

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED MARCH 31, 2021

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
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YEAR ENDED MARCH 31, 2021

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REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component units of the Housing Authority of the City of Perth Amboy (the "Authority") as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the primary government and the discretely presented component units of the Authority as of March 31, 2021, and the changes in their net position and, where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogradec & Company LLP

March 10, 2022
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

As Management of the Housing Authority of the City of Perth Amboy (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority (Primary Government) for the fiscal year ended March 31, 2021. The following discussion and analysis provides an overview of the primary government's financial activities. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this Report.

A. Financial Highlights

1. The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$16,142,899 (net position) as opposed to \$13,969,816 for the prior fiscal year.
2. At the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Position of \$12,837,128, an increase of \$1,443,429 from the prior fiscal year.
3. The Authority's unrestricted cash and cash equivalents balance at March 31, 2021 was \$5,050,191 representing an increase of \$638,634 from the prior fiscal year.
4. The Authority had Total Operating Revenues of \$20,553,782 and Total Operating Expenses of \$18,484,200 (including depreciation of \$28,238) for the year ended March 31, 2021.
5. The Authority had capital asset purchases totaling \$192,407 for the year ended March 31, 2021.
6. The Authority's Expenditures of Federal Awards amounted to \$17,528,408 for the fiscal year.

B. Using the Annual Report

1. Management's Discussion and Analysis

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

B. Using the Annual Report (continued)

3. Financial Statements

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

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

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

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

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

4. Notes to Financial Statements

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

B. Using the Annual Report (continued)

5. Supplemental Information

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

C. The Authority (Primary Government) as a Whole

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

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

	As of		
	3/31/2021	3/31/2020	Change
Cash and Other Current Assets	\$ 6,299,482	\$ 5,706,372	\$ 593,110
Restricted Cash	1,297,107	529,946	767,161
Notes Receivable	23,560,171	23,601,978	(41,807)
Capital Assets - Net	282,608	118,439	164,169
Other Assets	1,285,000	1,286,662	(1,662)
Deferred Outflows of Resources	1,980,893	913,355	1,067,538
Total Assets	<u>34,705,261</u>	<u>32,156,752</u>	<u>2,548,509</u>
Less: Total Liabilities	12,822,751	11,959,429	863,322
Less: Deferred Inflows of Resources	5,739,611	6,227,507	(487,896)
Net Position	<u>\$ 16,142,899</u>	<u>\$ 13,969,816</u>	<u>\$ 2,173,083</u>
Net Investment in Capital Assets	\$ 282,608	\$ 118,439	\$ 164,169
Restricted Net Position	3,023,163	2,457,678	565,485
Unrestricted Net Position	12,837,128	11,393,699	1,443,429
Net Position	<u>\$ 16,142,899</u>	<u>\$ 13,969,816</u>	<u>\$ 2,173,083</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

C. The Authority (Primary Government) as a Whole

1. Cash and other current assets increased \$593,110 primarily due operating revenues outweighing operating expenses for the year ended March 31, 2021.
2. Non-current assets increased \$723,692 primarily due an increase in Housing Assistance Payment reserves.
3. Capital assets, net increased \$164,169 due to additions \$192,407, net of depreciation of \$28,238 taken in the current year.
4. Long-term liabilities increased \$654,621 primarily due to the change in the net pension liability of (\$665,180) and the change in the net OPEB liability of \$1,425,133.

	Year Ended		Change
	3/31/2021	3/31/2020	
<u>Revenues</u>			
HUD Operating Grants	\$ 16,100,532	\$ 14,581,592	\$ 1,518,940
Other Governmental Grants	15,000	-	15,000
Fraud Recovery Revenue	6,661	8,836	(2,175)
Other Revenues	4,431,589	3,858,310	573,279
Total Operating Revenues	20,553,782	18,448,738	2,105,044
<u>Expenses</u>			
Other Operating Expenses	3,288,645	2,415,070	873,575
Housing Assistance Payments	15,167,317	14,532,332	634,985
Depreciation Expense	28,238	25,840	2,398
Total Operating Expenses	18,484,200	16,973,242	1,510,958
Operating Income	2,069,582	1,475,496	594,086
<u>Non-Operating Revenues (Expenses)</u>			
Interest Income	550,496	519,951	30,545
Affordable Housing Program Subsidy	-	2,700,000	(2,700,000)
Bad Debt Expense	(535,395)	(3,811,836)	3,276,441
Capital Grants	88,400	-	88,400
Total Net Non-Operating Revenues (Expenses)	103,501	(591,885)	695,386
Change in Net Position	2,173,083	883,611	1,289,472
Net Position - Beginning of Year	13,969,816	13,086,205	883,611
Net Position - End of Year	\$ 16,142,899	\$ 13,969,816	\$ 2,173,083

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

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

1. HUD and other government subsidies increased \$1,533,940 primarily due to an increase in funding for the Section 8 Housing Choice Vouchers program and receipts of CARES Act funding.
2. Tenant services increased \$344,860 from \$130,846 in 2020 to \$475,706 in 2021 due to CARES Act funds being used to provide services to tenants during the pandemic.
3. Housing assistance payments expense increased \$634,985 due to an increase in unit months leased during year ending 2021.

D. Budgetary Highlights

For the year ended March 31, 2021, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. These budgets were primarily used as a management tool and have no legal stature. Also, the Authority adopted a comprehensive annual budget for the General Fund. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

E. Capital Assets and Debt Administration

1. Capital Assets

As of March 31, 2021, the Authority's investment in capital assets for its Proprietary Fund was \$282,608 (net of accumulated depreciation). There were capital assets purchased totaling \$192,407 during the year.

	As of		
	3/31/2021	3/31/2020	Change
Land	\$ -	\$ -	\$ -
Building and Improvements	88,312	88,312	-
Furniture and Equipment	229,564	153,759	75,805
Construction in Progress	116,602	-	116,602
Total Capital Assets	434,478	242,071	192,407
Less: Accumulated Depreciation	151,870	123,632	28,238
Net Capital Assets	\$ 282,608	\$ 118,439	\$ 164,169

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

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

The following factors were considered in preparing the Authority's budget for the fiscal year ending March 31, 2022.

1. The state of the economy.
2. The need for Congress to fund the war on terrorism and the possible cut-back on HUD subsidies and grants.
3. The Authority's cash position (excluding restricted cash and tenant security deposits) of \$5,050,191 may be used to fund any shortfalls rising from a possible economic turndown and reduced subsidies and grants. The Authority's cash position appears sufficient to cover any shortfall.

