

Gloucester City Housing Authority

Financial Statements

June 30, 2021

Joseph W. Bowley & Company, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS



GLOUCESTER CITY HOUSING AUTHORITY
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JUNE 30, 2021

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Joseph W. Bowley & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gloucester City Housing Authority, Inc.
Gloucester City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Gloucester City Housing Authority, Inc. ("the Authority"), as of and for the years ended 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Gloucester City Housing Authority, Inc.'s basic financial statements as listed in the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of the Gloucester City Housing Authority, Inc, as of June 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof 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 and budgetary comparison on pages 5-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing 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 opinions on the financial statements that collectively comprise the Gloucester City Housing Authority's basic financial statements. The accompanying financial data schedule is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021 on our consideration of the Gloucester City Housing Authority, Inc.'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 Gloucester City Housing Authority, Inc.'s internal control over financial reporting and compliance.

Joseph W. Bowley & Company, L.L.P.

Blackwood, New Jersey

September 27, 2021

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

The Gloucester City Housing Authority (“the Agency”) management discussion and analysis (MD&A) is designed to **a)** assist the reader in focusing on significant financial issues, **b)** provide an overview of the Agency’s financial activity, **c)** identify changes in the Agency’s position, and **d)** identify individual fund issues or concerns.

The Gloucester City Housing Authority was formed and organized in New Jersey in April of 1985. The purpose of the Housing Authority is to provide low and moderated income persons with safe and sanitary housing through subsidies provided by HUD. The project consists of Ninety (90) senior high-rise units and fifteen (15) single-family homes owned by the Housing Authority.

Financial Highlights

Net operating income (loss) before depreciation and financial revenue was \$115,850 for the year then ended. The Agency’s net position decreased by (\$14,800) from the prior year due to a large depreciation expense of \$120,650.

Revenue from HUD operating subsidies was \$557,691 an increase of \$110,056 from the prior year. Tenant rents were \$344,977, an increase of \$14,475 for the year then ended June 30, 2021. The total expenses of the Agency were \$819,781 for 2021 compared to \$867,237 for 2020, a decrease of \$47,456, excluding depreciation. The major reasons for the decrease were a decrease in maintenance costs and professional fees related to the RAD conversion, incurred in the year ended June 30, 2020.

During the fiscal year ended June 30, 2020, the Gloucester City Housing Authority submitted drawn downs to HUD’s Capital Fund Program (CFP) in the amount of \$201,973. The funds drawn down from the CFP during the period \$201,973. \$194,898 was added to the reserve for repairs and renewals. Because of the RAD conversion, there are no longer CFP draws.

Overview of the Agency’s Financial Statements

The Agency’s financial statements are designed to be corporate-like. The Agency’s financial statements include a balance sheet showing net position. The balance sheet reports all financial and capital resources for the Agency. The balance sheet is presented in the format where assets minus liabilities equal “Net Position”. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Assets (the “Unrestricted Net position”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Agency. Net positions are reported in three broad categories:

Net Assets, Invested in Capital Assets, net of Related Debt- This component of Net Position consists of all capital assets reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – This component of Net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

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

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Table 2 – Change of Net Position

	<u>2021</u>	<u>2020</u>
Beginning Balance – July 1st	\$1,024,259	\$1,027,904
Results of Operations Before Depreciation	105,850	123,277
Adjustments: Current Year Depreciation Expense	(120,650)	(126,922)
Interest Income	<u>-</u>	<u>-</u>
Ending Balance – June 30th	<u>\$1,009,459</u>	<u>\$ 1,024,259</u>

- (1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets.
- (2) Capital expenditures represent an outflow of unrestricted net assets, but are not treated as an expense against Results of Operations, and therefore must be deducted.

While the results of operations are a significant measure of the Agency's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer presentation of the Agency's financial position.

The following schedule compares the revenues and expenses for the current and previous fiscal year.

