

HOUSING AUTHORITY OF THE CITY OF HOBOKEN

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
SEPTEMBER 30, 2022, AND 2021

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
Hoboken, New Jersey
FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS
HOUSING AUTHORITY OF THE CITY OF HOBOKEN
September 30, 2022

As Management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2022. 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 liabilities of the Authority exceeded its assets at the close of the most recent fiscal year by \$3,535,439 (net position) versus \$3,446,229 for the prior fiscal year.

2 – As of the close of the current fiscal year, the Authority's Proprietary Fund reported deficit in ending Unrestricted Net Position of (\$14,949,771).

3 – The Authority's unrestricted cash and cash equivalent balance at September 30, 2022 was \$5,558,319, representing an increase of \$595,275 from the prior fiscal year.

4 – The Authority had Total Operating Revenues of \$20,597,648, and Total Operating Expenses of \$20,889,009 including depreciation and amortization expense of \$2,362,314 for the year ended September 30, 2022.

5 – The Authority's capital outlays for the fiscal year were \$4,306,310 of which \$1,963,137 was funded from the Capital Fund Program, \$1,986,971 from NJHMFA and the remainder from operations.

6 – The Authority's Expenditures of Federal Awards amounted to \$16,774,167 for the current fiscal year and \$3,525,696 from a CDBG-DR Grant passed through New Jersey Housing and Mortgage Finance Agency (NJHMFA).

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 financial statements. The Authority's 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.

2 – General Purpose 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 liabilities, 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 present 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

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

2 – General Purpose Financial Statements (continued)

some items that will only result in cash flows in future fiscal periods (e.g.; depreciation and earned but unused vacation leave).

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 financial statements can be found on pages 8 through 10.

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 on pages 11 through 27 of this report.

4 – Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by U.S. Office of Management and the Uniform Guidance, Audits of States, Local Governments, and Non-profit Organizations. The schedule of expenditures of Federal awards can be found on page 28 of this report.

C. The Authority as a Whole

The Authority's Total Net Position increased by \$6,981,668. The increase was due primarily to \$2,070,953 in excess revenues over expenses when adjusted for depreciation and NJHMFA loan forgiveness of \$3,525,696.

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 sufficient to cover all expenses, after excluding depreciation during the fiscal year.

By far, the largest portion of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, equipment and construction in progress). The Authority uses these capital assets to provide housing services to its tenants. Consequently, these assets are not available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

D. Budgetary Highlights

For the year ended September 30, 2021, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency. Operating results for the fiscal year ended September 30, 2022, were consistent with its adopted budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

E. Capital Assets and Debt Administration

As of September 30, 2022, the Authority's investment in capital assets for its Proprietary Fund was \$30,913,416 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress.

Major capital assets purchased from grants and loans of \$4,280,564 during the fiscal year pertained principally to expenditures made in accordance with the Authority's Capital Fund and CDBG-DR Programs.

Additional information on the Authority's capital assets can be found in Note 4 to the Financial Statements which is included in this Report.

2 – Long Term Debt

During the year ended September 30, 2005, the Authority entered into a Capital Fund Leveraging Pool. The New Jersey Housing and Mortgage Finance Agency issued bonds and the funds were distributed to the Housing Authority. In December 2004, the Authority received \$10,550,000 to be used for capital improvements to its building. Further details can be found in Note 10 to the financial statements. The balance outstanding on this debt at September 30, 2022 is \$2,575,000. \$690,000 of which is included in current liabilities.

During 2018 the Authority received a loan from the Fund for Restoration of Multi-Family Public Housing Set-Aside Program (FRM-PHA). This Program is funded with Community Development Block Grant - Disaster Relief (CDBG-DR) monies which have been appropriated pursuant to the Disaster Relief Appropriations Act of 2013. As of September 30, 2022, the Authority has recorded a loan payable of \$9,350,219 and \$3,525,695 has been forgiven in accordance with the terms of the agreement. Additional information can be found in Note 9 to the financial statements.

During the prior fiscal year, the Authority converted AMP-5 (Fox Hill) to HUD's Rental Assistance Demonstration (RAD) Program. HUD released its declaration of Trust on the property enabling the Authority to borrow funds to complete renovations costs stipulated in the RAD Agreement. The Authority entered into a loan agreement with Provident Bank for \$2,500,000. At September 30, 2022, the outstanding balance was \$2,437,882. Additional information can be found in Note 9 to the financial statements.

F. Significant Changes From FYE September 30, 2021 to September 30, 2022

Construction in Progress decreased due to the transfer of completed CFP Grants to Fixed Assets.

Non-Current Long-Term Debt decreased by a net amount of \$2,274,955 due to the forgiveness of \$3,525,696 of the NJHMFA loan. The loan is forgiven at a rate of 20% per year.

Accrued Pension and OPEB liabilities increased by \$1,089,954 and Deferred Inflows decreased by \$1,561,261, and Deferred Outflows increased by \$1,190,644 due to the annual adjustments associated with the GASB 68 and 75 pension and OPEB liability per the New Jersey State reports.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

F. Significant Changes From FYE September 30, 2021 to September 30, 2022

Long Term Debt decreased by a net \$2,274,955 due additional draws under the CDBG-DR Program through NJHMFA and \$3,525,696 in loan forgiveness by NJHMFA.

Administrative costs increased by \$734,652 due primarily to increases in the following areas:

Salaries increased by \$306, 262 due to the hiring of a new Section * Coordinator, a new Public Relations position and several part-time positions.

Fees of \$approximately \$250,000 paid to a contractor for strategic planning related to the re-development of the Authority's remaining housing stock and costs of \$approximately 70,000 to a structural engineering firm to determine if the buildings above seven stories were structural sound in light of recent building collapse in Florida.

Tenant services salaries increased primarily due to the labor cost to clean and disinfect all of the common areas in the apartment complexes during COVID. The cost of this was funded by PHA – CARES funds. Those funds were granted to the Authority by HUD to help deal with the effects of the COVID-19 Pandemic.

HAP expenses increased due to an increase in rental units as well as increased rents to landlords.

G. 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 September 30, 2023:

1 – The state of the economy, particularly in light of current world affairs.

2 – The need for Congress to reduce the federal deficit and the possible continued cut-backs in HUD subsidies and grants.

H. 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 Mr. Mark Recko, Executive Director, Housing Authority of the City of Hoboken, 400 Harrison Street, Hoboken, NJ 07030 or call (201) 798-0370.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

Computation of Net Position are as follows:

	Year Ended	
	Sept. 30, 2022	Sept. 30, 2021
Cash and Other Current Assets	\$ 11,295,340	\$ 10,118,283
Capital Assets - Net	30,913,416	28,542,327
Deferred Outflow of Resources	4,064,978	2,874,334
Total Assets	46,273,734	41,534,944
Less: Total Liabilities	(35,148,281)	(35,829,898)
Less: Deferred Inflow of Resources	(7,590,014)	(9,151,275)
Net Position	<u>\$ 3,535,439</u>	<u>\$ (3,446,229)</u>
Invested in Capital Assets	16,550,315	11,936,106
Restricted Net Position	1,934,895	1,919,087
Unrestricted Net Position	(14,949,771)	(17,301,422)
Total Net Position	<u>\$ 3,535,439</u>	<u>\$ (3,446,229)</u>

Computation of Changes in Net Position are as follows:

<u>Revenues</u>		
Tenant Revenues	\$ 6,023,404	\$ 4,928,756
HUD Subsidies	14,054,494	12,864,483
Other Revenues	519,750	148,481
Total Operating Revenues	<u>\$ 20,597,648</u>	<u>\$ 17,941,720</u>
<u>Expenses</u>		
Operating Expenses	15,070,043	13,755,255
Housing Assistance Payments	3,456,652	3,205,133
Depreciation Expenses and Amortization	2,362,314	2,329,077
Total Operating Expenses	<u>20,889,009</u>	<u>19,289,465</u>
Excess (Deficiency) of Operating Revenue Over Expenses	(291,361)	(1,347,745)
<u>Non-Operating Income / (Expenses)</u>		
Interest on Long Term Debt	(231,541)	(207,157)
Interest on Investments	6,955	5,088
Excess of Revenues over Expenses Before Capital Grant Received	(515,947)	(1,549,814)
<u>Capital Grants</u>		
NJHMFA	3,525,696	-
HUD Capital Grants	2,622,987	2,847,712
Excess (Deficiency) of Revenues Over Expenses	5,632,736	1,297,898
Net Position - Prior	(3,446,229)	(4,957,797)
Prior Period Adjustment	1,348,932	213,670
Total Net Position	<u>\$ 3,535,439</u>	<u>\$ (3,446,229)</u>



Polcari & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Housing Authority of the City of Hoboken, which comprise the Statement of Net Position as of September 30, 2022, and 2021 and the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the year ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of September 30, 2022, and 2021, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis presented on pages 1-5, the Schedule of Proportionate Share of Net Pension Liability of the Public Employees Retirement System (PERS) on page 36, the Schedule of Authority Contributions to the PERS on page 37 and the Schedule of Changes in OPEB liabilities and related ratios on page 38 and the Schedule of Authority Contributions to the OPEB Plan on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT

(Continued)

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Hoboken. The Financial Data Schedule is presented for purposes of additional analysis as required by U. S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) 200, Uniform Administrative Requirements, Costs principles and Audit Requirements for Federal Awards.

Additionally, the Statement and Certification of completed Capital Fund Program Grants and the Statement of Net Assets – Component Units, the Statement of Revenues, Expenses and Changes in Net Assets – Component Units and the Statement of Cash flows – Component Units, are supplemental information and are presented for the purpose of additional analysis and are not a required part of these financial statements.

