELF-SUFFICIENCY	STATE/LOCAL	14.870 RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES	14.267 CONTINIUM OF CARE PROGRAM	COCC	ELIMINATION	TOTAL
REVENUE:								
70300	Net tenant rental revenue	\$ -	\$ 1,220,956	\$ -	\$ -	\$ -	\$ -	9,899,030
70400	Tenant revenue - other	-	-	-	-	-	-	158,219
70500	Total tenant revenue	-	1,220,956	-	-	-	-	10,057,249
70600	HUD PHA grants	249,247	-	184,213	1,293,487	-	-	64,104,574
70610	Capital grants	-	-	-	-	-	-	2,606,375
70710	Management fee	-	-	-	-	2,343,124	(2,343,124)	-
70720	Asset management fee	-	-	-	-	146,640	(146,640)	-
70730	Book keeping fee	-	-	-	-	523,943	(523,943)	-
70740	Front line service fee	-	-	-	-	2,631,537	(2,631,537)	-
70750	Other fees	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-
71100	Investment income - unrestricted	-	1,419	-	-	7,400	-	39,874
71200	Mortgage interest income	-	-	-	-	-	-	2,613,988
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	161,756
71500	Other revenue	-	590,538	-	-	1,380,274	-	2,296,359
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	TOTAL REVENUE	249,247	1,812,913	184,213	1,293,487	7,032,918	(5,645,244)	81,880,175
EXPENSES:								
Administrative								
91100	Administrative salaries	21,964	116,651	106,290	37,599	2,758,364	-	4,968,187
91200	Auditing fees	-	16,861	-	-	3,415	-	57,980
91300	Outside management fees	-	-	-	-	-	(2,306,155)	-
91310	Book-keeping fee	-	-	-	-	-	(523,943)	-
91400	Advertising and marketing	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	42,442	84,786	47,535	1,776	1,737,090	-	3,854,334
91600	Office expenses	-	4,081	10,840	-	48,583	(36,969)	181,653
91700	Legal expenses	-	14,570	-	-	32,362	(191,309)	36,418
91800	Travel	-	421	1,908	-	32,132	-	41,092
91810	Allocated overhead	-	-	-	-	-	-	-
91900	Other	502	25,717	12,743	283	181,446	-	1,532,771
	Total administrative	64,908	263,087	179,316	39,658	4,793,392	(3,058,376)	10,672,435
92000	Asset Management Fee	-	-	-	-	-	(146,640)	-
Tenant services								
92100	Tenant services- salaries	116,215	-	-	-	-	-	147,819
92200	Relocation costs	-	-	-	-	-	-	1,599
92300	Employee benefit contributions- tenant services	66,712	2,195	-	-	7,819	-	112,132
92400	Tenant services - other	-	-	-	-	2,750	-	104,585
	Total tenant services	182,927	2,195	-	-	10,569	-	366,135
Utilities								
93100	Water	-	159,163	-	-	-	-	1,491,735
93200	Electricity	-	28,107	-	-	97,448	-	1,153,796
93300	Gas	-	85,072	-	-	2,904	-	1,106,548
93400	Fuel	-	-	-	-	-	-	574,051
93600	Sewer	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-
93800	Other utilities expense	-	1,403	-	-	-	-	106,580
	Total utilities	-	273,745	-	-	100,352	-	4,432,710

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2019								
Line Item #	Account Description	14.896 PIH FAMILY SELF-SUFFICIENCY	STATE/LOCAL	14.870 RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES	14.267 CONTINIUM OF CARE PROGRAM	COCC	ELIMINATION	TOTAL
	Ordinary maintenance & operation							
94100	Ordinary maintenance and operations - labor	-	249,711	-	-	1,774,712	-	5,443,815
94200	Ordinary maintenance and operations - materials & other	-	70,867	-	-	56,424	-	839,402
94300	Ordinary maintenance and operations - contract costs	-	187,281	-	-	5,179	(2,440,228)	574,404
94500	Employee benefit contributions- ordinary maintenance	4	227,394	-	-	1,084,950	-	3,448,265
	Total ordinary maintenance	4	735,253	-	-	2,921,265	(2,440,228)	10,305,886
	Protective services							
95100	Protective services - labor	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-
	Total protective services	-	-	-	-	-	-	-
	General expenses							
96100	Insurance premiums	-	-	-	-	-	-	-
96110	Property Insurance	-	23,667	-	-	1,783	-	293,267
96120	Liability Insurance	-	19,502	-	-	12,502	-	401,058
96130	Workmen's Compensation	1,408	15,874	4,939	286	158,537	-	399,166
96140	All Other Insurance	-	536	-	-	19,084	-	89,735
96200	Other general expenses	-	60,780	-	-	73,460	-	2,151,029
96210	Compensated absences	-	-	-	-	238,956	-	332,910
96300	Payments in lieu of taxes	-	18,831	-	-	-	-	18,831
96400	Bad debt - tenant rents	-	7,973	-	-	-	-	66,126
96500	Bad debt- mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	655,888
96700	Interest expense	-	-	-	-	-	-	-
96710	Interest of mortgage (or bonds) payable	-	82,357	-	-	-	-	466,376
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
	Total general expenses	1,408	229,520	4,939	286	504,322	-	4,874,386
96900	TOTAL OPERATING EXPENSES	249,247	1,503,800	184,255	39,944	8,329,900	(5,645,244)	30,651,552
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	-	309,113	(42)	1,253,543	(1,296,982)	-	51,228,623
97100	Extraordinary maintenance	-	-	-	-	-	-	966,063
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	1,234,664	-	-	46,102,340
97350	HAP Portability - in	-	-	-	-	-	-	-
97400	Depreciation expense	-	221,161	-	-	503,484	-	6,099,881
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	249,247	1,724,961	184,255	1,274,608	8,833,384	(5,645,244)	83,819,836

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2019								
Line Item #	Account Description	14.896 PIH FAMILY SELF-SUFFICIENCY	STATE/LOCAL	14.870 RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES	14.267 CONTINIUM OF CARE PROGRAM	COCC	ELIMINATION	TOTAL
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	-	-	-	-	-	(1,946,282)	-
10020	Operating transfers out	-	-	-	-	-	1,946,282	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	(500,000)	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	500,000	-
10093	Transfers between program and project in	-	-	-	-	-	(742,772)	-
10094	Transfers between program and project out	-	-	-	-	(742,772)	742,772	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(742,772)	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ -	\$ 87,952	\$ (42)	\$ 18,879	\$ (2,543,238)	\$ -	\$ (1,939,661)
MEMO ACCOUNT INFORMATION:								
11020	Required annual debt principal payments	-	-	-	-	-	-	1,142,936
11030	Beginning equity	-	1,544,630	42	213	(10,459,847)	-	107,285,558
11040	Prior period adjustments and equity transfers	-	(1,994,484)	-	(3,199)	(25,220,010)	-	(57,590,887)
11170	Administrative fee equity	-	-	-	-	-	-	(9,326,319)
11180	Housing assistance payments equity	-	-	-	-	-	-	(535,668)
		-	-	-	-	-	-	(9,861,987)
11190	Unit months available	-	1,632	-	456	-	-	83,464
11210	Number of unit months leased	-	1,344	-	433	-	-	78,420
		-	-	-	-	-	-	-
	Equity Roll Forward Test:							
	Calculation from R/E Statement	\$ -	\$ (361,902)	\$ -	\$ 15,893	\$ (38,223,095)	\$ -	\$ 47,755,010
	B/S Line 513	\$ -	\$ (361,902)	\$ -	\$ 15,893	\$ (38,223,095)	\$ -	\$ 47,755,010
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -