

JERSEY CITY
HOUSING AUTHORITY
Jersey City, New Jersey

FINANCIAL STATEMENTS
For the Two Years Ended March 31, 2024, and 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Net Position, Revenue, Expenses, and Changes in Net Position, and Cash Flows of the Jersey City Housing Authority, as of and for the years ended March 31, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Jersey City Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of March 31, 2024, and 2023, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jersey City Housing Authority's basic financial statements. The Financial Data Schedule and the Statement and Certification of Completed Modernization Grants are presented for the purpose of additional analysis and in not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* presented for purposes of additional analysis and is not a required part of the basic financial statements. The Financial Data Schedule, Statement and Certification of Completed Modernization Grants and supporting schedules of the Authority's portion of the Public Employees Retirement Systems (PERS) and Other Post-Employment Benefits (OPEB) liabilities are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, on our consideration of the Jersey City Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jersey City Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jersey City Housing Authority's internal control over financial reporting and compliance.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
December 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

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, 2024. 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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

Overview of the financial statements (continued)

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 Rent 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.

Section 8 Housing Choice Vouchers: HUD has contracted with the Authority for funding 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

Program information (continued)

Financial position and analysis

Table 1 compares the Authority's financial position for the fiscal years ended March 31, 2024 and 2023:

Assets:	2024	2023	Var	% Var
Cash & Cash Equivalents	\$ 28,528,842	\$ 20,796,351	7,732,491	37.18%
Other Current Assets	3,560,817	1,975,049	1,585,768	80.29%
Capital Assets, Net	63,736,087	59,740,888	3,995,199	6.69%
Noncurrent Assets	93,395,320	89,296,190	4,099,130	4.59%
Total Assets	<u>189,221,066</u>	<u>171,808,478</u>	<u>17,412,588</u>	<u>10.13%</u>
Deferred Outflow of Resources	20,530,511	13,671,075	6,859,436	50.17%
Total Assets and Deferred Outflow of Resources	<u>\$ 209,751,577</u>	<u>\$ 185,479,553</u>	<u>\$ 24,272,024</u>	<u>13.09%</u>
Liabilities:				
Current Liabilities	17,368,923	8,350,866	9,018,057	107.99%
NonCurrent Liabilities	90,451,991	85,989,269	4,462,722	5.19%
Total Liabilities	<u>107,820,914</u>	<u>94,340,135</u>	<u>13,480,779</u>	<u>14.29%</u>
Deferred Inflow of Resources	33,935,998	33,558,716	377,282	1.12%
Net Position:				
Net Invested in Capital Assets	44,405,912	41,549,543	2,856,369	6.87%
Restricted Net Position	97,381,683	99,150,375	(1,768,692)	-1.78%
Unrestricted Net Position	(73,792,930)	(83,119,216)	9,326,286	-11.22%
Total Net Position	<u>67,994,665</u>	<u>57,580,702</u>	<u>10,413,963</u>	<u>18.09%</u>
Total Liabilities, Deferred Outflow of Resources and Net Position	<u>\$ 209,751,577</u>	<u>\$ 185,479,553</u>	<u>\$ 24,272,024</u>	<u>13.09%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

Financial position and analysis (continued)

Cash and Cash Equivalents increased by \$7,732,941 or 37.18%. This is due primarily to the Authority receiving its April 2024 housing choice voucher program subsidy of approximately \$5,700,000 in March 2024. Housing assistance payments were not made until April of 2024. Additionally, accounts payable of approximately \$3,000,000 were not paid as March 31, 2024 since the Authority was converting its accounting to a new system, resulting in an additional \$3,000,000 of cash on hand. These increases were partially offset by a decrease in cash held in the Authority's EPC escrow account. During the year ended March 31, 2024, approximately \$1,500,000 of the EPC loan funds were expended for capital improvements to increase energy efficiency.

Accounts Receivable HUD increased by 1,506,084 as the Authority recorded a receivable from HUD for unreimbursed housing assistance payments at March 31, 2024

Non-Current Assets, excluding the change in fixed assets, which is discussed later in this analysis, increased by \$1,585,768. The primary reason for the increase is the increase of \$2,980,000 in mortgage notes receivable. This increase represents interest earned in the current year that is added to the notes receivable balance. These mortgage notes arose in prior years when public housing properties were converted to mixed properties. All of these mortgage notes and the related interest thereon are payable in future periods beyond March 31, 2024. During the year ended March 31, 2024 the Authority adopted GASB 96, *Subscription Based Information Technology Arrangements*. In connection therewith, a right to use asset of \$1,417,143 was recorded as of March 31, 2024

Current Liabilities increased by \$9,018,057 or 107.99% primarily due to (1) an increase of approximately \$2,950,000 in accounts as discussed previously; (2) an increase of \$2,200,000 in payables to HUD. During the current year, the Authority was notified by HUD that it must make up deficiencies in prior underpayments related to its agreement to repay HUD for overfunding of operating subsidies; and (3) the recording of deferred revenues of \$5,750,000 for housing choice voucher April 2024 subsidies received in March. in the current portion of long-term debt.

Noncurrent Liabilities increased by \$4,462,722 or 5.19% primarily due to the assumption of debt of approximately \$4,500,000 related to the acquisition of the Webb Apartment Project. In August of 2023 the Authority acquired all of the assets of Genesis Jersey City Partners, LLC (the Webb Apartment Project) consisting of 39 units of affordable housing.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

Table 2 focuses on the changes in net position:

	<u>2024</u>	<u>2023</u>	<u>Var</u>	<u>% Var</u>
Operating Revenue	\$ 105,249,354	\$ 98,735,279	\$ 6,514,075	6.60%
Operating Expense	105,968,071	106,928,737	(960,666)	-0.90%
Operating Profit/(Loss)	(718,717)	(8,193,458)	7,474,741	-91.23%
Net Non-Operating Revenue/(Expense)	10,453,762	9,133,501	1,320,261	14.46%
Change in Net Position	9,735,045	940,043	8,795,002	935.60%
Beginning Net Position	57,580,702	56,670,873	909,829	1.61%
Prior Period Adjustment	678,918	(30,214)	709,132	-2347.03%
Ending Net Position	<u>\$ 67,994,665</u>	<u>\$ 57,580,702</u>	<u>\$ 10,413,963</u>	<u>18.09%</u>

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

	<u>2024</u>	<u>2023</u>	<u>Var</u>	<u>% Var</u>
<u>Operating Revenue</u>				
Tenant Revenue	\$ 11,569,292	\$ 10,756,972	\$ 812,320	7.55%
HUD Operating Grants	90,767,318	82,585,497	8,181,821	9.91%
Other	2,912,744	5,392,810	(2,480,066)	-45.99%
Total Operating Revenue	<u>105,249,354</u>	<u>98,735,279</u>	<u>6,514,075</u>	<u>6.60%</u>
<u>NonOperating Revenue</u>				
Investment Income	21,762	28,476	(6,714)	-23.58%
Mortgage Interest Income	2,981,427	3,184,388	(202,961)	-6.37%
Capital Grants & Other	3,915,980	2,530,493	1,385,487	54.75%
Total NonOperating Revenue	<u>6,919,169</u>	<u>5,743,357</u>	<u>1,175,812</u>	<u>20.47%</u>
Total Revenues	<u>\$ 112,168,523</u>	<u>\$ 104,478,636</u>	<u>\$ 7,689,887</u>	<u>7.36%</u>

Tenant Revenue increased \$812,320, or 7.55%, due to normal increases in tenant income.

HUD Operating Grants increased by \$8,181,821, or by 9.94%. This was primarily due to an increase of approximately \$4,100,00 of housing choice voucher program subsidies, and normal inflationary increases in funding in the remaining programs managed by the Authority.

Capital Grants and Other increased by approximately \$1,400,000 54.75% as the Authority expended greater amounts on physical improvements through its capital fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

Financial position and analysis (continued)

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

	<u>2024</u>	<u>2023</u>	<u>Var</u>	<u>% Var</u>
Administrative	\$ 10,757,780	\$ 10,904,962	\$ (147,182)	-1.35%
Tenant Services	1,415,955	1,233,092	182,863	14.83%
Utilities	4,391,751	5,111,283	(719,532)	-14.08%
Maintenance	12,689,464	14,091,648	(1,402,184)	-9.95%
Protective Services	181,004	-	181,004	100.00%
General	4,670,331	3,846,802	823,529	21.41%
Housing Assistance Payments	65,785,339	65,837,555	(52,216)	-0.08%
Depreciation	6,076,447	5,903,395	173,052	2.93%
Total Expenses	<u>\$ 105,968,071</u>	<u>\$ 106,928,737</u>	<u>\$ (960,666)</u>	<u>-0.90%</u>

Maintenance Expenses decreased \$1,402,184 or 9.95% primarily due to decreases in maintenance contract costs. Maintenance costs decreased because several maintenance projects deferred in prior years due to COVID were completed during the fiscal year ended March 31, 2023, resulting in additional non-recurring costs of approximately \$1,100,000 in FYE March 31, 2023..

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

Depreciation Expenses increased by \$173,052 or 2.93%, primarily due to the depreciation of assets acquired in connection with the acquisition of the Webb Street Project.

Housing Assistance Payments remained consistent (decrease of \$52,216 vs. 2023 expenditures).

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

Capital assets

Table 5 summarizes the Authority's capital assets:

	<u>2024</u>	<u>2023</u>	<u>Var</u>	<u>% Var</u>
Land	\$ 5,932,271	\$ 5,062,319	\$ 869,952	17.18%
Building, Improvements & Equipment	224,417,203	218,624,810	5,792,393	2.65%
Construction in Progress	6,500,668	3,091,370	3,409,298	110.28%
Capital Assets	<u>236,850,142</u>	<u>226,778,499</u>	<u>10,071,643</u>	<u>4.44%</u>
Less: Accumulated Depreciation	(173,114,055)	(167,037,611)	(6,076,444)	3.64%
Net Capital Assets	<u>\$ 63,736,087</u>	<u>\$ 59,740,888</u>	<u>\$ 3,995,199</u>	<u>6.69%</u>

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. The Authority purchased \$5,792,393 of capital assets, primarily through its capital fund program (acquisitions of \$3,409,298) and approximately \$1,500,000 of improvements acquired through its Energy Performance Contract.

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, 2024

Analysis of Debt Activity

Table 6

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

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

March 31, 2023	\$ 12,070,625
Current Year Borrowing	-
Current Year Debt Paid	<u>925,178</u>
March 31, 2024	<u>\$ 11,145,447</u>

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

March 31, 2023	\$ 3,295,000
Current Year Debt Paid	<u>595,000</u>
March 31, 2024	<u>\$ 2,700,000</u>

Mortgage loans assumed in connection with the acquisition of The Webb Street Apartment Project payable to the New Jersey Housing Mortgage Finance Agency (NJHMFA), Bayonne Community Bank and the City of Jersey

March 31, 2023	\$ -
Loans Assumed Current Year	4,578,233.00
Current Year Debt Paid	-
March 31, 2024	<u>\$ 4,578,233</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

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, 2023	\$	1,073,315
Current Year Debt Paid		-
March 31, 2024	\$	<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, 2023	\$	283,860
Current Year Debt Paid		-
March 31, 2024	\$	<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, 2023	\$	1,046,548
Current Year Debt Paid		65,851
March 31, 2024	\$	<u>980,697</u>

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

March 31, 2023	\$	422,000
Current Year Debt Paid		-
March 31, 2024	\$	<u>422,000</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year ended March 31, 2024

Analysis of Debt Activity (continued)

Table 6 (continued)

The Authority entered into an agreement with the United States Department of Housing and Urban Development for the repayment of \$8,230,428 in phase-down funding overpayments. The Authority is responsible to repay the amount over 30 years in equal annual installments of \$550,000 (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). The Authority is currently delinquent in its repayments and HUD has demanded that the Authority bring the payment schedule to current status. As a result, payments of \$2,475,000 are required during the year ended March 31, 2024

March 31, 2023	\$ 6,580,428
Current Year Debt Paid	<u>275,000</u>
March 31, 2024	<u>\$ 6,305,428</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

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents - Unrestricted	\$ 12,463,667	\$ 8,075,406
Cash and Cash Equivalents - Restricted	15,539,211	12,198,788
Tenant Security Deposits	525,964	522,157
Accounts Receivable - Tenants (Net of Allowance for Doubtful Accounts of \$1,298,406 and \$539,716, Respectively)	404,897	81,273
Accounts Receivable - HUD	1,506,084	-
Accounts Receivable - Other Government	228,566	262,423
Accounts Receivable Miscellaneous	131,642	8,384
Inventory (Net of Allowance for Obsolete Inventories of \$151,336 and \$42,657, Respectively)	700,616	711,748
Operating Lease Receivables - Current Portion	318,523	468,561
Prepaid Expenses and Other Current Assets	270,489	442,660
Total Current Assets	32,089,659	22,771,400
<u>FIXED ASSETS, NET</u>	63,736,087	59,740,888
<u>OTHER ASSETS</u>		
Right of Use Asset - Subscription Based Information Technology Arrangement, net of accumulated amortization of \$431,304 and \$0	1,417,143	-
Other Assets	753,353	719,906
Operating Lease Receivable - Noncurrent	1,101,922	1,434,802
Notes, Loans, & Mortgages Receivable - Non-Current	90,122,902	87,141,482
Deferred Outflow of Resources - Pension and OPEB	20,530,511	13,671,075
Total Assets and Deferred Outflow of Resources	\$ 209,751,577	\$ 185,479,553

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

<u>CURRENT LIABILITIES</u>		
Accounts Payable - Vendors	\$ 3,870,274	\$ 920,473
Accrued Payroll and Related Taxes	2,336,876	2,534,108
Accrued Interest Payable	95,641	122,585
Tenant Security Deposits	525,964	522,157
Deferred Revenue	5,971,092	2,804
Current Portion of LT Debt - Capital Projects	1,700,431	3,365,202
Current Portion of LT Debt - Operating Borrowings	2,475,000	275,000
Current Portion of Subscription Liability	319,253	-
Other Current Liabilities	15,595	310,973
Compensated Absences - Current Portion	225,551	297,564
Total Current Liabilities	17,535,677	8,350,866
Long Term Debt - Capital Projects	19,483,121	14,826,143
Long Term Debt - Operating Borrowings	3,830,428	6,305,427
Other Noncurrent Liabilities	523,786	463,356
Accrued Compensated Absences - Noncurrent	2,029,960	2,678,069
Subscription Liability, Net of Current Portion	1,016,379	-
Accrued Pension and OPEB Liabilities	63,568,317	61,716,274
Total Liabilities	107,987,668	94,340,135
Deferred Inflow of Resources - Operating Leases	1,263,680	1,704,141
Deferred Inflow of Resources - Pension and OPEB	32,672,318	31,854,575
Total Liabilities and Deferred Flow of Resources	141,923,666	127,898,851
<u>NET POSITION</u>		
Net Investment in Capital Assets	44,405,912	41,549,543
Restricted	98,968,642	99,150,375
Unrestricted	(75,546,643)	(83,119,216)
Total Net Position	\$ 67,827,911	\$ 57,580,702

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, 2024	For the Year Ended March 31, 2023
<u>OPERATING REVENUES</u>		
Total Tenant Revenue	\$ 11,569,292	\$ 10,756,972
HUD and Other Operating Grants	91,203,904	82,585,497
Other	2,309,404	5,392,810
Total Operating Revenues	<u>105,082,600</u>	<u>98,735,279</u>
<u>OPERATING EXPENSES</u>		
Administration	10,757,780	10,904,962
Tenant Services	1,415,955	1,233,092
Utilities	4,391,751	5,111,283
Maintenance & Operations	12,689,464	14,091,648
Protective Services	181,004	-
General Expense	4,670,331	3,846,802
Housing Assistance Payments	65,785,339	65,837,555
Depreciation Expense	6,076,447	5,903,395
Total Operating Expenses	<u>105,968,071</u>	<u>106,928,737</u>
Excess of Operating Revenues Over Expenses	(885,471)	(8,193,458)
<u>NON OPERATING REVENUES/(EXPENSES)</u>		
Interest Income	21,762	28,476
Mortgage Interest Income	2,981,427	3,184,388
Gain on Sale of Assets	-	4,654
Special Items - Pension/OPEB Gain	4,189,644	3,927,893
Interest Expense	(655,051)	(537,749)
Total Non Operating Revenues and Expenses	<u>6,537,782</u>	<u>6,607,662</u>
Income/(Loss) Before Contributions and Transfers	5,652,311	(1,585,796)
Capital Grants	<u>3,915,980</u>	<u>2,525,839</u>
Increase/(Decrease) In Net Position	9,568,291	940,043
Beginning Net Position	<u>57,580,702</u>	<u>56,670,873</u>
Prior Period Adjustments	<u>678,918</u>	<u>(30,214)</u>
Ending Net Position	<u>\$ 67,827,911</u>	<u>\$ 57,580,702</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, 2024	For the Year Ended March 31, 2023
<u>CASH FLOWS FORM OPERATING ACTIVITIES</u>		
Cash Received:		
From Tenants Revenues	\$ 11,122,410	\$ 10,846,630
From Government Agencies for Operating Grants	95,703,772	82,473,832
For Other Operating Revenues	2,309,404	5,436,480
Cash Paid:		
To Employees for Operations	(11,028,330)	(11,785,773)
To Suppliers for Operations	(20,892,149)	(23,549,243)
For Housing Assistance Payments	(65,785,339)	(65,837,555)
Net Cash Provided by Operating Activities	11,429,768	(2,415,629)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Interest Paid	(681,995)	(505,992)
Acquisition of Property and Equipment	(10,071,646)	(3,060,538)
Payments for Right of Use Asset	(81,511)	-
Payment for Retirement of Lease Obligations	-	4,654
Principal Received on Operating Lease Receivables	482,925	2,525,839
Capital Grants Received	3,915,980	
Cash Paid for Retirement of Debt	(1,861,029)	(1,793,238)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(8,297,276)	(2,829,275)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Income	21,762	28,476
Cash Received from Long Term Borrowings	4,578,237	10,182,138
Net Cash Provided by Investing Activities	4,599,999	10,210,614
Net Increase/(Decrease) in Cash and Cash Equivalents	7,732,491	4,965,710
Cash and Equivalents at Beginning of Period	20,796,351	15,830,641
Cash and Equivalents at End of Period	\$ 28,528,842	\$ 20,796,351
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operations		
Operating Income/(Loss)	\$ (885,471)	\$ (8,193,458)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities		
Depreciation	6,076,447	5,903,395
Net Changes in Deferred Outflows and Inflows	(6,482,154)	-
Decrease/(Increase) in Assets		
Accounts Receivable - Tenants	(323,624)	81,370
Accounts Receivable - HUD	(1,506,084)	40,012
Accounts Receivable - Other Governments	33,857	(151,677)
Accounts Receivable - Miscellaneous	(123,258)	43,670
Inventory	11,132	(254,720)
Prepaid Expenses	172,171	159,832
Other Assets	(33,447)	(87,751)
Increase/(Decrease) in Liabilities		
Accounts Payable	2,949,801	284,681
Accrued Payroll and Related Taxes	(197,232)	1,033,962
Accrued Compensated Absences	(720,122)	(1,365,440)
Tenant Security Deposits	3,807	5,484
Deferred Revenue	5,968,288	2,804
Other Liabilities	(234,948)	(23,555)
Accrued Pension and OPEB Liabilities	6,720,605	105,762
Net Cash Provided by Operating Activities	\$ 11,429,768	\$ (2,415,629)

See Notes to Financial Statements.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

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.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (Governments). The Statement (1) defines a SBITA (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding an SBITA. The provisions of this statement have been implemented as further described in Note 9.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

C. Reporting Entity

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

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

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

D. Description of Programs

Public and Indian Housing Program

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Section 8 Housing Choice Voucher

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

Mainstream Vouchers

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

Public Housing Capital Fund Program

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

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

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

Family Self-Sufficiency Program ("FSS")

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

Continuum of Care Program ("COC")

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

State and Local Programs

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

E. Use of Management Estimates

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

F. Cash and Cash Equivalents

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

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

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

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

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable, Net

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

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

H. Allowance for Doubtful Accounts

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

I. Prepaid Expenses

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

J. Inventories

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

K. Capital Assets

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

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

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the years ended March 31, 2024 and March 31, 2023, 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
MARCH 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. 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.

R. Deferred Outflows / Inflows of Resources

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

S. Pensions

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

T. Equity Classifications

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

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

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

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Economic Dependency

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

V. Budgets and Budgetary Accounting

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

NOTE 2. CASH ON DEPOSIT

As of March 31, 2024 and March 31, 2023 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, 2024, the carrying amount of the Authority's cash (on deposit) was \$28,528,842 and the bank balances were \$28,535,850. Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>Amount at March 31, 2024</u>	<u>Amount at March 31, 2023</u>
Operations	\$12,463,667	\$ 8,075,406
Tenant Security		
Deposits	525,964	522,157
Restricted	<u>15,539,211</u>	<u>12,198,788</u>
TOTAL CASH	<u>\$28,528,842</u>	<u>\$ 20,796,351</u>

Of the bank balances, \$750,000 was covered by federal depository insurance and the remaining \$27,603,850 was collateralized with the pledging financial institution as of March 31, 2024.

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, 2024, the Authority's bank balances were not exposed to custodial credit risk.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at March 31, 2024 and March 31, 2023:

<u>Description</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Accounts receivable – HUD	\$ 1,506,084	\$ -0-
Accounts receivable - tenants, net	404,987	81,273
Accounts receivable - other govt.	228,566	262,423
Accounts receivable – miscellaneous	<u>131,642</u>	<u>8,384</u>
 TOTAL	 \$ <u>2,271,279</u>	 \$ <u>352,080</u>

Accounts receivable - HUD

Accounts receivable - HUD represents amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. At March 31, 2024, accounts receivable HUD includes \$1,086,745 of housing assistance payments not yet reimbursed under the housing choice voucher program and \$419,339 of reimbursable expenses within the Residential Opportunity and Supportive Services and Continuum of Care programs.

Accounts receivable - tenants

Accounts receivable - tenants represents amounts due for tenant rents. Accounts receivable at March 31, 2024 and March 31, 2023 are shown net of an allowance for doubtful accounts of \$1,298,406 and \$539,716, respectively.

Accounts receivable - other government

Accounts receivable - other government consists of amounts that are due from various Grants that were awarded by the City of Jersey 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. At March 31, 2024 and 2023 an allowance for obsolescence of \$151,336 and \$42,657 was provided, respectively.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

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, 2024 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, 2024 include \$4,104,869 of accrued interest.	\$ 7,066,835
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, 2024 include \$6,001,831 of accrued interest.	10,361,033
The Authority has a second mortgage loan receivable from Lafayette Family Phase III Urban Renewal Associates, LP in the original amount of \$6,603,606. Interest accrues at 4.387% annually whereby amounts are paid from project cash flow. Principal and interest are due on December 31, 2049. The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2024 include \$5,310,524 of accrued interest. Principal and interest are due on December 31, 2049.	11,914,137
The Authority issued two loans to Lafayette Community Limited Partnership in the original amount of \$9,982,037 and \$163,192, respectively. The loans bore interest at an annual rate of 7% until September 1, 2002 and thereafter bears no interest. The loan matures on September 6, 2057 and is secured by the rental property.	10,145,229
The Authority issued a second mortgage loan receivable to Lafayette Family Phase II Urban Renewal Associates, L.P. in the original amount of \$5,001,149. Interest accrues at 4.83% annually whereby amounts are paid from project cash flow. Principal and interest are due in April, 2047. The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2024 include \$6,992,491 of accrued interest	11,993,640
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, 2024 include \$3,099,469 of accrued interest.	7,261,806

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

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, 2024 include \$443,696 of accrued interest.	1,853,377
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, 2024 include \$5,900,644 of accrued interest	12,499,388
The Authority has a mortgage loan receivable in the amount of \$3,337,170 from AHM Housing Urban Renewal Associates, LLC. Interest accrued at 5.715% through completion of the project and is interest free subsequent to the completion date. Principal and interest are due on October 28, 2060. The mortgage is secured by the underlying property	3,337,170
The Authority made a \$400,000 HOME loan to AHM Housing Urban Renewal Associates LLC. The loan bears no interest and payments are only due from available cash flow. The outstanding loan matures on October 28, 2060.	400,000
HOPE VI mortgage loan receivable from Glennview Townhouses Urban, Renewal Associates, LP. in the original amount of \$5,000,000. Interest accrues at 4.5% and the loan matures January 1, 2051. Amounts owed under the mortgage at March 31, 2024 include \$3,822,896 of accrued interest	8,822,896
Mortgage loan receivable from Glennview Townhouses II Urban Renewal Associates, LP in the original amount of \$1,541,099. The loan bears interest at 1%, compounded annually and matures December 1, 2064. Amounts owed under the mortgage at March 31, 2024 include \$144,957 of accrued interest.	1,686,056
The Authority has two mortgage loans receivable from Montgomery Senior Living Center Urban Renewal Associates, LP in the amounts of \$400,000 and \$176,350, respectively. Interest accrues at 1% per annum and the loans mature on October 1, 2064. Amounts owed under the mortgage at March 31, 2024 include \$56,614 of accrued interest.	632,964
The Authority has two mortgage loans receivable from AHM Housing Urban Renewal Associates IV, LLC in the amount of \$33,022 and \$307,028, respectively. Interest accrues at 1% per annum and the loans mature on December 1, 2064. Amounts owed under the mortgages at March 31, 2024 include \$10,329 of accrued interest.	348,371
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 to be accrued. The loan is secured by a mortgage on the underlying property.	1,800,000
TOTAL NOTES RECEIVABLE	<u><u>\$ 90,122,902</u></u>

None of the notes receivable are due within one year.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 6. RESTRICTED DEPOSITS

Restricted deposits consist of the following at March 31, 2024 and March 31, 2023:

Cash Category	March 31, 2024	March 31, 2023
State Leveraging Fund	\$ 9,401	\$ 11,340
Housing Choice Voucher Program Funds	5,748,100	1,116,457
Family Self Sufficiency ("FSS") Program escrows	759,174	573,651
Emergency Rental Assistance Program funds	-0-	348,729
Webb Apartment Project Reserves	186,181	4,591
Bergen Avenue Project Reserves	645,497	641,220
Arlington Gardens Project Reserves	447,107	400,188
Unspent EPC loan funds	7,743,751	9,102,612
TOTAL RESTRICTED CASH	\$ 15,539,211	\$ 12,198,788

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.

Housing Choice Voucher Program Funds at March 31, 2024 represent April 2024 subsidies advanced to the housing authority in March 2024

Family Self-Sufficiency (FSS) program escrows are restricted for use by FSS program participants within the Low Rent Public Housing and Section 8 Housing Choice Vouchers Programs.

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.

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

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 7. CAPITAL ASSETS, NET

A summary of the changes in capital assets during the years ended March 31, 2024, and March 31, 2023, is as follows:

	Balances at March 31, 2023	Additions	Dispositio ns	Transfers	Balances at March 31, 2024
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,062,319	\$ 869,952	\$ -		\$ 5,932,271
Construction in progress	3,091,370	3,409,298	-		6,500,668
Total	8,153,689	4,279,250	-	-	12,432,939
<u>Depreciable capital assets:</u>					
Buildings	210,899,118	5,191,985	-	-	216,091,103
Dwelling equipment	7,725,692	600,408	-	-	8,326,100
Total	218,624,810	5,792,393	-	-	224,417,203
Total capital assets	226,778,499	10,071,643	-	-	236,850,142
Less: accumulated depreciati	(167,037,611)	(6,076,444)	-	3	(173,114,052)
Net capital assets	\$ 59,740,888	\$ 3,995,199	\$ -	\$ 3	\$ 63,736,090
<hr/>					
	Balances at March 31, 2022	Additions	Dispositio ns	Transfers	Balances at March 31, 2023
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,062,319	\$ -	\$ -		\$ 5,062,319
Construction in progress	4,605,354	1,976,650	-	(3,490,634)	3,091,370
Total	9,667,673	1,976,650	-	(3,490,634)	8,153,689
<u>Depreciable capital assets:</u>					
Buildings	208,350,317	1,083,888	-	1,464,913	210,899,118
Dwelling equipment	5,699,971	-	-	2,025,721	7,725,692
Total	214,050,288	1,083,888	-	3,490,634	218,624,810
Total capital assets	223,717,961	3,060,538	-	-	226,778,499
Less: accumulated depreciati	(161,134,216)	(5,903,395)	-		(167,037,611)
Net capital assets	\$ 62,583,745	\$ (2,842,857)	\$ -	\$ -	\$ 59,740,888

Depreciation expense for the fiscal year ended March 31, 2024 and March 31, 2023 totaled \$6,076,444 and \$5,903,395, respectively.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 8. NON-CURRENT LIABILITIES

<p>During 2007, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency ("NJHMFA") issued tax exempt, twenty year Capital Fund Program Revenue Bonds totaling \$18,585,0013. The Authority's share of funds from the bond issue pool amounted to \$10,000,000. Interest accrues at rates between 4% and 5% and is payable semi-annually on May 1st and November 1st. Repayment of the funds is paid solely from Capital Fund allocations received by the Authority from HUD. The bonds are secured by future capital fund grant allocations and mature in November, 2027</p>	2,700,000
<p>Mortgage loan payable to NJHMFA as part of the Balance Housing Program in an original amount of \$422,00. The funds were loaned through the Affordable Housing Program. There is no interest or principal payments due, and the note matured in September 2022.</p>	422,000
<p>Mortgage loan payable to the Department of Community Affairs of the State of New Jersey as part of the Balanced Housing Program in the original amount of \$1,073,315. The loan is interest free and matured in September, 2022 and is secured by a second mortgage on the property at 254 Bergen Avenue.</p>	1,073,315
<p>Mortgage loan payable to the Department of Community Affairs of the State of New Jersey from the Petroleum Overcharge Reimbursement Fund in the original amount of \$283,860. The loan is interest free, matured in September 2022 and is secured by a third mortgage on the property at 254 Bergen Avenue.</p>	283,860
<p>Loan payable to the Community Preservation Corporation dated December 29, 2005 in the original amount of \$1,750,000 for the acquisition of the Arlington Gardens property. Principal and interest payments are due monthly in the amount of \$8,607 including interest at 2.836%. The loan matures in March 2036 and is secured by the property located at 301-305 Randolph Avenue.</p>	980,697
<p>The Authority has an agreement with HUD for the repayment of \$8,230,428 in phase-down funding overpayments. The Authority is responsible to repay the amount over 30 years in equal annual installments of \$275,000. The repayment agreement is interest free, unsecured and matures in 2047.</p>	6,305,428
<p>Second mortgage payable to NJHMFA HOME Express Program in the amount of \$1,844,871, assumed by the Authority in connection with the acquisition of Webb Apartments. The loan bears interest at 1% compounded annually and requires annual payments of 50% of project cash flow, as defined. Final payment is due in May 2039. The loan is secured by a second mortgage on substantially all of the assets of Webb Apartment Project</p>	2,486,320
<p>Third mortgage payable to the City of Jersey City in the amount of \$1,510,000 (HOME Loan), assumed by the Authority in connection with the acquisition of Webb Apartments. The loan bears interest at the long term AFR of at 4.11% compounded annually. All unpaid principal and accrued interest are due and payable on maturity in April 2037. The loan is secured by a third mortgage on substantially all of the assets of Webb Apartment Project</p>	1,510,000

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 8. NON-CURRENT LIABILITIES (continued)

Affordable Housing Program (AHP) fourth mortgage note with Bayonne Community Bank, assumed by the connection with the acquisition with the acquisition of Webb Apartments in the amount of \$350,000. The loan is non-interest bearing and requires no monthly payments as long as the project complies with all material terms and conditions of the note through maturity. All outstanding principal shall be due in April 2024. 350,000

First mortgage note I payable to NJHMFA in the original amount of \$118,477, assumed in connection with the acquisition of the Webb Apartment Project. The loan requires monthly principal and interest payments of \$849, with interest at 7.75% per annum. Effective May 2020 a forbearance was issued on the loan and no principal or interest were made until 2021 when payments resumed. Final payment will be due in February 2040. The loan is secured by a first mortgage on substantially all of the rights of the Webb Apartments Project. 92,746

First mortgage note II payable to NJHMFA in the original amount of \$421,759, assumed in connection with the acquisition of the Webb Apartment Project. The loan requires monthly principal and interest payments of \$2,778, with interest at 6.90% per annum. Effective May 2020 a forbearance was issued on the loan and no principal or interest were made until February 2021. Effective February 1, 2021, the mortgage was amended to require monthly principal and interest payments of \$770.88 on \$98,000 of the loan balance. The remainder of the loan balance (\$260,949) will be payable at mortgage maturity. The final balloon payment will be due in February 2040. The loan is secured by a first mortgage on substantially all of the rights of the Webb Apartments Project. 89,320

First mortgage note III payable to NJHMFA in the original amount of \$65,470, assumed in connection with the acquisition of the Webb Apartment Project. The loan requires monthly principal and interest payments of \$425, with interest at 6.75% per annum. Effective May 2020 a forbearance was issued on the loan and no principal or interest were made until February 2021. The remainder of the loan balance (\$260,949) will be payable at mortgage maturity. The final balloon payment will be due in February 2040. The loan is secured by a first mortgage on substantially all of the rights of the Webb Apartments Project. 49,487

Total Non-Current Liabilities	\$16,343,533
Less: Current Portion	<u>(3,171,205)</u>
Bonds and Loans Payable Excluding Current Portion	<u>\$13,172,328</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 8. NON-CURRENT LIABILITIES (continued)

CAPITAL LEASE

Description

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

In July 2022, the Authority entered a new capital lease agreement, for an additional \$10,182,138 and added the outstanding balance under the original capital lease agreement of \$2,504,539 to the new capital lease, resulting in a new capitalized lease obligation of \$12,686,677. Of the \$10,182,138 borrowed during the fiscal year ended March 31, 2024, \$1,083,947 was expended to make energy efficient improvements to the authority's properties. Those improvements are being depreciated over their estimated useful life of fifteen years. As of March 31, 2024, accumulated depreciation of \$72,263 has been recorded. The unspent balance of the loan proceeds and interest earned thereon is included in restricted cash since the funds can be used only to purchase additional energy efficient equipment per the authority's contract with HUD. Under the terms of the new capital lease, monthly payments of \$114,937 including interest at 3.982% are due through December, 2032.

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

Total Capital Lease Payable	\$ 11,145,447
Less: current portion	<u>1,004,226</u>
Capital lease, excluding current portion	<u>\$10,141,221</u>

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

Year	Principal	Interest
2025	\$ 4,175,431	\$ 667,304
2026	4,150,767	576,009
2027	2,494,797	484,543
2028	2,593,563	412,686
2029	1,942,920	324,576
2030-2034	7,226,932	513,692
2035-2039	4,883,832	40,946
2040-2044	<u>20,840</u>	<u>0</u>
	<u>\$ 27,489,083</u>	<u>\$ 3,019,750</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 8. NON-CURRENT LIABILITIES (continued)

Long-term debt activity for the year ended March 31, 2024 and March 31, 2023 consisted of the following:

<u>Description</u>	<u>March 31, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2024</u>	<u>Due in One Year</u>
Bonds and Loans	\$ 12,701,777	\$ 5,057,783	- \$ (968,580)	\$16,790,980	\$ 3,171,205
Capital Lease	12,070,625	-	(925,178)	11,145,447	1,451,673
Compensated Abs.	2,973,633	-	(718,122)	2,255,511	225,551
Pension Liability	18,551,311	-	(1,666,035)	16,684,586	-
OPEB Liability	43,164,963	3,518,078	-	46,683,041	-
Other	463,356	1,076,809	-	1,540,165	-
TOTAL	\$89,927,065	\$ 9,652,670	\$(4,277,915)	\$95,300,420	\$ 4,848,429

<u>Description</u>	<u>March 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2023</u>	<u>Due in One Year</u>
Bonds and Loans	\$ 13,221,191	\$ -	\$ (941,930)	\$12,701,777	\$ 2,715,024
Capital Lease	2,739,681	10,182,138	(851,194)	12,070,625	925,178
Compensated Abs.	3,904,966	-	(931,333)	2,973,633	297,564
Pension Liability	15,368,622	3,182,989	-	18,551,311	-
OPEB Liability	48,091,096	-	(4,926,133)	43,164,963	-
Other	616,907	-	(153,551)	463,356	-
TOTAL	\$83,966,163	\$13,365,127	\$(7,804,141)	\$89,927,065	\$ 3,937,766

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

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

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](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

B. Benefits

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

1. Members who were enrolled prior to July 1, 2007
2. Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3. Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4. Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5. Members who were eligible to enroll on or after June 28, 2011

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

C. Contributions

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

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.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 9. PENSION PLAN (continued)

Contributions (continued) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2024 and 2023, the Authority reported a liability of \$16,684,586 and \$15,368,321 respectively for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2022, and rolled forward to June 30, 2023.

For the year ended March 31, 2024, and 2023, the Authority recognized Pension benefits of \$597,397 and \$1,845,034 respectively. The Authority's allocation percentages as of March 31, 2024 and 2023, were 0.01152% and 0.01297% respectively.

The components of the Authority's net pension liability as of March 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Total Pension Liability	\$ 48,247,218	\$ 52,194,156
Less: Plan Fiduciary Net Position	<u>(31,562,632)</u>	<u>(36,825,835)</u>
Net Pension Liability	<u>\$ 16,684,586</u>	<u>\$ 15,368,321</u>

At March 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>2024</u> Deferred Outflows of Resources	<u>2024</u> Deferred Inflows of Resources	<u>2023</u> Deferred Outflows of Resources	<u>2023</u> Deferred Inflows of Resources
Changes of assumptions	\$ 36,653	\$ 1,011,157	\$ 80,038	\$ 5,471,222
Differences between expected and actual experience	159,526	68,201	242,378	110,018
Net differences between projected and actual earnings on plan investments	76,835	-	-	4,048,420
Changes in proportion	<u>221,448</u>	<u>2,123,499</u>	<u>762,650</u>	<u>597,298</u>
TOTAL	<u>\$ 494,462</u>	<u>\$ 3,202,857</u>	<u>\$ 1,085,066</u>	<u>\$ 10,226,958</u>

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

<u>Year Ending June 30:</u>	
2024	\$ (5,318,932)
2025	(4,356,540)
2026	(2,356,813)
2027	(1,104,791)
2028	(2,230,068)
Thereafter	<u>(2,389,974)</u>
Total	<u>\$ (15,367,143)</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 9. PENSION PLAN (continued)

C. Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55%
	based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022.

D. 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

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, 2023, are summarized in the following table:

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

E. Long-Term Expected Rate of Return

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

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

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

	At Current Discount Rate (7.00%)	
At 1% Decrease (6.00%)		At 1% Increase 8.00%
\$ 21,986,055	\$ 16,684,586	\$ 12,550,975

	At Current Discount Rate (7.00%)	
At 1% Decrease (6.00%)		At 1% Increase 8.00%
\$ 21,151,635	\$ 15,368,321	\$ 10,763,216

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

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

B. Benefits Provided

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

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

C. Basis of Presentation

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

D. Net OPEB Liability

The Authority's other post-employment benefit ("OPEB") liability of \$46,883,731 was measured as of June 30, 2023. The components of the net OPEB liability as of June 30, 2024 and 2023 are as follows:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Total OPEB Liability	\$ 46,518,314	\$ 43,008,147
Plan Fiduciary Net Position (Deficit)	(365,417)	(156,815)
Net OPEB Liability	<u>\$ 46,883,731</u>	<u>\$ 43,164,962</u>

Plan Fiduciary Net Position as a % of the Total OPEB Liability	-0.78%	-0.36%
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**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

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

The total OPEB liability as of June 30, 2023 was determined by actuarial valuation as of Jul 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases (Based on years of service within the respective plan)
Public Employees Retirement System (PERS)
Rate for all future years 2.75% to 6.55% based on
years of service

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

HEALTH CARE TREND ASSUMPTIONS

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

DISCOUNT RATE

The discount rate for June 2023 was 3.65%. 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.

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, 2023 and June 30, 2022 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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
2024	\$ 54,306,304	\$ 46,883,731	\$ 40,913,415
2023	\$ 50,036,880	\$ 43,164,962	\$ 37,635,860

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

The following presents the total OPEB liability of the Authority as of June 30, 2023 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:

	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
2024	\$ 39,845,655	\$ 46,883,731	\$ 55,894,619
2023	\$ 36,618,137	\$ 43,164,962	\$ 51,549,601

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

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

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, 2024 and 2023, the Authority recognized an OPEB benefit (expense) of \$502,828 and (\$136,196).

At March 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	2024	2024	2023	2023
	<u>Def. Outflows of Resources</u>	<u>Def. Inflows of Resources</u>	<u>Def. Outflows of Resources</u>	<u>Def. Inflows of Resources</u>
Changes of Assumptions	\$ 6,073,202	\$ 13,252,530	\$ 5,760,543	\$ 14,731,369
Changes in Proportion	11,800,810	3,477,110	-	-
Differences between expected and actual experience	2,162,036	12,732,089	2,229,085	8,001,056
Net differences between projected and actual earnings on plan investments	-	7,736	11,363	-
Total	<u>\$20,036,048</u>	<u>\$29,469,465</u>	<u>\$ 8,000,991</u>	<u>\$22,731,425</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:

<u>Year Ending June 30:</u>	
2024	\$ (5,318,932)
2025	(4,356,540)
2026	(2,356,813)
2027	(1,104,791)
2028	(2,230,068)
Thereafter	<u>(2,389,974)</u>
Total	<u>\$ (15,367,143)</u>

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 11. RESTRICTED NET POSITION

At March 31, 2024 and March 31, 2023, restricted net position consisted of the following:

<u>Description</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
State Debt Leveraging Fund	\$ 9,377	\$ 11,340
Hope VI Notes Receivable and accrued interest	90,122,902	87,141,482
Bergen Avenue Project Reserves	645,497	641,220
Arlington Gardens Project Reserves	447,107	400,188
Other Unspent HAP Funds	-	348,729
Mainstream Unspent HAP Funds	-	383,756
Housing Choice Voucher Program Unspent HAP Funds	-	1,116,457
Unspent Continuum of Care Funds	-	4,591
Unspent EPC Loan Proceeds	<u>7,743,741</u>	<u>9,102,612</u>
TOTAL	<u><u>\$ 98,968,624</u></u>	<u><u>\$ 99,150,375</u></u>

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

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

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

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

NOTE 12. LEASES

As described in Note 1, The Authority adopted GASB 87 as of April 1, 2022. The Authority has entered into various leases with third parties where the Authority is Lessor,

The Authority has entered into four operating leases under which it rents office space to various other government and not for profit entities. Under GASB 87 the Authority is required to report the value of future lease payments at their present value using an internal borrowing rate which the Authority has determined to be 6.0%. The Authority has reported deferred inflows of future revenues for these leases. Deferred inflows at March 31, 2024 and 2023 were \$1,263,680 and \$1,704,141, respectively, net of accumulated amortization of \$2,400,122 and \$1,959,661, respectively.

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$318,523	\$ 75,833
2026	231,740	58,427
2027	198,965	50,131
2028	108,134	40,531
2029	119,085	29,804
Thereafter	<u>562,132</u>	<u>76,724</u>
	<u><u>\$1,420,445</u></u>	<u><u>\$321,550</u></u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 13. RISK MANAGEMENT

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

NOTE 14. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of March 31, 2024, the Authority estimates that no material liabilities will result from such audits.

NOTE 15. RIGHT TO USE SUBSCRIPTION

For the year ended March 31, 2024, the Authority implemented the requirements of GASB Statement No. 96, "Subscription Based Information Technology Arrangements" (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions.

As of March 31, 2023, the Authority had no subscription agreements in effect. However, during the fiscal year ended March 31, 2024, the Authority entered a subscription agreement for the use of Yardi Web-Based Accounting and Property Management Software. The initial term of the agreement is sixty (60) months with forty-eight (48) months remaining at March 31, 2024. An initial subscription liability was recorded in the amount of \$1,645,589. The liability as of March 31, 2024 is \$1,335,632. The Authority is required to make fixed annual payments of \$359,322, including interest at a rate of 3.0%. The value of the right to use asset March 31, 2024 was \$1,417,143 with an accumulated amortization of \$431,304.

The future minimum subscription obligations and the net present value of these minimum payments as of March 31, 2024 were as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
March 31, 2025	\$319,253	\$40,069	\$359,322
March 31, 2026	328,831	30,491	359,322
March 31, 2027	338,695	20,627	359,322
March 31, 2028	338,390	10,466	348,856

NOTE 16. PRIOR PERIOD ADJUSTMENT

During the fiscal year ended March 31, 2024, the Authority made certain adjustments to beginning equity which increased the balance by \$678,918 to correct previously reported pension and OPEB liabilities.

During the fiscal year March 31, 2023, the Authority made certain adjustments to beginning equity which reduced the balance by \$422,000. The Authority determined that it had inadvertently understate mortgages payable to NJHMFA.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

NOTE 17. SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated subsequent events through December 30, 2024, the date on which the financial statements were available to be issued and concluded that one subsequent event has occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

The Authority has applied to NJHMFA for release of reserves and escrows to satisfy two mortgages related to 254 Bergen Avenue. The total amount of mortgages that became due in September 2022 were \$705,360. As of December 30, 2024, the reserves have not been released and the mortgages remain payable.

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

Submission Type: Audit

Audited/Single

Fiscal Year End: 03/31/2024

Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	2 State/Local	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.267 Continuum of Care Program	8 Other Federal Program 1	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	32.001 Communications Information and Assistance Investigation of	21.029 Emergency Rental Assistance Program	COCC	Subtotal	ELIM	Total
\$3,978,883	\$1	\$0	\$76,485	\$0	\$0	\$0	\$3,292,709	\$0	\$0	\$0	\$592,593	\$254,764	\$603,396	\$3,674,446	\$0	\$12,463,667	\$0	\$12,463,667
\$9,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,401	\$0	\$9,401
\$7,929,921	\$0	\$0	\$1,092,804	\$0	\$0	\$241,770	\$0	\$0	\$0	\$0	\$6,265,515	\$0	\$0	\$0	\$0	\$15,529,810	\$0	\$15,529,810
\$440,784	\$0	\$0	\$85,170	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$526,964	\$0	\$526,964
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$12,358,869	\$1	\$0	\$1,254,259	\$0	\$0	\$241,770	\$3,292,709	\$0	\$0	\$0	\$6,846,509	\$254,764	\$0	\$603,396	\$3,674,446	\$28,528,842	\$0	\$28,528,842
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$410,981	\$0	\$8,259	\$0	\$1,085,745	\$0	\$0	\$0	\$0	\$1,506,084	\$0	\$1,506,084
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$228,566	\$0	\$0	\$0	\$0	\$228,566	\$0	\$228,566
\$98,050	\$0	\$0	\$0	\$0	\$0	\$0	\$35,592	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$131,642	\$0	\$131,642
\$1,502,070	\$0	\$0	\$201,233	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,703,303	\$0	\$1,703,303
\$-11,26,207	\$0	\$0	\$-172,199	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-1,298,406	\$0	\$-1,298,406
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$318,523	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$318,523	\$0	\$318,523
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$29,034	\$0	\$0	\$0	\$446,573	\$0	\$9,259	\$0	\$1,315,311	\$0	\$0	\$0	\$0	\$1,589,712	\$0	\$1,589,712
\$790,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$790,436	\$0	\$790,436
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$9,231	\$0	\$0	\$30,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,749	\$0	\$25,008	\$270,489	\$0	\$270,489
\$772,250	\$0	\$0	\$75,897	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,035	\$851,952	\$0	\$851,952
\$-136,202	\$0	\$0	\$-15,134	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-151,336	\$0	\$-151,336
\$6,993,043	\$773,491	\$0	\$0	\$0	\$3,444	\$79,800	\$34,177	\$6,139	\$0	\$0	\$1,739,492	\$0	\$1,066,093	\$0	\$0	\$11,801,279	\$-11,801,279	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$22,787,757	\$773,492	\$0	\$1,374,329	\$0	\$9,444	\$320,570	\$3,773,059	\$6,139	\$9,259	\$0	\$9,903,311	\$254,764	\$5,749	\$770,079	\$3,903,487	\$44,890,699	\$-11,801,279	\$53,089,659
\$3,563,235	\$0	\$0	\$1,472,887	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$896,399	\$5,932,271	\$0	\$5,932,271
\$193,983,135	\$0	\$0	\$9,436,918	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,671,050	\$216,091,103	\$0	\$216,091,103
\$2,846,002	\$0	\$0	\$30,270	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,103	\$3,080,059	\$0	\$3,080,059
\$4,250,221	\$0	\$0	\$203,823	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$259,637	\$0	\$0	\$790,394	\$5,443,065	\$0	\$5,443,065	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$-152,513,868	\$0	\$0	\$46,799,384	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-248,197	\$0	\$0	\$-13,552,626	\$-173,114,055	\$0	\$0	\$-173,114,055
\$6,042,966	\$0	\$0	\$498,072	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,500,668	\$0	\$6,500,668
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$58,171,921	\$0	\$0	\$3,802,366	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,440	\$0	\$0	\$0	\$1,751,360	\$59,736,097	\$0	\$59,736,097
\$89,424,824	\$0	\$0	\$1,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,224,824	\$0	\$91,224,824
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$1,376,004	\$0	\$0	\$98,196	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$460,970	\$0	\$0	\$295,318	\$2,170,496	\$0	\$0	\$2,170,496
\$1,493,972,749	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$501,416	\$1,517,131,407	\$0	\$1,517,131,407
\$6,261,064	\$0	\$0	\$597,006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,926,995	\$0	\$0	\$10,725,446	\$20,590,511	\$0	\$0	\$20,590,511