The other information referred to in the preceding paragraph is the responsibility of management and was derived from and directly relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2023 on our consideration of the Housing Authority of the City of Hoboken's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
June 28, 2023

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
Hoboken, New Jersey
COMPARATIVE STATEMENTS OF NET POSITION
As of September 30, 2022 and 2021

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents - Unrestricted	\$ 5,558,319	\$ 4,963,044
Cash and Cash Equivalents - Restricted	1,934,895	2,112,717
Cash - Tenant Security Deposits	406,587	380,031
Accounts Receivable - Tenants (Net of allowance for Doubtful Accounts of \$556,136 and \$433,160)	934,908	215,148
Accounts Receivable - HUD Other Projects	1,524,112	1,609,947
Accounts Receivable - Other	545,966	460,032
Prepaid Expenses and Other Current Assets	390,553	377,364
Total Current Assets	11,295,340	10,118,283
<u>FIXED ASSETS</u>		
Land	1,527,037	1,527,037
Buildings	66,437,680	60,844,414
Furniture, Equipment and Machinery	15,226,238	14,978,060
Construction in Progress	20,647,965	21,756,006
Total Fixed Assets	103,838,920	99,105,517
Less: Accumulated Depreciation	(72,925,504)	(70,563,190)
Net Fixed Assets	30,913,416	28,542,327
Deferred Outflow of Resources	4,064,978	2,874,334
Total Assets and Deferred Outflow of Resources	\$ 46,273,734	\$ 41,534,944

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable:			
Vendors and Contractors	\$ 1,017,503	\$ 433,464	
Accrued Payroll and Related Taxes	189,625	112,073	
Accrued Interest Payable	53,510	65,291	
Accounts Payable - HUD	-	18,675	
Due to Tenants:			
Security Deposits	406,587	380,030	
Unearned Revenue	69,901	245,683	
Due to Other Governments	570,790	528,605	
Other Current Liabilities and Accrued Expenses	324,522	460,032	
Long Term Debt - Current Portion	736,230	704,395	
Compensated Absences - Current Portion	43,363	35,067	
Total Current Liabilities	3,412,031	2,983,315	
Accrued Compensated Absences - Noncurrent	390,295	315,627	
Long Term Debt - Non Current	13,626,871	15,901,826	
Accrued Pension and OPEB Liabilities	17,719,084	16,629,130	
Total Liabilities	35,148,281	35,829,898	
Deferred Inflow of Resources	7,590,014	9,151,275	

NET POSITION

Net Investment in Capital Assets	16,550,315	11,936,106
Restricted	1,934,895	1,919,087
Unrestricted	(14,949,771)	(17,301,422)
Total Net Position	\$ 3,535,439	\$ (3,446,229)

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
Hoboken, New Jersey
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>OPERATING REVENUES</u>		
Total Tenant Revenue	\$ 6,023,404	\$ 4,928,756
HUD Grants - Operating	14,054,494	12,864,483
Other	<u>519,750</u>	<u>148,481</u>
Total Operating Revenues	<u>20,597,648</u>	<u>17,941,720</u>
<u>OPERATING EXPENSES</u>		
Administration	3,792,377	3,057,725
Tenant Services	618,252	321,940
Utilities	4,475,634	3,968,018
Ordinary Maintenance & Operations	4,662,384	4,719,864
Protective Services	28,125	30,100
General Expense	1,493,271	1,657,608
Housing Assistance Payments	3,456,652	3,205,133
Depreciation Expense	<u>2,362,314</u>	<u>2,329,077</u>
Total Operating Expenses	<u>20,889,009</u>	<u>19,289,465</u>
Excess of Operating Revenues Over Expenses	(291,361)	(1,347,745)
<u>NON OPERATING REVENUES/(EXPENSES)</u>		
Interest on Debt	(231,541)	(207,157)
Interest Income	<u>6,955</u>	<u>5,088</u>
(Loss) Before Contributions and Transfers	(515,947)	(1,549,814)
Capital Grants - NJHMFA	3,525,696	-
Capital Grants - HUD	<u>2,622,987</u>	<u>2,847,712</u>
Increase/(Decrease) In Net Position	5,632,736	1,297,898
Beginning Net Position	(3,446,229)	(4,957,797)
Prior Period Adjustment	<u>1,348,932</u>	<u>213,670</u>
Ending Net Position	<u>\$ 3,535,439</u>	<u>\$ (3,446,229)</u>

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
Hoboken, New Jersey
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2022 and 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2022</u>	<u>2021</u>
Cash Received:		
From Tenants for Rental & Other Revenue	\$ 5,127,862	\$ 4,975,320
From Government Agencies for Operating Grants	14,140,329	12,826,731
For Other Operating Revenues	519,750	148,481
Cash Paid:		
To Employees for Operations	(3,200,956)	(2,921,457)
To Suppliers for Operations	(11,760,945)	(11,396,713)
For Housing Assistance Payments	<u>(3,456,652)</u>	<u>(3,205,133)</u>
Net Cash Provided by Operating Activities	<u>1,369,388</u>	<u>427,229</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Capital Grants Received	2,622,987	2,847,712
Cash Received from Borrowings	1,672,149	7,633,924
Cash Paid for Repayemnt of Debt	<u>(704,395)</u>	<u>(647,722)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>3,590,741</u>	<u>9,833,914</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Receipt/(Refund) of Security Deposits	26,557	7,092
Acquisition of Property and Equipment	(4,306,310)	(7,584,506)
Interest Expense	(243,322)	(217,792)
Interest Income	6,955	5,088
Net Cash Provided by Investing Activities	<u>(4,516,120)</u>	<u>(7,790,118)</u>
Increase/(Decrease) in Cash and Cash Equivalents	444,009	2,471,025
Cash and Equivalents at Beginning of Period	7,455,792	4,984,767
Cash and Equivalents at End of Period	<u>\$ 7,899,801</u>	<u>\$ 7,455,792</u>
 <u>RECONCILIATION OF OPERATING (LOSS) TO</u> <u>NET CASH USED BY OPERATIONS</u>		
Operating Income/(Loss)	\$ (291,361)	\$ (1,347,745)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities		
Depreciation	2,362,314	2,329,077
Decrease/(Increase) in Assets		
Accounts Receivable - Tenants	(719,760)	121,296
Accounts Receivable - HUD and Other Governments	85,835	(37,752)
Prepaid Expenses and Other Current Assets	(13,189)	(28,193)
Deferred Outflow of Resources	(1,190,644)	(2,060,370)
Increase/(Decrease) in Liabilities		
Accounts Payable	385,834	59,643
Accrued Payroll	77,552	15,187
Unearned Revenue	(175,782)	(74,732)
Accounts Payable - HUD and Other Governments	23,510	(72,918)
Other Current Liabilities	(135,510)	(134,829)
Compensated Absences	82,964	(60,109)
Accrued Pension and OPEB Liabilities	1,089,954	2,869,311
Structured Settlement	-	(50,000)
Deferred Inflow of Resources	<u>(212,329)</u>	<u>(1,100,637)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,369,388</u>	<u>\$ 427,229</u>

Cash Paid for Interest for 2022 and 2021 was \$243,322 was \$217,556 respectively.

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 1 – Summary of Organization, Activities and Significant Accounting Policies:

A. Organization – The Housing Authority of the City of Hoboken (The Authority) is a governmental, public corporation created under the laws of the state of New Jersey to provide housing for qualified individuals in accordance with rules and regulations prescribed by the United States Department of Housing and Urban Development. The Authority is governed by a Board of Commissioners which is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance and management of public housing for low- and moderate-income families residing in the City of Hoboken. Operating and modernization subsidies are provided to the Authority by the federal government.

B. Activities – The combined financial statements include all the accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The Authority is not included in any Governmental "reporting entity" since its board members, while they are appointed primarily by the City Counsel, have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters.

The Authority has identified Housing for Hoboken Inc, a 501(c)3 not for profit which was determined to be a blended component and included as part of the Authority's reporting entity. Housing for Hoboken Inc. consists of a 200-unit apartment building, formerly part of the Authority's housing stock known as Fox Hill Gardens, AMP-5. Fox Hill Gardens was transferred to Housing for Hoboken Inc. as part of HUD's RAD Program during 2021.

C. Significant Accounting Policies

a. Basis of Accounting – The accrual basis of accounting is used for measuring financial position and operating results of Proprietary Fund Types. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Proprietary Fund revenues and expenses are recognized on the accrual basis, with revenues recognized in the accounting period in which they are earned and become measurable, and expenses recognized in the period incurred, if measurable. Thus, for example, proprietary funds recognized revenue in the period in which a service is provided, regardless of how long after the end of the period the revenue is expected to be collected.

Using the accrual basis of accounting is consistent with the proprietary fund focus on measuring all the costs of providing goods or services for the period and matching those costs with the revenues earned during the period by providing the goods or services.

b. Report Presentation – The financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to governmental entities for Proprietary Fund Types. The Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (Statement No. 34). The Authority also adopted the provisions of Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38 "Certain Financial Statement Note Disclosures", which supplement Statement No. 34. Statement No. 34 established standards for all state and local governmental entities that include a statement of net assets, a statement of activities and a statement of cash flows.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

b. Report Presentation – (continued)

It requires the classification of net assets into three components – Invested in Capital Assets, Net of Related Debt; Restricted Net Assets and Unrestricted Net Assets. Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position” requires the re-naming of the Statement of Net Assets to the Statement of Net Position. The standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position. These classifications are defined as follows:

Net Investment in Capital Assets – This component consists of land, construction in progress and depreciable assets, net of accumulated depreciation and net of the related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of Net Investment in Capital Assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted Net Position – This component includes net position subject to restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component consists of net position that does not meet the definition of Restricted Net Position or Invested in Capital Assets, Net of Related Debt.

The adoption of Governmental Accounting Standards Board Statements 34, 37 and 38 have no significant effect on the basic financial statements, except for the classification of net position in accordance with Statement No. 34.

The Enterprise Fund is used for activities which are financed and operated in a manner similar to a private business enterprise where the intent is that the costs (expenses, including depreciation) of providing goods or services to its clients on a continuing basis be financed or recovered primarily through user charges or operating subsidies. All of the Authority’s assets, liabilities, revenues, and expenses are reported using a single enterprise fund.

Significant Accounting Policies are as follows:

1 – Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include cash in banks, petty cash, certificates of deposit, and other investments with original maturities of less than three months from the date of purchase.

Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts.

3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight line basis.

4 – Repairs funded out of operations, such as painting, roofing and plumbing, are charged against income for all programs.

5 – The Authority is subsidized by the Federal Government. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal and State income tax returns.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

Significant Accounting Policies – (continued)

6 – Operating subsidies received from HUD are recorded as income when earned.

7 – The cost of accumulated unpaid compensated absences, including fringe benefits, is reported in the period earned rather than in the period paid.

8 – Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

9 – Inventories in the Proprietary Fund consist of supplies and are recorded at the lower cost or market.

10 - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

11 – The Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles, Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

12 – The Authority does not have any infrastructure assets for its Proprietary Fund.

13 – Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which the transactions are executed.

14 – Long-lived assets to be held and used are tested for recoverability whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell. As of September 30, 2022, the Authority has not recognized any reduction in the carrying value of its fixed assets when considering AU 360.

c. **Budgetary Policy Control** – The Authority submits its annual operating and capital budgets to the State of New Jersey Department of Community Affairs in accordance with New Jersey statute. After the New Jersey Department of Community Affairs approves the budget, it is formally adopted by resolution of the Authority's Board of Commissioners. Once adopted, the Board of Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 2 – Cash and Cash Equivalents

The Authority maintains cash and investments in local banks. These funds are covered by the Governmental Unit Depository Protection Act of the State of New Jersey, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the Authority's name.

Cash and Cash Equivalents of \$7,899,801 and \$7,455,792 at September 30, 2021 and 2020 respectively consisted of the following:

		<u>2022</u>		<u>2021</u>
Checking Accounts	\$	5,557,819	\$	4,962,544
Restricted Cash and Reserves		1,934,895		2,112,717
Security Deposits		406,587		380,031
Petty Cash		500		500
		<u>\$ 7,899,801</u>		<u>\$ 7,455,792</u>

The carrying amount of the Authority's cash and cash equivalents as of September 30, 2022, was \$7,899,801 and the bank balances were \$8,095,764. Of the bank balances, \$500,000 was covered by FDIC insurance and \$7,399,301 was covered by collateral agreements as required by New Jersey statute. Cash and cash equivalents, except petty cash are held in the Authority's name.

The Authority's cash and cash equivalents are categorized as prescribed in GASB 40 to give an indication of the level of risk assumed by the Authority. As described above, \$7,399,301 of the Authority's deposits exceeded FDIC insurance and were collateral agreements required by the State of New Jersey.

NOTE 3 – Account Receivable

HUD

At September 30, 2022, Accounts Receivable HUD is comprised of \$1,549,524 from activities related to the CFP Program and \$27,336 was related to the HCV Program for shortfall.

At September 30, 2021, Accounts Receivable HUD is comprised of \$857,825 from activities related to the CFP Program, \$684,721 was related to Low Rent Public Housing Operating Subsidy, \$61,410 was related to the HCV Program for shortfall funding and 5,991 was attributed to the CDBG Program

Tenants

Tenant accounts receivable is stated net of an allowance for doubtful accounts. Management has determined that an allowance for doubtful accounts of \$556,136 and \$433,160 was required at September 30, 2022 and 2021 respectively. The increase in the allowance is attributed to the COVID-19 pandemic.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 4 - Fixed Assets

Fixed assets consist primarily of expenditures to acquire, construct, place in operation and improve the facilities of the Authority and are stated at cost less accumulated depreciation. The following is a summary of the changes in fixed assets for the year ended September 30, 2022 and 2021.

	<u>9/30/2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Other</u>	<u>9/30/2022</u>
Land	\$ 1,527,037	\$ -	\$ -	\$ -	\$ 1,527,037
Buildings	60,844,414	165,503	-	5,427,763	66,437,680
Furniture and Equipment	14,978,060	248,178	-	-	15,226,238
Construction In Progress	<u>21,756,006</u>	<u>4,319,660</u>	<u>-</u>	<u>(5,427,763)</u>	<u>20,647,903</u>
Total Fixed Assets	99,105,517	4,733,341	-	-	103,838,858
Accumulated Depreciation	<u>(70,563,190)</u>	<u>(2,362,314)</u>	<u>-</u>	<u>-</u>	<u>(72,925,504)</u>
Net Fixed Assets	<u>\$ 28,542,327</u>	<u>\$ 2,371,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,913,354</u>

	<u>9/30/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Other</u>	<u>9/30/2021</u>
Land	\$ 1,527,036	\$ -	\$ -	\$ 1	\$ 1,527,037
Buildings	60,844,414	-	-	-	60,844,414
Furniture and Equipment	14,789,856	188,205	-	(1)	14,978,060
Construction In Progress	<u>13,899,672</u>	<u>7,856,567</u>	<u>-</u>	<u>(233)</u>	<u>21,756,006</u>
Total Fixed Assets	91,060,978	8,044,772	-	(233)	99,105,517
Accumulated Depreciation	<u>(68,234,346)</u>	<u>(2,329,077)</u>	<u>-</u>	<u>233</u>	<u>(70,563,190)</u>
Net Fixed Assets	<u>\$ 22,826,632</u>	<u>\$ 5,715,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,542,327</u>

Depreciation expense for 2022 and 2021 was \$2,362,314 and \$2,329,077 respectively.

Expenditures are capitalized when they meet the Capitalization Policy requirements. Under that policy assets purchased or constructed at a cost not to exceed \$1,000 are expensed when incurred.

Depreciation of Fixed Assets is provided using the straight-line method for reporting purposes at rates based upon the following estimated useful lives:

	<u>Years</u>
Buildings	40
Components	20
Site Improvements	15
Furniture	10
Equipment	5
Vehicles	5
Computers	3

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 5 – Payment in Lieu of Taxes (PILOT)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City of Hoboken. Under the Cooperation Agreement, the Authority must pay the municipality the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended September 30, 2022, and 2021, PILOT of \$154,931 and \$96,074 was accrued respectively. The PILOT Liability at September 30, 2022 and 2021 was \$570,790 and \$528,605 respectively.

NOTE 6 – Accrued Compensated Absences

Accrued compensated absences of \$433,365 and \$350,694 at September 30, 2022 and 2021 represents amounts to which employees are entitled to based on accumulated leave earned in accordance with the authority's Personnel Policy. Employees may be compensated for accumulated vacation leave to a maximum of one year in the event of retirement or termination from service at the current salary. Employees may be compensated for sick leave at retirement at 50% of the earned, accrued and unused sick leave up to \$15,000. The current portion was \$43,869 and \$35,067 and at September 30, 2022 and 2021 respectively.

NOTE 7 – Pension Plan

General Information about the Pension Plan

Plan Description - The Authority participates in the New Jersey Public Employees Retirement System (PERS) which is sponsored and administered by the New Jersey Division of Pensions and Benefits. PERS is a cost-sharing, multiple-employer defined benefits pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). PERS issues a publicly available report that can be obtained at the following website: www.state.nj.us/terasury/pensions/annrpts.shtml.
Benefits Provided - 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:

- Tier 1 – Members who were enrolled by July 1, 2007.
- Tier 2 – Members who were eligible to enroll on or after July 1, 2007, and prior to November 2, 2008.
- Tier 3 – Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010.
- Tier 4 – Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011.
- Tier 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 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 to tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2022

NOTE 7 – Pension Plan – (continued)

Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members 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 service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount 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 the noncontributory group benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

The housing authority's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 9, 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 the 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. The 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 assets.

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

At June 30, 2022, the measurement date, the Authority reported \$4,758,342 for its proportionate share of the net pension liability. The Authority's portion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's allocation percentage as of June 30, 2022, was 0.0315302029%.

The components of the Authority's net pension liability as of June 30, 2022, and 2021, the most recent evaluation date is as follows:

	2022	2021
Total Pension Liability	\$ 12,896,314	\$ 11,851,949
Plan Fiduciary Net Position	8,137,972	6,934,599
Net Pension Liability	\$ 4,758,342	\$ 4,917,350

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 7 – Pension Plan – (continued)

Actuarial Assumptions - The Authority's net pension liability for the fiscal year ended September 30, 2022, was determined at a measurement date of July 1, 2021 which was rolled forward to June 30, 2022. That actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. In accordance with State statute, the long term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2022, are summarized in the following table:

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

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 7 – Pension Plan – (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employer. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

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

1% Decrease	Current Assumption	1% Increase
<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
\$ 6,164,847	\$ 4,758,342	\$ 3,635,943

For the year ended September 30, 2022, the Authority recognized pension benefit of \$201,824. At September 30, 2022 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Changes of assumptions	\$ 14,743	\$ 712,512	\$ 159,524	\$ 2,058,941
Differences between expected and actual experience	34,344	30,286	89,357	17,390
Net differences between projected and actual earnings on plan investments	196,943		168,079	
Changes in proportion	<u>356,601</u>	<u>125,169</u>	<u>389,563</u>	<u>185,633</u>
Subtotal	<u>\$ 602,631</u>	<u>\$ 867,967</u>	<u>\$ 806,523</u>	<u>\$ 2,261,964</u>
Authority's contributions subsequent to the measurement date	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 602,631</u>	<u>\$ 867,967</u>	<u>\$ 806,523</u>	<u>\$ 2,261,964</u>

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2022

NOTE 7 – Pension Plan – (continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) relate to pensions will be recognized in pension expense as shown in the below chart. The amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) over the average of the expected remaining service lives:

Year ended June 30:

2023	\$	(390,338)
2024		(198,864)
2025		(96,982)
2026		211,578
2024		(465)
Total	\$	(475,070)

NOTE 8 – Other Post Employee Retirement Benefits – OPEB

Plan Description

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

Benefits Provided

The Plan provides medical and prescription drugs to retirees and their covered dependents of the Authority. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L 1999, the Authority elects to provide postretirement medical coverage to its employees and must file a resolution with the Division. Under Chapter 88, the Authority has elected to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows the Authority to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the Authority 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 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 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.

BASIS OF PRESENTATION

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

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2022

NOTE 8 – Other Post Employee Retirement Benefits – OPEB (continued)

NET OPEB LIABILITY

The Authority’s financial statements reflect the amounts from June 30, 2021 and do not contain any adjustments or estimates to reflect amounts for liabilities and deferred outflows and inflows as of June 30, 2022.

The Authority’s total other postemployment benefit (“OPEB”) liability of \$12,960,742 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020. The components of the net OPEB liability are as of June 30, 2021, are as follows:

Total OPEB Liability	\$ 12,996,941
Plan Fiduciary Net Position	<u>36,198</u>
Net OPEB Liability	<u>\$ 12,960,742</u>

Plan Fiduciary Net Position
 as a % of Total OPEB Liability 0.28%

The total OPEB liability as of June 30, 2021, was determined by actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate 2.50%

Salary Increases (based on years of service within the respective plan)

Initial Fiscal Year Applied	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%

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

HEALTH CARE TREND ASSUMPTIONS

Actuarial assumptions used in the July 1, 2020, valuation was based on the results of the PERS experience studies prepared for July 1, 2014, to June 30, 2018. 100% of active members are considered to participate in the Plan upon retirement.

DISCOUNT RATE

The discount rate for June 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State of New Jersey. The source of 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.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 8 – Other Post Employee Retirement Benefits – OPEB (continued)

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The below presents the total OPEB liability of the Authority as of June 30, 2021, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates.

	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability	\$ 15,252,308	\$ 12,960,742	\$ 11,144,628

SENSITIVITY TO NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE TREND RATE

		Healthcare Cost	
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 10,813,624	\$ 12,960,742	\$ 15,762,466

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Changes of assumptions	\$ 1,864,442	\$ 2,290,963	\$ 1,751,714	\$ (2,604,519)
Differences between expected and actual experience	290,824	2,711,579	308,479	(2,180,952)
Net differences between projected and actual earnings on plan investments	6,197	-	7,438	-
Changes in proportion	1,300,884	1,719,505	-	(2,103,840)
Authority's contributions subsequent to the measurement date	-	-	-	-
TOTAL	<u>\$ 3,462,347</u>	<u>\$ 6,722,047</u>	<u>\$ 2,067,631</u>	<u>\$ (6,889,311)</u>

For the year ended June 30, 2021, the Authority recognized OPEB benefit of \$51,729. At June 30, 2021 and 2020, the Authority reported deferred outflows of resources of \$3,462,347 and \$2,067,631 respectively and deferred inflows of resources for 2021 and 2020 of \$6,722,047 and \$6,889,311, respectively.

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

Year Ending	
June 30:	
2022	\$ (773,876)
2023	(774,894)
2024	(775,824)
2025	(554,019)
2026	(93,134)
Thereafter	130,668
	<u>\$ (2,841,080)</u>

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 9 – Long Term Debt

1. During the fiscal year ended September 30, 2005, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency issued tax-exempt, twenty-year Capital Fund Program Revenue Bonds, 2004 Series A. The Authority's share of the funds from the bond issue pool amounted to \$10,550,000. The net funds received from the leveraging pool are restricted and must be spent in accordance with the Authority's Capital Fund Budget within four years. Interest accrues at 4.63% and is payable semi-annually with principal on May 1 and November 1. During the fiscal year ended September 30, 2021, and 2020 the Authority had restricted cash balance of \$3,425 and \$3,168 in the restricted accounts at year end respectively.

Repayment of the funds leveraged shall be budgeted from Capital Fund Allocations received by the Authority from the Department of Housing and Urban Development.

The following is a schedule of required principal payments for the next five years and thereafter:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 690,000	\$ 113,035	\$ 803,035
2024	730,000	80,135	810,135
2025	760,000	45,472	805,472
2026	<u>395,000</u>	<u>9,283</u>	<u>404,283</u>
	<u>\$ 2,575,000</u>	<u>\$ 247,925</u>	<u>\$ 2,822,925</u>

During 2018, the Authority received a loan from the Fund for Restoration of Multi-Family Public Housing Set-Aside Program (FRM-PHA). This Program is funded with Community Development Block Grant - Disaster Relief (CDBG-DR) monies which have been appropriated pursuant to the Disaster Relief Appropriations Act of 2013. The Authority receives the loan proceeds through the NJ Department of Community Affairs (NJ DCA) which provides the necessary resources to support repairs to damaged public housing units. The note is secured by a mortgage and has a stated interest rate of 0% and forgiveness begins after the proceeds have been expended provide there has been event of default under the loan agreement. Forgiveness of an FRM-PHA subsidy loan occurs annually and equals a forgiveness of 20% per year for five years of the original principal balance provided that the project remains in compliance with FRM-PHA and CDBG-DR requirements. The proceeds from the loan were used across all AMPS of the Authority for capital improvements. At September 30, 2020, the Authority was reimbursed \$4,253,830 and has a \$436,511 receivable for costs accrued and incurred at the balance sheet date. The total amount reported as a loan payable was \$5,294,988.

3. During 2021, the Authority converted AMP-5, the Fox Hill Property to HUD's Rental Assistance Demonstration (RAD) Program. As part of the conversion, HUD released the declaration of trust on the property allowing the Authority to borrow the equity in the property to used for major renovations. On, April 1, 2021, the Authority received a loan from Provident Bank for \$2,500,000 with a fixed interest rate of 4%. The loan matures on April 1, 2051, and requires monthly principal and interest payments of \$12,020.

The following is a schedule of required principal payments for the next five years and thereafter:

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 9 – Long Term Debt and Capital Leases – (continued)

The following is a schedule of required principal payments for the next five years and thereafter:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 46,230	\$ 98,009	\$ 144,239
2024	47,871	96,368	144,239
2025	50,118	94,121	144,239
2026	52,188	92,050	144,238
2027	54,344	89,894	144,238
Thereafter	<u>2,187,131</u>	<u>1,282,802</u>	<u>3,469,933</u>
	<u>\$ 2,437,882</u>	<u>\$ 1,753,244</u>	<u>\$ 4,191,126</u>

The following table summarizes the long-term liabilities of the Authority at September 30, 2022.

<u>Loan Description</u>	<u>Balance</u> <u>10/1/2021</u>	<u>Advances</u>	<u>Payments</u>	<u>Additions</u> <u>(Decreases)</u>	<u>Due In</u> <u>One Year</u>	<u>Balance</u> <u>9/30/2022</u>
CFFP Loan -2004 Series A	\$ 3,235,000	\$ -	\$ (660,000)		\$ 690,000	\$ 1,885,000
NJHMFA-CDBG-DR	10,888,943	-	(3,525,696)	1,986,971	-	9,350,218
Provident Bank - RAD	<u>2,482,278</u>	-	<u>(44,395)</u>	<u>-</u>	<u>46,230</u>	<u>2,391,653</u>
Total Loan Liabilities	<u>16,606,221</u>	<u>-</u>	<u>(4,230,091)</u>	<u>1,986,971</u>	<u>736,230</u>	<u>13,626,871</u>
Unfunded Pension Liabilities	4,917,350	-	-	(159,008)	-	4,758,342
OPEB Liabilities	11,711,780	-	-	1,248,962	-	12,960,742
Compensated Absences	350,694	-	-	83,470	43,869	390,295
Repayment Agreement With HUD	<u>15,591</u>	<u>-</u>	<u>(15,591)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Long Term Liabilities	<u>16,995,415</u>	<u>-</u>	<u>(15,591)</u>	<u>1,173,424</u>	<u>43,869</u>	<u>18,109,379</u>
All Long Term Liabilities	<u>\$ 33,601,636</u>	<u>\$ -</u>	<u>\$ (4,245,682)</u>	<u>\$ 3,160,395</u>	<u>\$ 780,099</u>	<u>\$ 31,736,250</u>

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 10 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft damage to and destruction of assets; errors and omissions and natural disasters for which the Authority carries commercial insurance. During the year ended September 30, 2022, and 2021 the Authority's risk management program, in order to deal with potential liabilities, consisted of various insurance policies for fire, general liability, crime, auto and public officials' errors and omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its Projects for the purpose of determining potential liability issues. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Settled claims relating to the commercial insurance have not exceeded the amount of insurance in any of the past fiscal year.

NOTE 11– Construction Commitments

At September 30, 2022 and 2021, the Authority's outstanding construction commitments pertaining to its capital fund were not material. The costs pertaining to such commitments will be paid by grants approved and committed to the Authority by the U.S. Department of Housing and Urban Development.

NOTE 12 – Economic Dependency

For the year ended September 30, 2022, and 2021, a substantial portion of the Authority's revenues were received from the U.S. Dept. Housing & Urban Development, which are subject to availability of funds and Congressional approval, as well as the Authority's compliance with Federal rules and regulations.

NOTE 13– Restricted Net Position – Housing Choice Voucher Program

Administrative fees paid by HUD to the Authority in excess of administrative expenses are also part of the undesignated fund balance and are considered to be "administrative fee reserves". Administrative fee reserves accumulated prior to January 1, 2004, are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR 982.155 – i.e. "other housing purposes permitted by state or local law". Excess administrative fees earned in 2005 and subsequent years must be used for activities related to the provision of tenant-based rental assistance authorized under Section 8 of the United States Housing Act of 1937, including related development activities.

The restricted fund balance also includes interest income on HAP investments, family self sufficiency program forfeitures and fraud recoveries. The Authority's portion of fraud recoveries (i.e., the higher of 50% of the amount collected or the reasonable and necessary costs that the PHA incurred related to the collection) must continue to be used for activities related to the provision of voucher assistance authorized under Section 8 of the United States Housing Act of 1937. The balance of the recovery amount must be maintained in the restricted fund balance account as excess HAP.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 13– Restricted Net Position – Housing Choice Voucher Program – (continued)

In accordance with HUD requirements, the Authority's fund balance consists of the following components as of September 30, 2022, and 2021:

Balance at September 30, 2021	\$	(58,261)	
Net Administrative Fee Income, excluding fraud recovery and investment income income FYE 09/30/2022		99,201	
Investment income		<u>62</u>	
Total Unrestricted Net Position at September 30, 2022	\$		41,002
 <u>Housing Assistance Payment Reserves included in Restricted Net Position</u>			
Balance at September 30, 2021		-	
Unspent HAP Revenue for FYE September 30, 2022		<u>257,690</u>	
Total Restricted Net Position at September 30, 2022			<u>257,690</u>
 Total Housing Choice Voucher Program Net Position at September 30, 2022	 \$		 <u>298,692</u>

Balance at September 30, 2020	\$	(34,673)	
Transfer to HAP Equity		-	
Net Administrative Fee Income, excluding fraud recovery and investment income income FYE 09/30/2021		(23,723)	
Investment income		<u>135</u>	
Total Unrestricted Net Position at September 30, 2021	\$		(58,261)

<u>Housing Assistance Payment Reserves included in Restricted Net Position</u>			
Balance at September 30, 2019		-	
Unspent HAP Revenue for FYE September 30, 2021		<u>-</u>	
Total Restricted Net Position at September 30, 2021			<u>-</u>
 Total Housing Choice Voucher Program Net Position at September 30, 2021	 \$		 <u>(58,261)</u>

NOTE 14- Contingencies

Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amounts, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 14- Contingencies- (continued)

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

NOTE 15- Prior Period Adjustments and Corrections of Errors

During the current and prior fiscal year, the Authority made an adjustment to increase beginning equity by a net \$1,348,932 and \$213,670 respectively for the State of NJ actuarial valuations related to the Authority's OPEB liabilities.

NOTE 16- Accounts Payable - HUD

During 2018, the Authority entered into a repayment agreement with HUD for \$114,591. The amount represents overfunding of the operating subsidy amounts from 2011-2014 because of a clerical error on the number of units leased in the PIC system. Under the terms of the agreement the Authority is required to repay HUD \$33,000 per year if the Operating Fund proration is 90% or higher or \$16,500 if the proration is below 90%. Payments are due each December 31, and the payment made for fiscal year 2022 and 2021 was \$15,591 and \$33,000, respectively. At September 30, 2022, the amount due HUD was repaid.

NOTE 17- Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated subsequent events through June 28, 2023, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
Hoboken, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL and STATE and LOCAL AWARDS
For the Year Ended September 30, 2022

DIRECT FEDERAL ASSISTANCE	<u>Funds Expended</u>
<u>Department of Housing and Urban Development</u>	
Low Income Housing Operating Subsidy (CFDA#14.850)	\$ 7,395,663
Capital Fund Program (CFDA# 14.872)	3,970,348
Community Development Block Grant (CFDA# 14.218)	96,656
Section 8 Housing Choice Voucher (CFDA # 14.871)	4,777,308
<u>Coronavirus Aid, Relief, and Economic Security Act (CARES)</u>	
Public Housing CARES Act Funding (CFDA#14.PHC)	469,571
Housing Choice Voucher CARES Act Funding (CFDA#14.HCV)	<u>64,621</u>
Total Direct Federal Assistance	<u>\$ 16,774,167</u>

INDIRECT FEDERAL ASSISTANCE

<u>Department of Housing and Urban Development</u>	
Community Development Block Grant - Disaster Recovery (CFDA#14.269)	
Loaned Through NJ Housing Mortgage Finance Agency (NJHMFA)	<u>\$ 3,525,696</u>
Total Direct and Indirect Federal Assistance	<u>\$ 20,299,863</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation - The Schedule of Expenditures of Federal Awards is presented in accordance with generally accepted accounting principles and is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.
2. There were no subrecipient activities during the audit period.
3. The Authority has elected not to use the 10% de minimis cost rate.
4. The Authority received no non-cash assistance.
5. The Authority received CDBG-DR Funds loaned through NJHMFA. The total amount of the loan funds drawn at September 30, 2021 was \$5,593,955.

Hoboken Housing Authority (NJ015)
HOBOKEN, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14-PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	1 Business Activities	2 State/Local	14.289 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.971 Housing Choice Vouchers	14-HCC HCV CARES Act Funding	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,459,218						\$296,972		\$1,257,366	\$1,544,763	\$5,558,319		\$5,558,319
112 Cash - Restricted - Modernization and Development	\$3,461						\$257,690		\$1,673,744	\$1,684,865	\$1,934,895		\$1,934,895
113 Cash - Other Restricted	\$355,480						\$406,587		\$50,107	\$406,587	\$406,587		\$406,587
114 Cash - Tenant Security Deposits													
115 Cash - Restricted for Payment of Current Liabilities	\$2,819,159	\$0	\$0	\$0	\$0	\$0	\$554,662	\$0	\$2,961,217	\$1,544,763	\$7,899,801	\$0	\$7,899,801
100 Total Cash							\$7,268				\$7,268		\$7,268
121 Accounts Receivable - PHA Projects	\$1,524,112										\$1,524,112		\$1,524,112
122 Accounts Receivable - HUD Other Projects													
124 Accounts Receivable - Other Government	\$0					\$518,601			\$518,601		\$518,601		\$518,601
125 Accounts Receivable - Miscellaneous	\$1,499,222								\$91,622		\$1,491,044		\$1,491,044
126.1 Allowance for Doubtful Accounts - Tenants	-\$516,082								-\$40,054		-\$556,136		-\$556,136
126.2 Allowance for Doubtful Accounts - Other	\$0					\$0			\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current													
128 Fraud Recovery													
126.1 Allowance for Doubtful Accounts - Fraud													
129 Accrued Interest Receivable	\$2,477,262	\$0	\$0	\$0	\$0	\$518,601	\$27,266	\$0	\$41,768	\$0	\$3,004,987	\$0	\$3,004,987
120 Total Receivables, Net of Allowances for Doubtful Accounts													
131 Investments - Unrestricted													
132 Investments - Restricted													
135 Investments - Restricted for Payment of Current Liability	\$338,403						\$6,104		\$43,368	\$2,658	\$390,553		\$390,553
142 Prepaid Expenses and Other Assets													
143 Inventories													
143.1 Allowance for Obsolete Inventories	\$320,457										\$320,457		\$0
144 Inter Program Due From	\$6,895,271	\$0	\$0	\$0	\$0	\$518,601	\$598,132	\$0	\$3,096,373	\$1,547,421	\$11,615,798	-\$320,457	\$11,295,341
145 Assets Held for Sale													
150 Total Current Assets													
161 Land	\$986,320								\$540,716		\$1,527,036		\$1,527,036
162 Buildings	\$60,014,093				\$360,000				\$6,063,667		\$66,437,660		\$66,437,660
163 Furniture, Equipment & Machinery - Dwellings	\$10,861,213								\$1,979,070		\$12,860,283		\$12,860,283
164 Furniture, Equipment & Machinery - Administration	\$1,871,950								\$158,085		\$2,365,955		\$2,365,955
165 Leasehold Improvements													
166 Accumulated Depreciation	-\$64,895,876		-\$27,000						-\$7,676,852	-\$325,776	-\$72,825,504		-\$72,825,504
167 Construction In Progress	\$3,639,368								\$751,508		\$50,647,965		\$50,647,965
168 Infrastructure	\$12,697,066		\$3,181,115	\$0	\$333,000				\$1,816,724	\$10,134	\$30,913,415	\$0	\$30,913,415
169 Total Capital Assets, Net of Accumulated Depreciation													
171 Notes, Loans and Mortgages Receivable - Non-Current													
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due													
173 Grants Receivable - Non Current													
174 Other Assets													
176 Investments in Joint Ventures	\$12,697,066	\$0	\$3,181,115	\$0	\$333,000	\$12,875,976	\$0	\$0	\$1,816,124	\$10,134	\$30,913,415	\$0	\$30,913,415
180 Total Non-Current Assets													
200 Deferred Outflow of Resources	\$2,945,531						\$59,352		\$338,463	\$724,631	\$4,064,977		\$4,064,977
260 Total Assets and Deferred Outflow of Resources	\$21,534,668	\$0	\$3,181,115	\$0	\$333,000	\$13,394,577	\$647,464	\$0	\$5,720,960	\$2,282,186	\$46,594,130	-\$320,457	\$46,273,733
311 Bank Overdraft	\$792,320								\$24,056	\$2,942	\$1,017,503		\$1,017,503
312 Accounts Payable <= 90 Days													

Hoboken Housing Authority (NJ015)
HOBOKEN, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14 PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	1 Business Activities	2 State/Local	14.288 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.871 Housing Choice Vouchers	14-HCC HCV CARES Act Funding	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
313 Accounts Payable -90 Days Past Due							\$4,166		\$21,900	\$40,309	\$189,625		\$189,625
321 Accrued Wage/Payroll Taxes Payable	\$123,220						\$398		\$3,778	\$10,468	\$43,353		\$43,353
322 Accrued Compensated Absences - Current Portion	\$28,731												
324 Accrued Contingency Liability									\$8,126		\$53,510		\$53,510
325 Accrued Interest Payable	\$45,384						\$3,084				\$3,084		\$3,084
331 Accounts Payable - HUD PHA Programs									\$137,657		\$570,790		\$570,790
332 Account Payable - PHA Projects	\$433,133								\$50,107		\$405,587		\$405,587
333 Accounts Payable - Other Government	\$356,480								\$69,901		\$69,901		\$69,901
341 Tenant Security Deposits	\$57,675	\$0		\$0				\$0	\$46,230		\$76,230		\$76,230
342 Unearned Revenue	\$690,000												
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue													
344 Current Portion of Long-term Debt - Operating Borrowings													
345 Other Current Liabilities									\$34,340		\$34,340		\$34,340
346 Accrued Liabilities - Other	\$297,098					\$320,457					\$320,457		\$320,457
347 Intra Program - Due To													
348 Loan Liability - Current	\$2,814,041	\$0	\$0	\$0	\$0	\$518,662	\$7,646	\$0	\$338,400	\$53,739	\$3,732,488	-\$320,457	\$3,412,031
310 Total Current Liabilities						\$9,350,219			\$2,391,652		\$13,626,871		\$13,626,871
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$1,885,000												
352 Long-term Debt, Net of Current - Operating Borrowings													
353 Non-current Liabilities - Other													
354 Accrued Compensated Absences - Non Current	\$258,822					\$0	\$3,303		\$34,004	\$84,396	\$390,295		\$390,295
355 Loan Liability - Non Current													
356 FASB 5 Liabilities													
357 Accrued Pension and OPEB Liabilities	\$11,499,354			\$0		\$224,977	\$224,977	\$3,741,375	\$2,253,377	\$3,741,375	\$17,719,063		\$17,719,063
350 Total Non-Current Liabilities	\$13,642,946	\$0	\$0	\$0	\$0	\$9,550,219	\$229,280	\$0	\$4,679,033	\$3,635,771	\$31,736,249	\$0	\$31,736,249
300 Total Liabilities	\$16,456,987	\$0	\$0	\$0	\$0	\$9,868,881	\$235,926	\$0	\$5,071,433	\$3,869,510	\$35,468,737	-\$320,457	\$35,148,280
400 Deferred Inflow of Resources	\$5,081,546						\$112,666		\$837,389	\$1,588,279	\$7,580,014		\$7,580,014
508.4 Net Investment In Capital Assets	\$10,122,066		\$3,181,115		\$333,000	\$3,525,757			-\$624,758	\$10,134	\$16,550,314		\$16,550,314
511.4 Restituted Net Position	\$3,451					\$0	\$257,680		\$1,673,744		\$1,994,695		\$1,994,695
512.4 Unrestricted Net Position	-\$10,125,192	\$0	\$0	\$0	\$0	-\$61	-\$41,002	\$0	-\$1,685,848	-\$3,175,671	-\$14,849,770		-\$14,849,770
513 Total Equity - Net Assets / Position	-\$5,685	\$0	\$3,181,115	\$0	\$333,000	\$3,525,696	\$258,682	\$0	-\$633,862	-\$3,185,537	\$5,535,439	\$0	\$5,535,439
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$21,554,868	\$0	\$3,181,115	\$0	\$333,000	\$13,394,577	\$647,484	\$0	\$5,220,960	\$7,282,166	\$46,584,190	-\$320,457	\$46,273,733

Hoboken Housing Authority (NJ015)
HOBOKEN, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14-PHC Public Housing CARES Act Funding	14,218 Community Development Block Grants/Entitlement Grants	1 Business Activities	2 State/Local	14,269 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14,871 Housing Choice Vouchers	14-HCC HCY CARES Act Funding	6,2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$5,162,798								\$1,882,285		\$7,045,083	-\$1,114,429	\$5,930,654
70400 Tenant Revenue - Other	\$92,780										\$92,780		\$92,780
70500 Total Tenant Revenue	\$5,255,578	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,882,285	\$0	\$7,137,863	-\$1,114,429	\$6,023,434
70600 HUD PHA Operating Grants	\$9,742,984	\$469,571				\$4,777,308		\$54,521			\$14,054,484		\$14,054,484
70610 Capital Grants	\$2,623,017										\$2,623,017		\$2,623,017
70710 Management Fee										\$1,523,087	\$1,523,087	-\$1,523,087	\$0
70720 Asset Management Fee										\$108,360	\$108,360	-\$108,360	-\$90,000
70730 Book Keeping Fee										\$108,436	\$108,436	-\$108,436	\$0
70740 Front Line Service Fee													
70750 Other Fees													
70700 Total Fee Revenue										\$1,739,869	\$1,739,869	-\$1,739,869	-\$90,000
70800 Other Government Grants			\$96,656								\$96,656		\$96,656
71100 Investment Income - Unrestricted	\$2,304										\$2,304		\$2,304
71200 Mortgage Interest Income													
71300 Proceeds from Disposition of Assets Held for Sale													
71310 Cost of Sale of Assets													
71400 Fraud Recovery													
71500 Other Revenue	\$109,719									\$940	\$423,094		\$423,094
71600 Gain or Loss on Sale of Capital Assets													
72000 Investment Income - Restricted													
70000 Total Revenue	\$16,733,612	\$469,571	\$96,656	\$0	\$0	\$3,255,698	\$5,071,417	\$64,621	\$1,905,232	\$1,740,833	\$29,607,638	-\$2,894,322	\$26,713,316
91100 Administrative Salaries	\$738,867									\$566,888	\$1,545,982		\$1,545,982
91200 Auditing Fees	\$23,693									\$28,206	\$28,206		\$28,206
91300 Management Fee	\$1,345,097									\$176,000	\$1,523,097	-\$1,523,097	\$0
91310 Book-keeping Fee	\$94,658						\$13,778			\$108,436	\$108,436	-\$108,436	\$0
91400 Advertising and Marketing	\$408,120									\$228,988	\$763,219		\$763,219
91500 Employee Benefit Contributions - Administrative	\$991,437									\$181,315	\$1,374,369		\$1,374,369
91600 Office Expenses	\$26,120									\$53,637	\$80,601		\$80,601
91700 Legal Expenses													
91800 Travel													
91810 Allocated Overhead													
91900 Other	\$3,569,992	\$0	\$0	\$0	\$0	\$0	\$141,361	\$0	\$694,729	\$1,088,808	\$5,423,910	-\$1,531,533	\$3,792,377
91000 Total Operating - Administrative													
92000 Asset Management Fee	\$108,360										\$108,360		\$108,360
92100 Tenant Services - Salaries	\$38,658	\$774,125									\$863,783		\$863,783
92200 Relocation Costs													
92300 Employee Benefit Contributions - Tenant Services	\$16,919	\$50,578									\$81,574		\$81,574
92400 Tenant Services - Other	\$15,706	\$144,868									\$172,895		\$172,895
92500 Total Tenant Services	\$70,683	\$469,571	\$0	\$0	\$0	\$0	\$0	\$64,621	\$13,377	\$0	\$618,252	\$0	\$618,252
93100 Water	\$488,458										\$488,458		\$488,458
93200 Electricity	\$1,166,394										\$1,382,801		\$1,382,801
93300 Gas	\$1,211,995										\$1,247,335		\$1,247,335
93400 Fuel													
93500 Labor	\$111,895										\$133,200		\$133,200
93600 Sewer	\$1,108,875										\$1,151,181		\$1,151,181
93700 Employee Benefit Contributions - Utilities	\$50,940										\$62,378		\$62,378
93800 Other Utilities Expense													
93900 Total Utilities	\$4,137,947	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$337,987	\$0	\$4,475,934	\$0	\$4,475,934
94100 Ordinary Maintenance and Operations - Labor	\$1,157,705										\$1,477,499		\$1,477,499
94200 Ordinary Maintenance and Operations - Materials and Other	\$905,232										\$1,016,032		\$1,016,032