Table 3 – Statement of Revenues, Expenses and Changes in Net Assets

	<u>2021</u>	<u>2020</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 344,977	\$ 330,502
Operating Subsidies	557,691	447,635
Interest	-	-
CFP and CFR Grant	-	201,973
Other	15,081	3,140
Laundry	<u>7,882</u>	<u>7,264</u>
	<u>925,631</u>	<u>990,514</u>
<u>Expenses</u>		
Administrative	162,756	217,430
Tenant Services	17,358	16,608
Utilities	152,308	153,724
Maintenance	189,973	237,714
Management Fee	90,307	86,726
General Expenses	166,093	145,251
Bad Debt	10,000	-
Extraordinary Expenses	<u>30,986</u>	<u>9,784</u>
Total Expenses	<u>819,781</u>	<u>867,237</u>
Income Before Depreciation	105,850	123,277
Depreciation	<u>(120,650)</u>	<u>(126,922)</u>
Changes in Net Assets	<u>\$ (14,800)</u>	<u>\$ (3,645)</u>

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Major Factors Affecting the Statement of Revenue, Expenses, and Changes in Net Position

Total revenue decreased in 2021 primarily due to the following:

Tenant rents collected decreased	\$ 14,475
HUD subsidy increased	110,056
CFP grants decreased	(201,973)

Expenses for the year were lower due to decreased administration, ordinary maintenance costs and depreciation costs.

Capital Assets

As of year-end, the Agency had \$9,850,640 invested in capital assets as reflected in the following schedule. The net capital assets decreased by \$101,016 or 1.0 percent from the end of last year due entirely from depreciation expense of \$120,650. During the year, there were \$19,634 in capital asset additions.

Table 4- Capital Assets at Year-End (Net of Depreciation)

	<u>2021</u>	<u>2020</u>
Land	\$ 15,000	\$ 15,000
Buildings	7,281,640	7,281,640
Furniture, Equipment, and Machinery – Admin	84,350	78,191
Building Improvements	<u>2,469,650</u>	<u>2,456,175</u>
	9,850,640	9,831,006
Accumulated Depreciation	<u>(9,267,563)</u>	<u>(9,146,931)</u>
Net Capital Assets	<u>\$ 583,077</u>	<u>\$ 684,093</u>

The following reconciliation identifies the changes in Capital Assets.

Table 5 – Change in Capital Assets

	<u>2021</u>	<u>2020</u>
Beginning Balance – July 1st	\$ 684,093	\$ 778,821
Changes Current Year	19,634	32,194
Current Year Depreciation Expense	<u>(120,650)</u>	<u>(126,922)</u>
Beginning Balance – June 30th	<u>\$ 583,077</u>	<u>\$ 684,093</u>

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

	<u>2021</u>	<u>2020</u>
Current year additions were funded as follows:		
Capital Fund Programs	\$ 0	\$ 0
Total Additions	<u>\$ 0</u>	<u>\$ 0</u>

Federal Awards status at June 30, 2021:

None

Debt Outstanding - As of year-end, the Agency had no debt (bonds, notes, etc.) outstanding.

Economic Factors

Significant economic factors affecting the Agency are as follows:

Federal funding provided by Congress to the Department of Housing and Urban Development

Local labor supply and demand, which can affect salary and wage rates

Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income

Inflationary pressure on utility rates, supplies, and other costs.

Financial Contact

The individual to be contacted regarding this report is Skandar Zaouali at PRD Management, Inc., 856-485-1990. Specific requests may be submitted to the Gloucester City Housing Authority, 587 Haddon Ave., Collingswood, NJ 08108.

GLOUCESTER CITY HOUSING AUTHORITY
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>Current Assets</u>		
Petty Cash	\$ 300	\$ 300
Cash in Bank	94,649	46,070
Accounts Receivable - Sec. 8	434	272,420
Tenant Accounts Receivable, less allowance for doubtful accounts of \$10,000 and \$- for 2021 and 2021 respectively	14,007	9,428
Reserve for Repairs and Renewals	385,374	51,000
Prepaid Insurance	67,110	71,906
Prepaid Expense	<u>18,440</u>	<u>18,270</u>
<u>Total Current Assets</u>	<u>580,314</u>	<u>469,394</u>
 <u>Deposits Held in Trust</u>		
Tenants' Security Deposits	<u>34,238</u>	<u>36,025</u>
<u>Total Deposits Held in Trust</u>	<u>34,238</u>	<u>36,025</u>
 <u>Capital Assets</u>		
Land, Structure and Equipment:		
Land	15,000	15,000
Building Structures	7,281,640	7,281,640
Equipment	84,350	78,191
Improvements	<u>2,469,650</u>	<u>2,456,175</u>
	9,850,640	9,831,006
Less: Accumulated Depreciation	<u>9,267,563</u>	<u>9,146,913</u>
<u>Total Capital Assets</u>	<u>583,077</u>	<u>684,093</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 1,197,629</u>	 <u>\$ 1,189,512</u>

The accompanying notes are an integral part of these financial statements.