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

Entry Wide Revenue and Expense Summary

Fiscal Year End: 3/31/2024

Submission Type: Audited/Single Audit

Account	Project Total	14.879 Mainstream Vouchers	14. PHC Public Housing CARES Act Funding	14.249 Section 8 Moderate Rehabilitation from Occupancy	14.658 PIH Family Self-Sufficiency Program	14. EFA ESS Economy Forefront Account	14.267 Continuum of Care Program	8 Other Federal Program	14.370 Recovery Opportunity and Supportive Services	14. HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	14. ENV Emergency Housing Voucher	32.001 Communications Information and Assistance and Investigation of	21.023 Emergency Rental Assistance Program	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$10,287,524	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,539,389	\$0	\$11,539,389
70400 Tenant Revenue - Other	\$29,903	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,903	\$0	\$29,903
70500 Total Tenant Revenue	\$10,417,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,569,292	\$0	\$11,569,292
70560 HUD PHA Operating Grants	\$18,415,266	\$5,115,122	\$0	\$0	\$290,000	\$0	\$1,911,747	\$0	\$85,074	\$0	\$93,329,910	\$1,617,199	\$0	\$0	\$0	\$90,767,318	\$0	\$90,767,318
70561 Capital Grants	\$3,915,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,915,960	\$0	\$3,915,960
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70740 Front Line Services Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70750 Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$5,107	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$436,598	\$0	\$436,598
71200 Mortgage Interest Income	\$2,981,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,198	\$0	\$21,198
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,981,427	\$0	\$2,981,427
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71500 Other Revenue	\$593,624	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,569	\$0	\$65,569
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Total Revenue	\$39,333,405	\$5,115,124	\$0	\$0	\$290,000	\$1,912,265	\$1,919,016	\$0	\$85,074	\$0	\$93,422,889	\$1,617,745	\$0	\$0	\$0	\$118,405,209	\$0	\$118,405,209
91100 Administrative Salaries	\$683,393	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$441,960	\$0	\$441,960
91200 Auditing Fees	\$2,908	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,847,160	\$0	\$7,847,160
91300 Management Fee	\$46,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,164	\$0	\$154,164
91310 Book-keeping Fee	\$25,225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$241,284	\$0	\$241,284
91400 Advertising and Marketing	\$3,428	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$104,471	\$0	\$104,471
91500 Employee Benefit Contributions - Administrative	\$583,698	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,462	\$0	\$13,462
91600 Office Expenses	\$428,458	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,713,677	\$0	\$3,713,677
91700 Legal Expense	\$59,432	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$691,932	\$0	\$691,932
91800 Travel	\$7,853	\$34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,713	\$0	\$6,713
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
91900 Other	\$1,799,890	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,923	\$0	\$2,923
91000 Total Operating - Administrative	\$6,504,253	\$60,128	\$0	\$0	\$3,744	\$3,274	\$796	\$0	\$4,062	\$0	\$4,324,451	\$891	\$0	\$0	\$0	\$14,693	\$0	\$14,693
92000 Asset Management Fee	\$41,160	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,926	\$0	\$30,926
92100 Tenant Services - Salaries	\$393,241	\$72,380	\$0	\$0	\$0	\$0	\$47,146	\$0	\$60,950	\$0	\$43,387	\$0	\$0	\$0	\$0	\$95,818	\$0	\$95,818
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$881	\$0	\$881
92300 Employee Benefit Contributions - Tenant Services	\$167,466	\$33,978	\$0	\$0	\$0	\$0	\$27,972	\$0	\$17,649	\$0	\$0	\$0	\$0	\$0	\$0	\$444,185	\$0	\$444,185
92400 Tenant Services - Other	\$79,134	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,303	\$0	\$25,303
92500 Total Tenant Services	\$599,861	\$106,258	\$0	\$0	\$0	\$0	\$75,118	\$0	\$78,599	\$0	\$63,218	\$0	\$0	\$0	\$0	\$176,677	\$0	\$176,677
93000 Water	\$1,239,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,344,481	\$0	\$1,344,481
93200 Electricity	\$1,161,652	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$86,942	\$0	\$86,942
93300 Gas	\$2,257,410	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,297,916	\$0	\$1,297,916
93400 Fuel	\$42,787	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,556,718	\$0	\$1,556,718
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,787	\$0	\$42,787
93600 Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
93800 Other Utilities Expense	\$118,652	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$149,849	\$0	\$149,849
93000 Total Utilities	\$3,820,288	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,970,811	\$0	\$3,970,811
94100 Ordinary Maintenance and Operations - Labor	\$241,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,900,396	\$0	\$1,900,396
94200 Ordinary Maintenance and Operations - Materials and Other	\$697,163	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,820,450	\$0	\$74,820,450
94300 Ordinary Maintenance and Operations Contracts	\$3,691,131	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,265,144	\$0	\$1,265,144
94500 Employee Benefit Contributions - Ordinary Maintenance	\$2,295,160	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,889	\$0	\$33,889
94000 Total Maintenance	\$9,275,012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,949,556	\$0	\$1,949,556
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,656,478	\$0	\$3,656,478
95200 Protective Services - Other Contract Costs	\$190,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$882	\$0	\$882
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
95000 Total Protective Services	\$190,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$882	\$0	\$882
96110 Property Insurance	\$387,548	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,279	\$0	\$3,279
96120 Liability Insurance	\$381,059	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,854	\$0	\$9,854

JERSEY CITY HOUSING AUTHORITY
Jersey City, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2024

2024
Federal
Expenditures

DIRECT FEDERAL AWARDS

US Department of Housing & Urban Development

Housing Voucher Cluster:

Section 8 Voucher Program (CFDA # 14.871)	\$ 63,332,910
Mainstream Vouchers (CFDA # 14.879)	5,115,122
Emergency Housing Vouchers (CFDA # 14.EHV)	1,617,199
Total Housing Voucher Cluster	70,065,231

Coronavirus Aid, Economic Relief and Economic Security Act (CARES)

Public Housing CARES Act Funds (CFDA# 14.PHC)	-
HCV CARES Act Funds (CFDA# 14.HCC)	-
Mainstream Vouchers CARES Act Funds (CFDA# 14.MSC)	-
Total CARES Act Funds	-

Low Rent Public Housing (CFDA # 14.850)	13,014,277
Public Housing Capital Fund (CFDA# 14.872)	9,316,969
Continuum of Care Program (CFDA # 14.267)	704,677
Resident Opportunity and Supportive Services (CFDA # 14.870)	85,074
PIH Family Self Sufficiency Program (CFDA # 14.896)	290,000
Subtotal - US Department of Housing & Urban Development - Direct	93,476,228

US Department of the Treasury

Emergency Rental Assistance Program (CFDA# 21.023)	436,586
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Total Direct Federal Assistance 93,912,814

US Department of Housing & Urban Development Passed Through the
Hudson County Division of Housing and Community Development -
Continuum of Care Program

York Street Project (CFDA # 14.267)	641,672
Women Rising (CFDA # 14.267)	565,398
Subtotal - US Department of Housing & Urban Development - Indirect	1,207,070

Total Expenditures of Federal Awards **\$ 95,119,884**

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
Schedule of Proportionate Share of the Net Pension Liability
of the Public Employees Retirement System (PERS)
For the Year Ended March 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Housing Authority's Proportion of the Net Pension Liability	\$16,684,586	\$18,511,311	\$15,388,321	\$20,719,128	\$21,709,126	\$25,319,184	\$29,938,044	\$35,829,504	\$28,291,027	\$25,521,097	\$28,001,608
Housing Authority's Proportionate Share of the Net Pension Liability	0.1156%	0.1229%	0.1297%	0.1331%	0.1331%	0.1286%	0.1286%	0.1210%	0.1260%	0.1363%	0.1465%
Housing Authority's Covered Employee Payroll	\$10,114,783	\$8,599,279	\$9,276,108	\$10,454,848	\$10,420,333	\$10,559,821	\$10,316,181	\$9,856,186	\$9,411,623	\$8,805,692	\$9,483,747
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	164.95%	215.27%	165.68%	188.18%	208.33%	239.77%	290.20%	363.52%	300.60%	289.83%	295.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.00%	58.32%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

Jersey City Housing Authority
Schedule of Authority Contributions to the
Public Employees Retirement System (PERS)
For the Year Ended March 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$1,539,549	\$1,550,163	\$1,519,275	\$1,456,315	\$1,456,315	\$1,279,078	\$1,191,422	\$1,028,449	\$1,123,862	\$1,103,948	\$1,170,858
Contribution in Relation to the Contractually Required Contribution	(1,539,549)	(1,550,163)	(1,519,275)	(1,456,315)	(1,456,315)	(1,279,078)	(1,191,422)	(1,028,449)	(1,123,862)	(1,103,948)	(1,170,858)
Contribution Deficiency/(Excess)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Authority's Covered Payroll	\$10,114,783	\$8,599,279	\$9,276,108	\$10,454,848	\$10,559,821	\$10,559,821	\$10,316,181	\$9,856,186	\$9,411,623	\$8,805,692	\$9,483,747
Contribution as a Percentage of Covered Employee Payroll	15.22%	18.03%	16.38%	13.93%	13.79%	12.11%	11.55%	10.43%	11.94%	12.54%	12.35%