Hoboken Housing Authority (NJ015)
HOBOKEN, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14-PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	1 Business Activities	2 State/Local	14.288 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.871 Housing Choice Vouchers	14-HCC HCY CARES Act Funding	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
94300 Ordinary Maintenance and Operations Contracts	\$1,314,082			\$0					\$140,735	\$4,843	\$1,459,660		\$1,459,660
94500 Employee Benefit Contributions - Ordinary Maintenance	\$551,846								\$157,247		\$709,193		\$709,193
94000 Total Maintenance	\$1,865,928	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$728,679	\$4,843	\$4,662,384	\$0	\$4,662,384
95100 Protective Services - Labor	\$17,025								\$11,100		\$28,125		\$28,125
95200 Protective Services - Other Contract Costs	\$17,025								\$11,100		\$28,125		\$28,125
95300 Protective Services - Other	\$17,025								\$11,100		\$28,125		\$28,125
95500 Employee Benefit Contributions - Protective Services	\$444,010								\$62,587		\$506,597		\$506,597
95100 Property Insurance	\$223,005								\$41,294		\$264,299		\$264,299
96120 Liability Insurance	\$223,005								\$41,294		\$264,299		\$264,299
96130 Workmen's Compensation	\$223,005					\$20,684			\$41,294	\$10,473	\$294,466		\$294,466
96140 All Other Insurances	\$888,020								\$165,175	\$10,473	\$1,064,362		\$1,064,362
96100 Total Insurance Premiums	\$888,020	\$0	\$0	\$0	\$0	\$20,684	\$0	\$0	\$165,175	\$10,473	\$1,064,362	\$0	\$1,064,362
96200 Other General Expenses	\$45,020						\$819		\$7,134	\$9,803	\$77,341		\$77,341
96210 Compensated Absences	\$59,748						\$656		\$43,037		\$154,931		\$154,931
96300 Payments in Lieu of Taxes	\$111,884										\$130,828		\$130,828
96400 Bad debt - Tenant Rents	\$130,828										\$130,828		\$130,828
96500 Bad debt - Mortgages													
96600 Bad debt - Other													
96800 Severance Expense	\$347,469						\$1,475		\$50,171	\$9,803	\$408,939		\$408,939
96900 Total Other General Expenses	\$347,469	\$0	\$0	\$0	\$0	\$0	\$1,475	\$0	\$50,171	\$9,803	\$408,939	\$0	\$408,939
96710 Interest of Mortgage (or Bonds) Payable	\$132,775								\$88,766		\$231,541		\$231,541
96720 Interest on Notes Payable (Short and Long Term)	\$0										\$0		\$0
96730 Amortization of Bond Issue Costs	\$132,775								\$88,766		\$231,541		\$231,541
96700 Total Interest Expense and Amortization Cost	\$132,775	\$0	\$0	\$0	\$0	\$0	\$0	\$64,621	\$1,989,881	\$1,113,927	\$17,041,507	-\$1,789,893	\$15,271,614
96900 Total Operating Expenses	\$13,230,157	\$499,571	\$0	\$0	\$0	\$3,525,696	\$4,907,867	\$0	-\$94,449	\$626,906	\$12,566,131	-\$1,114,429	\$11,451,702
97000 Excess of Operating Revenue over Operating Expenses	\$3,503,455	\$0	\$86,656	\$0	\$0	\$3,525,696	\$4,907,867	\$0					
97100 Extraordinary Maintenance													
97200 Casualty Losses - Non-capitalized													
97300 Housing Assistance Payments							\$4,283,704				\$4,283,704	-\$1,114,429	\$3,169,275
97350 HAP Probability-in							\$287,377				\$287,377		\$287,377
97400 Depreciation Expense	\$2,102,376				\$9,000				\$238,776	\$12,162	\$2,362,314		\$2,362,314
97500 Fraud Losses													
97600 Capital Outlays - Governmental Funds													
97700 Debt Principal Payment - Governmental Funds													
97800 Dwelling Units Rent Expense	\$15,332,533	\$469,571	\$0	\$0	\$9,000	\$0	\$4,734,631	\$64,621	\$2,238,457	\$1,126,089	\$23,974,902	-\$2,884,322	\$21,090,580
98000 Total Expenses	\$15,332,533	\$469,571	\$0	\$0	\$9,000	\$0	\$4,734,631	\$64,621	\$2,238,457	\$1,126,089	\$23,974,902	-\$2,884,322	\$21,090,580
10010 Operating Transfer In	\$800,684										\$800,684		\$800,684
10020 Operating transfer Out	-\$1,012,715										-\$1,012,715		-\$1,012,715
10030 Operating Transfers from/to Primary Government	\$0										\$0		\$0
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)													
10091 Inter Project Excess Cash Transfer In													
10092 Inter Project Excess Cash Transfer Out													
10093 Transfers between Program and Project - in													

Hoboken Housing Authority (NJ015)
HOBOKEN, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2022

	Project Total	14 PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	1 Business Activities	2 State/Local	14.269 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.871 Housing Choice Vouchers	14-HCC HCV CARES Act Funding	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
10094 Transfers between Project and Program - Out													
10100 Total Other Financing Sources (Uses)	\$-212,131	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,131	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,186,948	\$0	\$58,656	\$0	\$9,000	\$3,525,686	\$336,786	\$0	-\$121,094	\$514,744	\$5,632,736	\$0	\$5,632,736
11020 Required Annual Debt Principal Payments	\$660,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,325	\$0	\$705,325	\$0	\$705,325
11030 Beginning Equity	\$-2,129,440	\$0	\$3,084,459	-\$690,115	\$342,000	\$0	-\$58,261	\$0	\$0	-\$3,994,872	-\$3,446,229	\$0	-\$3,446,229
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$936,827	\$0	\$0	\$690,115	\$0	\$0	\$20,167	\$0	-\$512,768	\$214,891	\$1,346,932	\$0	\$1,346,932
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							\$41,002				\$41,002		\$41,002
11180 Housing Assistance Payments Equity							\$257,690				\$257,690		\$257,690
11190 Unit Months Available	13836	0	0	0	0	0	3696	0	2400	0	16932	0	16932
11210 Number of Unit Months Leased	12621	0	0	0	0	0	3670	0	2260	0	18551	0	18551
11270 Excess Cash	\$1,663,282										\$1,663,282		\$1,663,282
11610 Land Purchases	\$0										\$0		\$0
11620 Building Purchases	\$1,101,736										\$1,101,736		\$1,101,736
11630 Furniture & Equipment - Dwelling Purchases	\$0										\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0										\$0		\$0
11650 Leasehold Improvements Purchases	\$0										\$0		\$0
11660 Infrastructure Purchases	\$0										\$0		\$0
13510 CFFP Debt Service Payments	\$811,118										\$811,118		\$811,118
13901 Replacement Housing Factor Funds	\$0										\$0		\$0

Housing Authority of the City of Hoboken
 Schedule of Proportionate Share of the Net Pension Liability
 of the Public Employees Retirement System (PERS)
 For the Year Ended September 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Housing Authority's Proportion of the Net Pension Liability	3.15302%	2.96175%	3.00154%	3.00556%	3.10774%	2.88700%	2.65066%	2.86232%
Housing Authority's Proportionate Share of the Net Pension Liability	\$ 4,758,342	\$ 4,758,342	\$ 4,917,350	\$ 5,415,555	\$ 6,118,991	\$ 6,228,713	\$ 7,850,500	\$ 6,142,763
Housing Authority's Covered Employee Payroll	2,419,249	2,936,644	2,623,014	2,952,620	2,570,289	2,643,465	2,680,205	2,112,171
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	196.7%	162.0%	187.5%	183.4%	238.1%	235.6%	292.91%	290.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	56.27%	56.27%	56.27%	53.60%	48.10%	40.14%	47.92%

Housing Authority of the City of Hoboken
Schedule of Authority Contributions to the
Public Employees Retirement System (PERS)
For the Year Ended September 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 362,451	\$ 345,162	\$ 309,701	\$ 292,352	\$ 309,120	\$ 253,603	\$ 260,776	\$ 248,815
Contribution in Relation to the Contractually Required Contribution	<u>(362,451)</u>	<u>(345,162)</u>	<u>(309,701)</u>	<u>(292,352)</u>	<u>(326,809)</u>	<u>(253,603)</u>	<u>(260,776)</u>	<u>(248,815)</u>
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 2,419,249	\$ 2,936,644	\$ 2,623,014	\$ 2,952,620	\$ 2,570,289	\$ 2,643,465	\$ 2,680,205	\$ 2,112,171
Contribution as a Percentage of Covered Employee Payroll	14.98%	11.75%	11.81%	9.90%	12.03%	9.59%	9.73%	11.78%

Housing Authority of the City of Hoboken
Schedule of Changes in the Housing Authority's
Total OPEB Liability and Related Ratios
For the Year Ended September 30, 2022

<u>Total OPEB Liability</u>	<u>Sept. 30, 2022</u>	<u>Sept. 30, 2021</u>	<u>Sept. 30, 2020</u>	<u>Sept. 30, 2019</u>
Housing Authority's Proportion of the Net OPEB Liability	Not Available	0.072005%	0.0625259%	0.065277%
Housing Authority's Proportionate Share of the Net OPEB Liability	\$ 12,960,742	\$ 11,711,780	\$ 8,842,469	
Housing Authority's Covered Employee Payroll	2,936,644	2,895,927	2,952,620	
Housing Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	441.35%	404.42%	299.48%	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	0.91%	1.98%	

Schedule is intended to show information for ten years. Additional years will be displayed as the data becomes available.

Housing Authority of the City of Hoboken
 Schedule of Authority Contributions to the
 Other Post-Employment Benefits Plan (OPEB)
 For the Year Ended September 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,078,692	\$ 966,588	\$ 920,741	\$ 1,065,415
Contribution in Relation to the Contractually Required Contribution	<u>(1,078,692)</u>	<u>(966,588)</u>	<u>(920,741)</u>	<u>(1,065,415)</u>
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 2,419,249	\$ 2,936,644	\$ 2,762,102	\$ 2,952,620
Contribution as a Percentage of Covered Employee Payroll	44.59%	32.91%	33.33%	36.08%

Schedule is intended to show information for ten years. Additional years will be displayed as the data becomes available.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
Hoboken, New Jersey
STATEMENT AND CERTIFICATION OF COMPLETED MODERNIZATION GRANTS
As of September 30, 2022

	NJ39P015501-16 2016 <u>Capital Fund</u>	NJ39P015501-17 2017 <u>Capital Fund</u>	NJ39P015501-18 2018 <u>Capital Fund</u>	<u>Total</u>
Funds Approved	\$ 2,097,104	\$ 2,218,608	\$ 3,444,463	\$ 7,760,175
Funds Expended	<u>2,097,104</u>	<u>2,218,608</u>	<u>3,444,463</u>	<u>7,760,175</u>
Excess/(Deficiency) Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 2,097,104	\$ 2,218,608	\$ 3,444,463	\$ 7,760,175
Funds Expended	<u>2,097,104</u>	<u>2,218,608</u>	<u>3,444,463</u>	<u>7,760,175</u>
Excess/(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO STATEMENT OF CERTIFICATION AND COMPLETED MODERNIZATION GRANTS

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



Polcari & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Controller General of the United States, the financial statements of Hoboken Housing Authority as of and for the year ended September 30, 2022, and have issued our report thereon dated June 28, 2023. The financial statements of the discretely presented component units were not audited in accordance with Government Auditing Standards and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the discretely presented component units.

Internal Control Over Financial Reporting

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

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

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

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

Compliance

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

Purpose of This Report

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


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
June 28, 2023



Polcari & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Hoboken's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Entity's major federal programs for the year ended September 30, 2022. The Housing Authority of the City of Hoboken's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Low Rent Public Housing Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Hoboken Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Low Rent Public Housing Program for the year ended September 30, 2022.

Qualified Opinion on the Housing Choice Voucher Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Hoboken Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Housing Choice Voucher Program for the year ended September 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Hoboken Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2022.

