

JERSEY CITY
HOUSING AUTHORITY
Jersey City, New Jersey

FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

JERSEY CITY HOUSING AUTHORITY
Jersey City, New Jersey
FINANCIAL STATEMENTS
For the Fiscal Year Ended March 31, 2020

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Polcari & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Jersey City Housing Authority, which comprise the Comparative Statements of Net Position as of March 31, 2020 and the related Comparative Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the years ended, and the related notes to the financial statements.

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.

Auditor's 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. 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 auditor's 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 auditor considers 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jersey City Housing Authority, as of March 31, 2020, and the respective changes in net position and cash flows thereof for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the notes to the financial statements, the Authority adopted Governmental Accounting Standards Board Statement No. 75 Accounting and *Financial Reporting for Postemployment Benefits Other Pensions – an Amendment of GASB Statement No. 45* during the prior fiscal year. Our opinion is not modified with respect to 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 presented on pages 1-5 and the Supplemental Schedules pertaining to the Public Employees Retirement System and Other Postemployment Benefits presented on pages 35-38 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 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 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.

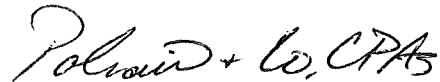
Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Jersey City Housing Authority. The Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial data schedule and the schedule of expenditures of federal awards for the year ended March 31, 2020 are the responsibility of management and were derived from and directly relate to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 general accepted in the United States of America. In our opinion, the financial data schedule and the schedule of expenditures of federal awards 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 December 10, 2021 on our consideration of the Jersey City Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
December 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2020

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, 2020. 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, 2020

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, 2020

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, 2020 and 2019:

	2020	2019	Increase (Decrease)	Percent Variance
Assets:				
Cash & cash equivalents	\$ 7,974,648	\$ 7,373,174	\$ 601,474	8.16%
Other current assets	3,367,544	2,761,446	606,098	21.95%
Capital assets, net	70,350,582	73,350,856	(3,002,274)	-4.09%
Noncurrent assets	81,852,454	78,801,049	3,051,405	3.87%
Total assets	163,545,228	162,286,525	1,258,703	0.78%
Deferred Outflows of Resources	6,119,530	11,981,009	(5,861,479)	-48.92%
Total assets and deferred outflows of resources	\$ 169,664,758	\$ 174,267,534	\$ (4,602,776)	-2.64%
Liabilities:				
Current Liabilities	4,207,046	3,818,780	388,266	10.17%
Noncurrent Liabilities	77,894,025	90,385,021	(12,490,996)	-13.82%
Total Liabilities	82,101,071	94,203,801	(12,102,730)	-12.85%
Deferred Inflows of Resources	37,567,353	32,308,723	5,258,630	16.28%
Net position:				
Net Invested In capital assets	58,523,062	60,238,291	(1,715,229)	-2.85%
Restricted net position	79,575,939	78,445,219	1,130,720	1.44%
Unrestricted net position	(88,102,667)	(90,928,500)	2,825,833	-3.11%
Total net position	49,996,334	47,755,010	2,241,324	4.69%
Total Liabilities, Deferred Outflows of resources and net position	\$ 169,664,758	\$ 174,267,534	\$ (4,602,776)	-2.64%

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2020

Financial position and analysis (continued)

Cash and Cash Equivalents (excluding restricted cash) increased by \$601,474 or 8.16%. This is primarily due to the Authority reporting cash flows from operations of approximately \$2,590,000. That increase in cash flow is reduced by fixed assets acquisitions of \$960,000 and payments of debt principal of approximately \$1,080,000.

Other Current Assets increased by \$606,098 or 21.95% primarily due to an increase in miscellaneous grants receivable.

Current Liabilities increased by \$388,266 or 10.17% primarily due to a substantial increase in accounts payable at year-end.

Noncurrent Liabilities decreased by \$12,490,996 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:

	2020	2019	Increase (Decrease)	Percent Variance
Operating revenue & expense				
Operating revenue	\$ 84,855,730	\$ 76,619,938	\$ 8,235,792	10.75%
Operating expenses	86,971,198	83,353,7460	3,617,738	4.34%
Operating loss	(2,115,468)	(6,733,522)	4,618,054	68.58%
Net non-operating revenue (expense)	4,356,792	2,187,486	2,169,306	99.17%
Change in net position	2,241,324	(1,939,661)	4,180,985	-215.55%
Net position, beginning of year	47,755,010	107,285,558	(59,530,548)	-55.49%
Change in accounting principle - adoption of GASB 75	—	(57,590,887)	57,590,887	-100.00%
Net position, end of year	\$ 49,996,334	\$ 47,755,010	\$ 2,241,324	4.69%

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2020

Financial position and analysis (continued)

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

	2020	2019	Increase (Decrease)	Percent Variance
Operating revenue				
Tenant revenue	\$10,378,182	\$10,057,249	\$ 320,933	3.19%
HUD operating grants	68,926,267	64,104,574	3,720,952	5.80%
Other income	5,551,281	2,458,115	4,193,907	170.61%
Total operating revenue	<u>84,855,730</u>	<u>76,619,938</u>	<u>8,235,792</u>	10.75%
Non-operating revenues				
Investment income	27,880	39,874	(11,994)	-30.08%
Mortgage Interest Income	1,795,667	2,613,988	(818,321)	-31.31%
Capital grants	2,959,627	2,606,375	353,252	13.55%
Total non-operating revenues	<u>4,783,174</u>	<u>5,260,237</u>	<u>(477,063)</u>	-9.07%
Total revenues	<u>\$ 89,638,904</u>	<u>\$ 81,880,175</u>	<u>\$ 7,758,729</u>	9.48%

Operating Loss decreased \$4,618,054 or 68.58%, primarily due to an increase of approximately \$1,100,000 in HUD public operating subsidies, an increase of \$800,000 in accrued mortgage interest income, an increase of approximately \$400,000 in HUD capital grants and a reduction in net accrued Pension and OPEB expense of approximately \$1,200,000.

HUD Operating Grants Increased by \$3,720,952 from the prior year, or by 5.80% This was primarily due to the Authority receiving \$1,031,372 more in Public Housing operating subsidies in 2020 than it received in 2019. The Authority also received an increase of \$1,647,156 (3.5%) in housing choice voucher program subsidies, due to normal inflationary increase in the residential rental market in Jersey City.

Capital Grants increased by \$353,252 or 13.55% as the Authority did more capital improvements in 2020 than it did in 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2020

Financial position and analysis (continued)

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

	2020	2019	Increase (Decrease)	Percent Variance
Administrative	\$10,830,637	\$ 10,672,435	\$ 158,202	1.48%
Tenant services	705,934	366,135	339,799	92.81%
Utilities expense	4,218,285	4,432,710	(214,425)	-4.84%
Maintenance	11,367,508	10,305,886	1,061,622	10.30%
Protective services	4,133	-	4,133	-100.00%
Insurance	764,113	1,183,226	(419,113)	-35.42%
General expense	3,888,607	3,224,784	663,823	20.59%
Extraordinary maintenance expense	551,584	966,063	(414,479)	-42.90%
Depreciation expenses	6,452,898	6,099,881	353,107	5.79%
Housing assistance payments	48,187,499	46,102,340	2,085,159	4.52%
Total expenses	\$ 86,971,198	\$ 83,353,460	\$ 3,617,738	4.34%

Administrative Expenses increased by \$158,202 or 1.48%, 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 \$214,425 or 4.84% primarily due to decreases in electricity and gas charges.

Extraordinary maintenance expense decreased by \$414,479 (from \$966,063 in FY 2019 to \$551,584) in FY 2020. This is primarily due to a reduction of expenses associated with the Public Housing program.

Depreciation Expenses increased by \$353,107 or 5.79%, primarily due to assets becoming fully depreciated during the year.

Housing Assistance Payments increased by \$2,085,159 or 4.52% 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, 2020

Capital assets

Table 5 summarizes the Authority's capital assets:

	2020	2019	Increase (Decrease)	Percent Variance
Land	\$ 5,096,196	\$ 5,096,196	\$ -	0.00%
Buildings, improvements and equip	210,850,798	205,329,087	5,521,711	2.69%
Construction In progress	5,145,825	7,214,913	(2,069,088)	-28.68%
	<u>221,092,819</u>	<u>217,640,196</u>	<u>3,452,623</u>	<u>1.59%</u>
Less: accumulated depreciation	(150,742,238)	(144,289,340)	(6,452,898)	4.47%
Capital assets, net	<u>\$ 70,350,581</u>	<u>\$ 73,350,856</u>	<u>\$ (3,000,275)</u>	<u>-4.09%</u>

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, 2020

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, 2019	\$ 4,819,885
Current year debt paid	<u>677,938</u>
March 31, 2020	<u>\$ 4,141,847</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, 2019	\$ 5,375,000
Current year debt paid	<u>480,000</u>
March 31, 2020	<u>\$ 4,895,000</u>

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

March 31, 201	\$ 276,559
Current year debt paid	<u>72,008</u>
March 31, 2020	<u>\$ 204,551</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2020

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, 2019	\$ 1,073,315
Current year debt paid	
March 31, 2020	<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, 2019	\$ 283,860
Current year debt paid	
March 31, 2020	<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, 2019	\$ 1,283,946
Current year debt paid	<u>54,999</u>
March 31, 2020	<u>\$ 1,228,947</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2020

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, 2019	\$ 7,680,428
Current year borrowing	<u>275,000</u>
March 31, 2020	<u>\$ 7,405,428</u>

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

Significant economic factors affecting the Authority are as follows:

- Federal funding of the US Department of Housing and Urban Development (HUD).
- Local Labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends which can affect resident incomes and therefore, the amount of rental income.
- Inflationary pressure on utility rates, supplies, insurance, healthcare, community safety and other costs.
- Regulations, licensing and/or insurance requirements that affect the cost of materials, supplies and services, such as mandated upgrades to meet building code requirements and employee safety practices that require special equipment, workforce training and/or modified work practices.

Request for Information

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

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

JERSEY CTY HOUSING AUTHORITY
Jersey City, New Jersey
COMPARATIVE STATEMENTS OF NET POSITION
At March 31, 2020

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	March 31, 2020
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents - Unrestricted	\$ 7,974,648
Cash and Cash Equivalents - Restricted	2,505,487
Tenant Security Deposits	488,364
Accounts Receivable - Tenants (Net)	81,378
Accounts Receivable - HUD	40,012
Accounts Receivable - Other Government	771,979
Accounts Receivable Miscellaneous	428,476
Inventory	640,082
Prepaid Expenses and Other Current Assets	917,253
Total Current Assets	13,847,679
 <u>FIXED ASSETS</u>	
Land	5,096,197
Buildings	207,169,051
Furniture, Equipment and Machinery	3,681,747
Construction in Progress	5,145,825
Total Fixed Assets	221,092,820
Less: Accumulated Depreciation	(150,742,238)
Net Fixed Assets	70,350,582
 Notes, Loans, & Mortgages Receivable - Non-Current	 79,346,967
Deferred Outflow of Resources	6,119,530
Total Assets and Deferred Outflow of Resources	\$ 169,664,758

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

<u>CURRENT LIABILITIES</u>	
Accounts Payable - Vendors	\$ 251,177
Accounts Payable - HUD	65,888
Accrued Payroll and Related Taxes	383,370
Accrued Interest Payable	109,239
Tenant Security Deposits	488,364
Unearned Revenue	345,715
Current Portion of LT Debt - Capital Projects	1,332,888
Current Portion of LT Debt - Operating Borrowings	275,000
Other Current Liabilities	686,396
Compensated Absences - Current Portion	269,009
Total Current Liabilities	4,207,046
 Long Term Debt - Capital Projects	 10,494,632
Long Term Debt - Operating Borrowings	7,130,428
Other Noncurrent Liabilities	-
Accrued Compensated Absences - Noncurrent	2,421,082
Accrued Pension and OPEB Liabilities	57,847,883
Total Liabilities	82,101,071
 Deferred Inflow of Resources	 37,567,353
 <u>NET POSITION</u>	
Net Investment in Capital Assets	58,523,062
Restricted	79,575,939
Unrestricted	(88,102,667)
Total Net Position	\$ 49,996,334

See Notes to Financial Statements.

JERSEY CTY HOUSING AUTHORITY
Jersey City, New Jersey
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended March 31, 2020

	<u>For the Year Ended March 31, 2020</u>
<u>OPERATING REVENUES</u>	
Total Tenant Revenue	\$ 10,378,182
HUD Operating Grants	68,926,267
Other	<u>5,551,281</u>
Total Operating Revenues	<u>84,855,730</u>
<u>OPERATING EXPENSES</u>	
Administration	10,830,637
Tenant Services	705,934
Utilities	4,218,285
Maintenance & Operations	11,367,508
Protective Services	4,133
General Expense	5,204,304
Housing Assistance Payments	48,187,499
Depreciation Expense	<u>6,452,898</u>
Total Operating Expenses	<u>86,971,198</u>
Excess of Operating Revenues Over Expenses	(2,115,468)
<u>NON OPERATING REVENUES/(EXPENSES)</u>	
Interest Income	27,880
Mortgage Interest Income	1,795,667
Interest Expense	<u>(426,382)</u>
Excess of Non Operating Revenues Over Expenses	<u>1,397,165</u>
Income/(Loss) Before Contributions and Transfers	(718,303)
Capital Grants	<u>2,959,627</u>
Increase/(Decrease) In Net Position	2,241,324
Beginning Net Position	<u>47,755,010</u>
Prior Period Adjustments	<u>-</u>
Ending Net Position	<u>\$ 49,996,334</u>

See Notes to Financial Statements.

JERSEY CTY HOUSING AUTHORITY
Jersey City, New Jersey
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Year Ended March 31, 2020

	<u>For the Year Ended March 31, 2020</u>
<u>CASH FLOWS FORM OPERATING ACTIVITIES</u>	
Cash Received:	
From Tenants Revenues	\$ 10,472,217
From Government Agencies for Operating Grants	68,384,273
For Other Operating Revenues	3,856,558
Cash Paid:	
To Employees for Operations	(10,477,508)
To Suppliers for Operations	(21,458,257)
For Housing Assistance Payments	(48,187,499)
Net Cash Provided by Operating Activities	<u>2,589,784</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Interest Paid	(437,647)
Acquisition of Property and Equipment	(3,452,624)
Capital Grants Received	2,959,627
Principal Payments on Loans Payable	(1,560,045)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(2,490,689)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Income	<u>1,823,547</u>
Net Cash Provided by Investing Activities	<u>1,823,547</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,922,642
Cash and Equivalents at Beginning of Period	<u>9,045,857</u>
Cash and Equivalents at End of Period	<u>\$ 10,968,499</u>
Reconciliation of Operating Income/(Loss) to Net Cash	
Provided/(Used) by Operations	
Operating Income/(Loss)	\$ (2,115,468)
Adjustments to Reconcile Operating Income/(Loss) to Net	
Cash Provided/(Used) by Operating Activities	
Depreciation	6,452,898
Decrease/(Increase) in Assets	
Accounts Receivable - Tenants	(20,257)
Accounts Receivable - HUD	4,694
Accounts Receivable - Other Governments	(546,688)
Accounts Receivable - Miscellaneous	58,683
Inventory	5,418
Prepaid Expenses	(84,779)
Mortgages and Interest Receivable	(1,753,406)
Deferred Outflow of Resources	5,861,479
Increase/(Decrease) in Liabilities	
Accounts Payable	(443,561)
Accrued Payroll and Related Taxes	327,038
Accrued Compensated Absences	(57,175)
Tenant Security Deposits	23,169
Unearned Revenue	91,123
Other Liabilities	(38,303)
Accrued Pension and OPEB Liabilities	(10,433,711)
Deferred Inflow of Resources	<u>5,258,630</u>
Net Cash Provided by Operating Activities	<u>\$ 2,589,784</u>

