

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED MARCH 31, 2020

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
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YEAR ENDED MARCH 31, 2020

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners of the
Housing Authority of the City of Perth Amboy:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component units of the Housing Authority of the City of Perth Amboy (the "Authority") as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the primary government and the discretely presented component units of the Authority as of March 31, 2020, and the changes in their net position and, where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogracic & Company LLP

September 14, 2020
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020

As Management of the Housing Authority of the City of Perth Amboy (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority (Primary Government) for the fiscal year ended March 31, 2020. The following discussion and analysis provides an overview of the primary government's financial activities. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this Report.

A Financial Highlights

1. The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$13,969,816 (net position) as opposed to \$13,086,205 for the prior fiscal year.
2. At the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Position of \$11,393,699, an increase of \$1,223,783 from the prior fiscal year.
3. The Authority's unrestricted cash and cash equivalents balance at March 31, 2020 was \$4,411,557 representing a decrease of \$2,858,465 from the prior fiscal year.
4. The Authority had Total Operating Revenues of \$18,448,738 and Total Operating Expenses of \$16,973,242 (including depreciation of \$25,840) for the year ended March 31, 2020.
5. The Authority had no capital asset purchases for the year ended March 31, 2020.
6. The Authority's Expenditures of Federal Awards amounted to \$16,478,059 for the fiscal year.

B. Using the Annual Report

1. Management's Discussion and Analysis

The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's basic financial statements (Primary Government). The Authority's basic financial statements and Notes to Financial Statements included in this Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020

B. Using the Annual Report (continued)

2. Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows.

The Statement of Net Position presents information on all the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The Statement of Cash Flows reports the Authority's cash flows from operating, investing, capital and non-capital activities.

The financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The basic financial statements can be found on pages 10 through 16.

3. Notes to Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The Notes to Financial Statements can be found in this Report after the financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020

B. Using the Annual Report (continued)

4. Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of New Jersey OMB Circular 15-08. The Schedule of Expenditures of Federal Awards can be found on page 45 of this report.

C. The Authority (Primary Government) as a Whole

The Authority's unrestricted net position increased during the fiscal year as detailed on the following page. The Authority's revenues are primarily subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. The Authority's revenues were insufficient to cover all expenses, excluding depreciation during the fiscal year.

By far, the largest portion of the Authority's net position reflects its unrestricted net position. Which is available for future use to provide program services.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020

C. The Authority (Primary Government) as a Whole (continued)

Computations of Net Position are as follows:

	As of	
	3/31/2020	3/31/2019
Cash and Other Current Assets	\$ 5,706,372	\$ 8,066,754
Non Current Assets	25,418,586	22,804,688
Capital Assets – Net	118,439	144,279
Deferred outflows of resources	913,355	1,326,883
Total Assets	32,156,752	32,342,604
Less: Current Liabilities	381,202	407,030
Less: Long Term Liabilities	11,578,227	13,641,797
Less: Deferred inflows of resources	6,227,507	5,207,572
Net Position	\$ 13,969,816	\$ 13,086,205
Net Investment in Capital Assets	\$ 118,439	\$ 144,279
Restricted Net Position	2,457,678	2,772,010
Unrestricted Net Position	11,393,699	10,169,916
Net Position	\$ 13,969,816	\$ 13,086,205

1. Cash and Other current assets decreased \$2,360,382 primarily due to the outflow of cash as issuance of notes receivable offset by the change in net position.
2. Non current assets increased \$2,613,898 primarily due to the issuance of notes receivable to the discretely presented component units.
3. Capital assets, net decreased \$25,840 due to depreciation taken in the current year.
4. Long-term liabilities decreased \$2,063,570 primarily due to the change in the net pension liability of \$397,985 and the change in the net OPEB liability of \$1,448,120.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020

C. The Authority (Primary Government) as a Whole (continued)

Computations of Changes in Net Position are as follows:

	Year Ended	
	3/31/2020	3/31/2019
	<u>3/31/2020</u>	<u>3/31/2019</u>
<u>Operating Revenues</u>		
Tenant Revenues	\$ -	\$ -
HUD and other Government Subsidies	14,581,592	15,037,821
Other Revenues	3,867,146	3,742,749
Total Operating Revenues	<u>18,448,738</u>	<u>18,785,342</u>
<u>Operating Expenses</u>		
Other Operating Expenses	2,415,070	4,129,569
Housing Assistance Payments	14,532,332	14,503,664
Depreciation Expense	25,840	16,833
Total Operating Expenses	<u>16,973,242</u>	<u>18,650,066</u>
Operating Income	<u>1,475,496</u>	<u>135,276</u>
Non-Operating Revenues:		
Interest on Investments	23,374	488,483
Mortgage Interest Income	496,577	-
Affordable Housing Program Subsidy	2,700,000	-
Bad Debt Expense – Notes Receivable	(2,700,000)	-
Bad Debt Expense – Accrued Interest	(1,111,836)	-
Transfers to affiliate	-	(1,958,621)
Total Revenues (Expenses)	<u>(591,885)</u>	<u>(1,470,138)</u>
Change in Net Position	883,611	(1,334,862)
Net Position – Beginning of Year	<u>13,086,205</u>	<u>14,421,067</u>
Net Position - End of Year	<u>\$ 13,969,816</u>	<u>\$ 13,086,205</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020

C. The Authority (Primary Government) as a Whole (continued)

1. HUD and other government subsidies decreased \$456,229 primarily due to a decrease in funding for the Section 8 Housing Choice Vouchers program.
2. Administrative expenses decreased \$1,470,631 from \$3,575,027 in 2019 to \$2,104,396 in 2020 due to a pension and OPEB benefit being recorded in year ending 2020.
3. Housing assistance payments expense increased \$28,668 due to an increase in unit months leased during year ending 2020.

D. Budgetary Highlights

For the year ended March 31, 2020, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. These budgets were primarily used as a management tool and have no legal stature. Also, the Authority adopted a comprehensive annual budget for the General Fund. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

E. Capital Assets and Debt Administration

1. Capital Assets

As of March 31, 2020, the Authority's investment in capital assets for its Proprietary Fund was \$118,439 (net of accumulated depreciation). This investment in capital assets includes equipment. There were no capital assets purchased during the year.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020

F. Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending March 31, 2020.

1. The state of the economy.
2. The need for Congress to fund the war on terrorism and the possible cut-back on HUD subsidies and grants.
3. The Authority's cash position (excluding restricted cash and tenant security deposits) of \$4,430,532 may be used to fund any shortfalls rising from a possible economic turndown and reduced subsidies and grants. The Authority's cash position appears sufficient to cover any shortfall.

G. Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Douglas Dzema, Executive Director, Housing Authority of the City of Perth Amboy, 881 Amboy Ave., Perth Amboy, N.J. 08862.

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF NET POSITION
MARCH 31, 2020

	ASSETS		
	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	\$ 4,411,557	\$ 1,704,732	\$ 6,116,289
Tenant security deposits	-	143,635	143,635
Accounts receivable, net	1,043,269	51,880	1,095,149
Prepaid expenses	<u>251,546</u>	<u>178,478</u>	<u>430,024</u>
Total current assets	<u>5,706,372</u>	<u>2,078,725</u>	<u>7,785,097</u>
Non-current assets:			
Restricted cash	529,946	3,965,982	4,495,928
Notes receivable	23,601,978	-	23,601,978
Capital assets, net	118,439	28,216,522	28,334,961
Prepaid ground lease	1,285,000	-	1,285,000
Other assets	<u>1,662</u>	<u>346,688</u>	<u>348,350</u>
Total non-current assets	<u>25,537,025</u>	<u>32,529,192</u>	<u>58,066,217</u>
Total assets	<u>31,243,397</u>	<u>34,607,917</u>	<u>65,851,314</u>
DEFERRED OUTFLOWS OF RESOURCES			
State of New Jersey P.E.R.S.	749,024	-	749,024
State of New Jersey S.H.B.P.	<u>164,331</u>	<u>-</u>	<u>164,331</u>
Total deferred outflows of resources	<u>913,355</u>	<u>-</u>	<u>913,355</u>
Total assets and deferred outflows of resources	<u>\$ 32,156,752</u>	<u>\$ 34,607,917</u>	<u>\$ 66,764,669</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF NET POSITION (continued)
MARCH 31, 2020

LIABILITIES

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 42,457	\$ 195,443	\$ 237,900
Accrued expenses	67,143	-	67,143
Accrued compensated absences, current	259,024	-	259,024
Tenant security deposits	-	143,965	143,965
Prepaid rent	7,128	12,534	19,662
Loans payable, current	-	54,640	54,640
Other accrued liabilities	5,450	344,325	349,775
Total current liabilities	381,202	750,907	1,132,109
Non-current liabilities:			
Accrued compensated absences, non-current	519,482	-	519,482
Loans payable, non-current	-	23,350,080	23,350,080
Accrued interest payable	-	1,004,239	1,004,239
Deferred developer fees	-	1,910,088	1,910,088
Accrued pension liability	5,012,804	-	5,012,804
Accrued OPEB liability	4,602,955	-	4,602,955
Other non-current liabilities	1,442,986	-	1,442,986
Total non-current liabilities	11,578,227	26,264,407	37,842,634
Total liabilities	11,959,429	27,015,314	38,974,743

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	1,920,244	-	1,920,244
State of New Jersey S.H.B.P.	4,307,263	-	4,307,263
Total deferred inflows of resources	6,227,507	-	6,227,507

NET POSITION

Net position:			
Net investment in capital assets	118,439	4,811,802	4,930,241
Restricted	2,457,678	3,965,982	6,423,660
Unrestricted	11,393,699	(1,185,181)	10,208,518
Total net position	13,969,816	7,592,603	21,562,419
Total liabilities, deferred inflows of resources and net position	\$ 32,156,752	\$ 34,607,917	\$ 66,764,669

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Operating revenues:			
Tenant revenue	\$ -	\$ 4,280,507	\$ 4,280,507
HUD operating grants	14,581,592	-	14,581,592
Fraud recovery revenue	8,836	-	8,836
Other revenues	<u>3,858,310</u>	<u>141,819</u>	<u>4,000,129</u>
Total operating revenues	<u>18,448,738</u>	<u>4,422,326</u>	<u>22,871,064</u>
Operating expenses:			
Administrative	2,104,396	937,963	3,042,359
Tenant services	130,846	12,494	143,340
Utilities	-	1,539,321	1,539,321
Ordinary maintenance and operations	-	691,841	691,841
Insurance	115,760	173,359	289,119
General	64,068	260,154	324,222
Housing assistance payments	14,532,332	-	14,532,332
Amortization	-	25,272	25,272
Depreciation	<u>25,840</u>	<u>1,207,459</u>	<u>1,233,299</u>
Total operating expenses	<u>16,973,242</u>	<u>4,847,863</u>	<u>21,821,105</u>
Operating income (loss)	<u>1,475,496</u>	<u>(425,537)</u>	<u>1,049,959</u>
Non-operating revenues (expenses):			
Investment income	23,374	28,721	52,095
Mortgage interest income	496,577	-	496,577
Affordable Housing Program subsidy	2,700,000	-	2,700,000
Bad debt expense - notes receivable	(2,700,000)	-	(2,700,000)
Bad debt expense - accrued interest receivable	(1,111,836)	-	(1,111,836)
Interest expense	<u>-</u>	<u>(1,190,828)</u>	<u>(1,190,828)</u>
Net non-operating revenues (expenses)	<u>(591,885)</u>	<u>(1,162,107)</u>	<u>(1,753,992)</u>
Income (loss) before special items	883,611	(1,587,644)	(704,033)
Capital contributions	<u>-</u>	<u>9,363,864</u>	<u>9,363,864</u>
Change in net position	883,611	7,776,220	8,659,831
Net position, beginning of year	<u>13,086,205</u>	<u>(183,617)</u>	<u>12,902,588</u>
Net position, end of year	<u>\$ 13,969,816</u>	<u>\$ 7,592,603</u>	<u>\$ 21,562,419</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 3,377,733
Cash received from grantors	14,582,322
Cash paid to vendors and suppliers	(15,520,284)
Cash paid to employees	<u>(2,091,485)</u>
Net cash provided by operating activities	<u>348,286</u>
Cash Flows from Investing Activities:	
Investment income	73,266
Issuance of notes receivable	<u>(3,536,042)</u>
Net cash used in investing activities	<u>(3,462,776)</u>
Net decrease in cash and cash equivalents	(3,114,490)
Cash and cash equivalents, beginning of year	<u>8,055,993</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,941,503</u></u>
Reconciliation of cash and cash equivalents to Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 4,411,557
Restricted cash	<u>529,946</u>
Total cash and cash equivalents	<u><u>\$ 4,941,503</u></u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,475,496
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	25,840
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Accounts receivable, net	(498,814)
Prepaid expenses	1,699
Deferred outflows of resources	413,528
Accounts payable	(31,504)
Accrued expenses	12,911
Prepaid rent	7,128
Accrued compensated absences	(73,682)
Other liabilities	(158,146)
Accrued pension liability	(397,985)
Accrued OPEB liability	(1,448,120)
Deferred inflows of resources	<u>1,019,935</u>
Net cash provided by operating activities	<u>\$ 348,286</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
MARCH 31, 2020

ASSETS			
	Dunlap RAD, LLC	Hansen RAD, LLC	Total Discretely Presented Component Units
Current assets:			
Cash and cash equivalents	\$ 1,279,729	\$ 425,003	\$ 1,704,732
Tenant security deposits	98,566	45,069	143,635
Accounts receivable, net	34,357	17,523	51,880
Prepaid expenses	94,023	84,455	178,478
Total current assets	1,506,675	572,050	2,078,725
Non-current assets:			
Restricted cash	2,904,285	1,061,697	3,965,982
Capital assets, net	16,126,034	12,090,488	28,216,522
Other assets	112,985	233,703	346,688
Total non-current assets	19,143,304	13,385,888	32,529,192
Total assets	20,649,979	13,957,938	34,607,917
LIABILITIES			
Current liabilities:			
Accounts payable	131,496	63,947	195,443
Tenant security deposits	98,896	45,069	143,965
Prepaid rent	8,969	3,565	12,534
Loans payable, current	40,474	14,166	54,640
Other accrued liabilities	179,705	164,620	344,325
Total current liabilities	459,540	291,367	750,907
Non-current liabilities:			
Loans payable, non-current	14,103,794	9,246,286	23,350,080
Accrued interest payable	678,283	325,956	1,004,239
Deferred developer fees	1,377,768	532,320	1,910,088
Total non-current liabilities	16,159,845	10,104,562	26,264,407
Total liabilities	16,619,385	10,395,929	27,015,314
NET POSITION			
Net position:			
Net investment in capital assets	1,981,766	2,830,036	4,811,802
Restricted	2,904,285	1,061,697	3,965,982
Unrestricted	(855,457)	(329,724)	(1,185,181)
Total net position	4,030,594	3,562,009	7,592,603
Total liabilities and net position	\$ 20,649,979	\$ 13,957,938	\$ 34,607,917

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Dunlap RAD, LLC</u>	<u>Hansen RAD, LLC</u>	<u>Total Discretely Presented Component Units</u>
Operating revenues:			
Tenant revenue	\$ 2,868,128	\$ 1,412,379	\$ 4,280,507
Other revenues	<u>17,348</u>	<u>124,471</u>	<u>141,819</u>
Total operating revenues	<u>2,885,476</u>	<u>1,536,850</u>	<u>4,422,326</u>
Operating expenses:			
Administrative	574,331	363,632	937,963
Tenant services	-	12,494	12,494
Utilities	995,310	544,011	1,539,321
Ordinary maintenance and operations	423,584	268,257	691,841
Insurance	100,178	73,181	173,359
General	149,056	111,098	260,154
Amortization	8,267	17,005	25,272
Depreciation	<u>668,974</u>	<u>538,485</u>	<u>1,207,459</u>
Total operating expenses	<u>2,919,700</u>	<u>1,928,163</u>	<u>4,847,863</u>
Operating income (loss)	<u>(34,224)</u>	<u>(391,313)</u>	<u>(425,537)</u>
Non-operating expenses:			
Investment income	19,024	9,697	28,721
Interest expense	<u>(789,155)</u>	<u>(401,673)</u>	<u>(1,190,828)</u>
Net non-operating expenses	<u>(770,131)</u>	<u>(391,976)</u>	<u>(1,162,107)</u>
Loss before special items	(804,355)	(783,289)	(1,587,644)
Capital contributions	<u>4,555,089</u>	<u>4,808,775</u>	<u>9,363,864</u>
Change in net position	3,750,734	4,025,486	7,776,220
Net position, beginning of year	<u>279,860</u>	<u>(463,477)</u>	<u>(183,617)</u>
Net position, end of year	<u>\$ 4,030,594</u>	<u>\$ 3,562,009</u>	<u>\$ 7,592,603</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Perth Amboy (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 Perth Amboy (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 governing board 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 accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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*, as amended ("GASB 34"). 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 Supplementary 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.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule 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 Section 8 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 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.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

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

Based on the application of the above criteria, this report includes the following discretely presented component units:

Dunlap RAD, LLC

Dunlap RAD, LLC ("Dunlap") was formed as a New Jersey limited liability company on November 29, 2017. The purpose of Dunlap is to acquire, construct and/or rehabilitate as applicable, own, develop, operate, maintain, manage and lease a multifamily apartment complex consisting of two hundred and thirteen (213) units contained in four (4) sites for rental to persons of low to moderate income. The property is located in Perth Amboy, New Jersey and operates under the name of Perth Amboy Family Apartments.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Hansen RAD, LLC

Hansen RAD, LLC ("Hansen") was formed as a New Jersey limited liability company on November 30, 2017. The purpose of Hansen is to acquire, construct and/or rehabilitate as applicable, own, develop, operate, maintain, manage and lease a multifamily apartment complex consisting of one hundred and forty seven (147) units contained in two (2) buildings for rental to persons of low to moderate income. The property is located in Perth Amboy, New Jersey and operates under the name of Perth Amboy Senior Apartments.

The discretely presented component units issue their own separate audited financial statements which are presented as of and for the year ended December 31, 2019 and can be obtained by writing to the Executive Director, Perth Amboy Housing Authority, 881 Amboy Avenue, Perth Amboy, NJ 08862.

D. Description of Programs

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

Section 8 Housing Choice Vouchers

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

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. The Authority converted all of its public housing units to project based vouchers under HUD's Rental Assistance Demonstration Program ("RAD"). Accordingly, the Authority will no longer operate a Public and Indian Housing Program.

Community Development Block Grants ("CDBG")

The primary objective of the CDBG Program is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

Resident Opportunity and Supportive Services ("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 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 with public and private resources, for supportive services and resident empowerment activities.

Business Activities Fund

The Business Activities Fund is utilized as part of the RAD program. RAD was created in order to give public housing authorities ("PHA") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continue to pay 30% of their income towards rent. The Business Activities Fund holds the mortgage notes from the Authority's discretely presented component units and also provides management services to other PHA's and affiliate entities.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, deferred outflows of resources, liabilities and deferred inflows of resources, 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 net pension and OPEB liability, depreciable lives of properties and equipment, deferred inflows and outflows of resources, 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 the 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.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements. 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.

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. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Capital Assets, Net

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. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- Buildings 40 Years
- Leasehold Improvements 15 Years
- Furniture and Equipment 5 Years
- Computers 3 Years

The Authority has established a capitalization threshold of \$1,000.

K. 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 the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended March 31, 2020, there were no impairments losses incurred.

L. 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.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Inter-program Receivables and Payables

Inter-program receivables and payables are current, and are the result of the use of the Business Activities fund as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB 34, interprogram receivables and payables are eliminated for financial statement purposes.

N. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

O. Compensated Absences

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary. Employees may be compensated for sick leave at retirement or termination at one half of the earned sick leave up to 300 days.

P. Prepaid Rent

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

Q. 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 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.

R. Other Post Employment Benefits

For purposes of measuring the net Other Post Employment Benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to the net OPEB, and OPEB expense, and information about the fiduciary net position of the State Health Benefits Plan ("SHBP") and additions to/deductions from SHBP's fiduciary net position have been determined on the same basis as they are reported by SHBP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

T. 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.”

U. 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. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants.

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.

V. Taxes

The Authority is a unit of local government under the State of New Jersey law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

X. Economic Dependency

The Section 8 Housing Choice Vouchers Program is economically dependent on operating grants and subsidies from HUD. The program operates at a loss prior to receiving the grants.

Y. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is a member of the New Jersey Public Housing Authorities Joint Insurance Fund ("JIF").

The JIF is both an insured and self-administered group of housing authorities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the year ended March 31, 2020.

Z. 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 funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of March 31, 2020, the Authority estimates that no material liabilities will result from such audits.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 2. CASH AND CASH EQUIVALENTS

As of March 31, 2020, the Authority had funds on deposit in checking, savings, and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$10,755,852, and the bank balances approximated \$10,769,956.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 4,411,557	\$ 1,704,732	\$ 6,116,289
Tenant security deposits	-	143,635	143,635
Restricted	<u>529,946</u>	<u>3,965,982</u>	<u>4,495,928</u>
Total cash and cash equivalents	<u>\$ 4,941,503</u>	<u>\$ 5,814,349</u>	<u>\$ 10,755,852</u>

Of the Authority's bank balances, \$1,797,446 was covered by federal depository insurance and the remaining \$8,972,510 was collateralized by GUDPA as of March 31, 2020.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of March 31, 2020, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

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

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - tenants, net	\$ -	\$ 51,880	\$ 51,880
Accounts receivable - HUD	14,498	-	14,498
Accounts receivable - other governments	18,975	-	18,975
Accounts receivable - miscellaneous	<u>1,009,796</u>	<u>-</u>	<u>1,009,796</u>
Total accounts receivable, net	<u>\$ 1,043,269</u>	<u>\$ 51,880</u>	<u>\$ 1,095,149</u>

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$29,223.

Accounts Receivable - HUD

As of March 31, 2020, accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under the Section 8 Housing Choice Vouchers program that have not yet been received. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the PHA by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed to the Authority for services provided to the Perth Amboy Redevelopment Team for Neighborhood Enterprise and Revitalization ("P.A.R.T.N.E.R.") under a fee for service agreement. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

NOTE 4. NOTES RECEIVABLE

Notes receivable of the primary government consists of the following as of March 31, 2020:

The Authority advanced a loan to Perth Willow Pond, LLC in the amount of \$400,000. The loan accrues interest at 1.00% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement and are due starting December 2025. The loan matures December 2044 and is subordinate to a first mortgage. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$16,241 as of March 31, 2020. \$ 416,241

The Authority advanced a loan to Parkview Senior Housing, LLC in the amount of \$1,950,000 in connection with the development of an 84 unit building of which 31 units will be operated as public housing. The loan accrues interest at 1.00% per annum. Principal and interest are payable only out of "Net Cash Flow" as defined in the operating agreement and are due on August 17, 2040. The loan is secured by the underlying land and building. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$182,687 as of March 31, 2020. 2,132,687

The Authority issued a sellers note to Dunlap RAD LLC in the amount of \$7,150,000. The note accrues interest at 2.60% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$441,864 as of March 31, 2020. 7,591,864

The Authority issued a seller take-back bond to Dunlap RAD LLC in the amount of \$2,300,000 from the acquisition of the tax exempt bonds via their interest in the property. The bond accrues interest at 1.50% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2020 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$81,366 as of March 31, 2020. 2,381,366

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 4. NOTES RECEIVABLE (continued)

The Authority issued a loan to Dunlap RAD LLC up to the amount of \$4,415,298. The loan accrues interest at 1.95% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$349,752 as of March 31, 2020. 3,901,945

The Authority issued a sellers note to Hansen RAD LLC in the amount of \$5,659,500. The loan accrues interest at 2.60% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$25,199 as of March 31, 2020. 6,009,252

The Authority issued a loan to Hansen RAD LLC up to the amount of \$2,735,118. The loan accrues interest at 3.00% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$14,727 as of March 31, 2020. 2,280,459

The Authority issued a loan to Dunlap RAD LLC in the amount of \$1,597,500, through the Federal Home Loan Bank of New York. The loan is interest free and is due in a lump sum payment upon maturity on November 29, 2057. The loan is secured by a mortgage on the property. Management has determined to place on allowance on the loan for the full amount of the principal balance. 1,597,500

The Authority issued a loan to Hansen RAD LLC in the amount of \$1,102,500, through the Federal Home Loan Bank of New York. The loan is interest free and is due in a lump sum payment upon maturity on November 30, 2057. The loan is secured by a mortgage on the property. Management has determined to place on allowance on the loan for the full amount of the principal balance. 1,102,500

Total notes receivable and accrued interest receivable 27,413,814

Allowance on notes receivable and accrued interest receivable (3,811,836)

Notes receivable and accrued interest receivable, net \$ 23,601,978

As of March 31, 2020, the current portion of notes receivable amounted to \$-0- and accrued interest on the notes receivable totaled \$1,111,836 which is shown net of an allowance for uncollectable interest of \$1,111,836.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 5. RESTRICTED DEPOSITS

As of March 31, 2020, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payment reserves	\$ 107,678	\$ -	\$ 107,678
Construction reserve escrows	-	7,966	7,966
Reserve and replacement escrows	-	1,903,812	1,903,812
Debt service escrows	-	2,426	2,426
Working capital escrows	-	88,067	88,067
Insurance and tax escrows	-	48,243	48,243
Operating deficit escrows	-	1,866,590	1,866,590
Revenue Bond trustee reserves	-	48,878	48,878
Family Self-Sufficiency escrows	422,268	-	422,268
Tenant security deposits	-	143,635	143,635
	<u>529,946</u>	<u>4,109,617</u>	<u>4,639,563</u>
Total restricted deposits	<u>\$ 529,946</u>	<u>\$ 4,109,617</u>	<u>\$ 4,639,563</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

The Authority funded construction reserve accounts as part of their conversion of Dunlap and Hansen to HUD's Rental Assistance Demonstration Program. The construction reserve funds will be used for various construction related expenditures in accordance with the RAD Use Agreement.

The reserve and replacement escrows represent funds that are restricted for repairs and replacements of buildings and equipment.

Debt service escrows represent funds held in reserve for future payments of principal and interest on debt.

Working capital escrows represent funds held in reserve for on-going expenditures related to the RAD conversions.

Insurance and tax escrows represent funds held in reserve for future payments of real estate taxes and property and mortgage insurance.

Operating deficit escrows represent funds that are restricted in the case that projects encounter an operating deficit.

Revenue Bond Trustee reserves are restricted as part of the Multifamily Conduit Revenue Bonds issued by the New Jersey Housing and Mortgage Finance Agency and are to be used to assist in the substantial rehabilitation of a multi-family residential rental project.

Family Self-Sufficiency ("FSS") Program escrows are restricted for use in the Section 8 Housing Choice Vouchers Program by FSS Program participants.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the Authority, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 6. CAPITAL ASSETS, NET

The following is a summary of the primary government's changes in capital assets during the year ended March 31, 2020:

Description	March 31, 2019	Additions	Dispositions	Transfers	March 31, 2020
<u>Depreciable capital assets:</u>					
Buildings and improvements	\$ 88,312	\$ -	\$ -	\$ -	\$ 88,312
Furniture and equipment	153,759	-	-	-	153,759
Subtotal	<u>242,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,071</u>
Less: accumulated depreciation	<u>97,792</u>	<u>25,840</u>	<u>-</u>	<u>-</u>	<u>123,632</u>
Net capital assets	<u>\$ 144,279</u>	<u>\$ (25,840)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,439</u>

Depreciation expense for the primary government for the fiscal year ended March 31, 2020 amounted to \$25,840.

The following is a summary of the Authority's discretely presented component units' changes in capital assets during the year ended March 31, 2020:

Description	March 31, 2019	Additions	Dispositions	Transfers	March 31, 2020
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,182,713	\$ -	\$ -	\$ -	\$ 1,182,713
<u>Depreciable capital assets:</u>					
Buildings and improvements	28,511,799	-	-	-	28,511,799
Furniture and equipment	459,092	-	-	-	459,092
Subtotal	<u>28,970,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,970,891</u>
Less: accumulated depreciation	<u>729,623</u>	<u>1,207,459</u>	<u>-</u>	<u>-</u>	<u>1,937,082</u>
Net capital assets	<u>\$ 29,423,981</u>	<u>\$ (1,207,459)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,216,522</u>

Depreciation expense for Authority's discretely presented component units for the fiscal year ended March 31, 2020 amounted to \$1,207,459.

NOTE 7. ACCOUNTS PAYABLE

As of March 31, 2020, accounts payable consisted of the following:

Description	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Accounts payable - vendors	\$ 25,454	\$ 93,102	\$ 118,556
Accounts payable - HUD	17,003	-	17,003
Accounts payable - other governments	<u>-</u>	<u>102,341</u>	<u>102,341</u>
Total account payable	<u>\$ 42,457</u>	<u>\$ 195,443</u>	<u>\$ 237,900</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 7. ACCOUNTS PAYABLE (continued)

Accounts Payable - Vendors

Accounts payable - vendors represents the amounts payable to contractors and vendors for materials received or services rendered.

Accounts Payable - HUD

As of March 31, 2020, accounts payable - HUD consisted of amounts payable to HUD for overpayment of Section 8 Housing Choice Vouchers subsidy.

Accounts Payable - Other Governments

Accounts payable - other governments represents amounts due and payable to the City for payments in lieu of taxes.

NOTE 8. PAYMENTS IN LIEU OF TAXES

Under Federal, State and local law, the Authority's programs and discretely presented component units are exempt from income, property and excise taxes. However, the Authority and its discretely presented component units are required to make payments in lieu of taxes ("PILOT") for the PHA owned units in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreements, the Authority and its discretely presented component units must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended March 31, 2020, PILOT expense of the Authority's discretely presented component units, Dunlap RAD, LLC and Hansen RAD, LLC amounted to \$74,898 and \$32,921, respectively.

NOTE 9. LOANS PAYABLE

Loans payable of the Authority's discretely presented component units consisted of the following as of March 31, 2020:

The Authority issued a sellers note to Dunlap RAD, LLC in the amount of \$7,150,000. The note accrues interest at 2.60% per annum with an effective interest rate of 2.63%. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$345,389 as of March 31, 2020. \$ 6,350,000

The Authority issued a loan to Dunlap RAD, LLC in the amount of \$4,415,298 in November 2017. The loan accrues interest at 1.95% per annum and is due annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 30, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$332,894 as of March 31, 2020. 3,876,745

The New Jersey Housing and Mortgage Finance Agency has issued a Multifamily Conduit Revenue Bond Series 2017 K-1 in the amount of \$6,650,000 to Dunlap RAD, LLC. This note is to assist in the substantial rehabilitation of a 213 unit multi-family residential rental project. The note is secured by a mortgage on the multi-family property. The bond is payable to TD Bank, accrues interest at a fixed rate of 4.06% per annum, and has an effective interest rate of 4.14%. The bond was paid in full during the year ended March 31, 2020. -

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 9. LOANS PAYABLE (continued)

<p>The New Jersey Housing and Mortgage Finance Agency has issued a Multifamily Conduit Revenue Bond Series 2017 K-2 in the amount of \$2,350,000 to Dunlap RAD, LLC. This note is to assist in the substantial rehabilitation of a 213 unit multi-family residential rental project. The note is secured by a mortgage on the multi-family property. The bond is payable to TD Bank, accrues interest at a fixed rate of 4.06% per annum, and has an effective interest rate of 4.14%. Interest payments are due on the first day of each calendar month through November 1, 2019, at which time principal payments are due monthly until maturity on November 1, 2034.</p>	2,343,392
<p>The Authority issued a loan to Dunlap RAD LLC in the amount of \$1,597,500, through the Federal Home Loan Bank of New York. The loan is interest free and is due in a lump sum payment upon maturity on November 29, 2057. The loan is secured by a mortgage on the property. Management expects the current portion of the loan to be nil.</p>	1,597,500
<p>The Authority issued a sellers note to Hansen RAD LLC in the amount of \$5,659,500. The loan accrues interest at 2.60% per annum with an effective interest rate of 2.63%. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 30, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$307,832 as of March 31, 2020.</p>	5,659,500
<p>The Authority issued a loan to Hansen RAD, LLC in the amount of \$2,735,118 in November 2017. The loan accrues interest at 1.95% per annum and is due annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 30, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$18,124 as of March 31, 2020.</p>	2,198,452
<p>The New Jersey Housing and Mortgage Finance Agency has issued a construction loan in the maximum amount of \$7,100,000 to Hansen RAD, LLC. This note is to assist in the financing of the substantial rehabilitation of a 147 unit multi-family residential rental project. The bond was paid in full during the year ended March 31, 2020.</p>	-
<p>The New Jersey Housing and Mortgage Finance Agency has issued a loan in the amount of \$300,000 to Hansen RAD, LLC. The loan has an interest of 4.7% per annum and matures on December 1, 2034. Principal and interest payments are due at the beginning of each month. The loan is secured by a first mortgage on the property.</p>	300,000
<p>The Authority issued a loan to Hansen RAD LLC in the amount of \$1,102,500, through the Federal Home Loan Bank of New York. The loan is interest free and is due in a lump sum payment upon maturity on November 30, 2057. The loan is secured by a mortgage on the property. Management expects the current portion of the loan to be nil.</p>	<u>1,102,500</u>
<p>Total loans payable</p>	23,428,089
<p>Less: unamortized debt issuance costs</p>	<u>23,369</u>
<p>Total loans payable, excluding unamortized debt issuance costs</p>	<u>\$ 23,404,720</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 9. LOANS PAYABLE (continued)

As of March 31, 2020, the current portion of loans payable amounted to \$54,640 and accrued interest payable on the loans payable totaled \$1,004,239.

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

Year	Principal	Interest	Total
2021	\$ 54,640	\$ 109,843	\$ 164,483
2022	57,290	107,193	164,483
2023	59,783	104,699	164,482
2024	62,385	102,096	164,481
2025	64,850	99,632	164,482
2026-2030	370,297	452,115	822,412
2031-2035	1,974,147	358,895	2,333,042
2036-2040	-	-	-
2041-2045	-	-	-
2046-2050	18,084,697	9,217,499	27,302,196
2051-2055	-	-	-
2056-2057	2,700,000	-	2,700,000
	<u>\$ 23,428,089</u>	<u>\$ 10,551,972</u>	<u>\$ 33,980,061</u>

NOTE 10. NON-CURRENT LIABILITIES

Non-current liabilities activity of the primary government during the year ended March 31, 2020 consisted of the following:

	March 31, 2019	Additions	Payments/ Retirements	March 31, 2020	Due in One Year
Compensated absences	\$ 852,188	\$ 148,562	\$ 222,244	\$ 778,506	\$ 259,024
Accrued pension liability	5,410,789	-	397,985	5,012,804	-
Accrued OPEB liability	6,051,075	-	1,448,120	4,602,955	-
Prepaid lease	1,063,480	-	42,762	1,020,718	-
Family self sufficiency escrows	537,652	-	115,384	422,268	-
Totals	<u>\$ 13,915,184</u>	<u>\$ 148,562</u>	<u>\$ 2,226,495</u>	<u>\$ 11,837,251</u>	<u>\$ 259,024</u>

Non-current liabilities activity of the Authority's discretely presented component units during the year ended March 31, 2020 consisted of the following:

	March 31, 2019	Additions	Payments/ Retirements	March 31, 2020	Due in One Year
Loans payable	\$ 30,271,161	\$ 6,567,002	\$ 13,433,443	\$ 23,404,720	\$ 54,640
Accrued interest payable	562,958	474,606	33,325	1,004,239	-
Deferred developer fees	2,435,328	-	525,240	1,910,088	-
Totals	<u>\$ 33,269,447</u>	<u>\$ 7,041,608</u>	<u>\$ 13,992,008</u>	<u>\$ 26,319,047</u>	<u>\$ 54,640</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 11. PENSION PLAN

A. Plan Description

The 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, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

B. Benefits

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 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. 43:15A 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.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 11. PENSION PLAN (continued)

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

At March 31, 2020, the Authority reported a liability of \$5,012,804 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2018, and rolled forward to June 30, 2019.

For the year ended March 31, 2020, the Authority recognized pension benefit of \$45,297. At March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 500,547	\$ 1,739,928
Changes in Proportion	158,504	79,043
Differences between expected and actual experience	89,973	22,144
Net differences between actual and projected earnings on pension plan investments	<u>-</u>	<u>79,129</u>
Total	<u>\$ 749,024</u>	<u>\$ 1,920,244</u>

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

Year ending March 31:	<u>Amount</u>
2021	\$ (886,706)
2022	(1,338,060)
2023	(810,796)
2024	1,078,361
2025	<u>785,981</u>
	<u>\$ (1,171,220)</u>

E. Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00% based on years of service
Thereafter	3.00 - 7.00% based on years of service
Investment rate of return	7.00%

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020**

NOTE 11. PENSION PLAN (continued)

E. Actuarial Assumptions (continued)

Pre-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 base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

F. Long-Term Expected Rate of Return

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class, including the PERS's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

G. Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 11. PENSION PLAN (continued)

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.28 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.28 percent) or 1 percentage point higher (7.28 percent) than the current rate.