GLOUCESTER CITY HOUSING AUTHORITY
STATEMENTS OF NET POSITION (Cont'd)
AS OF JUNE 30, 2021 AND 2020

LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 119,663	\$ 101,653
Unearned Revenue - Tenants	14,193	1,962
Accrued Expenses	<u>20,076</u>	<u>25,613</u>
<u>Total Current Liabilities</u>	<u>153,932</u>	<u>129,228</u>
 <u>Deposit Liabilities</u>		
Tenants' Security Deposit	<u>34,238</u>	<u>36,025</u>
<u>Total Deposit Liabilities</u>	<u>34,238</u>	<u>36,025</u>
<u>Total Liabilities</u>	<u>188,170</u>	<u>165,253</u>
 <u>Net Position</u>		
Invested in Capital Assets (net of related debt)	583,077	684,093
Unrestricted Net Assets	<u>426,382</u>	<u>340,166</u>
	<u>1,009,459</u>	<u>1,024,259</u>
 <u>TOTAL LIABILITIES AND NET POSITION</u>	 <u>\$ 1,197,629</u>	 <u>\$ 1,189,512</u>

The accompanying notes are an integral part of these financial statements.

GLOUCESTER CITY HOUSING AUTHORITY
STATEMENTS OF REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>OPERATING INCOME</u>		
Tenant Rents	\$ 344,977	\$ 330,502
Housing and Urban Development Subsidy	557,691	447,635
Laundry	7,882	7,264
Other Income	15,081	3,140
CFP Grants	<u>-</u>	<u>201,973</u>
<u>TOTAL OPERATING INCOME</u>	<u>\$ 925,631</u>	<u>\$ 990,514</u>
<u>OPERATING EXPENSES</u>		
<u>Administration</u>		
Salaries	51,248	60,082
Other Administration Expense (Schedule)	<u>121,508</u>	<u>157,348</u>
<u>Total Administration Expenses</u>	<u>172,756</u>	<u>217,430</u>
<u>Tenant Services</u>		
Recreation, Publications, & Other	<u>17,358</u>	<u>16,608</u>
<u>Utilities</u>		
Utilities (Schedule)	<u>152,308</u>	<u>153,724</u>
<u>Ordinary Maintenance and Operations</u>		
Labor	91,370	86,238
Ordinary Maintenance & Material	41,767	65,807
Contract Cost (Schedule)	<u>56,836</u>	<u>85,669</u>
<u>Total Ordinary Expenses</u>	<u>189,973</u>	<u>237,714</u>
<u>General Expenses</u>		
Insurance	81,369	69,593
Payments in Lieu of Taxes	34,498	33,229
Employee Benefit Contributions	<u>50,226</u>	<u>42,429</u>
<u>Total General Expenses</u>	<u>166,093</u>	<u>145,251</u>
<u>Management Fee</u>	<u>90,307</u>	<u>86,726</u>

The accompanying notes are an integral part of these financial statements.

GLOUCESTER CITY HOUSING AUTHORITY
STATEMENTS OF REVENUE, EXPENSES AND CHANGE IN NET POSITION (Cont'd)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Non-Routine Operating Expenses</u>		
Extraordinary Expense	\$ 30,986	\$ 9,784
<u>Total Non-Routine Operating Expenses</u>	<u>30,986</u>	<u>9,784</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>819,781</u>	<u>867,237</u>
<u>INCOME (LOSS) BEFORE DEPRECIATION</u>	<u>105,850</u>	<u>123,277</u>
Depreciation Expense	<u>120,650</u>	<u>126,922</u>
<u>CHANGE IN NET POSITION</u>	<u>\$ (14,800)</u>	<u>\$ (3,645)</u>

The accompanying notes are an integral part of these financial statements.

GLOUCESTER CITY HOUSING AUTHORITY
STATEMENTS OF REVENUE, EXPENSES AND CHANGE IN NET POSITION (Cont'd)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Total Net Position - Beginning	\$ 1,024,259	\$ 1,027,904
Less: Change in Net Position	<u>(14,800)</u>	<u>(3,645)</u>
Total Net Position - Ending	<u>\$ 1,009,459</u>	<u>\$ 1,024,259</u>

The accompanying notes are an integral part of these financial statements.