See Notes to Financial Statements.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

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, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

C. Reporting Entity

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

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

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

D. Description of Programs

Public and Indian Housing Program

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Section 8 Housing Choice Voucher

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

Mainstream Vouchers

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

Public Housing Capital Fund Program

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

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

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

Family Self-Sufficiency Program ("FSS")

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

Continuum of Care Program ("COC")

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

State and Local Programs

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

E. Use of Management Estimates

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

F. Cash and Cash Equivalents

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

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

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

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

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable, Net

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

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

H. Allowance for Doubtful Accounts

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

I. Prepaid Expenses

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

J. Inventories

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

K. Capital Assets

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

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

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended March 31, 2020, 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.

P. Operating Revenues and Expenses

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Operating Revenues and Expenses

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

R. Taxes

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

S. Deferred Outflows / Inflows of Resources

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

T. Pensions

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

U. Equity Classifications

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

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

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

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Economic Dependency

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

W. Budgets and Budgetary Accounting

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

NOTE 2. CASH ON DEPOSIT

As of March 31, 2020, 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, 2020, the carrying amount of the Authority's cash (on deposit) was \$10,952,233 and the bank balances were \$10,354,124. Cash and cash equivalents consist of the following:

Cash Category	Amount
Operations	\$ 7,974,648
Tenant security deposits	488,364
Restricted	2,505,487
TOTAL CASH	\$ 10,968,499

Of the bank balances, \$758,994 was covered by federal depository insurance and the remaining \$9,595,130 was collateralized with the pledging financial institution as of March 31, 2020.

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, 2020, the Authority's bank balances were not exposed to custodial credit risk.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at March 31, 2020:

Description	Amount
Accounts receivable – HUD	\$ 40,012
Accounts receivable - tenants, net	81,378
Accounts receivable - other government	771,979
Accounts receivable – miscellaneous	428,476
Total accounts receivable, net	\$ 1,321,845

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, 2020, accounts receivable HUD consisted of reimbursable expenses within the Residential Opportunity and Supportive Services

Accounts receivable - tenants

Accounts receivable - tenants represents amounts due for tenant rents and at March 31, 2020 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 consist of materials and supplies and fuel which are 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, 2020

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, 2020 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, 2020 include \$2,649,682 of accrued interest.	\$ 5,611,448
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, 2020 include \$3,688,398 of accrued interest.	8,047,600
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, 2020 include \$3,510,318 of accrued interest.	10,113,925
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, 2020 include \$4,679,316 of accrued interest.	9,680,465
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, 2020 include \$2,061,140 of accrued interest.	6,223,477

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(continued) MARCH 31, 2020**

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, 2020 include \$318,132 of accrued interest.	1,727,813
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, 2020 include \$5,032,384 of accrued interest.	11,131,725
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.	3,380,715
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, 2020 include \$2,299,870 of accrued interest.	7,253,313
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, 2020 include \$75,218 of accrued interest.	1,600,542
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, 2020 include \$292,235 of accrued interest.	1,718,585
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, 2020 include \$14,509 of accrued interest.	372,531

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

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>\$79,346,967</u>

None of the notes receivable are due within one year.

NOTE 6. RESTRICTED DEPOSITS

Restricted deposits consist of the following at March 31, 2020:

<u>Cash Category</u>	<u>Amount</u>
State Leveraging Fund	\$ 8,996
Housing Choice Voucher Program HAP Reserves	1,116,457
Tenant security deposits	488,364
Family Self Sufficiency ("FSS") Program escrows	477,208
Bergen Avenue project reserves	551,707
Arlington Gardens project reserves	351,119
	<u>\$ 2,993,851</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, 2020

NOTE 7. CAPITAL ASSETS, NET

A summary of the changes in capital assets during the year ended March 31, 2020 is as follows:

	Balances at March 31,	Additions	Disposition	Transfers	Balances at March 31, 2020
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,096,196	\$ 1	\$ -	-	5,096,197
Construction in progress	7,214,913	2,479,627	-	(4,548,715)	5,145,825
Total	12,311,109	2,479,628		(4,539,715)	10,242,022
<u>Depreciable capital assets:</u>					
Buildings	203,196,347	609,565		3,363,139	207,169,051
Dwelling equipment	2,132,740	354,431		1,194,576	3,681,747
Total	205,329,087	963,966		4,539,715	210,850,798
Total capital assets	217,640,196	3,452,624		-	221,092,820
Less: accumulated depreciation	(144,289,340)	(6,452,898)		-	(150,742,238)
Net capital assets	<u>\$ 73,350,856</u>	<u>(3,000,274)</u>			<u>\$70,350,582</u>

Depreciation expense for the fiscal year ended March 31, 2020 totaled \$6,452,898.

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 \$18,585,0013. The Authority's share of funds from the bond issue pool amounted to \$10,000,000. Interest accrues at rates between 4% and 5% and is payable semi-annually on May 1st and November 1st. Repayment of the funds is paid solely from Capital Fund allocations received by the Authority from HUD. The bonds are secured by future capital fund grant allocations and mature in November, 2027.	\$ 4,895,000
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.	204,551
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	1,073,315

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

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.	
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.	1,228,947
Total bonds and loans payable	<u>7,405,428</u>
Less: current portion	15,091,101
Bonds and loans payable, excluding current portion	<u>914,728</u>
	\$ <u>14,176,373</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.	
Less: current portion	\$ 4,141,847
Capital lease, excluding current portion	<u>693,160</u>
	\$ <u>3,448,687</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

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:

Year	Principal	Interest	Total
2021	\$ 1,607,888	378,755	1,986,643
2022	1,661,902	328,743	1,990,645
2023	3,022,394	276,406	3,298,800
2024	1,675,467	225,720	1,901,187
2025	1,719,750	176,234	1,895,984
2026-2030	2,919,333	341,142	3,260,475
2031-2035	2,522,885	63,535	2,586,420
2036-2040	2,197,899	1,778	2,199,677
2041-2045	1,375,000		1,375,000
2046-2048	530,430		530,430
	<u>\$ 20,057,948</u>	<u>\$ 1,792,313</u>	<u>\$ 21,025,261</u>

Long-term debt activity for the year ended March 31, 2020 consisted of the following:

Description	March 31, 2019	Increases	Decreases	March 31, 2019	Amounts Due In One Year
Bonds and Loan	\$ 15,973,108	\$ -	\$ (882,007)	\$ 15,091,101	\$ 914,728
Capital Lease	4,819,885	-	(678,038)	4,141,847	693,160
Compensated Absences	2,747,266	-	(57,175)	2,690,091	269,009
Net Pension Liability	25,319,185	-	(2,114,298)	23,204,887	-
Net OPEB Liability	42,962,409	-	(8,319,416)	34,642,993	-
Other Liabilities	<u>724,699</u>	<u>-</u>	<u>(724,699)</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 92,546,552</u>	<u>\$ -</u>	<u>\$ (12,775,633)</u>	<u>\$ 79,770,919</u>	<u>\$ 1,876,897</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

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, 2020

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, 2020, the Authority reported a liability of \$23,204,887 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2018, and rolled forward to June 30, 2019.

For the year ended March 31, 2020, the Authority recognized pension expense of \$568,167. At March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,317,093	\$ (8,054,353)
Changes in Proportion	788,172	(667,663)
Differences between expected and actual experience	416,497	(102,509)
Net difference between actual and projected earning on pension plan investments		(366,298)
	\$ 3,521,762	\$ (9,190,813)

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

Year ending March 31:	Amount
2020	\$ (670,051)
2021	(2,173,634)
2022	(1,940,928)
2023	(911,366)
2024	(93,580)
	\$ (5,789,559)

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 9. PENSION PLAN (continued)

E. Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation is based on the following assumptions:

Inflation Rate	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 – 6.00%, based on age
Thereafter	3.00 – 7.00%, based on age
Investment rate of return	7.00%

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the bases year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

F. Long-Term Expected Rate of Return

In accordance with State statute, the long term expected rate of return on plan investments (7.0% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 9. PENSION PLAN (continued)

Best estimates of arithmetic rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
US Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	0.37%
Private Credit	6.00%	7.92%
Real Assets	7.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

G. Long-Term Expected Rate of Return

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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/A or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments through 2057 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 net pension liability of the Authority as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>At 1% Decrease</u>	<u>Discount Rate</u>	<u>At 1% Increase</u>
\$ 29,437,859	\$ 23,304,887	\$ 18,136,989

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

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

B. Benefits Provided

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

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

C. Basis of Presentation

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020**

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

D. Net OPEB Liability

The Authority’s other post-employment benefit (“OPEB”) liability of \$34,642,993 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date. The components of the net OPEB liability as of June 30, 2019 are as follows:

Total OPEB Liability	\$ 35,341,612
Plan Fiduciary Net Position	<u>698,619</u>
Net OPEB Liability	<u>\$ 34,642,993</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%
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The total OPEB liability as of June 30, 2019 was determined by actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases (Based on years of service within the respective plan)	
Public Employees Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%

Mortality: Pub-2010 General classification headcount weighted mortality with fully generation al mortality improvement projections from the central year using Scale MP-2019

HEALTH CARE TREND ASSUMPTIONS

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term trend rate after eight years.

DISCOUNT RATE

The discount rate for June 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State of New Jersey. The source is the Bond Buyer Go 20- Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate is less than the municipal bond rate, it is not considered in the municipal bond rate, rather the discount rate is set at the municipal bond rate.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

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

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the Authority as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% decrease (2.50%)	At discount rate (3.50%)	At 1% increase (4.50%)
Total OPEB Liability	\$ 40,056,113	\$ 34,642,993	\$ 30,244,118

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

The following presents the total OPEB liability of the Authority as of June 30, 2019 calculated using the healthcare trend rate as disclosed above as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare cost trend rate	1% Increase
Total OPEB Liability	\$ 29,234,417	\$ 34,642,993	\$ 41,542,543

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

For the year ended March 31, 2020, the Authority recognized an OPEB benefit of \$881,014. The components of the OPEB benefit for the year ending March 31, 2020 are as follows:

Service cost	\$ 1,704,711
Interest on total OPEB liability	1,626,730
Expected investment return	(28,864)
Administrative expense	24,240
Changes of benefit terms	(4,869)
Current period recognition (amortization) of deferred inflows/outflows of resources:	
Differences between expected and actual experience	(1,584,079)
Changes of assumptions	(2,069,916)
Differences between projected and actual investment earnings on OPEB plan investments	9,156
Net amortization of deferred amounts from changes in proportion	(558,124)
	\$ (881,014)

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

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

At March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		(12,276,706)
Changes in Proportion	2,561,826	(5,968,872)
Differences between expected and actual experience		(10,130,961)
Net differences between projected and actual investment earnings on OPEB plan investments	28,536	
Total	<u>\$ 2,590,362</u>	<u>\$ (28,376,539)</u>

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

Year Ending June 30:			
2020	\$		(3,644,839)
2021			(3,644,839)
2022			(3,647,076)
2023			(3,650,691)
2024			(3,653,995)
Thereafter			(4,137,691)
		<u>\$</u>	<u>(22,379,131)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to the change in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2018 amounts, respectively.

NOTE 11. RESTRICTED NET POSITION

At March 31, 2020, restricted net position consisted of the following:

Description	Amount
State Debt Leveraging Fund	8,996
HOPE VI notes receivable and related accrued interest	79,364,967
Bergen Avenue project reserves	551,706
Arlington Gardens project reserves	351,120
	<u>\$80,276,789</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 11. RESTRICTED NET POSITION (Continued)

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, 2020, 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.

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 the date the financial statements were available to be issued.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 15. SUBSEQUENT EVENTS (continued)

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of office facilities, including the offices of the Authority, and shelter in place orders for all but those deemed essential services. While this disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, the Authority has changed the manner in which its services are performed. Those changes include tenant intake and recertification procedures, maintenance services and planning and completion of capital improvements. Additionally, the pandemic has impacted the housing authority's ability to collect rents due to the loss or reduction tenants' income. Although HUD has provided additional subsidies to assist the Authority in meeting these financial challenges, it is probable that this matter will result in a negative impact on the Authority's financial position and results of operations. However, the ultimate financial impact and duration cannot be estimated at this time.

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,879 Mainstream Vouchers	2 State/Local	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	14,866 PIH Family Self-Sufficiency Program	14,287 Continuum of Care Program	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,084,221	\$0	\$596,950	\$0	\$0	\$0	\$0	\$1,990,696	\$3,312,871	\$7,974,848	\$0	\$7,974,848
112 Cash - Restricted - Modernization and Development	\$8,996	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,996	\$0	\$8,996
113 Cash - Other Restricted	\$0	\$0	\$902,826	\$0	\$0	\$0	\$0	\$1,116,457	\$0	\$2,019,283	\$0	\$2,019,283
114 Cash - Tenant Security Deposits	\$413,225	\$0	\$75,139	\$0	\$0	\$0	\$0	\$0	\$0	\$488,364	\$0	\$488,364
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$477,208	\$0	\$477,208	\$0	\$477,208
100 Total Cash	\$2,506,442	\$0	\$1,584,915	\$0	\$0	\$0	\$0	\$3,584,271	\$3,312,871	\$10,968,489	\$0	\$10,968,489
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$40,012	\$0	\$0	\$40,012	\$0	\$40,012
124 Accounts Receivable - Other Government	\$0	\$0	\$768,020	\$0	\$0	\$0	\$0	\$5,959	\$0	\$771,979	\$0	\$771,979
125 Accounts Receivable - Miscellaneous	\$201,220	\$0	\$54,407	\$0	\$0	\$0	\$0	\$0	\$172,849	\$428,476	\$0	\$428,476
126 Accounts Receivable - Tenants	\$240,564	\$0	\$22,747	\$0	\$0	\$0	\$0	\$0	\$0	\$263,311	\$0	\$263,311
126.1 Allowance for Doubtful Accounts - Tenants	-\$171,353	\$0	-\$10,590	\$0	\$0	\$0	\$0	\$0	\$0	-\$181,943	\$0	-\$181,943
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$270,431	\$0	\$892,594	\$0	\$0	\$0	\$40,012	\$5,959	\$172,849	\$1,321,845	\$0	\$1,321,845
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$668,770	\$0	\$53,570	\$0	\$0	\$0	\$0	\$0	\$194,913	\$817,253	\$0	\$817,253
143 Inventories	\$554,021	\$0	\$65,061	\$0	\$0	\$0	\$0	\$0	\$0	\$640,082	\$0	\$640,082
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144 Inter-Program Due From	\$2,828,338	\$0	\$0	\$333,007	\$6	\$20,114	\$0	\$0	\$178,270	\$3,359,735	-\$3,359,735	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$6,828,002	\$0	\$2,537,140	\$333,007	\$6	\$20,114	\$40,012	\$3,590,230	\$3,858,903	\$17,207,414	-\$3,359,735	\$13,847,679
161 Land	\$2,727,161	\$0	\$1,472,887	\$0	\$0	\$0	\$0	\$896,369	\$5,096,197	\$5,096,197	\$0	\$5,096,197
162 Buildings	\$185,148,227	\$0	\$8,349,774	\$0	\$0	\$0	\$0	\$13,671,050	\$207,169,051	\$207,169,051	\$0	\$207,169,051
163 Furniture, Equipment & Machinery - Dwellings	\$637,839	\$0	\$50,270	\$0	\$0	\$0	\$0	\$0	\$688,109	\$688,109	\$0	\$688,109
164 Furniture, Equipment & Machinery - Administration	\$1,895,113	\$0	\$149,741	\$0	\$0	\$0	\$0	\$241,237	\$736,547	\$3,013,638	\$0	\$3,013,638
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$132,868,341	\$0	-\$5,689,207	\$0	\$0	\$0	\$0	-\$161,425	-\$12,235,265	-\$150,742,238	\$0	-\$150,742,238
167 Construction in Progress	\$4,887,753	\$0	\$458,072	\$0	\$0	\$0	\$0	\$0	\$0	\$5,145,825	\$0	\$5,145,825
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$62,430,752	\$0	\$4,771,317	\$0	\$0	\$0	\$0	\$79,812	\$3,068,701	\$70,350,582	\$0	\$70,350,582
171 Notes, Loans and Mortgages Receivable - Non-Current	\$77,546,967	\$0	\$1,600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$79,346,967	\$0	\$79,346,967
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$136,977,719	\$0	\$6,571,317	\$0	\$0	\$0	\$0	\$79,812	\$3,068,701	\$148,697,549	\$0	\$148,697,549
200 Deferred Outflow of Resources	\$2,983,595	\$0	\$254,828	\$0	\$0	\$0	\$0	\$922,897	\$2,868,210	\$6,119,530	\$0	\$6,119,530
290 Total Assets and Deferred Outflow of Resources	\$148,699,316	\$0	\$9,363,265	\$333,007	\$6	\$20,114	\$40,012	\$4,482,939	\$9,865,814	\$173,024,493	-\$3,359,735	\$169,664,758
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$102,833	\$0	\$60,563	\$0	\$6	\$0	\$0	\$78,315	\$8,440	\$251,177	\$0	\$251,177
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,879 Mainstream Vouchers	2 State/Local	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	14,866 PIH Family Self-Sufficiency Program	14,287 Continuum of Care Program	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
321 Accrued Wage/Payroll Taxes Payable	\$73,988	\$0	\$1,782	\$0	\$0	\$0	\$0	\$2,054	\$148,166	\$83,370	\$0	\$383,370
322 Accrued Compensated Absences - Current Portion	\$102,175	\$0	\$4,940	\$0	\$0	\$0	\$0	\$22,337	\$199,557	\$269,009	\$0	\$269,009
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
323 Accrued Interest Payable	\$109,239	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109,239	\$0	\$109,239
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$56,332	\$0	\$0	\$0	\$9,556	\$0	\$65,888	\$0	\$65,888
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$413,225	\$0	\$75,139	\$0	\$0	\$0	\$0	\$0	\$0	\$488,364	\$0	\$488,364
342 Unearned Revenue	\$345,715	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$345,715	\$0	\$345,715
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$1,188,198	\$0	\$134,730	\$0	\$0	\$0	\$0	\$0	\$0	\$1,322,888	\$0	\$1,322,888
344 Current Portion of Long-term Debt - Operating Borrowings	\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$0	\$275,000
345 Other Current Liabilities	\$94,022	\$0	\$0	\$0	\$0	\$0	\$0	\$477,208	\$470	\$571,700	\$0	\$571,700
346 Accrued Liabilities - Other	\$104,688	\$0	\$9,998	\$0	\$0	\$0	\$0	\$0	\$0	\$114,686	\$0	\$114,686
347 Inter Program - Due To	\$738,885	\$58,563	\$2,522,272	\$0	\$0	\$0	\$40,012	\$0	\$3	\$3,359,735	-\$3,359,735	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$3,657,358	\$58,563	\$2,819,424	\$56,332	\$6	\$0	\$40,012	\$640,370	\$294,636	\$7,966,781	-\$3,359,735	\$4,207,046
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$7,938,693	\$0	\$2,655,949	\$0	\$0	\$0	\$0	\$0	\$0	\$10,494,532	\$0	\$10,494,532
352 Long-term Debt, Net of Current - Operating Borrowings	\$7,130,428	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,130,428	\$0	\$7,130,428
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$919,976	\$0	\$44,469	\$0	\$0	\$0	\$0	\$251,035	\$1,256,012	\$2,421,082	\$0	\$2,421,082
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356 FASS 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$19,696,217	\$0	\$2,408,887	\$0	\$0	\$0	\$0	\$7,778,841	\$27,963,938	\$57,847,883	\$0	\$57,847,883
350 Total Non-Current Liabilities	\$35,884,904	\$0	\$5,109,295	\$0	\$0	\$0	\$0	\$7,978,876	\$29,219,950	\$77,884,025	\$0	\$77,884,025
300 Total Liabilities	\$39,242,242	\$58,563	\$7,928,719	\$56,332	\$6	\$0	\$40,012	\$6,620,346	\$29,514,585	\$95,460,806	-\$3,359,735	\$92,101,071
400 Deferred Inflow of Resources	\$12,791,042	\$0	\$1,564,370	\$0	\$0	\$0	\$0	\$5,051,706	\$18,160,235	\$37,567,363	\$0	\$37,567,363
509.3 Nonspendable Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$63,393,911	\$0	\$1,960,638	\$0	\$0	\$0	\$0	\$79,812	\$3,068,701	\$68,523,062	\$0	\$68,523,062
509.3 Restricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
510.3 Committed Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
511.4 Assigned Fund Balance	\$75,821,869	\$0	\$2,637,593	\$0	\$0	\$0	\$0	\$1,116,457	\$0	\$79,575,939	\$0	\$79,575,939
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512.3 Unassigned Fund Balance	-\$32,359,768	-\$58,563	-\$1,748,035	\$276,675	\$0	\$20,114	\$0	-\$10,375,382	-\$40,857,708	-\$88,102,667	\$0	-\$88,102,667
513 Total Equity - Net Assets / Position	\$96,856,032	-\$58,563	-\$128,804	\$276,675	\$0	\$20,114	\$0	-\$8,179,113	-\$37,769,007	\$49,896,334	\$0	\$49,896,334
500 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$146,899,316	\$0	\$9,363,285	\$339,007	\$6	\$20,114	\$40,012	\$4,492,939	\$9,685,814	\$173,024,493	-\$3,359,735	\$169,664,758

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,879 Mainstream Vouchers	2 State/Local	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	14,898 PIH Family Self-Sufficiency Program	14,287 Continuum of Care Program	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$9,005,899	\$0	\$1,198,698	\$0	\$0	\$0	\$0	\$0	\$0	\$10,204,496		\$10,204,496
70400 Tenant Revenue - Other	\$173,686	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$173,686		\$173,686
70500 Total Tenant Revenue	\$9,179,584	\$0	\$1,198,698	\$0	\$0	\$0	\$0	\$0	\$0	\$10,378,182		\$10,378,182
70600 HUD PHA Operating Grants	\$15,987,012	\$1,917,776	\$0	\$842,184	\$255,685	\$1,560,078	\$158,742	\$48,324,790	\$0	\$68,926,267		\$68,926,267
70610 Capital Grants	\$2,958,027							\$0	\$0	\$2,958,027		\$2,958,027
70700 Management Fee								\$2,804,609	\$2,804,609	\$2,804,609		\$2,804,609
70710 Asset Management Fee								\$146,640	\$146,640	\$146,640		\$146,640
70730 Book Keeping Fee								\$529,046	\$529,046	\$529,046		\$529,046
70740 Front Line Service Fee								\$3,370,203	\$3,370,203	\$3,370,203		\$3,370,203
70750 Other Fees								\$0	\$0	\$0		\$0
70700 Total Fee Revenue								\$6,850,498	\$6,850,498	\$6,850,498		\$6,850,498
70800 Other Government Grants	\$0	\$0	\$647,616	\$0	\$0	\$0	\$0	\$0	\$0	\$647,616		\$647,616
71100 Investment Income - Unrestricted	\$18,943	\$0	\$2,081	\$0	\$0	\$0	\$0	\$2,035	\$4,821	\$27,860		\$27,860
71200 Mortgage Interest Income	\$1,795,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,795,687		\$1,795,687
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$4,780	\$0	\$0	\$0	\$0	\$0	\$0	\$177,291	\$0	\$182,071		\$182,071
71500 Other Revenue	\$2,943,321	\$0	\$377,654	\$0	\$0	\$0	\$0	\$93,582	\$1,907,037	\$4,721,594		\$4,721,594
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
72000 Investment Income - Restricted	\$32,168,934	\$1,917,776	\$2,225,949	\$842,184	\$255,685	\$1,560,078	\$158,742	\$48,324,790	\$8,162,356	\$68,926,267		\$68,926,267
70000 Total Revenue	\$64,076	\$0	\$984,427	\$0	\$54,245	\$85,331	\$16,351	\$1,004,529	\$2,535,189	\$4,761,148		\$4,761,148
91100 Administrative Salaries	\$12,764	\$2,500	\$22,175	\$2,500	\$0	\$0	\$0	\$1,479	\$4,178	\$85,596		\$85,596
91200 Auditing Fees	\$28,680	\$0	\$0	\$13,366	\$0	\$0	\$0	\$682,000	\$0	\$2,804,609		\$2,804,609
91300 Management Fee	\$138,945	\$17,925	\$0	\$5,348	\$0	\$0	\$0	\$692,828	\$0	\$529,046		\$529,046
91400 Advertising and Marketing	\$4,347	\$0	\$457	\$0	\$0	\$0	\$0	\$31	\$1,588	\$6,403		\$6,403
91500 Employee Benefit Contributions - Administrative	\$1,104,706	\$0	\$81,011	\$0	\$70,669	\$22,078	\$21,296	\$799,026	\$1,824,545	\$3,923,331		\$3,923,331
91600 Office Expenses	\$72,803	\$0	\$4,439	\$0	\$0	\$0	\$1,957	\$92,084	\$198,400	\$279,303		\$279,303
91700 Legal Expense	\$188,572	\$0	\$17,046	\$46,195	\$0	\$0	\$26,176	\$277,990	\$26,176	\$277,990		\$277,990
91800 Travel	\$2,916	\$0	\$550	\$0	\$0	\$0	\$4,056	\$2,267	\$4,506	\$51,295		\$51,295
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
91900 Other	\$1,277,739	\$3,500	\$29,163	\$0	\$576	\$376	\$7,188	\$130,416	\$213,308	\$1,862,266		\$1,862,266
91000 Total Operating - Administrative	\$5,825,441	\$82,605	\$592,288	\$24,204	\$165,460	\$107,785	\$50,488	\$3,140,866	\$4,754,870	\$14,360,987		\$14,360,987
92000 Asset Management Fee	\$146,640	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$146,640		\$146,640
92100 Tenant Services - Salaries	\$17,624	\$0	\$5,460	\$0	\$18,006	\$0	\$92,462	\$84,954	\$3,107	\$322,213		\$322,213
92200 Relocation Costs	\$19,391	\$0	\$0	\$0	\$0	\$0	\$0	\$1,925	\$1,925	\$23,241		\$23,241
92300 Employee Benefit Contributions - Tenant Services	\$75,946	\$1,047	\$1,809	\$1,045	\$45,829	\$1,980	\$15,822	\$22,689	\$2,310	\$167,149		\$167,149
92400 Tenant Services - Other	\$193,331	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$193,331		\$193,331
92500 Total Tenant Services	\$495,394	\$1,047	\$7,269	\$1,045	\$64,135	\$1,880	\$108,284	\$108,538	\$7,342	\$705,934		\$705,934
93100 Water	\$1,968,554	\$0	\$124,382	\$0	\$0	\$0	\$0	\$0	\$0	\$1,492,936		\$1,492,936
93200 Electricity	\$1,086,715	\$0	\$31,440	\$0	\$0	\$0	\$0	\$0	\$102,177	\$1,220,332		\$1,220,332
93300 Gas	\$892,953	\$0	\$69,685	\$0	\$0	\$0	\$0	\$996	\$903,644	\$903,644		\$903,644
93400 Fuel	\$502,947	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$502,947		\$502,947
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93700 Employee Benefit Contributions - Utilities	\$66,724	\$0	\$11,702	\$0	\$0	\$0	\$0	\$0	\$0	\$88,426		\$88,426
93800 Other Utilities Expense	\$3,877,903	\$0	\$23,209	\$0	\$0	\$0	\$0	\$0	\$103,173	\$4,216,285		\$4,216,285
93000 Total Utilities	\$10,378,182	\$0	\$23,209	\$0	\$0	\$0	\$0	\$0	\$103,173	\$4,216,285		\$4,216,285