G. Contacting the Authority's Financial Management

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

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF NET POSITION
MARCH 31, 2021

ASSETS			
	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Current assets:			
Cash and cash equivalents	\$ 5,050,191	\$ 1,127,733	\$ 6,177,924
Tenant security deposits	-	140,932	140,932
Accounts receivable, net	983,091	88,805	1,071,896
Prepaid expenses	<u>266,200</u>	<u>185,377</u>	<u>451,577</u>
Total current assets	<u>6,299,482</u>	<u>1,542,847</u>	<u>7,842,329</u>
Non-current assets:			
Restricted cash	1,297,107	4,198,721	5,495,828
Notes receivable, net	23,560,171	-	23,560,171
Capital assets, net	282,608	27,071,858	27,354,466
Prepaid ground lease	1,285,000	-	1,285,000
Other assets	<u>-</u>	<u>455,932</u>	<u>455,932</u>
Total non-current assets	<u>26,424,886</u>	<u>31,726,511</u>	<u>58,151,397</u>
Total assets	<u>32,724,368</u>	<u>33,269,358</u>	<u>65,993,726</u>
DEFERRED OUTFLOWS OF RESOURCES			
State of New Jersey P.E.R.S.	460,075	-	460,075
State of New Jersey S.H.B.P.	<u>1,520,818</u>	<u>-</u>	<u>1,520,818</u>
Total deferred outflows of resources	<u>1,980,893</u>	<u>-</u>	<u>1,980,893</u>
Total assets and deferred outflows of resources	<u>\$ 34,705,261</u>	<u>\$ 33,269,358</u>	<u>\$ 67,974,619</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF NET POSITION (continued)
MARCH 31, 2021

LIABILITIES

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 87,034	\$ 190,699	\$ 277,733
Accrued expenses	69,166	-	69,166
Accrued compensated absences, current	235,693	-	235,693
Tenant security deposits	-	140,420	140,420
Unearned revenue	198,010	9,690	207,700
Loans payable, current	-	54,640	54,640
Other accrued liabilities	-	166,729	166,729
	<u>589,903</u>	<u>562,178</u>	<u>1,152,081</u>
Total current liabilities			
Non-current liabilities:			
Accrued compensated absences, non-current	456,353	-	456,353
Loans payable, non-current	-	23,364,212	23,364,212
Accrued interest payable	-	1,414,924	1,414,924
Deferred developer fees	-	878,469	878,469
Accrued pension liability	4,347,624	-	4,347,624
Accrued OPEB liability	6,028,088	-	6,028,088
Other non-current liabilities	1,400,783	-	1,400,783
	<u>12,232,848</u>	<u>25,657,605</u>	<u>37,890,453</u>
Total non-current liabilities			
Total liabilities	<u>12,822,751</u>	<u>26,219,783</u>	<u>39,042,534</u>

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	2,081,820	-	2,081,820
State of New Jersey S.H.B.P.	<u>3,657,791</u>	<u>-</u>	<u>3,657,791</u>
Total deferred inflows of resources	<u>5,739,611</u>	<u>-</u>	<u>5,739,611</u>

NET POSITION

Net position:			
Net investment in capital assets	282,608	3,653,006	3,935,614
Restricted	3,023,163	4,198,721	7,221,884
Unrestricted	<u>12,837,128</u>	<u>(802,152)</u>	<u>12,034,976</u>
Total net position	<u>16,142,899</u>	<u>7,049,575</u>	<u>23,192,474</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 34,705,261</u>	<u>\$ 33,269,358</u>	<u>\$ 67,974,619</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2021

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	\$ -	\$ 4,397,401	\$ 4,397,401
HUD operating grants	16,100,532	-	16,100,532
Other government grants	15,000	-	15,000
Fraud recovery revenue	6,661	-	6,661
Other revenues	<u>4,431,589</u>	<u>121,840</u>	<u>4,553,429</u>
Total operating revenues	<u>20,553,782</u>	<u>4,519,241</u>	<u>25,073,023</u>
Operating expenses:			
Administrative	2,482,062	1,130,318	3,612,380
Tenant services	475,706	-	475,706
Utilities	13,473	1,352,914	1,366,387
Ordinary maintenance and operations	15,956	708,603	724,559
Insurance	150,327	253,093	403,420
General	151,121	175,721	326,842
Housing assistance payments	15,167,317	-	15,167,317
Amortization	-	52,682	52,682
Depreciation	<u>28,238</u>	<u>1,211,944</u>	<u>1,240,182</u>
Total operating expenses	<u>18,484,200</u>	<u>4,885,275</u>	<u>23,369,475</u>
Operating income (loss)	<u>2,069,582</u>	<u>(366,034)</u>	<u>1,703,548</u>
Non-operating revenues (expenses):			
Investment income	11,722	19,568	31,290
Mortgage interest income	538,774	-	538,774
Bad debt expense - accrued interest receivable	(535,395)	-	(535,395)
Interest expense	<u>-</u>	<u>(522,017)</u>	<u>(522,017)</u>
Net non-operating revenues (expenses)	<u>15,101</u>	<u>(502,449)</u>	<u>(487,348)</u>
Income (loss) before special items	2,084,683	(868,483)	1,216,200
Capital grants	88,400	-	88,400
Capital contributions	<u>-</u>	<u>325,455</u>	<u>325,455</u>
Change in net position	2,173,083	(543,028)	1,630,055
Net position, beginning of year	<u>13,969,816</u>	<u>7,592,603</u>	<u>21,562,419</u>
Net position, end of year	<u>\$ 16,142,899</u>	<u>\$ 7,049,575</u>	<u>\$ 23,192,474</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

	Primary Government
Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 4,721,775
Cash received from grantors	16,101,936
Cash paid to vendors and suppliers	(16,890,778)
Cash paid to employees	<u>(2,480,039)</u>
Net cash provided by operating activities	<u>1,452,894</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from capital grants	88,400
Purchase of capital assets	<u>(192,407)</u>
Net cash used in capital and related financing activities	<u>(104,007)</u>
Cash Flows from Investing Activities:	
Investment income	11,722
Interest received	3,379
Collection of notes receivable	<u>41,807</u>
Net cash provided by investing activities	<u>56,908</u>
Net increase in cash and cash equivalents and restricted cash	1,405,795
Cash and cash equivalents and restricted cash, beginning of year	<u>4,941,503</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 6,347,298</u>
Reconciliation of cash and cash equivalents and restricted cash to Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 5,050,191
Restricted cash	<u>1,297,107</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 6,347,298</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED MARCH 31, 2021**

	Primary Government
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,069,582
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	28,238
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Accounts receivable, net	60,178
Prepaid expenses	(14,654)
Other assets	1,662
Deferred outflows of resources	(1,067,538)
Accounts payable	44,577
Accrued expenses	2,023
Unearned revenue	190,882
Accrued compensated absences	(86,460)
Other liabilities	(47,653)
Accrued pension liability	(665,180)
Accrued OPEB liability	1,425,133
Deferred inflows of resources	(487,896)
Net cash provided by operating activities	\$ 1,452,894

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
MARCH 31, 2021**

	ASSETS		Total Discretely Presented Component Units
	Dunlap RAD, LLC	Hansen RAD, LLC	
Current assets:			
Cash and cash equivalents	\$ 966,473	\$ 161,260	\$ 1,127,733
Tenant security deposits	96,503	44,429	140,932
Accounts receivable, net	51,928	36,877	88,805
Prepaid expenses	<u>98,092</u>	<u>87,285</u>	<u>185,377</u>
Total current assets	<u>1,212,996</u>	<u>329,851</u>	<u>1,542,847</u>
Non-current assets:			
Restricted cash	3,010,050	1,188,671	4,198,721
Capital assets, net	15,457,060	11,614,798	27,071,858
Other assets	<u>199,219</u>	<u>256,713</u>	<u>455,932</u>
Total non-current assets	<u>18,666,329</u>	<u>13,060,182</u>	<u>31,726,511</u>
Total assets	<u>19,879,325</u>	<u>13,390,033</u>	<u>33,269,358</u>
	LIABILITIES		
Current liabilities:			
Accounts payable	120,156	70,543	190,699
Tenant security deposits	96,721	43,699	140,420
Prepaid rent	7,175	2,515	9,690
Loans payable, current	40,474	14,166	54,640
Other accrued liabilities	<u>119,615</u>	<u>47,114</u>	<u>166,729</u>
Total current liabilities	<u>384,141</u>	<u>178,037</u>	<u>562,178</u>
Non-current liabilities:			
Loans payable, non-current	14,064,746	9,299,466	23,364,212
Accrued interest payable	925,141	489,783	1,414,924
Deferred developer fees	<u>551,327</u>	<u>327,142</u>	<u>878,469</u>
Total non-current liabilities	<u>15,541,214</u>	<u>10,116,391</u>	<u>25,657,605</u>
Total liabilities	<u>15,925,355</u>	<u>10,294,428</u>	<u>26,219,783</u>
	NET POSITION		
Net position:			
Net investment in capital assets	1,351,840	2,301,166	3,653,006
Restricted	3,010,050	1,188,671	4,198,721
Unrestricted	<u>(407,920)</u>	<u>(394,232)</u>	<u>(802,152)</u>
Total net position	<u>3,953,970</u>	<u>3,095,605</u>	<u>7,049,575</u>
Total liabilities and net position	<u>\$ 19,879,325</u>	<u>\$ 13,390,033</u>	<u>\$ 33,269,358</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Dunlap RAD, LLC</u>	<u>Hansen RAD, LLC</u>	<u>Total Discretely Presented Component Units</u>
Operating revenues:			
Tenant revenue	\$ 2,957,107	\$ 1,440,294	\$ 4,397,401
Other revenues	<u>1</u>	<u>121,839</u>	<u>121,840</u>
Total operating revenues	<u>2,957,108</u>	<u>1,562,133</u>	<u>4,519,241</u>
Operating expenses:			
Administrative	558,873	571,445	1,130,318
Utilities	1,071,896	281,018	1,352,914
Ordinary maintenance and operations	368,387	340,216	708,603
Insurance	153,619	99,474	253,093
General	111,920	63,801	175,721
Amortization	25,675	27,007	52,682
Depreciation	<u>668,974</u>	<u>542,970</u>	<u>1,211,944</u>
Total operating expenses	<u>2,959,344</u>	<u>1,925,931</u>	<u>4,885,275</u>
Operating loss	<u>(2,236)</u>	<u>(363,798)</u>	<u>(366,034)</u>
Non-operating revenues (expenses):			
Investment income	16,189	3,379	19,568
Interest expense	<u>(344,382)</u>	<u>(177,635)</u>	<u>(522,017)</u>
Net non-operating revenues (expenses)	<u>(328,193)</u>	<u>(174,256)</u>	<u>(502,449)</u>
Loss before special items	(330,429)	(538,054)	(868,483)
Capital contributions	<u>253,805</u>	<u>71,650</u>	<u>325,455</u>
Change in net position	(76,624)	(466,404)	(543,028)
Net position, beginning of year	<u>4,030,594</u>	<u>3,562,009</u>	<u>7,592,603</u>
Net position, end of year	<u>\$ 3,953,970</u>	<u>\$ 3,095,605</u>	<u>\$ 7,049,575</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Perth Amboy (the "Authority") is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J.S.A. 4A:12A-1, et. Seq., the Housing Authority Act) for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the City of Perth Amboy (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The governing board is essentially autonomous but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board of Commissioners to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

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

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

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

C. Reporting Entity

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

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

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

Dunlap RAD, LLC

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

Hansen RAD, LLC

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

The discretely presented component units issue their own separate audited financial statements which are presented as of and for the year ended December 31, 2020 and can be obtained by writing to the Executive Director, Perth Amboy Housing Authority, 881 Amboy Avenue, Perth Amboy, NJ 08862.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs

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

Section 8 Housing Choice Vouchers

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

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program. The Authority converted all of its public housing units to project based vouchers under HUD's Rental Assistance Demonstration Program ("RAD"). Accordingly, the Authority will no longer operate a Public and Indian Housing Program.

Public Housing Capital Fund Program

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

Community Development Block Grants ("CDBG")

The primary objective of the CDBG Program is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. The CDBG funding is passed through and received from the City's Office of Economic and Community Development.

Resident Opportunity and Supportive Services ("ROSS")

The purpose of the ROSS Program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance with public and private resources, for supportive services and resident empowerment activities.

Business Activities Fund

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

CARES Act Funding

During the year ended March 31, 2021, the Authority was awarded CARES Act funding as part of the Public and Indian Housing and Section 8 Housing Choice Vouchers Programs. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Agency maintain normal operations during the period impacted by COVID-19.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Use of Management Estimates

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

F. Cash and Cash Equivalents

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

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

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

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

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants accounts receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Allowance for Doubtful Accounts

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

I. Prepaid Expenses

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

J. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

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

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

K. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended March 31, 2021, there were no impairment losses incurred.

L. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property; the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Inter-program Receivables and Payables

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

N. Accounts Payable and Accrued Liabilities

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

O. Compensated Absences

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

P. Prepaid Rent

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

Q. Pensions

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

R. Other Post Employment Benefits

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

T. Equity Classifications

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

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

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

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

U. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded in accordance with GASB 33 and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

V. Taxes

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

W. Economic Dependency

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Budgets and Budgetary Accounting

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

Y. Risk Management

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

The JIF is both an insured and self-administered group of housing authorities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the year ended March 31, 2021.

Z. Contingencies

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of March 31, 2021, the Authority estimates that no material liabilities will result from such audits.

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

As of March 31, 2021, the Authority had funds on deposit in checking, savings, and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$11,814,684, and the bank balances approximated \$11,958,121.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 5,050,191	\$ 1,127,733	\$ 6,177,924
Tenant security deposits	-	140,932	140,932
Restricted	<u>1,297,107</u>	<u>4,198,721</u>	<u>5,495,828</u>
Total cash and cash equivalents	<u>\$ 6,347,298</u>	<u>\$ 5,467,386</u>	<u>\$ 11,814,684</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (continued)

Of the Authority's bank balances, \$1,798,878 was covered by federal depository insurance and the remaining \$10,159,243 was collateralized by GUDPA as of March 31, 2021.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of March 31, 2021, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of March 31, 2021:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - tenants, net	\$ -	\$ 88,805	\$ 88,805
Accounts receivable - HUD	17,956	-	17,956
Accounts receivable - PHA projects	45,276	-	45,276
Accounts receivable - other governments	8,956	-	8,956
Accounts receivable - miscellaneous	<u>910,903</u>	<u>-</u>	<u>910,903</u>
Total accounts receivable, net	<u>\$ 983,091</u>	<u>\$ 88,805</u>	<u>\$ 1,071,896</u>

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$24,607.

Accounts Receivable - HUD

As of March 31, 2021, accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under the Public and Indian Housing and ROSS Programs that have not yet been received. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - PHA Projects

Accounts receivable - PHA projects represents amounts owed to the Authority by other PHAs under the portability provisions of the Section 8 Housing Choice Vouchers Program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Other Government

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

Accounts Receivable - Miscellaneous

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 4. NOTES RECEIVABLE

Notes receivable of the primary government consists of the following as of March 31, 2021:

The Authority advanced a loan to Perth Willow Pond, LLC in the amount of \$400,000. The loan accrues interest at 1.00% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement and are due starting December 2025. The loan matures December 2044 and is subordinate to a first mortgage. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$16,404 as of March 31, 2021. \$ 374,597

The Authority advanced a loan to Parkview Senior Housing, LLC in the amount of \$1,950,000 in connection with the development of an 84 unit building of which 31 units will be operated as public housing. The loan accrues interest at 1.00% per annum. Principal and interest are payable only out of "Net Cash Flow" as defined in the operating agreement and are due on August 17, 2040. The loan is secured by the underlying land and building. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$204,014 as of March 31, 2021. 2,154,014

The Authority issued a sellers note to Dunlap RAD LLC in the amount of \$7,150,000. The note accrues interest at 2.60% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$510,489 as of March 31, 2021. 7,660,489

