

HOUSING AUTHORITY OF THE
CITY OF HACKENSACK
Hackensack, New Jersey

FINANCIAL STATEMENTS
For the Years Ended
September 30, 2021 and 2020

HOUSING AUTHORITY OF THE CITY OF HACKENSACK
FINANCIAL STATEMENTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS
At September 30, 2021

As Management of the Housing Authority of the City of Hackensack, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2021. 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 \$19,726,164 (net position) as opposed to \$18,464,936 for the prior fiscal year.

2 – As of the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Deficit of \$(1,306,551) as opposed to \$(2,623,599) in the prior fiscal year.

3 – The Authority's unrestricted cash and cash equivalent at September 30, 2021 was \$7,041,170 representing an increase of \$1,275,811 from the prior fiscal year.

4 – The Authority had Total Operating Revenues of \$6,202,845, and Total Operating Expenses of \$4,979,095 for the year ended September 30, 2021.

5 – The Authority's capital outlays for the fiscal year were \$459,993 which was funded by the RAD Rehab account.

B – Using the Annual Report

1 – Management's Discussion and Analysis

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

2 – General Purpose Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

2 – General Purpose Financial Statements

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 financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 8 through 10.

3 – Notes To Financial Statements

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

4 – Supplemental Information

The Schedule of Proportionate Share of Pension Liability of Public Employees Retirement System, Schedule of Authority Contribution to the Public Employees Retirement System, Schedule of Changes in the Total OPEB Liability and Schedule of Contributions to the Employees State Health Benefit Plan are presented for purposes of additional analysis as required by Governmental Accounting Standards Board (GASB) 68 and 75. The Schedule of Proportionate Share of Pension Liability of Public Employees Retirement System and Schedule of Authority Contribution to the Public Employees Retirement System can be found on pages 32 and 33, respectively and the Schedule of Changes in the Total OPEB Liability and the Schedule of Contributions to the Employees State Health Benefit Plan can be found on pages 34-35 respectively. The Financial Data schedule is presented for additional analysis only. The Financial Data Schedule can be found on pages 27-31.

C – The Authority as a Whole

The Authority's Unrestricted Net Deficit decreased by \$1,317,048. The decrease was primarily caused by operating revenues of \$6,202,845 exceeding operating expenses of \$4,979,095 during the fiscal year ended September 30, 2021.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

D – Budgetary Highlights

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

As indicated by the excess of revenues over expenses, when adjusted by depreciation expense, the Authority's Net Position increased during the fiscal year.

E – Capital Assets and Debt Administration

As of September 30, 2021, the Authority's investment in capital assets for its Proprietary Fund was \$19,784,099 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress.

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

2 – Long Term Debt

During the fiscal year ended September 30, 2005, the Authority entered into a Capital Fund Leveraging Pool. The New Jersey Housing and Mortgage Finance Agency issued bonds and the funds were distributed to the Housing Authority. In December 2004, the Authority received \$4,217,333 to be used for capital improvements to its buildings. Further details can be found in the Note 7 to the financial statements. On July 14, 2017, the Housing Authority converted all of its housing units to HUD's Rental Assistance Demonstration Program (RAD). At the same time it entered into a \$3,150,000 term loan note. The proceeds of the note were used to repay the NJ HMFA Revenue Bonds. The remaining proceeds of the note are being used to make capital improvements to the Authority's housing units.

F – Significant Changes from FYE September 30, 2020, to September 30, 2021

Cash and other current assets increased by \$1,051,669 due to operating revenues exceeding operating expenses during the current fiscal year.

Capital Assets decreased \$335,046. The Housing Authority had fixed asset purchases of \$459,993 and incurred \$795,039 of depreciation expense during the current fiscal year.

Deferred outflow of resources increased \$954,933, deferred inflow of resources decreased \$378,087 and accrued pension and OPEB liabilities increased by \$1,175,436 due to the most recent pension and OPEB actuarial valuations.

Total operating expenses decreased by \$374,485. Ordinary maintenance materials, maintenance contract costs and employee benefits decreased by approximately \$250,000. Other general expenses also decreased by \$85,953.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

H – Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending September 30, 2022:

- 1 – The state of the economy, particularly in light of current world affairs.
- 2 – The use of the Authority's Unrestricted Net Position to fund any shortfalls rising from a possible economic downturn and reduced subsidies and grants. The Authority's Unrestricted Net Position appears sufficient to cover any shortfall.

I – Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Housing Authority of the City of Hackensack, 65 First Street, Hackensack, NJ or call (201) 342-4280.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

Computation of Net Position are as Follows:

	Year End <u>9/30/2021</u>	Year End <u>9/30/2020</u>	<u>Variance</u>
Cash and Other Current Assets	\$ 8,956,216	\$ 7,904,547	\$ 1,051,669
Capital Assets - Net	21,594,844	21,929,890	(335,046)
Deferred Outflow of Resources	<u>1,419,841</u>	<u>464,908</u>	<u>954,933</u>
Total Assets	<u>31,970,901</u>	<u>30,299,345</u>	<u>716,623</u>
Less: Liabilities	8,825,238	8,036,823	788,415
Less: Deferred Inflow of Resources	<u>3,419,499</u>	<u>3,797,586</u>	<u>(378,087)</u>
Net Position	<u>19,726,164</u>	<u>18,464,936</u>	<u>(71,792)</u>
Net Investment in Capital Assets	19,784,099	19,666,503	117,596
Restricted Net Position	1,248,616	1,422,032	(173,416)
Unrestricted Net Position	<u>(1,306,551)</u>	<u>(2,623,599)</u>	<u>1,317,048</u>
Total Net Position	<u>\$ 19,726,164</u>	<u>\$ 18,464,936</u>	<u>\$ 1,261,228</u>

Computation of Changes in Net Position are as Follows:

<u>Revenues</u>			
Tenant Revenues	\$ 5,326,167	\$ 5,400,396	\$ (74,229)
Other Revenues	<u>876,678</u>	<u>869,383</u>	<u>7,295</u>
Total Operating Revenues	<u>6,202,845</u>	<u>6,269,779</u>	<u>(66,934)</u>
<u>Expenses</u>			
Total Operating Expenses	4,168,894	4,534,292	(365,398)
Extraordinary Maintenance	15,163	50,167	(35,004)
Depreciation Expense	<u>795,038</u>	<u>769,121</u>	<u>25,917</u>
Total Operating Expenses	<u>4,979,095</u>	<u>5,353,580</u>	<u>(374,485)</u>
Excess (Deficiency) of Operating Revenues over Expenses	1,223,750	916,199	307,551
<u>Non-Operating Income</u>			
Interest on Investments	<u>37,478</u>	<u>35,366</u>	<u>2,112</u>
Excess of Revenues over Expenses	1,261,228	951,565	309,663
Net Position - Prior	<u>18,464,936</u>	<u>17,513,371</u>	<u>951,565</u>
Total Net Position	<u>\$ 19,726,164</u>	<u>\$ 18,464,936</u>	<u>\$ 1,261,228</u>



Polcari & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Housing Authority of the City of Hackensack ("the Authority") which are comprised of the Statement of Net Position as of September 30, 2021 and 2020 and the related Statement of Revenues, Expenses and Changes in Net Position and Cash Flows and Notes to the financial statements for the for the year ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Hackensack, as of September 30, 2021 and 2020, and the changes in net position, and its cash flows for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

During the prior fiscal year, the Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additional information can be found in Note 1 to these financial statements. Our opinion is not modified with respect to the matter of emphasis.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis presented on pages 1-5, the Schedule of Proportionate Share of Pension Liability of Public Employees Retirement System and Schedule of Authority Contribution to the Public Employees Retirement System presented on pages 32 and 33, and the Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios and Schedule of Authority Contributions to the Public Employees Health Benefit Plan presented on pages 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Hackensack. The Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedule, the Schedule of Proportionate Share of the Net pension Liability of the Public Employees Retirement System, Schedule of Authority Contribution to the Public Employees Retirement System, the Schedule of Changes in the Total OPEB Liability and the Schedule of Authority Contributions to the Public Employees Health Benefit Plan are the responsibility of management and were derived from and directly relate to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the financial data schedule and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* We have also issued our report dated June 30, 2022 on our consideration of the Housing Authority of the City of Hackensack's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
June 30, 2022

HOUSING AUTHORITY OF THE CITY OF HACKENSACK
Hackensack, New Jersey

COMPARATIVE STATEMENT OF NET POSITION

At September 30, 2021 and 2020

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents - Unrestricted	\$ 7,041,170	\$ 5,765,359
Cash - Restricted	1,248,616	1,422,032
Cash - Tenant Security Deposits	220,935	220,292
Accounts Receivable - Tenants (Net of Allowance of \$142,397 and \$90,661 respectively)	4,372	3,202
Investments	238,352	237,816
Accounts Receivable - Other	49,662	88,160
Fraud Recovery	64,625	106,873
Accrued Interest Receivable	-	50
Prepaid Expenses	88,484	60,763
Total Current Assets	8,956,216	7,904,547
<u>FIXED ASSETS</u>		
Land	2,202,669	2,202,669
Buildings	30,464,745	27,774,017
Dwelling Equipment	909,598	854,413
Furniture & Fixtures	1,209,330	1,023,812
Leasehold Improvements	4,976,221	4,950,729
Construction in Process	-	2,496,930
Total Fixed Assets	39,762,563	39,302,570
Less: Accumulated Depreciation	(18,167,719)	(17,372,680)
Net Fixed Assets	21,594,844	21,929,890
Deferred Outflow of Resources	1,419,841	464,908
Total Assets	\$ 31,970,901	\$ 30,299,345