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

Jersey City Housing Authority
Schedule of Changes in the Housing Authority's
Total OPEB Liability and Related Ratios
For the Year Ended March 31, 2024

	<u>March 31, 2024</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Housing Authority's Proportion of the Net OPEB Liability	0.3124%	0.2673%	0.2672%	0.2774%	0.2557%	0.2742%	0.2593%
Housing Authority's Proportionate Share of the Net OPEB Liability	\$46,883,731	\$43,164,962	\$48,091,096	\$49,775,290	\$34,642,993	\$42,962,410	\$52,928,545
Housing Authority's Covered Employee Payroll	\$10,114,783	\$8,599,279	\$9,276,108	\$10,454,808	\$10,422,333	\$10,559,821	\$10,316,181
Housing Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	463.52%	501.96%	518.44%	476.10%	332.39%	406.85%	513.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	0.36%	0.28%	0.91%	1.98%	1.97%	1.03%

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

Jersey City Housing Authority
Schedule of Authority Contributions to the
Other Post-Employment Benefits Plan (OPEB)
For the Year Ended March 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	\$4,098,692	\$3,979,313	\$4,189,809	\$4,630,700	\$4,530,885	\$4,670,337	\$4,839,321
Contribution in Relation to the Contractually Required Contribution	(4,098,692)	(3,979,313)	(4,189,809)	(4,630,700)	(4,530,885)	(4,670,337)	(4,839,321)
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	10,114,783	8,599,279	9,276,108	10,454,808	10,422,333	10,559,821	10,316,181
Contribution as a Percentage of Covered Employee Payroll	40.52%	46.27%	45.17%	44.29%	43.47%	44.23%	53.03%

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Jersey City Housing Authority, ("the Authority") as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise Housing Authority's basic financial statements, and have issued our report thereon dated December 30, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2024-001;

Jersey City's Response to Response to Findings

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

Purpose of This Report

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



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
December 30, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jersey City Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2024. 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.

Qualified Opinion on Housing Choice Voucher Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Housing Choice Voucher Program for the year ended March 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Matter(s) Giving Rise to Qualified Opinion on Housing Choice Voucher Program

As described in the accompanying schedule of findings and questioned costs, the Housing Authority of the City of Jersey City did not comply with requirements regarding the Housing Choice Voucher Program described in finding numbers 2024-002 for Reporting related to the Voucher Management System (VMS),.

Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

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

Responsibilities of Management on Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Jersey City Housing Authority

Jersey City, New Jersey

March 31, 2024

Report on Internal Control over Compliance

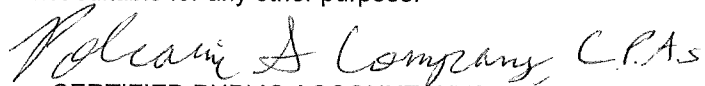
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 to be significant deficiencies.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
December 30, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION 1 - SUMMARY OF AUDIT RESULTS

Internal Control over Financial Reporting:

Significant Deficiencies Identified? X yes no

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

Noncompliance Material to Financial Statements Noted? yes X no

Federal Awards

Internal Control over Major Programs:

Significant Deficiencies Identified? X yes 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: Modified

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

Identification of Major Programs

CFDA

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

Dollar Threshold used to distinguish between type A and type B Programs \$2,853,597

Auditee qualified as low-risk? yes X no

SECTION 2 – FINANCIAL STATEMENT FINDINGS

Status of Prior Year Prior Year Findings:

Finding- 2023-001

Entity Wide

Type of Deficiency – Material Weakness

Compliance Requirement - Reporting

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

Cause:

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

Condition:

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

Effect of Condition:

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

Recommendation:

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

Questioned Costs \$0

Response:

This finding is repeated in 2024 audit findings. See Finding 2024-001 for auditee's response.

SECTION 2 – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Current Year Findings

Finding- 2024-001

Entity Wide

Type of Deficiency – Material Weakness

Compliance Requirement - Reporting

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

Cause:

The Authority did not have appropriate controls in place to compile and monitor the compilation of the Authority's financial statements for March 31, 2024. The result of this inaction caused a two-year delay in the issuance of the Authority's audit report in addition to impeding management's ability to access the financial condition of the Authority.

Condition:

The Authority did not implement or establish internal controls to compile and monitor the preparation of the March 31, 2024, financial statements. CFR-200.512 subpart F requires that the authority complete and submit its financial statements to HUD and the federal audit clearinghouse nine months after its fiscal year end.

Effect of Condition:

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

Recommendation:

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

Questioned Costs \$0

Response:

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

SECTION 2 – FINANCIAL STATEMENT FINDINGS (CONTINUED)

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

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

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

SECTION 2 – FEDERAL AWARD FINDINGS

Finding 2024-002

Housing Choice Voucher Program (CFDA#14.871)
Type of Deficiency: Material Weakness
Compliance Requirement: Reporting – Voucher Management Systems

Condition:

Public housing agencies that administer a Housing Choice Voucher Program (HCV) are required to submit form 526871-B electronically through the Voucher Management System on a monthly basis as required by 24 CFR 5.801. This data is used to determine future renewal funding levels as well as monitoring and SEMAP related decisions. HUD relies on this data to determine the reasonableness of data submitted for calculating funding under the program.

Based on our audit we determined that there is a difference in excess of \$1,000,000 between what was reported in the VMS system and what was reported on the Financial Data Schedule (FDS). The Authority failed to reconcile the difference between the data reported in VMS and the data captured by the general ledger.

Criteria:

As a condition of receiving federal awards, the PHA agrees to comply with laws, regulations and provisions of grant agreements and contracts and to also maintain internal controls to provide reasonable assurance of compliance with these requirements. Projects funded with HCV Funds are subject to both financial and VMS reporting requirements of the grant.

Cause:

The Authority did not implement the proper controls to ensure data remitted to VMS was reconciled to the general ledger on a monthly basis.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement resulted in inaccurate data provide to both the general ledger and the VMS system and may result in the imposition of sanctions and loss of subsidy.

Recommendation:

We recommend that the Authority adopt controls and procedures to ensure compliance with the requirements of the Housing Choice Voucher Program.

Response:

The Authority will adopt controls and procedures to ensure compliance with the requirements of the Housing Choice Voucher Program. The Finance Department will communicate and coordinate with Asset Management regarding rigid internal controls and processes.

The target completion date for this system is May 15, 2025

SECTION 2 – FEDERAL AWARD FINDINGS

Finding 2024-003

Public and Indian Housing (CFDA#14.850)
Type of Deficiency: Significant Deficiency
Compliance Requirement: Reporting – Form 50058

Condition:

Public housing agencies that administer the low rent public housing program are required to provide HUD with accurate related to families residing in public housing, including information on income, rent computations and family status. The information is provided electronically on Form HUD-50058.

Based on our audit we determined that the housing authority is not processing changes in head of household as prescribed by HUD regulations. Specifically, when there is a change in head of household, Form 50058 should indicate the former head of household's social security number in line 3w of Form 50058 " If new head of household, former head of household's SSN, in Section 3, Household". This triggers IMS-PIC to connect this 50058 that has a new head of household to the 50058 with the previous Head of Household.

Criteria:

As a condition of receiving federal awards, the PHA agrees to comply with laws, regulations and provisions of grant agreements and contracts and to also maintain internal controls to provide reasonable assurance of compliance with these requirements. Projects funded with public housing operating funds are subject to both financial and Special Requirements, including Form 50058 reporting requirements for the grant.

Cause:

The Authority did not implement the proper controls to ensure data reported in PIC via Form 50058 was accurate.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement resulted in inaccurate data provide to both HUD and may result in the imposition of sanctions and loss of subsidy.

Recommendation:

We recommend that the Authority adopt controls and procedures to ensure compliance with the requirements of the Low Rent Public Housing Program.

Response:

The Authority will adopt controls and procedures to ensure compliance with the requirements of the Low Rent Public Housing Program. The Finance Department will communicate and coordinate with Asset Management regarding rigid internal controls and processes.

The target completion date for this system is May 15, 2025