The Authority issued a seller take-back bond to Dunlap RAD LLC in the amount of \$2,300,000 from the acquisition of the tax exempt bonds via their interest in the property. The bond accrues interest at 1.50% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2020 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$116,559 as of March 31, 2021. 2,416,559

The Authority issued a loan to Dunlap RAD LLC up to the amount of \$4,415,298. The loan accrues interest at 1.95% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$408,491 as of March 31, 2021. 4,285,237

The Authority issued a sellers note to Hansen RAD LLC in the amount of \$5,659,500. The loan accrues interest at 2.60% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$426,521 as of March 31, 2021. 6,086,021

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 4. NOTES RECEIVABLE (continued)

The Authority issued a loan to Hansen RAD LLC up to the amount of \$2,735,118. The loan accrues interest at 3.00% per annum. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$61,650 as of March 31, 2021. 2,327,382

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

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

Total notes receivable and accrued interest receivable	28,004,299
Allowance on notes receivable and accrued interest receivable	<u>(4,444,128)</u>
Notes receivable and accrued interest receivable, net	<u>\$ 23,560,171</u>

As of March 31, 2021, the current portion of notes receivable amounted to \$-0- and accrued interest on the notes receivable totaled \$1,744,128 which is shown net of an allowance for uncollectable interest of \$1,744,128.

NOTE 5. RESTRICTED DEPOSITS

As of March 31, 2021, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payment reserves	\$ 714,970	\$ -	\$ 714,970
Construction reserve escrows	-	7,966	7,966
Reserve and replacement escrows	-	2,041,403	2,041,403
Debt service escrows	-	2,426	2,426
Working capital escrows	-	88,475	88,475
Insurance and tax escrows	-	139,676	139,676
Operating deficit escrows	-	1,870,810	1,870,810
Revenue Bond trustee reserves	-	47,965	47,965
Family Self-Sufficiency escrows	394,497	-	394,497
CARES Act funds	187,640	-	187,640
Tenant security deposits	<u>-</u>	<u>140,932</u>	<u>140,932</u>
Total restricted deposits	<u>\$ 1,297,107</u>	<u>\$ 4,339,653</u>	<u>\$ 5,636,760</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 5. RESTRICTED DEPOSITS (continued)

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

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

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

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

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

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

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

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

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

CARES Act funds are restricted to be used on expenditures directly related to COVID-19. These funds are to be used to prevent, prepare for, and respond to COVID-19, as well as help the Authority maintain normal operations during the period impacted by COVID-19.

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

NOTE 6. CAPITAL ASSETS, NET

The following is a summary of the primary government's changes in capital assets during the year ended March 31, 2021:

Description	March 31, 2020	Additions	Dispositions	Transfers	March 31, 2021
<u>Non-depreciable capital assets:</u>					
Construction in progress	\$ -	\$ 116,602	\$ -	\$ -	\$ 116,602
<u>Depreciable capital assets:</u>					
Buildings and improvements	88,312	-	-	-	88,312
Furniture and equipment	153,759	75,805	-	-	229,564
Subtotal	<u>242,071</u>	<u>75,805</u>	<u>-</u>	<u>-</u>	<u>317,876</u>
Less: accumulated depreciation	<u>123,632</u>	<u>28,238</u>	<u>-</u>	<u>-</u>	<u>151,870</u>
Net capital assets	<u>\$ 118,439</u>	<u>\$ 164,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,608</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 6. CAPITAL ASSETS, NET (continued)

Depreciation expense for the primary government for the fiscal year ended March 31, 2021 amounted to \$28,238.

The following is a summary of the Authority's discretely presented component units' changes in capital assets during the year ended March 31, 2021:

Description	March 31, 2020	Additions	Dispositions	Transfers	March 31, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,182,713	\$ 67,280	\$ -	\$ -	\$ 1,249,993
<u>Depreciable capital assets:</u>					
Buildings and improvements	28,511,799	-	-	-	28,511,799
Furniture and equipment	459,092	-	-	-	459,092
Subtotal	<u>28,970,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,970,891</u>
Less: accumulated depreciation	<u>1,937,082</u>	<u>1,211,944</u>	<u>-</u>	<u>-</u>	<u>3,149,026</u>
Net capital assets	<u>\$ 28,216,522</u>	<u>\$ (1,144,664)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,071,858</u>

Depreciation expense for Authority's discretely presented component units for the fiscal year ended March 31, 2021 amounted to \$1,211,944.

NOTE 7. ACCOUNTS PAYABLE

As of March 31, 2021, accounts payable consisted of the following:

Description	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Accounts payable - vendors	\$ 68,165	\$ 110,206	\$ 178,371
Accounts payable - PHA projects	18,869	-	18,869
Accounts payable - other governments	<u>-</u>	<u>80,493</u>	<u>80,493</u>
Total account payable	<u>\$ 87,034</u>	<u>\$ 190,699</u>	<u>\$ 277,733</u>

Accounts Payable - Vendors

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

Accounts Payable - PHA Projects

As of March 31, 2021, accounts payable - PHA Projects consisted of amounts payable to other PHAs under the portability provisions of the Section 8 Housing Choice Vouchers Program.

Accounts Payable - Other Governments

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

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 8. PAYMENTS IN LIEU OF TAXES

Under Federal, State and local law, the Authority's programs and discretely presented component units are exempt from income, property and excise taxes. However, the Authority and its discretely presented component units are required to make payments in lieu of taxes ("PILOT") for the PHA owned units in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreements, the Authority and its discretely presented component units must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended March 31, 2021, PILOT expense of the Authority's discretely presented component units, Dunlap RAD, LLC and Hansen RAD, LLC amounted to \$56,343 and \$29,628, respectively.

NOTE 9. LOANS PAYABLE

Loans payable of the Authority's discretely presented component units consisted of the following as of March 31, 2021:

The Authority issued a sellers note to Dunlap RAD, LLC in the amount of \$7,150,000. The note accrues interest at 2.60% per annum with an effective interest rate of 2.63%. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 29, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$515,140 as of March 31, 2021. \$ 6,350,000

The Authority issued a loan to Dunlap RAD, LLC in the amount of \$4,415,298 in November 2017. The loan accrues interest at 1.95% per annum and is due annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 30, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$410,001 as of March 31, 2021. 3,876,745

The New Jersey Housing and Mortgage Finance Agency has issued a Multifamily Conduit Revenue Bond Series 2017 K-2 in the amount of \$2,350,000 to Dunlap RAD, LLC. This note is to assist in the substantial rehabilitation of a 213 unit multi-family residential rental project. The noted is secured by a mortgage on the multi-family property. The bond is payable to TD Bank, accrues interest at a fixed rate of 4.06% per annum, and has an effective interest rate of 4.14%. Interest payments are due on the first day of each calendar month through November 1, 2019, at which time principal payments are due monthly until maturity on November 1, 2034. 2,302,777

The Authority issued a loan to Dunlap RAD LLC in the amount of \$1,597,500, through the Federal Home Loan Bank of New York. The loan is interest free and is due in a lump sum payment upon maturity on November 29, 2057. The loan is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. 1,597,500

The Authority issued a sellers note to Hansen RAD LLC in the amount of \$5,659,500. The loan accrues interest at 2.60% per annum with an effective interest rate of 2.63%. Annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 30, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$427,123 as of March 31, 2021. 5,659,500

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 9. LOANS PAYABLE (continued)