GLOUCESTER CITY HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Cash Flows from Operating Activities:</u>		
<u>Revenue</u>		
Cash From Tenants	\$ 340,398	\$ 324,213
Cash From Housing Assistance Payments	892,065	175,215
Cash From Capital Fund Program	-	201,973
Cash Laundry	7,882	7,264
Cash Miscellaneous	15,081	3,140
<u>Cash Payments For Operating Expenses</u>	<u>(852,839)</u>	<u>(675,808)</u>
<u>Net Cash Provided by Operating Activities</u>	<u>402,587</u>	<u>35,997</u>
<u>Cash Flows From Investing Activities</u>		
Transfers To Reserve for Repairs and Renewals	(334,374)	184,373
Purchases of Improvements and Equipment	<u>(19,634)</u>	<u>(32,194)</u>
<u>Net Cash Used In Investing Activities</u>	<u>(354,008)</u>	<u>(32,194)</u>
Net Increase (Decrease)	48,579	3,803
Cash - Beginning of Period	<u>46,370</u>	<u>42,567</u>
Cash - End of Period	<u>\$ 94,949</u>	<u>\$ 46,370</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided by Operating Activities</u>		
Net Operating Income (Loss)	(14,800)	(3,645)
Adjustments to Reconcile Increase in Surplus to Net Cash Used for Operating Activities:		
Depreciation	120,650	126,922
(Increase) Decrease in:		
Tenant Accounts Receivable	(4,579)	(6,289)
Sec. 8 Accounts Receivable	271,986	(272,420)
Reserve for Repairs and Renewals	(334,374)	184,373
Prepaid Insurance	4,796	(51,977)
Prepaid Expenses	(170)	(4,654)
Increase (Decrease) in:		
Unearned Revenue - Tenants	12,231	476
Accounts Payable/Accrued Expenses	<u>12,473</u>	<u>63,211</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 68,213</u>	<u>\$ 35,997</u>

The accompanying notes are an integral part of these financial statements.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - A summary of the Public Housing Authority's significant accounting policies applied in the preparation of the accompanying Financial Statements is as follows:

The Gloucester City Housing Authority (GCHA) was formed and organized under the laws of the State of New Jersey in April 1985. The GCHA is a fiscally independent entity and has no component units. The GCHA contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Agency depends on subsidies from HUD to operate.

Description of Programs - The low-income public housing operating subsidy, for the fiscal year June 30, 2021, from the U.S. Department of Housing and Urban Development, was \$557,691, for its ninety (90) unit senior high-rise and fifteen (15) single-family homes owned by the Housing Authority. Tenants' rent is based on thirty percent of the tenants' income less a monthly utility allowance of \$91.

The U. S. Department of Housing and Urban Development (HUD) provided a capital fund program for modernization and management of improvements. Gloucester City Housing Authority withdrew \$201,973 during the fiscal year ended June 30, 2020 from the Annual Capital Funds Grants provided to the public housing agency. The funds were for the modernization and management improvements of the public housing development and may also be used to fund operations. This program ended in the year ended June 30, 2020, see Note K. The Authority had a RAD conversion that will provide greater operating income, that will fund improvements, in the future.

Reporting Entity – In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity is made by applying the criteria set forth by GASB. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on primary organization, financial accountability, as a result of financial dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financial accountable. Based on these criteria, there are no additional agencies which should be included in the financial statements of The Gloucester City Housing.

Basis of Accounting - The Gloucester City Housing Authority prepares its financial statements on the accrual method of accounting, under which revenue is recorded when earned and expenses are recorded when the corresponding liabilities are incurred.

The Authority 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.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, ("GASB 34"), as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplemental Information.

Prepaid Expenses - The cost of prepaid insurance extending over more than one accounting period, are amortized over the term of the insurance coverage.

Budgeting and Budgetary Accounting – The Authority prepares an annual operating and capital budget for all programs in accordance with HUD requirements. The budget is formally adopted by resolution of the Authority's Board of Directors. Once adopted, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenses. The budget is prepared on a detailed line item basis.

Accrued Compensated Absences – in accordance with the Authority's personnel policy, employees can accrue time for compensated absences. The authority believes that this amount is not material to the financial statements and no accrual has been recorded.

Post-Employment Benefits – the Authority does not provide employees with any health or other post-employment benefits. Therefore, there is no accrual for post-employment benefits.

Equity Classifications:

Restricted Net Position – consists of net amounts of assets with constraints placed on use either by (1) external groups such as creditors, grantors, laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There are no restricted net amounts.

Unrestricted Net Position – consist of amounts of assets that do not meet the definition of "restricted" or "net investment in capital assets".