	1% Decrease <u>(5.28%)</u>	Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
Authority's proportionate share of the net pension liability	\$ <u>6,376,036</u>	\$ <u>5,012,804</u>	\$ <u>3,928,346</u>

NOTE 12. OTHER POST-RETIREMENT BENEFITS PLAN

A. Plan Description

The State Health Benefit Local Government Retired Employees Plan ("SHBP") is a cost-sharing multiple-employer defined benefit OPEB plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). It covers employees of local government employers that have adopted a resolution to participate in the SHBP. For additional information about SHBP, please refer to the Division's Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

B. Benefits

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

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 12. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

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

At March 31, 2020, the Authority reported a liability of \$4,602,955, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and rolled forward to June 30, 2019.

For the year ended March 31, 2020, the Authority recognized OPEB benefit of \$367,345. At March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ -	\$ 1,631,185
Changes in Proportion	85,361	1,329,995
Differences between expected and actual experience	-	1,346,083
Net differences between projected and actual investment earnings on OPEB plan investments	3,792	-
Contributions paid subsequent to the measurement date	<u>75,178</u>	<u>-</u>
Total	<u>\$ 164,331</u>	<u>\$ 4,307,263</u>

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

	<u>Amount</u>
Year ending March 31:	
2021	\$ (608,335)
2022	(608,335)
2023	(608,335)
2024	(608,842)
2025	(609,661)
Thereafter	<u>(1,099,424)</u>
	<u>\$ (4,142,932)</u>

D. Actuarial Assumptions

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation Rate	2.50%
Salary increases:	
Through 2026	2.00 to 6.00% based on years of service
Thereafter	3.00 to 7.00% based on years of service

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020**

NOTE 12. OTHER POST-RETIREMENT BENEFITS PLAN (continued)

D. Actuarial Assumptions (continued)

Mortality rates were based on the Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using the MP-2019 scale. Certain actuarial assumptions used in the July 1, 2018 valuation were based on the results of the pension plans' experience studies prepared for July 1, 2014 to June 30, 2018. 100% of active members are considered to participate in the Plan upon retirement.

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50% as of June 30, 2019. This represents the municipal bond return rate chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.50%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Authority's proportionate share of the net OPEB liability	\$ <u>5,322,187</u>	\$ <u>4,602,955</u>	\$ <u>4,018,484</u>

G. Healthcare Trend Assumptions

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

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

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

	1% Decrease	Discount Rate	1% Increase
Authority's proportionate share of the net OPEB liability	\$ <u>3,884,327</u>	\$ <u>4,602,955</u>	\$ <u>5,519,686</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 13. RESTRICTED NET POSITION

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

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payments reserves	\$ 107,678	\$ -	\$ 107,678
Construction reserve escrows	-	7,966	7,966
Reserve and replacement escrows	-	1,903,812	1,903,812
Debt service escrows	-	2,426	2,426
Working capital escrows	-	88,067	88,067
Insurance and tax escrows	-	48,243	48,243
Operating deficit escrows	-	1,866,590	1,866,590
Revenue Bond trustee escrows	-	48,878	48,878
Mixed finance loan receivable reserves	<u>2,350,000</u>	<u>-</u>	<u>2,350,000</u>
Total restricted net position	<u>\$ 2,457,678</u>	<u>\$ 3,965,982</u>	<u>\$ 6,423,660</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

The Authority funded construction reserve accounts as part of their conversion of Dunlap and Hansen to HUD's Rental Assistance Demonstration Program. The construction reserve funds will be used for various construction related expenditures in accordance with the RAD Use Agreement.

The reserve and replacement escrows represent funds that are restricted for repairs and replacements of buildings and equipment.

Debt service escrows represent funds held in reserve for future payments of principal and interest on debt.

Working capital escrows represent funds held in reserve for on-going expenditures related to the RAD conversions.

Insurance and tax escrows represent funds held in reserve for future payments of real estate taxes and property and mortgage insurance.

Operating deficit escrows represent funds that are restricted in the case that projects encounter an operating deficit.

Revenue Bond Trustee reserves are restricted as part of the Multifamily Conduit Revenue Bonds issued by the New Jersey Housing and Mortgage Finance Agency and are to be used to assist in the substantial rehabilitation of a multi-family residential rental project.

Mixed finance loan receivable reserves are restricted for affordable housing purposes upon collection of the loans and the satisfaction of regulatory requirements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2020

NOTE 14. COMMITMENTS AND CONTINGENCIES

The Authority has assumed certain financial guarantees on behalf of Dunlap and Hansen. While the guarantees vary by individual companies, they include such things as guarantees related to the loss of tax benefits to investors and certain operating deficit guarantees.

The Authority is also required to guarantee the deficits that result from any reduction in rental subsidy. In the event the rental contract is terminated or not renewed, the Authority will guarantee the deficits that occur prior to re-tenanting the property to stabilized occupancy for the balance of the compliance period.

As of March 31, 2020, the Authority has not incurred any costs related to guarantees.

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of March 31, 2020, the Authority estimates that no material liabilities will result from such audits.

NOTE 15. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through September 14, 2020, which is the date the financial statements were available to be issued. The spread of a novel strain of coronavirus ("COVID-19") in 2020 has caused significant volatility in U.S. markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the Authority's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on tenants, employees and vendors, all of which are uncertain and cannot be determined at this time.

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

To the Board of Commissioners of the
Housing Authority of the City of Perth Amboy:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business type activities (primary government) and the discretely presented component units of the Housing Authority of the City of Perth Amboy (the "Authority") as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated September 14, 2020. The financial statements of Hansen RAD LLC and Dunlap RAD LLC were not audited in accordance with *Government Auditing Standards* and accordingly does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those entities..

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Novogradac & Company LLP

September 14, 2020
Toms River, New Jersey

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

To the Board of Commissioners of the
Housing Authority of the City of Perth Amboy:

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Perth Amboy (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State of New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2020. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Novogradac & Company LLP

September 14, 2020
Toms River, New Jersey

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2020**

Federal Grantor/Program Title	Federal CFDA Number	State Pass-through Number	Grant Period From / To		Grant Award	Fiscal Year Expenditures	Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u>							
Housing Voucher Cluster							
Section 8 Housing Choice Voucher	14.871	N/A	4/1/2018	3/31/2019	\$ <u>13,813,406</u>	\$ <u>15,709,873</u>	\$ <u>15,709,873</u>
Total Housing Voucher Cluster					13,813,406	15,709,873	15,709,873
Public and Indian Housing	14.850	N/A	1/1/2018	12/31/2019	399,181	139,759	338,174
Public Housing Capital Fund	14.872	N/A	4/13/2015	5/28/2023	918,196	482,581	655,907
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	2/19/2019	12/31/2020	<u>265,167</u>	<u>130,846</u>	<u>151,231</u>
Total Direct Awards					<u>15,395,950</u>	<u>16,463,059</u>	<u>16,855,185</u>
<u>Passed Through the City of Perth Amboy</u>							
Community Development Block Grant	14.228	N/A	5/12/2015	5/12/2018	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total U.S. Department of Housing and Urban Development					\$ <u>15,410,950</u>	\$ <u>16,478,059</u>	\$ <u>16,870,185</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2020**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended March 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

The Authority has not elected to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED MARCH 31, 2020**