The Authority issued a loan to Hansen RAD, LLC in the amount of \$2,735,118 in November 2017. The loan accrues interest at 1.95% per annum and is due annual payments are payable only out of "Net Cash Flow" as defined in the operating agreement. The loan matures on November 30, 2047 and is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. Accrued interest on the loan totaled \$62,660 as of March 31, 2021. 2,265,733

The New Jersey Housing and Mortgage Finance Agency has issued a loan in the amount of \$300,000 to Hansen RAD, LLC. The loan has an interest of 4.7% per annum and matures on December 1, 2034. Principal and interest payments are due at the beginning of each month. The loan is secured by a first mortgage on the property. 285,899

The Authority issued a loan to Hansen RAD LLC in the amount of \$1,102,500, through the Federal Home Loan Bank of New York. The loan is interest free and is due in a lump sum payment upon maturity on November 30, 2057. The loan is secured by a mortgage on the property. Management expects the current portion of the loan to be nil. 1,102,500

Total loans payable 23,440,654
Less: unamortized debt issuance costs 21,802

Total loans payable, excluding unamortized debt issuance costs \$ 23,418,852

As of March 31, 2021, the current portion of loans payable amounted to \$54,640 and accrued interest payable on the loans payable totaled \$1,414,924.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 54,640	\$ 109,843	\$ 164,483
2023	57,290	107,193	164,483
2024	59,783	104,699	164,482
2025	62,385	102,096	164,481
2026	64,850	99,632	164,482
2027-2031	382,862	452,115	834,977
2032-2036	1,974,147	358,895	2,333,042
2037-2041	-	-	-
2042-2046	-	-	-
2047-2051	18,084,697	9,217,499	27,302,196
2052-2056	-	-	-
2057	<u>2,700,000</u>	<u>-</u>	<u>2,700,000</u>
	<u>\$ 23,440,654</u>	<u>\$ 10,551,972</u>	<u>\$ 33,992,626</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 10. NON-CURRENT LIABILITIES

Non-current liabilities activity of the primary government during the year ended March 31, 2021 consisted of the following:

	March 31, 2020	Additions	Payments/ Retirements	March 31, 2021	Due in One Year
Compensated absences	\$ 778,506	\$ 154,842	\$ 241,302	\$ 692,046	\$ 235,693
Accrued pension liability	5,012,804	-	665,180	4,347,624	-
Accrued OPEB liability	4,602,955	1,425,133	-	6,028,088	-
Prepaid lease	1,020,718	-	19,772	1,000,946	-
Family self sufficiency escrows	422,268	-	22,431	399,837	-
Totals	<u>\$ 11,837,251</u>	<u>\$ 1,579,975</u>	<u>\$ 948,685</u>	<u>\$ 12,468,541</u>	<u>\$ 235,693</u>

Non-current liabilities activity of the Authority's discretely presented component units during the year ended March 31, 2021 consisted of the following:

	March 31, 2020	Additions	Payments/ Retirements	March 31, 2021	Due in One Year
Loans payable	\$ 23,404,721	\$ 67,281	\$ 53,150	\$ 23,418,852	\$ 54,640
Accrued interest payable	1,004,239	410,685	-	1,414,924	-
Deferred developer fees	1,910,088	-	1,031,619	878,469	-
Totals	<u>\$ 26,319,048</u>	<u>\$ 477,966</u>	<u>\$ 1,084,769</u>	<u>\$ 25,712,245</u>	<u>\$ 54,640</u>

NOTE 11. PENSION PLAN

A. Plan Description

The PERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

B. Benefits

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 11. PENSION PLAN (continued)

B. Benefits (continued)

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

C. Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by all active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on the actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

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

At March 31, 2021, the Authority reported a liability of \$4,347,624, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2019, and rolled forward to June 30, 2020.

For the year ended March 31, 2021, the Authority recognized pension benefit of \$214,655. At March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of Assumptions	\$ 141,042	\$ 1,820,391
Changes in Proportion	91,265	246,054
Differences between expected and actual experience	79,163	15,375
Net differences between actual and projected earnings on pension plan investments	<u>148,605</u>	<u>-</u>
Total	<u>\$ 460,075</u>	<u>\$ 2,081,820</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 11. PENSION PLAN (continued)

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

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

Year ending March 31:	<u>Amount</u>
2022	\$ (603,112)
2023	(549,855)
2024	(314,228)
2025	(127,068)
2026	<u>(27,482)</u>
	<u>\$ (1,621,745)</u>

E. Actuarial Assumptions

The collective total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions.

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

Pre-mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial adjustments used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

F. Long-Term Expected Rate of Return

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021**

NOTE 11. PENSION PLAN (continued)

F. Long-Term Expected Rate of Return (continued)

Best estimates of arithmetic real rates of return for each major asset class, including the PERS's target asset allocation as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	\$ <u>5,515,969</u>	\$ <u>4,347,624</u>	\$ <u>3,419,447</u>

NOTE 12. OTHER POST-RETIREMENT BENEFITS PLAN

A. Plan Description

The SHBP is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Division. It covers employees of local government employers that have adopted a resolution to participate in the SHBP. For additional information about SHBP, please refer to the Division's annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021**

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

B. Benefits

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

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

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

At March 31, 2021, the Authority reported a liability of \$6,028,088, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and rolled forward to June 30, 2020.

For the year ended March 31, 2021, the Authority recognized OPEB benefit of \$580,826. At March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of Assumptions	\$ 901,612	\$ 1,340,554
Changes in Proportion	71,459	1,194,695
Differences between expected and actual experience	158,775	1,122,542
Net differences between projected and actual investment earnings on OPEB plan investments	3,828	-
Contributions paid subsequent to the measurement date	<u>385,144</u>	<u>-</u>
Total	<u>\$ 1,520,818</u>	<u>\$ 3,657,791</u>

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021**

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

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

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

	<u>Amount</u>
Year ending March 31:	
2022	\$ (495,014)
2023	(495,462)
2024	(496,187)
2025	(496,850)
2026	(338,789)
Thereafter	<u>185,329</u>
	<u>\$ (2,136,973)</u>

D. Actuarial Assumptions

The total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

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

Mortality rates were based on the Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using the MP-2020 scale. Certain actuarial assumptions used in the July 1, 2019 valuation were 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.

E. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21% as of June 30, 2020. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 2.21%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

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

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

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Authority's proportionate share of the net OPEB liability	\$ <u>7,126,473</u>	\$ <u>6,028,088</u>	\$ <u>5,158,616</u>

G. Healthcare Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of the net OPEB liability	\$ <u>4,988,249</u>	\$ <u>6,028,088</u>	\$ <u>7,389,771</u>

NOTE 13. RESTRICTED NET POSITION

As of March 31, 2021, restricted net position consisted of the following:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payments reserves	\$ 714,970	\$ -	\$ 714,970
Construction reserve escrows	-	7,966	7,966
Reserve and replacement escrows	-	2,041,403	2,041,403
Debt service escrows	-	2,426	2,426
Working capital escrows	-	88,475	88,475
Insurance and tax escrows	-	139,676	139,676
Operating deficit escrows	-	1,870,810	1,870,810
Revenue Bond trustee escrows	-	47,965	47,965
Mixed finance loan receivable reserves	<u>2,308,193</u>	<u>-</u>	<u>2,308,193</u>
Total restricted net position	\$ <u>3,023,163</u>	\$ <u>4,198,721</u>	\$ <u>7,221,884</u>

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 13. RESTRICTED NET POSITION (continued)

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

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

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

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

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

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

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

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

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

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

As of March 31, 2021, the Authority has not incurred any costs related to guarantees.

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

As of March 31, 2021, the Authority estimates that no material liabilities will result from such audits.

HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

NOTE 15. VULNERABILITY - IMPACT OF COVID-19

The severity of the impact of COVID-19 on the Authority's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Authority's tenants and borrowers, all of which are uncertain and cannot be predicted. The Authority's future results could be adversely impacted by delays in rent and loan payment collections. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

NOTE 16. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through March 10, 2022, which is the date 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 disclosures in the notes to the financial statements.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business type activities (primary government) and the discretely presented component units of the Housing Authority of the City of Perth Amboy (the "Authority") as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 10, 2022. The financial statements of Dunlap RAD LLC was not audited in accordance with *Government Auditing Standards* and accordingly does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with that entity.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Novogradac & Company LLP

March 10, 2022
Toms River, New Jersey

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

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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Perth Amboy (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State of New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2021. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2021.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Novogradac & Company LLP

March 10, 2022
Toms River, New Jersey

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2021**

Federal Grantor/Program Title	Federal CFDA Number	State Pass-through Number	Grant Period From / To		Grant Award	Fiscal Year Expenditures	Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u>							
Housing Voucher Cluster							
Section 8 Housing Choice Voucher	14.871	N/A	4/1/2020	3/31/2021	\$ 14,816,951	\$ 16,141,427	\$ 16,141,427
Housing Choice Voucher CARES Act	14.HCC	N/A	4/1/2020	3/31/2021	<u>1,083,781</u>	<u>896,141</u>	<u>896,141</u>
Total Housing Voucher Cluster					<u>15,900,732</u>	<u>17,037,568</u>	<u>17,037,568</u>
Public and Indian Housing	14.850	N/A	12/20/2018	9/30/2027	475,002	159,323	338,340
Public Housing CARES Act	14.PHC	N/A	4/30/2020	12/31/2021	22,956	22,956	22,956
Public Housing Capital Fund	14.872	N/A	4/13/2015	5/28/2023	604,684	157,070	199,320
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	2/19/2019	12/31/2020	<u>139,243</u>	<u>136,491</u>	<u>136,243</u>
Total Direct Awards					<u>17,142,617</u>	<u>17,513,408</u>	<u>17,734,427</u>
<u>Passed Through the City of Perth Amboy</u>							
Community Development Block Grant	14.228	N/A	5/12/2015	5/12/2018	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total U.S. Department of Housing and Urban Development					<u>\$ 17,157,617</u>	<u>\$ 17,528,408</u>	<u>\$ 17,749,427</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2021**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended March 31, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended March 31, 2021 are provided herein.

	<u>501-18</u>	<u>501-19</u>	<u>Total</u>
Budget	\$ <u>294,539</u>	\$ <u>310,145</u>	\$ <u>604,684</u>
<u>Advances:</u>			
Cumulative through 3/31/2020	\$ 42,250	\$ -	\$ 42,250
Current year	<u>155,854</u>	<u>1,216</u>	<u>157,070</u>
Cumulative through 3/31/2021	<u>198,104</u>	<u>1,216</u>	<u>199,320</u>
<u>Costs:</u>			
Cumulative through 3/31/2020	42,250	-	42,250
Current year	<u>155,854</u>	<u>1,216</u>	<u>157,070</u>
Cumulative through 3/31/2021	<u>198,104</u>	<u>1,216</u>	<u>199,320</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2021**

I. Summary of Auditors' Results

Financial Statement Section

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|--|---------------|
| 1. | Internal control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None Reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
Housing Voucher Cluster:	
14.871	Section 8 Housing Choice Vouchers
14.HCC	Housing Choice Vouchers CARES Act

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee? | Yes |

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2021**

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

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

IV. Summary of Prior Audit Findings

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

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED PENSION INFORMATION
MARCH 31, 2021**

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

	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>	March 31, <u>2021</u>
Contractually required contribution	\$ 227,703	\$ 234,166	\$ 243,708	\$ 257,702	\$ 273,343	\$ 270,610	\$ 291,652
Contributions in relation to the contractually required contribution	<u>227,703</u>	<u>234,166</u>	<u>243,708</u>	<u>257,702</u>	<u>273,343</u>	<u>270,610</u>	<u>291,652</u>
(Over) / under funded	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$ 1,711,276</u>	<u>\$ 1,746,039</u>	<u>\$ 1,717,481</u>	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>	<u>\$ 1,811,873</u>
Contributions as a percentage of covered-employee payroll	<u>13.31 %</u>	<u>13.41 %</u>	<u>14.19 %</u>	<u>14.60 %</u>	<u>15.94 %</u>	<u>14.78 %</u>	<u>16.10 %</u>

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED PENSION INFORMATION (continued)
MARCH 31, 2021**

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

	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>	March 31, <u>2021</u>
Authority's proportion of the net pension liability	<u>0.0267 %</u>	<u>0.0264 %</u>	<u>0.0274 %</u>	<u>0.0278 %</u>	<u>0.0275 %</u>	<u>0.0278 %</u>	<u>0.0267 %</u>
Authority's proportionate share of the net pension liability	<u>\$ 5,005,694</u>	<u>\$ 5,924,255</u>	<u>\$ 8,124,773</u>	<u>\$ 6,475,534</u>	<u>\$ 5,410,789</u>	<u>\$ 5,012,804</u>	<u>\$ 4,347,624</u>
Authority's covered-employee payroll	<u>\$ 1,711,276</u>	<u>\$ 1,746,039</u>	<u>\$ 1,717,481</u>	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>	<u>\$ 1,811,873</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>292.51 %</u>	<u>339.30 %</u>	<u>473.06 %</u>	<u>366.93 %</u>	<u>315.54 %</u>	<u>273.72 %</u>	<u>239.95 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.08 %</u>	<u>47.93 %</u>	<u>43.35 %</u>	<u>48.10 %</u>	<u>53.60 %</u>	<u>56.30 %</u>	<u>58.32 %</u>

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
MARCH 31, 2021**

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

	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>	March 31, <u>2021</u>
Statutorily required contribution	\$ 151,145	\$ 113,867	\$ 252,681	\$ 599,778
Contributions in relation to the statutorily required contribution	<u>151,145</u>	<u>113,867</u>	<u>252,681</u>	<u>599,778</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Authority's covered-employee payroll	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>	<u>\$ 1,811,873</u>
Contributions as a percentage of covered- employee payroll	<u>8.56 %</u>	<u>6.64 %</u>	<u>13.80 %</u>	<u>33.10 %</u>

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

See Report of Independent Auditors.

**HOUSING AUTHORITY OF THE CITY OF PERTH AMBOY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
MARCH 31, 2021**

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

	March 31, <u>2018</u>	March 31, <u>2019</u>	March 31, <u>2020</u>	March 31, <u>2021</u>
Authority's proportion of the net OPEB liability	<u>0.0411 %</u>	<u>0.0386 %</u>	<u>0.0340 %</u>	<u>0.0336 %</u>
Authority's proportionate share of the net OPEB liability	<u>\$ 7,783,519</u>	<u>\$ 6,051,075</u>	<u>\$ 4,602,955</u>	<u>\$ 6,028,088</u>
Authority's covered-employee payroll	<u>\$ 1,764,809</u>	<u>\$ 1,714,759</u>	<u>\$ 1,831,365</u>	<u>\$ 1,811,873</u>
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	<u>441.04 %</u>	<u>352.88 %</u>	<u>251.34 %</u>	<u>332.70 %</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.03 %</u>	<u>1.97 %</u>	<u>1.98 %</u>	<u>0.91 %</u>

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

See Report of Independent Auditors.