Use of Restricted Assets – when both restricted and unrestricted net resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first and then unrestricted resources, as needed.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Operation Revenues and Expenses – the Authority defines its operating revenue as income derived from charges to residents and others for services provided and in the management of the Authority’s assets. Its operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies other revenues and expenses as non-operating.

Capital Assets – Land, building and improvements, and equipment are recorded as capital assets on the balance sheet. The GCHA defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life of at least three years. Purchased capital assets are stated at historical cost. Major outlays for capital assets and improvements are capitalized as projects are constructed and are added to the cost basis of the asset improved.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

Depreciation on capital assets is charged as an expense over the following period using the straight-line method.

<u>Assets</u>	<u>Years</u>
Building	28
Building Improvements	10-15
Furniture and Equipment	3-7

Accumulated depreciation is offset against the original cost of the capital asset on the balance sheet. Depreciation expense for June 30, 2021 and 2020 was \$120,650 and \$126,922 respectively.

Economic Dependency – The Low Rent Housing Program of the Authority is economically dependent on operating grants and subsidies from HUD.

Income Taxes – the Authority is a New Jersey municipal authority and, as such, is exempt from income taxes and other state and local taxes. The Authority believes that it has not engaged in any activities for which its tax-exempt status would not be sustained IRS examination or that would require filing of an income tax return for unrelated business income taxes.

NOTE B: MANAGEMENT CONTRACT AND COMPUTER FEE

Gloucester City Housing Authority has entered into a management agreement with PRD Management, Inc. for two years starting October 1, 2017 to September 30, 2019 with three one-year renewals. The first renewal was executed and now is through October 31, 2021. Management fees are based on a per unit basis and are increased annually based on (OCAF). The unit fees for the fiscal years ended June 30, 2021 and 2020 was \$71.67 and \$70.13, respectively, for a total of \$ 90,306 and \$86,726, respectively. Computer charges for the period were \$10.71 per unit per month January through June 2021 and \$10.62 a unit per month for the other fiscal 2020 months, for a total of \$13,495 and \$13,438, respectively. Management also provides all labor services related to the project, such as office and maintenance wages and those services directly related to the project, at cost. There is no accrued vacation and sick pay as of June 30, 2021 and 2020.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE C: PAYMENT IN LIEU OF REAL ESTATE TAXES

The Gloucester City Housing Authority and Gloucester City have a Tax Abatement Agreement authorizing payment in lieu of taxes. The agreement states that in lieu of taxes, the authority shall make payment to the municipality at an annual charge of ten percent (10%) of the amount received by the Authority, agency, entity or government in the form of sheltered rents. Sheltered rents are defined as amounts paid by the tenant minus the utility allowance and subsidies. The total expense for the year was \$34,498 and \$33,229 for the years ended June 30, 2021 and 2020, respectively.

NOTE D: TENANTS' SECURITY DEPOSIT

Tenants' Security Deposits are held in a separate bank account at TD Bank under the name of The Gloucester City Housing Authority and are FDIC insured.

NOTE E: CASH AND CASH EQUIVALENTS

The Gloucester City Housing Authority's cash and cash equivalents is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

HUD always requires that deposit be fully collateralized. Acceptable collateralization includes FDIC/FSLIC insurance and market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security 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 the requirements of HUD. Authority cash and investment balances are covered by the FDIC up to \$250,000.

	<u>2021</u>	<u>2020</u>
Petty Cash	\$ 300	\$ 300
Cash in Bank	<u>94,649</u>	<u>46,070</u>
Total	<u>\$ 94,949</u>	<u>\$ 46,370</u>

NOTE F: EMPLOYEE RETIREMENT PLAN

The authority through PRD Management Inc. has adopted a 401k plan effective January 1, 2019 and had a Simple IRA plan, prior to December 31, 2018. for the employees of the Gloucester City Housing Authority. The plan is funded by employees and the corporation will match 100% of employee contribution up to 3% of employees' gross wages, then 50% match up to 5% of employees' gross wages. The cost of employer contributions for the years ending June 30, 2021 and 2020 totaled \$1,783 and \$0, respectively.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G: TENANTS' RECEIVABLE

Tenants' receivables for the years ending June 30, 2021 and 2020 were \$24,007 and \$9,428 respectively. Tenants' receivables have been shown net of an allowance for uncollectible. The Authority has provided an allowance for bad debt for the year ended June 30, 2021 based on the Authority's estimate of the collectability of tenants' receivables. The allowances for uncollectible rents at June 30, 2021 and 2020 was \$10,000 and \$0, respectively.