NOTE 4. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

	<u>R501-15</u>	<u>R501-16</u>	<u>501-18</u>	<u>Total</u>
Budget	\$ <u>309,459</u>	\$ <u>314,198</u>	\$ <u>294,539</u>	\$ <u>918,196</u>
<u>Advances:</u>				
Cumulative through 4/1/2019	\$ 183,326	\$ -	\$ -	\$ 183,326
Current year	<u>126,133</u>	<u>314,198</u>	<u>42,250</u>	<u>482,581</u>
Cumulative through 3/31/2020	<u>309,459</u>	<u>314,198</u>	<u>42,250</u>	<u>665,907</u>
<u>Costs:</u>				
Cumulative through 4/1/2019	183,326	-	-	183,326
Current year	<u>126,133</u>	<u>314,198</u>	<u>42,250</u>	<u>482,581</u>
Cumulative through 3/31/2020	<u>309,459</u>	<u>314,198</u>	<u>42,250</u>	<u>665,907</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NOTES TO SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

- 1) The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended March 31, 2020 are provided herein.
- 2) Capital Fund Grants R501-15 and R501-16, as listed above, with approved fundings of \$309,459 and \$314,198, respectively, have been fully drawn down and expended as per Capital Fund Grant Regulations.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2020**

I. Summary of Auditors' Results

Financial Statement Section

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

Federal Awards Section

1.	Internal control over compliance:	
	a. Material weakness(es) identified?	No
	b. Significant deficiency(ies) identified?	No
2.	Type of auditors' report on compliance for major programs:	Unmodified
3.	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
4.	Identification of major programs:	
	<u>CFDA Number</u> <u>Name of Federal Program</u>	
	14.871 Section 8 Housing Choice Vouchers	
5.	Dollar threshold used to distinguish between Type A and Type B Programs:	\$750,000
6.	Auditee qualified as low-risk Auditee?	No

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2020**

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Summary of Prior Audit Findings

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

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED PENSION INFORMATION
MARCH 31, 2020**

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

	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>
Contractually required contribution	\$ 227,703	\$ 234,166	\$ 243,708	\$ 257,702	\$ 273,343	\$ 270,610
Contributions in relation to the contractually required contribution	<u>227,703</u>	<u>234,166</u>	<u>243,708</u>	<u>257,702</u>	<u>273,343</u>	<u>270,610</u>
(Over) / under funded	<u>\$ -</u>					
Authority's covered-employee payroll	<u>\$ 1,711,276</u>	<u>\$ 1,746,039</u>	<u>\$ 1,717,481</u>	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>
Contributions as a percentage of covered- employee payroll	<u>13.31 %</u>	<u>13.41 %</u>	<u>14.19 %</u>	<u>14.60 %</u>	<u>15.94 %</u>	<u>14.78 %</u>

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED PENSION INFORMATION (continued)
MARCH 31, 2020**

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

	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>
Authority's proportion of the net pension liability	<u>0.0267 %</u>	<u>0.0264 %</u>	<u>0.0274 %</u>	<u>0.0278 %</u>	<u>0.0275 %</u>	<u>0.0278 %</u>
Authority's proportionate share of the net pension liability	<u>\$ 5,005,694</u>	<u>\$ 5,924,255</u>	<u>\$ 8,124,773</u>	<u>\$ 6,475,534</u>	<u>\$ 5,410,789</u>	<u>\$ 5,012,804</u>
Authority's covered-employee payroll	<u>\$ 1,711,276</u>	<u>\$ 1,746,039</u>	<u>\$ 1,717,481</u>	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>292.51 %</u>	<u>339.30 %</u>	<u>473.06 %</u>	<u>366.93 %</u>	<u>315.54 %</u>	<u>273.72 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.08 %</u>	<u>47.93 %</u>	<u>43.35 %</u>	<u>48.10 %</u>	<u>53.60 %</u>	<u>56.30 %</u>

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
MARCH 31, 2020**

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

	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>
Statutorily required contribution	\$ 151,145	\$ 113,867	\$ 94,454
Contributions in relation to the statutorily required contribution	<u>151,145</u>	<u>113,867</u>	<u>94,454</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>
Contributions as a percentage of covered- employee payroll	<u>8.56 %</u>	<u>6.64 %</u>	<u>5.16 %</u>

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
MARCH 31, 2020**

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

	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>
Authority's proportion of the net OPEB liability	<u>0.0411 %</u>	<u>0.0386 %</u>	<u>0.0340 %</u>
Authority's proportionate share of the net OPEB liability	<u>\$ 7,783,519</u>	<u>\$ 6,051,075</u>	<u>\$ 4,602,955</u>
Authority's covered-employee payroll	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	<u>441.04 %</u>	<u>352.88 %</u>	<u>251.34 %</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.03 %</u>	<u>1.97 %</u>	<u>1.98 %</u>

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

See Report of Independent Auditors.

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Fiscal Year End: 3/31/2020

Entity Wide Balance Sheet Summary

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	1 Business Activities	Total
111 Cash - Unrestricted	\$748,677			\$1,715,436	\$1,704,732	\$1,947,444	\$6,116,289
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted				\$489,857	\$3,965,982	\$40,089	\$4,495,928
114 Cash - Tenant Security Deposits					\$143,635		\$143,635
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$748,677	\$0	\$0	\$2,205,293	\$5,814,349	\$1,987,533	\$10,755,852
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects				\$14,498			\$14,498
124 Accounts Receivable - Other Government				\$8,286		\$10,689	\$18,975
125 Accounts Receivable - Miscellaneous				\$3,606		\$1,006,190	\$1,009,796
126 Accounts Receivable - Tenants					\$27,395		\$27,395
126.1 Allowance for Doubtful Accounts - Tenants					-\$3,852		-\$3,852
126.2 Allowance for Doubtful Accounts - Other				\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery				\$29,223	\$28,337		\$57,560
128.1 Allowance for Doubtful Accounts - Fraud				-\$29,223	\$0		-\$29,223
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$26,390	\$51,880	\$1,016,879	\$1,095,149
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$3,399			\$21,252	\$178,478	\$226,895	\$430,024
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	\$752,076	\$0	\$0	\$2,252,935	\$6,044,707	\$3,231,307	\$12,281,025
161 Land					\$1,182,713		\$1,182,713
162 Buildings					\$28,511,799	\$88,312	\$28,600,111
163 Furniture, Equipment & Machinery - Dwellings					\$459,092		\$459,092
164 Furniture, Equipment & Machinery - Administration				\$10,495		\$143,264	\$153,759
165 Leasehold Improvements							
166 Accumulated Depreciation				-\$10,495	-\$1,937,082	-\$113,137	-\$2,060,714
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$28,216,522	\$118,439	\$28,334,961
171 Notes, Loans and Mortgages Receivable - Non-Current	\$2,350,000					\$21,251,978	\$23,601,978
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets					\$346,688	\$1,662	\$348,350
176 Investments in Joint Ventures	\$1,285,000						\$1,285,000
180 Total Non-Current Assets	\$3,635,000	\$0	\$0	\$0	\$28,563,210	\$21,372,079	\$53,570,289
200 Deferred Outflow of Resources				\$134,567		\$778,788	\$913,355
290 Total Assets and Deferred Outflow of Resources	\$4,387,076	\$0	\$0	\$2,387,502	\$34,607,917	\$25,382,174	\$66,764,669