LIABILITIES, NET POSITION AND DEFERRED INFLOW OF RESOURCES

<u>CURRENT LIABILITIES</u>		
Accounts Payable:		
Vendors and Contractors	\$ 92,890	\$ 60,975
Wages	42,043	39,176
Other	101,390	94,038
Due to Tenants:		
Security Deposits	220,942	220,999
Accrued Liabilities:		
Compensated Absences	25,545	24,162
Payment in Lieu of Taxes	400,024	403,740
Current Portion Long Term Debt	62,712	60,072
Deferred Revenues:		
Tenant Prepaid Rents	31,478	18,047
Total Current Liabilities	977,024	921,209
<u>LONG TERM LIABILITIES</u>		
Compensated Absences	229,908	217,462
Long Term Debt	1,748,033	2,203,315
Accrued Pension and OPEB Liability	5,870,273	4,694,837
Total Long Term Liabilities	7,848,214	7,115,614
Total Liabilities	8,825,238	8,036,823
Deferred Inflow of Resources	3,419,499	3,797,586
<u>NET POSITION</u>		
Net Investment in Capital Assets	19,784,099	19,666,503
Restricted	1,248,616	1,422,032
Unrestricted	(1,306,551)	(2,623,599)
Total Net Position	\$ 19,726,164	\$ 18,464,936

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF HACKENSACK
 Hackensack, New Jersey
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>REVENUES</u>		
Dwelling Rentals	\$ 5,326,167	\$ 5,400,396
Other Income	876,678	869,383
Total Revenues	<u>6,202,845</u>	<u>6,269,779</u>
<u>EXPENSES</u>		
Administration	886,174	892,613
Tenant Services	223,223	244,696
Utilities	957,429	941,353
Ordinary Maintenance & Operations	1,119,522	1,370,090
Protective Services	100,000	100,000
General Expense	797,861	883,814
Nonroutine Maintenance	15,163	50,167
Depreciation Expense	795,038	769,121
Interest Expense	84,685	101,726
Total Operating Expenses	<u>4,979,095</u>	<u>5,353,580</u>
Operating Income/(Loss)	1,223,750	916,199
Non Operating Revenues/(Expenses):		
Interest Income Unrestricted	37,478	33,802
Interest Income Restricted	-	1,564
	<u>-</u>	<u>1,564</u>
Net Operating Income/(Loss) Before Contributions and Transfers	<u>1,261,228</u>	<u>951,565</u>
Net Income/(Loss)	1,261,228	951,565
Beginning Net Position	<u>18,464,936</u>	<u>17,513,371</u>
Ending Net Position	<u>\$ 19, -</u>	<u>\$ 18,464,936</u>

HOUSING AUTHORITY OF THE CITY OF HACKENSACK
 Hackensack, New Jersey
COMPARATIVE STATEMENT OF CASH FLOWS
 For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received:		
From Tenants for Rental & Other Income	\$ 5,380,676	\$ 5,314,661
From Government Agencies for Operating Grants	-	-
From Other Operating Revenues	915,176	901,153
Cash Paid		
To Employees for Operations	(1,015,043)	(1,188,034)
To Suppliers for Operations	(3,302,071)	(3,236,736)
Net Cash Provided by Operating Activities	<u>1,978,738</u>	<u>1,791,044</u>
<u>CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES</u>		
Repayment of Long Term Debt	(452,642)	(435,601)
Acquisition of Property & Equipment	(459,993)	(325,848)
Net Cash Used by Capital & Related Financing Activities	<u>(912,635)</u>	<u>(761,449)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Received from Sale of Investments	(536)	(2,810)
Cash Received for Tenant Security Deposits	(57)	11,835
Investment Income	37,528	35,655
Net Cash Provided by Investing Activities	<u>36,935</u>	<u>44,680</u>
Net Increase (Decrease) in Cash & Cash Equivalents	1,103,038	1,074,275
Cash & Equivalents at Beginning of Period	<u>7,407,683</u>	<u>6,333,408</u>
Cash & Equivalents at End of Period	<u>\$ 8,510,721</u>	<u>\$ 7,407,683</u>
<u>RECONCILIATION OF OPERATING INCOME/(LOSS)</u>		
<u>TO NET CASH PROVIDED/(USED) IN OPERATIONS</u>		
Operating Income/(Loss)	\$ 1,223,750	\$ 916,199
Adjustments to reconcile Operating Income/(Loss) to Net Cash Provided/(Used) in Operating Activities:		
Depreciation	795,038	769,121
Deferred Outflow of Resources	(954,933)	108,385
Deferred Inflow of Resources	(378,087)	18,496
Decrease (Increase) in Assets		
Accounts Receivable - Tenants	41,078	(84,097)
Accounts Receivable - Other	38,498	31,770
Prepaid Expenses	(27,721)	(3,287)
Increase/(Decrease) in Liabilities		
Accounts Payable	42,135	(15,472)
PILOT Payable	(3,716)	205,278
Accrued Expenses	13,829	26,489
Accrued Pension and OPEB Liability	1,175,436	(180,200)
Deferred Revenues - Prepaid Rents	13,431	(1,638)
Net Cash Provided to Operating Activities	<u>\$ 1,978,738</u>	<u>\$ 1,791,044</u>