NOTE H: PREPAID EXPENSE

Prepaid expenses represent expense items paid in advance that are for the subsequent year.

NOTE I: EQUITY CLASSIFICATIONS

Equity is classified as net positions and is displayed in two components:

1. Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt attributable to the acquisition, construction or improvement of those assets.
2. Unrestricted net positions - all other net positions that do not meet the definition of "restricted" or invested in capital asset, net of related debt.

NOTE J: RISK MANAGEMENT

The Authority is exposed to various risks and potential liabilities, such as theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In order to deal with these potential liabilities, the Authority's risk management program consisted of various insurance policies covering each of these risks. The Authority believes that such coverage is sufficient to preclude any significant uninsured losses to the Authority.

NOTE K: RENTAL ASSISTANCE DEMONSTRATION (RAD)

The housing agency sent in an application (Phase I) to HUD for the conversion of the property to a Rental Assistance Demonstration (RAD) program September 25, 2014, that was approved on March 25, 2015. The RAD was created by HUD to give public housing authorities the necessary tools to preserve and improve public housing properties and address the backlog of deferred maintenance. The conversion would provide the housing agency with contract rent amounts through CHAP, Commitment to enter into a Housing Assistance Payments. The RAD conversion was executed on November 27, 2019 and the agency's subsidy started on December 1, 2019.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE L: RESERVE FOR REPAIRS AND REPLACEMENTS

During the year ended June 30, 2021 the housing agency was required to set aside \$100,000 as specified amounts for the replacement of property and other project expenditures. Additional funds will be required to be added to the account when the RAD conversion is complete. All withdrawals require approval from HUD.

NOTE M: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 27, 2021, the date the financial statements were available for issuance.

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
1120 Cash – Operations	94,949	46,370
1130 Tenant/member Accounts Receivable (Coops)	24,007	9,428
1131 Allowance for Doubtful Accounts	10,000	-
1130N Net Tenant Accounts Receivable	14,007	9,428
1135 Accounts Receivable - HUD	434	272,420
1200 Prepaid Expenses	85,550	90,176
1100T Total Current Assets	<u>194,940</u>	<u>418,394</u>
1191 Tenant/patient Deposits Held in Trust	34,238	36,025
1320 Replacement Reserve	385,374	51,000
1300T Total Deposits	<u>385,374</u>	<u>51,000</u>
1410 Land	15,000	15,000
1420 Buildings	9,751,290	9,737,815
1440 Furniture for Project/Tenant Use	84,350	78,191
1400T Total Fixed Assets	9,850,640	9,831,006
1495 Accumulated Depreciation	9,267,563	9,146,913
1400T Net Fixed Assets	<u>583,077</u>	<u>684,093</u>
1000T Total Assets	<u><u>1,197,629</u></u>	<u><u>1,189,512</u></u>
LIABILITIES		
2110 Accounts Payable – Operations	\$ 119,663	101,653
2190 Miscellaneous Current Liabilities		
2190-020 Accrued Expenses	20,076	25,613
2210 Prepaid Revenue	14,193	1,962
2122T Total Current Liabilities	<u>153,932</u>	<u>129,228</u>
2191 Tenant/Patient Deposits held in Trust (Contra)	34,238	36,025
2300T Total Long Term Liabilities	-	-
2000T Total Liabilities	<u>188,170</u>	<u>165,253</u>
NET ASSETS		
3131 Unrestricted Net Assets	1,009,459	1,024,259
3130 Total Net Assets	<u>1,009,459</u>	<u>1,024,259</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
RENTS		
5120 Rent Revenue Gross Potential	<u>356,918</u>	<u>347,173</u>
5121 Tenant Assistance Payments	<u>557,691</u>	<u>447,635</u>
5190 Miscellaneous Rebt		
5190-020 Miscellaneous	7,806	1,012
5190-020 Unrealized gain	7,175	2,093
5190-020 Late and other	<u>100</u>	<u>35</u>
	<u>15,081</u>	<u>3,140</u>
5100T Total Rent Revenue	<u>929,690</u>	<u>797,948</u>
VACANCIES		
5220 Apartments	11,941	14,878
5250 Rental Concessions	-	1,793
5200T Total Vacancies	<u>11,941</u>	<u>16,671</u>
5152N Net Rental Revenue (Rent Revenue Less Vacancies)	<u>917,749</u>	<u>781,277</u>
OTHER REVENUE		
5910 Laundry and Vending Revenue	7,882	7,264
5990 Capital Fund Program Grant	-	201,973
5900T Total Other Revenue	<u>7,882</u>	<u>209,237</u>
5000T Total Revenue	<u>925,631</u>	<u>990,514</u>
ADMINISTRATIVE EXPENSES		
6210 Advertising	576	438
6310 Office Salaries	51,248	60,082
6311 Office Expenses	6,766	3,381
6320 Management Fee	90,307	86,726
6330 Manager or Superintendent Salaries	56,815	54,787
6340 Legal Expense – Project	19,666	41,838
6350 Audit Expense	9,986	9,524
6351 Bookkeeping Fees/Accounting Services	13,495	13,438
6370 Bad Debts	10,000	-
6390 Miscellaneous Administrative Expenses	<u>78,377</u>	<u>105,337</u>
Details – Miscellaneous Administrative Expenses		
6390-010 – Tenant Services Salaries	16,908	15,957
6390-010 – Tenant Services Other	450	651
6390-010 – Dues and Subscriptions	120	502
6390-010 – Telephone	12,234	12,706
6390-010 – Postage	943	1,441
6390-010 – Other Office	3,799	1,203
6390-010 – Inspection and Other	16,272	19,361
6390-010 – Other Professional Fees	26,381	51,143
6390-010 – Misc Admin	1,270	653
6390-010 – Misc Bank Charges	-	1,620
6390-010 – Donations	-	100
6263T Total Administrative Expenses	<u>337,236</u>	<u>375,551</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
UTILITIES EXPENSE		
6420 Fuel Oil/Coal	-	325
6450 Electricity	23,782	29,822
6451 Water	45,742	38,812
6452 Gas	5,914	9,083
6453 Sewer	<u>76,870</u>	<u>75,682</u>
6400T Total Utilities Expense	<u>152,308</u>	<u>153,724</u>