Basis for Qualified and Unmodified Opinions

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

Basis for Qualified and Unmodified Opinions

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

Matter(s) Giving Rise to Qualified Opinion on Low Rent Public Housing

As described in the accompanying schedule of findings and questioned costs, the Hoboken Housing Authority did not comply with requirements regarding the Low Rent Public Housing Program described in finding numbers 2022-1 for Eligibility.

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

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

As described in the accompanying schedule of findings and questioned costs, the Hoboken Housing Authority did not comply with requirements regarding the Low Rent Public Housing Program described in finding numbers 2022-2 for Eligibility.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on [Name of Governmental Entity or Nonprofit Organization] 's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Hoboken Housing Authority's compliance with the requirements of each major federal program as a whole.

Auditor's Responsibilities for the Audit of Compliance - continued

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

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

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items Finding 2022-1 and Finding 2022-2. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
June 28, 2023

HOBOKEN HOUSING AUTHORITY
HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Prior Year Findings:

Finding 2016-001

Low Rent Public Housing (CFDA#14.850)

Type of Deficiency: Significant Deficiency

Compliance Requirement: Eligibility and Special Tests

We selected forty files for the Low Rent Public Housing Program. Ten of the files did not contain third party verification of income through the EIV system as required. Three did not contain a signed HUD Form 9866, Authorization of Release of Information and two did not have a HUD form 50058 prepared.

Cause:

The Authority did not implement the proper controls to ensure that all tenants are properly recertified each year.

Condition:

The Authority did not follow the compliance requirements of 24CFR sections 5.230, 5.609 and 960.259.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement may result in ineligible individuals being admitted to the program and improper rent calculations.

Recommendation:

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

Questioned Costs -\$0-

Status Open. This finding is repeated in Finding 2022-001.

HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Finding 2017-001

Low Rent Public Housing (CFDA#14.850)

Type of Deficiency: Significant Deficiency

Compliance Requirement: Eligibility and Special Tests

We selected forty files for the Low Rent Public Housing Program. Eleven of the files did not contain third party verification of income through the EIV system as required. One did not contain a signed HUD Form 9866, Authorization of Release of Information.

Cause:

The Authority did not implement the proper controls to ensure that all tenants are properly recertified each year.

Condition:

The Authority did not follow the compliance requirements of 24CFR sections 5.230, 5.609 and 960.259. This was condition was noted as a finding the prior year audit report.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement may result in ineligible individuals being admitted to the program and improper rent calculations.

Recommendation:

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

Questioned Costs -\$0-

Status: Open. This finding is repeated in Finding 2022-001.

HOBOKEN HOUSING AUTHORITY
HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Finding 2018-001

Low Rent Public Housing (CFDA#14.850)

Type of Deficiency: Significant Deficiency

Compliance Requirement: Eligibility and Special Tests

We selected forty files for the Low Rent Public Housing Program. Eleven of the files did not contain third party verification of income through the EIV system as required.

Cause:

The Authority did not implement the proper controls to ensure that all tenants are properly recertified each year.

Condition:

The Authority did not follow the compliance requirements of 24CFR sections 5.230, 5.609 and 960.259. This was condition was noted as a finding the prior year audit report.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement may result in ineligible individuals being admitted to the program and improper rent calculations.

Recommendation:

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

Questioned Costs -\$0-

Status: Open. This finding is repeated in Finding 2022-001.

HOBOKEN HOUSING AUTHORITY
HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Finding 2019-001

Low Rent Public Housing (CFDA#14.850)

Type of Deficiency: Material Weakness

Compliance Requirement: Eligibility and Special Tests

We selected forty files for the Low Rent Public Housing Program. Fifteen of the files did not contain third party verification of income through the EIV system as required.

Cause:

The Authority did not implement the proper controls to ensure that all tenants are properly recertified each year.

Condition:

The Authority did not follow the compliance requirements of 24CFR sections 5.230, 5.609 and 960.259. This was condition was noted as a finding the prior year audit report.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement may result in ineligible individuals being admitted to the program and improper rent calculations.

Recommendation:

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

Questioned Costs -\$0-

Status: Open. This finding is repeated in Finding 2022-001.

HOBOKEN HOUSING AUTHORITY
HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Finding 2020-001

Low Rent Public Housing (CFDA#14.850)

Type of Deficiency: Material Weakness

Compliance Requirement: Eligibility and Special Tests

We selected forty files for the Low Rent Public Housing Program. One of the files selected could not be produced by the Authority, one file contained only the 50058 and EIV, one file contained only the 50058 form and one file was missing the EIV form and two did not contain any evidence of recertification.

Cause:

The Authority did not implement the proper controls to ensure that all tenants are properly recertified each year.

Condition:

The Authority did not follow the compliance requirements of 24CFR sections 5.230, 5.609 and 960.259. This was condition was noted as a finding the prior year audit report.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement may result in ineligible individuals being admitted to the program and improper rent calculations.

Recommendation:

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

Questioned Costs -\$0-

Status: Open. This finding is repeated in Finding 2022-001

HOBOKEN HOUSING AUTHORITY
HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Finding 2021-001

Low Rent Public Housing (CFDA#14.850)

Type of Deficiency: Material Weakness

Compliance Requirement: Eligibility and Special Tests

We selected forty files for the Low Rent Public Housing Program, one file was missing the EIV and two files were missing the signed rent addendum.

Cause:

The Authority did not implement the proper controls to ensure that all tenants are properly recertified each year.

Condition:

The Authority did not follow the compliance requirements of 24CFR sections 5.230, 5.609 and 960.259. This was condition was noted as a finding the prior year audit report.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement may result in ineligible individuals being admitted to the program and improper rent calculations.

Recommendation:

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

Questioned Costs -\$0-

Status: Open. This finding is repeated in Finding 2022-001

HOUSING AUTHORITY OF THE CITY OF HOBOKEN
Hoboken, New Jersey
September 30, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION 1 - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control over Financial Reporting:

Significant Deficiency(ies) Identified?	_____ yes	_____ X _____ no	
Significant Deficiency(ies) identified that are considered to be material weakness(es)?	_____ yes	_____ X _____ none reported	
Noncompliance Material to Financial Statements Noted?	_____ yes	_____ X _____ no	

Federal Awards

Internal Control over Major Programs:

Significant Deficiency(ies) Identified?	_____ yes	_____ X _____ no	
Significant Deficiency(ies) identified that are considered to be material weakness(es)?	_____ X _____ yes	_____ _____ none reported	

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance	_____ X _____ yes	_____ _____ no	
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Identification of Major Programs

CFDA Number	Name of Federal Program or Cluster
14.850	Low Rent Public Housing Operating Subsidy
14.871	Housing Choice Voucher
14.872	Capital Fund Program

Dollar Threshold used to distinguish a type A Program \$750,000

Auditee qualified as low-risk?	_____ yes	_____ X _____ no	
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SECTION 2 – FINANCIAL STATEMENT FINDINGS

None

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2022-1 and Finding 2022-2

HOBOKEN HOUSING AUTHORITY
HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Finding 2022-001

Low Rent Public Housing (CFDA#14.850)

Type of Deficiency: Material Weakness

Compliance Requirement: Eligibility and Special Tests

We selected forty files for the Low Rent Public Housing Program. 10 of the files were missing the EIV, and two were not recertified, 2 had no 9886 form, 2 had no evidence of choice of flat rent given and 1 had no 50058 form.

Cause:

The Authority did not implement the proper controls to ensure that all tenants are properly recertified each year.

Condition:

The Authority did not follow the compliance requirements of 24CFR sections 5.230, 5.609 and 960.259. This was condition was noted as a finding the prior year audit report.

Effect of Condition:

The effect of not complying with the requirements in the Compliance Supplement may result in ineligible individuals being admitted to the program and improper rent calculations.

Recommendation:

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

Questioned Costs -\$0-

Response:

The following steps have been and are being taken regarding tenant certifications:

1. After contracting a third-party entity to review 10% of our files in Oct 2022, the findings of said review led to the recommendation to retrain staff.
2. All Managers and assistant Managers received HCV & PH Rent Calculation Training In June 2023.
3. We are also currently working with our TA from HUD, Ms. Valerie Jackson. Ms. Jackson has identified and is about to roll out training for our staff, to uniform and streamline our tenant files.

HOBOKEN HOUSING AUTHORITY
HOBOKEN, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

Finding 2022-2

Housing Choice Voucher Program (CFDA#14.871)
Material Non-Compliance
Material Weakness in Internal Control over Compliance

Tenant files for the Housing Choice Voucher Program are materially incomplete.

Criteria

Entities receiving Federal Funds under the Uniform Guidance are required to comply with certain conditions of the grant agreement and are required to have in place an internal control system that reasonably assures compliance with the requirement for Federal Awards such as Housing Choice Vouchers under 24 CFR Section 982.1.

Cause

During inspection of twelve Housing Choice Voucher program files, we noted the following exceptions.

- Two files were not recertified.
- One file did not include documentation for EIV.
- Three files HAP payment did not agree to the HAP register.
- Two files did not include HUD Form 9886

Effect of Condition

The Authority is not in compliance with certain regulations regarding the Housing Choice Voucher Program under 24 CFR Section 982.1.

Recommendation

We recommend the Authority design and implement internal control procedures that will reasonably assure compliance with 2 CFR-200.

Questioned Costs: \$0

Response

The following steps have been and are being taken regarding tenant certifications:

1. After contracting a third-party entity to review 10% of our files in Oct 2022, the findings of said review led to the recommendation to retrain staff.
2. All Managers and assistant Managers received HCV & PH Rent Calculation Training In June 2023.
3. We are also currently working with our TA from HUD, Ms. Valerie Jackson. Ms. Jackson has identified and is about to roll out training for our staff, to uniform and streamline our tenant files.