Housing Authority City of Jersey City (NJ009)
Jersey City, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,879 Mainstream Vouchers	2 State/Local	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	14,599 PIH Family Self-Sufficiency Program	14,297 Continuum of Care Program	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$2,755,924	\$0	\$202,620	\$0	\$25,581	\$0	\$0	\$91,147	\$2,261,120	\$5,336,972		\$5,336,972
94200 Ordinary Maintenance and Operations - Materials and Other	\$931,214	\$0	\$116,189	\$0	\$0	\$0	\$0	\$10,280	\$95,779	\$1,153,492		\$1,153,492
94300 Ordinary Maintenance and Operations Contracts	\$3,954,642	\$0	\$222,401	\$0	\$0	\$0	\$0	\$0	\$14,102	\$3,791,145		\$3,791,145
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,734,739	\$0	\$258,398	\$0	\$479	\$0	\$0	\$91,440	\$1,622,767	\$3,707,823		\$3,707,823
94000 Total Maintenance	\$6,977,129	\$0	\$799,608	\$0	\$26,060	\$0	\$0	\$192,867	\$3,993,768	\$13,173,508		\$13,173,508
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$4,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,133		\$4,133
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$4,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,133		\$4,133
95000 Total Protective Services	\$4,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,133		\$4,133
96110 Property Insurance	\$259,045	\$0	\$22,817	\$0	\$0	\$0	\$0	\$173	\$1,646	\$283,661		\$283,661
96120 Liability Insurance	\$268,648	\$0	\$19,787	\$0	\$0	\$0	\$0	\$69,185	\$30,369	\$387,989		\$387,989
96130 Workmen's Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96140 All Other Insurance	\$70,812	\$0	\$603	\$0	\$0	\$0	\$0	\$0	\$21,028	\$92,443		\$92,443
96100 Total Insurance Premiums	\$598,505	\$0	\$43,207	\$0	\$0	\$0	\$0	\$69,368	\$53,043	\$764,113		\$764,113
96200 Other General Expenses	\$3,636,594	\$0	\$45,890	\$0	\$0	\$0	\$0	\$285,146	\$0	\$4,147,570		\$4,147,570
96210 Compensated Absences	\$60,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$192,463	\$253,073		\$253,073
96300 Payments in Lieu of Taxes	\$0	\$0	\$19,130	\$0	\$0	\$0	\$0	\$0	\$0	\$19,130		\$19,130
96400 Bad debt - Tenant Rents	\$18,373	\$0	\$2,045	\$0	\$0	\$0	\$0	\$0	\$0	\$20,418		\$20,418
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$3,915,577	\$0	\$67,035	\$0	\$0	\$0	\$0	\$285,146	\$192,463	\$4,440,191		\$4,440,191
96710 Interest of Mortgage (or Bonds) Payable	\$307,524	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$307,524		\$307,524
96720 Interest on Notes Payable (Short and Long Term)	\$43,747	\$0	\$75,111	\$0	\$0	\$0	\$0	\$0	\$0	\$118,858		\$118,858
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$351,271	\$0	\$75,111	\$0	\$0	\$0	\$0	\$0	\$0	\$426,382		\$426,382
96900 Total Operating Expenses	\$23,801,993	\$53,652	\$1,768,877	\$25,248	\$255,685	\$109,665	\$158,742	\$3,777,775	\$9,104,659	\$39,056,087		\$39,215,599
97000 Excess of Operating Revenue over Operating Expenses	\$8,366,941	\$1,964,124	\$457,272	\$916,935	\$0	\$1,450,413	\$0	\$44,819,923	\$342,303	\$57,433,305		\$57,433,305
97100 Extraordinary Maintenance	\$551,584	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$551,584		\$551,584
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$2,129,341	\$0	\$723,894	\$0	\$1,446,192	\$0	\$43,886,380	\$0	\$48,185,507		\$48,185,507
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,992	\$0	\$1,992		\$1,992
97400 Depreciation Expense	\$5,701,780	\$0	\$225,174	\$0	\$0	\$0	\$0	\$22,452	\$503,482	\$6,452,888		\$6,452,888
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97700 Debt Principal Payment - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97800 Dwelling Units Rent Expense	\$30,655,367	\$2,162,989	\$1,993,851	\$748,843	\$255,685	\$1,555,857	\$158,742	\$47,888,599	\$9,608,141	\$94,246,078		\$97,397,580
90000 Total Expenses	\$2,942,455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,942,455		\$2,942,455
10010 Operating Transfer In	\$2,942,455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,942,455		\$2,942,455
10020 Operating Transfer Out	\$2,942,455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,942,455		\$2,942,455
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10060 Proceeds from Property Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0

Housing Authority City of Jersey City (NJ009)
 Jersey City, NJ
 Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2020

Submission Type: Audited/Single Audit

	Project Total	14.879 Mainstream Vouchers	2 State/Local	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PIH Family Self-Sufficiency Program	14.287 Continuum of Care Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
10060 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer - In	\$1,333,000									\$1,333,000	-\$1,333,000	\$0
10092 Inter Project Excess Cash Transfer - Out	-\$1,333,000									-\$1,333,000	\$1,333,000	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10084 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$2,113,957	-\$265,217	\$232,098	\$93,341	\$0	\$4,221	\$0	\$999,099	-\$845,785	\$2,241,324	\$0	\$2,241,324
11020 Required Annual Debt Principal Payments	\$1,402,683	\$0	\$124,938	\$0	\$0	\$0	\$0	\$0	\$0	\$1,527,619		\$1,527,619
11030 Beginning Equity	\$66,022,339	\$206,654	-\$951,902	\$183,934	\$0	-\$15,893	\$0	-\$10,088,212	-\$38,223,095	\$47,795,010		\$47,755,010
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$1,278,873	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,278,873	\$0		\$0
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Termination Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity	27113	2713		1200	0	1968	0	50804		83798		83798
11180 Housing Assistance Payments Equity	25511	2713		1113	0	1757	0	48378		79272		79272
11190 Unit Months Available	\$454,786									\$454,786		\$454,786
11270 Excess Cash	\$0									\$0		\$0
11610 Land Purchases	\$2,479,627									\$2,479,627		\$2,479,627
11620 Building Purchases	\$0									\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0									\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0									\$0		\$0
11650 Leasehold Improvements Purchases	\$0									\$0		\$0
11660 Infrastructure Purchases	\$0									\$0		\$0
13510 CFFP Debt Service Payments	\$857,437									\$857,437		\$857,437
13901 Replacement Housing Facility Funds	\$0									\$0		\$0

JERSEY CITY HOUSING AUTHORITY
Jersey City, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2020

	<u>Federal Expenditures</u>
<u>US Department of Housing & Urban Development</u>	
Housing Voucher Cluster:	
Section 8 Voucher Program (CFDA # 14.871)	\$ 48,324,790
Mainstream Vouchers (CFDA # 14.879)	1,917,776
Total Housing Voucher Cluster	<u>50,242,566</u>
Section 8 Project-Based Cluster:	
Section 8 Moderate Rehab SRO (CFDA # 14.249)	842,184
Total Section 8 Moderate Rehab SRO	<u>842,184</u>
Low Rent Public Housing (CFDA # 14.850)	11,728,403
Public Housing Capital Fund (CFDA# 14.872)	7,098,236
Continuum of Care Program (CFDA # 14.267)	459,337
Resident Opportunity and Supportive Services (CFDA # 14.870)	158,742
PIH Family Self Sufficiency Program (CFDA # 14.896)	255,685
Subtotal - US Department of Housing & Urban Development - Direct	<u>70,785,153</u>
<u>US Department of Housing & Urban Development Passed Through the Hudson County Division of Housing and Community Development - Continuum of Care Program</u>	
York Street Project (CFDA # 14.267)	702,664
Women Rising (CFDA # 14.267)	398,077
Subtotal - US Department of Housing & Urban Development - Indirect	<u>1,100,741</u>
Total Expenditures of Federal Awards	<u><u>\$ 71,885,894</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

JERSEY CITY HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF COMPLETED MODERNIZATION GRANTS
As of March 31, 2020

	NJ39R009502-14 2014 <u>Capital Fund</u>	NJ39P009501-15 2015 <u>Total</u>	NJ39R009501-15 2015 <u>Capital Fund</u>	NJ39R009502-15 2015 <u>Capital Fund</u>	NJ39P009501-16 2016 <u>Capital Fund</u>
Funds Approved	\$ 303,571	\$ 3,754,906	\$ 531,511	\$ 255,011	\$ 4,217,294
Funds Expended	<u>303,571</u>	<u>3,754,906</u>	<u>531,511</u>	<u>255,011</u>	<u>4,217,294</u>
Excess/(Deficiency) Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 303,571	\$ 3,754,906	\$ 531,511	\$ 255,011	\$ 4,217,294
Funds Expended	<u>303,571</u>	<u>3,754,906</u>	<u>531,511</u>	<u>255,011</u>	<u>4,217,294</u>
Excess/(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	NJ39R009501-16 2016 <u>Capital Fund</u>	NJ39P009502-16 2016 <u>Total</u>	NJ39E009501-16 2016 <u>Capital Fund</u>	NJ39R009501-17 2017 <u>Capital Fund</u>	NJ39P009502-17 2017 <u>Capital Fund</u>
Funds Approved	\$ 135,955	\$ 259,460	\$ 250,000	\$ 2,039	\$ 263,094
Funds Expended	<u>135,955</u>	<u>259,460</u>	<u>250,000</u>	<u>2,039</u>	<u>263,094</u>
Excess/(Deficiency) Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 135,955	\$ 259,460	\$ 250,000	\$ 2,039	\$ 263,094
Funds Expended	<u>135,955</u>	<u>259,460</u>	<u>250,000</u>	<u>2,039</u>	<u>263,094</u>
Excess/(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO STATEMENT OF CERTIFICATION AND COMPLETED MODERNIZATION GRANTS