OPERATING & MAINTENANCE EXPENSE

6510 Payroll	34,555	31,451
6515 Supplies	9,953	17,630
6520 Contracts	44,268	72,526
6525 Garbage and Trash Removal	5,103	4,276
6548 Snow Removal	-	964
6570 Vehicle and Maintained Equipment Operations and Repairs	1,426	472
6590 Miscellaneous Operating and Maintenance Expenses	<u>68,839</u>	<u>65,392</u>
Details – Miscellaneous Operating and Maintenance Expenses		
6590-010 – Other Maintenance Repairs	15,121	23,093
6590-010 – Plumbing Repairs	5,992	7,082
6590-010 – Electrical Repairs	1,937	1,993
6590-010 – Kitchen Equipment	3,517	5,032
6590-010 – Windows & Glass	1,156	1,739
6590-010 – Elevator Repairs and Maint.	7,465	8,867
6590-010- Carpentry	2,135	3,545
6590-010 - Masonry	530	4,257
6590-010 - Extraordinary Expense	<u>30,986</u>	<u>9,784</u>
6500T Total Operating and Maintenance Expenses	<u>164,144</u>	<u>192,711</u>

TAXES AND INSURANCE

6710 Real Estate Taxes	34,498	33,229
6711 Payroll Taxes (Project's Share)	17,010	14,459
6720 Property & Liability Insurance (Hazard)	81,369	69,593
6722 Workmen's Compensation	8,200	6,295
6723 Health Insurance and Other Employee Benefits	<u>25,016</u>	<u>21,675</u>
6700T Total Taxes and Insurance	<u>166,093</u>	<u>145,251</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
OPERATING RESULTS		
6000T Total Cost of Operation before Depreciation	<u>819,781</u>	<u>867,237</u>
5060T Profit (Loss) before Depreciation	105,850	123,277
6600 Depreciation Expenses	<u>120,650</u>	<u>126,922</u>
5060N Operating Profit or (Loss)	<u><u>(14,800)</u></u>	<u><u>(3,645)</u></u>

CHANGE IN NET ASSETS FROM OPERATIONS

3247 Change in Unrestricted Net Assets from Operations	(14,800)	(3,645)
3250 Change in Total Net Assets from Operations	(14,800)	(3,645)

PART II

S1000 The total of all monthly reserve for replacement deposits (usually 12 months)		
020 required during the audit period even if deposits have been temporarily waived or suspended.	334,374	96,372