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 03/31/2021

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14,871 Housing Choice Vouchers
111 Cash - Unrestricted			\$1,127,733	\$2,354,482	\$1,852,879
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	\$842,830		\$4,198,721	\$22,330	\$1,087,137
114 Cash - Tenant Security Deposits			\$140,932		
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$842,830	\$0	\$5,467,386	\$2,376,812	\$2,940,016
121 Accounts Receivable - PHA Projects					\$45,276
122 Accounts Receivable - HUD Other Projects	\$4,144				
124 Accounts Receivable - Other Government				\$8,956	
125 Accounts Receivable - Miscellaneous				\$904,718	\$6,185
126 Accounts Receivable - Tenants			\$72,615		
126.1 Allowance for Doubtful Accounts - Tenants			-\$6,486		
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery			\$22,676		\$24,607
128.1 Allowance for Doubtful Accounts - Fraud			\$0		-\$24,607
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,144	\$0	\$88,805	\$913,674	\$51,461
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$2,982		\$185,377	\$233,389	\$29,829
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					\$13,812
145 Assets Held for Sale					
150 Total Current Assets	\$849,956	\$0	\$5,741,568	\$3,523,875	\$3,035,118
161 Land			\$1,249,993		
162 Buildings			\$28,511,799	\$88,312	
163 Furniture, Equipment & Machinery - Dwellings			\$459,092		
164 Furniture, Equipment & Machinery - Administration				\$168,269	\$61,295
165 Leasehold Improvements					
166 Accumulated Depreciation			-\$3,149,026	-\$133,755	-\$18,115
167 Construction in Progress	\$116,602				
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$116,602	\$0	\$27,071,858	\$122,826	\$43,180
171 Notes, Loans and Mortgages Receivable - Non-Current	\$2,308,193			\$21,251,978	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets			\$455,932		
176 Investments in Joint Ventures	\$1,285,000				
180 Total Non-Current Assets	\$3,709,795	\$0	\$27,527,790	\$21,374,804	\$43,180
200 Deferred Outflow of Resources				\$713,284	\$1,267,609
290 Total Assets and Deferred Outflow of Resources	\$4,559,751	\$0	\$33,269,358	\$25,611,963	\$4,345,907

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 03/31/2021

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14,871 Housing Choice Vouchers
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$24,154		\$110,206	\$26,601	\$17,410
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable				\$24,190	\$44,976
322 Accrued Compensated Absences - Current Portion				\$118,960	\$116,733
324 Accrued Contingency Liability					
325 Accrued Interest Payable			\$1,414,924		
331 Accounts Payable - HUD PHA Programs					\$18,869
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government			\$80,493		
341 Tenant Security Deposits			\$140,420		
342 Unearned Revenue	\$10,370		\$888,159		\$0
344 Current Portion of Long-term Debt - Operating Borrowings					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$132,556		
346 Accrued Liabilities - Other			\$34,173		
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$34,524	\$0	\$2,800,931	\$169,751	\$197,988
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$21,821,352		
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other	\$1,000,946			\$27,670	\$372,167
354 Accrued Compensated Absences - Non Current				\$231,804	\$224,549
355 Loan Liability - Non Current			\$1,597,500		
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities				\$3,790,757	\$6,584,955
350 Total Non-Current Liabilities	\$1,000,946	\$0	\$23,418,852	\$4,050,231	\$7,181,671
300 Total Liabilities	\$1,035,470	\$0	\$26,219,783	\$4,219,982	\$7,379,659
400 Deferred Inflow of Resources				\$2,056,809	\$3,682,802
508.4 Net Investment in Capital Assets	\$116,602		\$3,653,006	\$122,826	\$43,180
511.4 Restricted Net Position	\$2,308,193		\$4,198,721		\$714,970
512.4 Unrestricted Net Position	\$1,099,486	\$0	-\$802,152	\$19,212,346	-\$7,474,704
513 Total Equity - Net Assets / Position	\$3,524,281	\$0	\$7,049,575	\$19,335,172	-\$6,716,554
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,559,751	\$0	\$33,269,358	\$25,611,963	\$4,345,907

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 03/31/2021

	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	ELIM	Total
111 Cash - Unrestricted					\$5,335,094
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$187,640			\$6,338,658
114 Cash - Tenant Security Deposits					\$140,932
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$187,640	\$0		\$11,814,684
121 Accounts Receivable - PHA Projects					\$45,276
122 Accounts Receivable - HUD Other Projects	\$13,812				\$17,956
124 Accounts Receivable - Other Government					\$8,956
125 Accounts Receivable - Miscellaneous					\$910,903
126 Accounts Receivable - Tenants					\$72,615
126.1 Allowance for Doubtful Accounts - Tenants					-\$6,486
126.2 Allowance for Doubtful Accounts - Other	\$0				\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					\$47,283
128.1 Allowance for Doubtful Accounts - Fraud					-\$24,607
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$13,812	\$0	\$0		\$1,071,896
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					\$451,577
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From				-\$13,812	\$0
145 Assets Held for Sale					
150 Total Current Assets	\$13,812	\$187,640	\$0		\$13,338,157
161 Land					\$1,249,993
162 Buildings					\$28,600,111
163 Furniture, Equipment & Machinery - Dwellings					\$459,092
164 Furniture, Equipment & Machinery - Administration					\$229,564
165 Leasehold Improvements					
166 Accumulated Depreciation					-\$3,300,896
167 Construction in Progress					\$116,602
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0		\$27,354,466
171 Notes, Loans and Mortgages Receivable - Non-Current					\$23,560,171
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					\$455,932
176 Investments in Joint Ventures					\$1,285,000
180 Total Non-Current Assets	\$0	\$0	\$0		\$52,655,569
200 Deferred Outflow of Resources					\$1,980,893
290 Total Assets and Deferred Outflow of Resources	\$13,812	\$187,640	\$0		\$67,974,916

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 03/31/2021

	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	ELIM	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days					\$178,371
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					\$69,166
322 Accrued Compensated Absences - Current Portion					\$235,693
324 Accrued Contingency Liability					
325 Accrued Interest Payable					\$1,414,924
331 Accounts Payable - HUD PHA Programs					\$18,869
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					\$80,493
341 Tenant Security Deposits					\$140,420
342 Unearned Revenue		\$187,640			\$1,086,169
344 Current Portion of Long-term Debt - Operating Borrowings					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					\$132,556
346 Accrued Liabilities - Other					\$34,173
347 Inter Program - Due To	\$13,812			-\$13,812	\$0
348 Loan Liability - Current					
310 Total Current Liabilities	\$13,812	\$187,640	\$0		\$3,390,834
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					\$21,821,352
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					\$1,400,783
354 Accrued Compensated Absences - Non Current					\$456,353
355 Loan Liability - Non Current					\$1,597,500
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					\$10,375,712
350 Total Non-Current Liabilities	\$0	\$0	\$0		\$35,651,700
300 Total Liabilities	\$13,812	\$187,640	\$0		\$39,042,534
400 Deferred Inflow of Resources					\$5,739,611
508.4 Net Investment in Capital Assets					\$3,935,614
511.4 Restricted Net Position					\$7,221,884
512.4 Unrestricted Net Position	\$0	\$0	\$0		\$12,034,976
513 Total Equity - Net Assets / Position	\$0	\$0	\$0		\$23,192,474
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$13,812	\$187,640	\$0		\$67,974,619