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

Jersey City Housing Authority
Schedule of Proportionate Share of the Net Pension Liability
of the Public Employees Retirement System (PERS)
For the Year Ended March 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Housing Authority's Proportion of the Net Pension Liability	0.1331%	0.1286%	0.1286%	0.1210%	0.1260%	0.1363%	0.1465%
Housing Authority's Proportionate Share of the Net Pension Liability	\$21,709,126	\$25,319,184	\$29,938,044	\$35,829,504	\$28,291,027	\$25,521,097	\$28,001,608
Housing Authority's Covered Employee Payroll	\$10,420,333	\$10,559,821	\$10,316,181	\$9,856,186	\$9,411,623	\$8,805,692	\$9,483,747
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	208.33%	239.77%	290.20%	363.52%	300.60%	289.83%	295.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

Jersey City Housing Authority
Schedule of Authority Contributions to the
Public Employees Retirement System (PERS)
For the Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,456,315	\$1,279,078	\$1,191,422	\$1,028,449	\$1,123,862	\$1,103,948	\$1,170,858
Contribution in Relation to the Contractually Required Contribution	(1,456,315)	(1,279,078)	(1,191,422)	(1,028,449)	(1,123,862)	(1,103,948)	(1,170,858)
Contribution Deficiency/(Excess)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>
Authority's Covered Payroll	\$10,420,333	\$10,559,821	\$10,316,181	\$9,856,186	\$9,411,623	\$8,805,692	\$9,483,747
Contribution as a Percentage of Covered Employee Payroll	13.98%	12.11%	11.55%	10.43%	11.94%	12.54%	12.35%

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

Jersey City Housing Authority
 Schedule of Changes in the Housing Authority's
 Total OPEB Liability and Related Ratios
 For the Year Ended March 31, 2020

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Housing Authority's Proportion of the Net OPEB Liability	0.2557%	0.2742%	0.2593%
Housing Authority's Proportionate Share of the Net OPEB Liability	\$34,642,993	\$42,962,410	\$52,928,545
Housing Authority's Covered Employee Payroll	\$10,422,333	\$10,559,821	\$10,316,181
Housing Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	332.39%	406.85%	513.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

Jersey City Housing Authority
 Schedule of Authority Contributions to the
 Other Post-Employment Benefits Plan (OPEB)
 For the Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$4,530,885	\$4,670,337	\$4,839,321
Contribution in Relation to the Contractually Required Contribution	(4,530,885)	(4,670,337)	(4,839,321)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	10,422,333	10,559,821	10,316,181
Contribution as a Percentage of Covered Employee Payroll	43.47%	44.23%	53.03%

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



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

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

We have audited, in accordance with 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 Controller General of the United States, the financial statements of the Jersey City Housing Authority as of and for the year ended March 31, 2020 and have issued our report thereon dated December 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jersey City Housing Authority's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or 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 the internal control over financial reporting 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, as defined above. However, material weakness may exist that have not been identified.

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

(Continued)

Compliance and Other Matters

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

Purpose of This Report

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



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
December 10, 2021



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

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

Report on Compliance for Each Major Federal Program

We have audited the Jersey City Housing Authority's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the entity's major federal programs for the year ended March 31, 2020. The Jersey City Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jersey City Housing Authority's major federal programs based on our audits 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jersey City Housing 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 Jersey City Housing Authority's compliance.

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

Opinion on Each Major Federal Program

In our opinion, Jersey City Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2020.

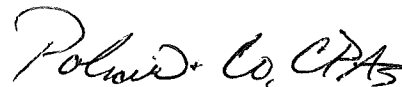
Report on Internal Control Over Compliance

Management of the Jersey City Housing 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 Jersey City Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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.



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
December 10, 2021

Jersey City Housing Authority
Jersey City, New Jersey
March 31, 2020

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the fiscal year ended March 31, 2019 disclosed four audit findings.

Finding 2019-001

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Section 8 Housing Choice Voucher Program
CFDA Number: 14.871
Noncompliance: Special Tests and Provisions – Housing Quality Standards
Noncompliance Not Material to the Financial Statements
Significant Deficiency in Internal Control Over Compliance for Special Tests and Provisions

Condition: Based upon a test of twenty files that failed HQS inspections, one of the units did not pass re-inspection within thirty days and a HAP abatement were either not processed or not processed in accordance program compliance requirements.

Recommendation: It was recommended that the Authority design and implement internal control procedures to assure compliance with the Uniform Guidance and the Compliance Supplement

Current Status: The Authority has implemented more oversight of its internal control procedures to ensure that units failing HQS inspections are re-inspected and appropriate HAP abatements are properly processed if the units fail re-inspection. This audit finding is closed.

Finding 2019-002

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Section 8 Housing Choice Voucher Program
CFDA Number: 14.871
Material Noncompliance: Eligibility – Tenant Files
Noncompliance is Material to the Financial Statements
Material Weakness in Internal Control Over Compliance for Eligibility

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

Recommendation: It was recommended that the Authority design and implement internal control procedures to assure compliance with the Uniform Guidance and the Compliance Supplement

Current Status: The Authority has implemented more oversight of its internal control procedures to ensure that units failing HQS inspections are re-inspected and appropriate HAP abatements are properly processed if the units fail re-inspection. Tests of eligibility performed in the current audit period indicated that all documentation necessary to establish eligibility were properly included in the tenant file. This audit finding is closed.

STATUS OF PRIOR AUDIT FINDINGS (continued)

Finding 2019-003

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Section 8 Housing Choice Voucher Program
CFDA Number: 14.871
Noncompliance: Special Tests and Provisions – Waiting List
Noncompliance Not Material to the Financial Statements
Significant Deficiency in Internal Control Over Compliance for Special Tests and Provisions

Condition: Based upon an inspection of the waiting list provided, the new move-in list and discussions with management, it could not be determined with certainty that certain new move-ins to the Housing Choice Voucher Program were selected from the wait list in accordance with the housing authority's policy.

Recommendation: It was recommended that the Authority design and implement internal control procedures to assure compliance with the Uniform Guidance and the Compliance Supplement

Current Status: The Authority has implemented oversight of its internal control procedures to ensure that its policies related to selection of eligible tenants from the Housing Choice Voucher Program wait List are followed. This audit finding is closed.

Finding 2019-004

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Section 8 Mainstream Vouchers
CFDA Number: 14.879
Noncompliance: Eligibility Tenant Files
Noncompliance Material to the Financial Statements
Material Weakness in Internal Control Over Compliance for Eligibility

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

Recommendation: It was recommended that the Authority design and implement internal control procedures to assure compliance with the Uniform Guidance and the Compliance Supplement

Current Status: The Authority has implemented more oversight of its internal control procedures to ensure that units failing HQS inspections are re-inspected and appropriate HAP abatements are properly processed if the units fail re-inspection. Tests of eligibility performed in the current audit period indicated that all documentation necessary to establish eligibility were properly included in the tenant file. This audit finding is closed.

Jersey City Housing Authority
Jersey City, New Jersey
March 31, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION 1 - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control over Financial Reporting:

Significant Deficiencies Identified? _____ yes X no

Significant Deficiencies identified that are not considered to be material weakness(es)? _____ yes X none reported

Noncompliance Material to Financial Statements Noted? _____ yes X no

Federal Awards

Internal Control over Major Programs:

Significant Deficiencies Identified? _____ yes X no

Significant Deficiencies identified that are not considered to be material weakness(es)? _____ yes X none reported

Type of audit report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) _____ yes X no

Identification of Major Programs

CFDA

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
14.850	Low Rent Public Housing
14.871	Housing Choice Voucher Program

Dollar Threshold used to distinguish between type A and type B Programs \$2,156,577

Auditee qualified as low-risk? _____ yes X no

SECTION 2 – FINANCIAL STATEMENT FINDINGS

None.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.