Cash paid for Interest was \$84,685

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF HACKENSACK
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

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

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

On July 14, 2017, the Authority converted all its public housing properties to HUD's Rental Assistance Demonstration Program (RAD). Under RAD the PHA will cease to receive operating and capital fund subsidies but rather will receive HAP Payments to subsidize tenants rent. Simultaneously, the Authority entered into a shared services agreement with the Edgewater Housing Authority to act as the contract administrator under each RAD PBV HAO contract between the Authority and Edgewater Housing Authority.

C. Significant Accounting Policies

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

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

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

Housing Authority of the City of Hackensack
 Schedule of Authority Contributions to the
 Public Employees Retirement System (PERS)
 For the Year Ended September 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 128,056	\$ 128,056	\$ 137,364	\$ 156,228	\$ 122,732	\$ 116,312	\$ 118,187
Contribution in Relation to the Contractually Required Contribution	\$ (128,056)	\$ (128,056)	\$ (137,364)	\$ (156,228)	\$ (122,732)	\$ (116,312)	\$ (118,187)
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	1,015,143	1,188,034	973,708	898,917	648,688	\$ 831,047	\$ 785,173
Contribution as a Percentage of Covered Employee Payroll	12.61%	10.78%	14.11%	17.38%	18.92%	14.00%	15.05%

Housing Authority of the City of Hackensack
 Schedule of Changes in the Housing Authority's
 Total OPEB Liability and Related Ratios
 For the Year Ended September 30, 2021

<u>Total OPEB Liability</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Housing Authority's Proportion of the Net OPEB Liability	0.02207%	0.02207%	0.02057%	0.02414%
Housing Authority's Proportionate Share of the Net OPEB Liability	3,961,356	3,961,356	2,786,020	3,781,922
Housing Authority's Covered Employee Payroll	1,015,143	1,188,034	973,708	898,917
Housing Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	390%	333%	286%	421%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	0.91%	2.02%	2.0%

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

Housing Authority of the City of Hackensack
 Schedule of Authority Contributions to the
 Public Employees Health Benefit Plan
 For the Year Ended September 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 357,353	\$ 314,941	\$ 137,364	\$ 156,228
Contribution in Relation to the Contractually Required Contribution	\$ (357,353)	\$ (314,941)	\$ (137,364)	(156,228)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	1,015,043	1,188,034	973,708	898,917
Contribution as a Percentage of Covered Employee Payroll	35.21%	26.51%	14.11%	17.38%

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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Controller General of the United States, the financial statements of the Housing Authority of the City of Hackensack as of and for the year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

Internal Control Over Financial Reporting

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

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

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

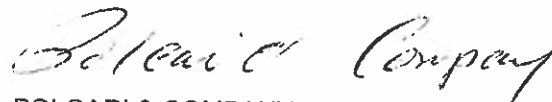
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance

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

Purpose of This Report

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


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
June 30, 2022

HOUSING AUTHORITY OF THE CITY OF HACKENSACK
Hackensack, New Jersey
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2021

STATUS OF PRIOR AUDIT FINDINGS

The prior audit contained no findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Financial Statements

Type of Auditor's Report Issued:

modified

Internal Control over Financial Reporting:

Significant Deficiency(ies) identified

_____ yes X no

Significant Deficiency(ies) identified that are
considered to be material weakness(es)?

_____ yes X none reported

Noncompliance Material to Financial Statements Noted?

_____ yes X no