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 3/31/2020

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discreetly Presented	1 Business Activities	Total
311 Bank Overdraft							
312 Accounts Payable <= 90 Days				\$13,203	\$93,102	\$12,251	\$118,556
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable				\$44,391		\$22,752	\$67,143
322 Accrued Compensated Absences - Current Portion				\$97,186		\$161,838	\$259,024
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs				\$17,003			\$17,003
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government					\$102,341		\$102,341
341 Tenant Security Deposits					\$143,965		\$143,965
342 Unearned Revenue	\$7,128				\$12,534		\$19,662
343 Current Portion of Long-term Debt - Capital Borrowings					\$54,640		\$54,640
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities					\$332,629	\$5,450	\$338,079
346 Accrued Liabilities - Other					\$11,696		\$11,696
347 Inter Program - Due To							
348 Loan Liability - Current							
310 Total Current Liabilities	\$7,128	\$0	\$0	\$171,783	\$750,907	\$202,291	\$1,132,109
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					\$21,752,580		\$21,752,580
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other	\$1,020,718			\$382,179	\$2,914,327	\$40,089	\$4,357,313
354 Accrued Compensated Absences - Non Current				\$191,299		\$328,183	\$519,482
355 Loan Liability - Non Current					\$1,597,500		\$1,597,500
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities				\$4,407,612		\$5,208,147	\$9,615,759
350 Total Non-Current Liabilities	\$1,020,718	\$0	\$0	\$4,981,090	\$26,264,407	\$5,576,419	\$37,842,634
300 Total Liabilities	\$1,027,846	\$0	\$0	\$5,152,873	\$27,015,314	\$5,778,710	\$38,974,743
400 Deferred Inflow of Resources				\$3,613,610		\$2,613,897	\$6,227,507
508.4 Net Investment in Capital Assets					\$4,811,802	\$118,439	\$4,930,241
511.4 Restricted Net Position	\$2,350,000			\$107,678	\$3,965,982		\$6,423,660
512.4 Unrestricted Net Position	\$1,009,230	\$0	\$0	-\$8,486,659	-\$1,185,181	\$16,871,128	\$10,208,518
513 Total Equity - Net Assets / Position	\$3,359,230	\$0	\$0	-\$6,378,981	\$7,592,603	\$16,989,567	\$21,562,419
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,387,076	\$0	\$0	\$2,387,502	\$34,607,917	\$25,382,174	\$66,764,669

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Fiscal Year End: 3/31/2020

Entity Wide Revenue and Expense Summary

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	1 Business Activities	Total
70300 Net Tenant Rental Revenue					\$4,257,482		\$4,257,482
70400 Tenant Revenue - Other					\$23,025		\$23,025
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$4,280,507	\$0	\$4,280,507
70600 HUD PHA Operating Grants	\$622,340	\$15,000	\$130,846	\$13,813,406			\$14,581,592
70610 Capital Grants							
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue							
70800 Other Government Grants							
71100 Investment Income - Unrestricted	\$11,539			\$21,532	\$19,024		\$52,095
71200 Mortgage Interest Income	\$25,237				\$9,697	\$461,643	\$496,577
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery				\$8,836			\$8,836
71500 Other Revenue	\$19,772			\$2,000,387	\$141,819	\$4,538,151	\$6,700,129
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	\$678,888	\$15,000	\$130,846	\$15,844,161	\$4,451,047	\$4,999,794	\$26,119,736
91100 Administrative Salaries	\$29,400	\$11,526		\$800,050	\$326,787	\$408,723	\$1,576,486
91200 Auditing Fees				\$10,045	\$25,100	\$5,805	\$40,950
91300 Management Fee	\$0				\$281,246		\$281,246
91310 Book-keeping Fee					\$32,859		\$32,859
91400 Advertising and Marketing					\$522		\$522
91500 Employee Benefit contributions - Administrative		\$3,474		\$144,220	\$158,698	\$129,734	\$436,126
91600 Office Expenses	\$5,364			\$95,266	\$57,845	\$283,288	\$441,763
91700 Legal Expense					\$27,781	\$12,000	\$39,781
91800 Travel				\$464	\$6,365	\$14,985	\$21,814
91810 Allocated Overhead							
91900 Other	\$145,177			\$2,500	\$20,760	\$2,375	\$170,812
91000 Total Operating - Administrative	\$179,941	\$15,000	\$0	\$1,052,545	\$937,963	\$856,910	\$3,042,359
92000 Asset Management Fee							
92100 Tenant Services - Salaries			\$99,885		\$12,494		\$112,379
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services			\$30,961				\$30,961
92400 Tenant Services - Other					\$0		\$0
92500 Total Tenant Services	\$0	\$0	\$130,846	\$0	\$12,494	\$0	\$143,340

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Fiscal Year End: 3/31/2020

Entity Wide Revenue and Expense Summary

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	1 Business Activities	Total
93100 Water					\$278,958		\$278,958
93200 Electricity					\$370,881		\$370,881
93300 Gas					\$180,796		\$180,796
93400 Fuel							
93500 Labor					\$579,910		\$579,910
93600 Sewer					\$128,776		\$128,776
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	\$0	\$0	\$0	\$0	\$1,539,321	\$0	\$1,539,321
94100 Ordinary Maintenance and Operations - Labor							
94200 Ordinary Maintenance and Operations - Materials and Other					\$141,948		\$141,948
94300 Ordinary Maintenance and Operations Contracts					\$297,710		\$297,710
94500 Employee Benefit Contributions - Ordinary Maintenance					\$252,183		\$252,183
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$691,841	\$0	\$691,841
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance							
96120 Liability Insurance							
96130 Workmen's Compensation							
96140 All Other Insurance	\$5,294			\$60,928	\$173,359	\$49,538	\$289,119
96100 Total Insurance Premiums	\$5,294	\$0	\$0	\$60,928	\$173,359	\$49,538	\$289,119
96200 Other General Expenses				\$45,510	\$148,483		\$193,993
96210 Compensated Absences				\$18,558			\$18,558
96300 Payments in Lieu of Taxes					\$107,819		\$107,819
96400 Bad debt - Tenant Rents					\$3,852		\$3,852
96500 Bad debt - Mortgages	\$198,928					\$3,612,908	\$3,811,836
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$198,928	\$0	\$0	\$64,068	\$260,154	\$3,612,908	\$4,136,058
96710 Interest of Mortgage (or Bonds) Payable					\$401,673		\$401,673
96720 Interest on Notes Payable (Short and Long Term)					\$789,155		\$789,155
96730 Amortization of Bond Issue Costs					\$25,272		\$25,272
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$1,216,100	\$0	\$1,216,100
96900 Total Operating Expenses	\$384,163	\$15,000	\$130,846	\$1,177,541	\$4,831,232	\$4,519,356	\$11,058,138

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Fiscal Year End: 3/31/2020

Entity Wide Revenue and Expense Summary

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	1 Business Activities	Total
97000 Excess of Operating Revenue over Operating Expenses	\$294,725	\$0	\$0	\$14,666,620	-\$380,185	\$480,438	\$15,061,598
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments				\$12,716,968			\$12,716,968
97350 HAP Portability-In				\$1,815,364			\$1,815,364
97400 Depreciation Expense					\$1,207,459	\$25,840	\$1,233,299
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$384,163	\$15,000	\$130,846	\$15,709,873	\$6,038,691	\$4,545,196	\$26,823,769
10010 Operating Transfer In							
10020 Operating transfer Out							
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)					\$9,363,864		\$9,363,864
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In						\$440,331	\$440,331
10094 Transfers between Project and Program - Out	-\$440,331						-\$440,331
10100 Total Other financing Sources (Uses)	-\$440,331	\$0	\$0	\$0	\$9,363,864	\$440,331	\$9,363,864
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$145,606	\$0	\$0	\$134,288	\$7,776,220	\$894,929	\$8,659,831
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$4,581	\$0	\$4,581
11030 Beginning Equity	\$3,504,836	\$0	\$0	-\$6,513,269	-\$183,617	\$16,094,638	\$12,902,588
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							\$0
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity				-\$6,486,659			-\$6,486,659
11180 Housing Assistance Payments Equity				\$107,678			\$107,678
11190 Unit Months Available	720	0	0	15360	4320		20400
11210 Number of Unit Months Leased	710	0	0	15214	4227		20151