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue			\$4,381,059		
70400 Tenant Revenue - Other			\$16,342		
70500 Total Tenant Revenue	\$0	\$0	\$4,397,401	\$0	\$0
70600 HUD PHA Operating Grants	\$227,993				\$14,816,951
70610 Capital Grants	\$88,400				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$15,000			
71100 Investment Income - Unrestricted	\$1,641		\$16,189	\$6,258	\$7,202
71200 Mortgage Interest Income	\$25,489		\$3,379	\$509,906	
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					\$6,661
71500 Other Revenue	\$25,625		\$121,840	\$1,853,030	\$2,552,934
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$369,148	\$15,000	\$4,538,809	\$2,369,194	\$17,383,748
91100 Administrative Salaries		\$11,596	\$423,360	\$440,026	\$784,288
91200 Auditing Fees			\$18,100	\$7,175	\$7,175
91300 Management Fee	\$129,758		\$313,567		
91310 Book-keeping Fee			\$33,181		
91400 Advertising and Marketing			\$73	\$917	
91500 Employee Benefit contributions - Administrative		\$3,404	\$219,743	\$286,213	\$387,028
91600 Office Expenses	\$17,604		\$79,069	\$234,765	\$89,579
91700 Legal Expense	\$7,184		\$22,121	\$12,000	\$8,345
91800 Travel			\$3,325	\$3,843	\$196
91810 Allocated Overhead					
91900 Other			\$17,779	\$1,833	\$1,030
91000 Total Operating - Administrative	\$154,546	\$15,000	\$1,130,318	\$986,772	\$1,277,641
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water			\$302,117		
93200 Electricity			\$373,987	\$9,115	
93300 Gas			\$195,399	\$4,358	
93400 Fuel					
93500 Labor			\$330,331		
93600 Sewer			\$151,080		
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$0	\$0	\$1,352,914	\$13,473	\$0

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and Other			\$71,867		
94300 Ordinary Maintenance and Operations Contracts	\$15,956		\$504,933		
94500 Employee Benefit Contributions - Ordinary Maintenance			\$131,803		
94000 Total Maintenance	\$15,956	\$0	\$708,603	\$0	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					
96120 Liability Insurance	\$8,106				
96130 Workmen's Compensation					
96140 All Other Insurance			\$253,093	\$71,590	\$70,631
96100 Total insurance Premiums	\$8,106	\$0	\$253,093	\$71,590	\$70,631
96200 Other General Expenses			\$88,955		\$50,105
96210 Compensated Absences				\$44,304	\$56,712
96300 Payments in Lieu of Taxes			\$85,971		
96400 Bad debt - Tenant Rents			\$795		
96500 Bad debt - Mortgages	\$25,489			\$509,906	
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$25,489	\$0	\$175,721	\$554,210	\$106,817
96710 Interest of Mortgage (or Bonds) Payable			\$520,450		
96720 Interest on Notes Payable (Short and Long Term)			\$1,567		
96730 Amortization of Bond Issue Costs			\$52,682		
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$574,699	\$0	\$0
96900 Total Operating Expenses	\$204,097	\$15,000	\$4,195,348	\$1,626,045	\$1,455,089
97000 Excess of Operating Revenue over Operating Expenses	\$165,051	\$0	\$343,461	\$743,149	\$15,928,659
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					\$12,788,683
97350 HAP Portability-In					\$1,897,655
97400 Depreciation Expense			\$1,211,944	\$20,618	\$7,620
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$204,097	\$15,000	\$5,407,292	\$1,646,663	\$16,149,047

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
10010 Operating Transfer In	\$157,070				
10020 Operating transfer Out	-\$157,070				
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)			\$325,455		
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$325,455	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$165,051	\$0	-\$543,028	\$722,531	\$1,234,701
11020 Required Annual Debt Principal Payments	\$0	\$0	\$54,640	\$0	\$0
11030 Beginning Equity	\$3,359,230	\$0	\$7,592,603	\$16,989,567	-\$6,378,981
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$0	\$1,623,074	-\$1,572,274
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					-\$7,431,524
11180 Housing Assistance Payments Equity					\$714,970
11190 Unit Months Available	720		4320		15360
11210 Number of Unit Months Leased	720		4257		15217

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2021

	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	ELIM	Total
70300 Net Tenant Rental Revenue					\$4,381,059
70400 Tenant Revenue - Other					\$16,342
70500 Total Tenant Revenue	\$0	\$0	\$0		\$4,397,401
70600 HUD PHA Operating Grants	\$136,491	\$896,141	\$22,956		\$16,100,532
70610 Capital Grants					\$88,400
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					\$15,000
71100 Investment Income - Unrestricted					\$31,290
71200 Mortgage Interest Income					\$538,774
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					\$6,861
71500 Other Revenue					\$4,553,429
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$136,491	\$896,141	\$22,956		\$25,731,487
91100 Administrative Salaries					\$1,659,270
91200 Auditing Fees					\$32,450
91300 Management Fee			\$13,632		\$456,957
91310 Book-keeping Fee					\$33,181
91400 Advertising and Marketing					\$990
91500 Employee Benefit contributions - Administrative					\$896,388
91600 Office Expenses					\$421,017
91700 Legal Expense					\$49,650
91800 Travel					\$7,364
91810 Allocated Overhead					
91900 Other		\$34,471			\$55,113
91000 Total Operating - Administrative	\$0	\$34,471	\$13,632		\$3,612,380
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$104,950	\$8,971			\$113,921
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services	\$31,541				\$31,541
92400 Tenant Services - Other		\$320,920	\$9,324		\$330,244
92500 Total Tenant Services	\$136,491	\$329,891	\$9,324		\$475,706
93100 Water					\$302,117
93200 Electricity					\$383,102
93300 Gas					\$199,757
93400 Fuel					
93500 Labor					\$330,331
93600 Sewer					\$151,080
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$0	\$0	\$0		\$1,366,387

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2021

	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and Other					\$71,867
94300 Ordinary Maintenance and Operations Contracts					\$520,889
94500 Employee Benefit Contributions - Ordinary Maintenance					\$131,803
94000 Total Maintenance	\$0	\$0	\$0		\$724,559
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0		\$0
96110 Property Insurance					
96120 Liability Insurance					\$8,106
96130 Workmen's Compensation					
96140 All Other Insurance					\$395,314
96100 Total insurance Premiums	\$0	\$0	\$0		\$403,420
96200 Other General Expenses					\$139,060
96210 Compensated Absences					\$101,016
96300 Payments in Lieu of Taxes					\$85,971
96400 Bad debt - Tenant Rents					\$795
96500 Bad debt - Mortgages					\$535,395
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$0	\$0		\$862,237
96710 Interest of Mortgage (or Bonds) Payable					\$520,450
96720 Interest on Notes Payable (Short and Long Term)					\$1,567
96730 Amortization of Bond Issue Costs					\$52,682
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0		\$574,699
96900 Total Operating Expenses	\$136,491	\$364,362	\$22,956		\$8,019,388
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$531,779	\$0		\$17,712,099
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$480,979			\$13,269,662
97350 HAP Portability-In					\$1,897,655
97400 Depreciation Expense					\$1,240,182
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$136,491	\$845,341	\$22,956		\$24,426,887

Perth Amboy Housing Authority (NJ006)

Perth Amboy, NJ

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2021

	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	ELIM	Total
10010 Operating Transfer In				-\$157,070	\$0
10020 Operating transfer Out				\$157,070	\$0
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					\$325,455
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0		\$325,455
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	\$50,800	\$0		\$1,630,055
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$54,640
11030 Beginning Equity	\$0	\$0	\$0		\$21,562,419
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		-\$50,800			\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					-\$7,431,524
11180 Housing Assistance Payments Equity					\$714,970
11190 Unit Months Available					20400
11210 Number of Unit Months Leased					20194