EQUITY DATA

S1100-060 Previous Year Unrestricted Net Assets	1,024,259	1,027,904
3247 Change in Unrestricted Net Assets from Operations	<u>(14,800)</u>	<u>(3,645)</u>
3131 Unrestricted Net Assets	1,009,459	1,024,259
S1100-050 Previous Year Total Net Assets	1,024,259	1,027,904
3250 Change in Total Net Assets from Operations	<u>(14,800)</u>	<u>(3,645)</u>
3130 Total Net Assets	<u><u>1,009,459</u></u>	<u><u>1,024,259</u></u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
CHANGE IN NET ASSETS FROM OPERATIONS		
S1200- 010 Rental Receipts	1,232,463	499,428
S1200 – 030 Other Operating Receipts	<u>22,963</u>	<u>212,377</u>
S1200 – 040 Total Receipts	1,255,426	711,805
S1200 – 050 Administrative	(121,958)	(146,032)
S1200 – 070 Management Fee	(90,307)	(86,726)
S1200 – 090 Utilities	(152,308)	(153,724)
S1200 – 100 Salaries and Wages	(159,526)	(162,277)
S1200 – 110 Operating and Maintenance	(129,589)	(113,921)
S1200 – 120 Real Estate Taxes	(34,498)	(33,229)
S1200 – 140 Property Insurance	(82,301)	(121,570)
S1200 – 150 Miscellaneous Taxes and Insurance	(50,226)	(42,429)
S1200 – 160 Tenant Security Deposits	(1,787)	378
S1200 – 170 Other Operating Expenses	<u>(30,339)</u>	<u>(651)</u>
S1200 – 230 Total Disbursements	<u>(852,839)</u>	<u>(860,181)</u>
S1200 – 240 Net Cash provided by (used in) Operating Activities	402,587	(148,376)
CASH FLOW INVESTING ACTIVITIES		
S1200 – 250 Net Deposits to the Reserve for Replacement account	(334,374)	184,373
S1200 – 330 Net Purchase of Fixed Assets	<u>(19,634)</u>	<u>(32,194)</u>
S1200 – 350 Net Cash Used in Investing Activities	<u>(354,008)</u>	<u>152,179</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM FINANCING ACTIVITIES		
S1200 – 470 Net Increase (decrease) in Cash and Cash Equivalents	48,579	3,803
CASH AND CASH EQUIVALENTS		
S1200 – 480 Beginning of Period Cash	<u>46,370</u>	<u>42,567</u>
S1200T End of Period Cash	<u>94,949</u>	<u>46,370</u>
SCHEDULE OF RESERVE FOR REPLACEMENT		
1320P Balance at Beginning of Year	51,000	235,373
1320DT Total Monthly Deposits	100,000	-
1320ODT Other Deposits	279,151	-
1320INT Interest on Replacement Reserve Accounts	-	-
1320WT Approved Withdraws	<u>44,777</u>	<u>184,373</u>
1320 Balance at End of Year	385,374	51,000
1320R Deposits Suspended or Waived Indicator	N	N

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS, AND RESIDUAL RECEIPTS (ANNUAL)	<u>2021</u>	<u>2020</u>
S1300-010 Cash	129,187	82,395
1135 Accounts Receivable – HUD	<u>14,441</u>	<u>272,420</u>
S1300-40 Total Cash	143,628	354,815
S1300-70 Delinquent Deposits to Reserve for Replacements	-	-
S1300-75 Accounts Payable – 30 days	119,662	101,653
S1300-100 Accrued Expenses Not Escrowed	20,076	25,613
S1300-110 Due to HUD	-	-
2210 Prepaid Revenue	14,193	1,962
2191 Tenant/Patient Deposits Held in Trust (Contra)	<u>34,238</u>	<u>36,025</u>
S1300-140 Total Current Obligations	<u>188,169</u>	<u>165,253</u>
S1300-150 Surplus Cash (Deficiency)	(44,541)	189,562
S1300-200 Amount Available for Distribution during next fiscal period	-	189,562

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSETS

Capital asset activity for the GCHA for fiscal year ended June 30, 2021 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u> <u>Balance</u>
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Building Structures	7,281,640	-	-	7,281,640
Equipment	78,191	6,159	-	84,350
Improvements	<u>2,456,175</u>	<u>13,475</u>	<u>-</u>	<u>2,469,650</u>
	<u>\$ 9,831,006</u>	<u>\$ 19,634</u>	<u>\$ -</u>	<u>\$ 9,850,640</u>
Less: Accumulated Depreciation for:				
Building	\$ 6,901,389	\$ 66,883	\$ -	\$ 6,968,272
Equipment	62,648	3,727	-	66,375
Improvements	<u>2,182,876</u>	<u>50,040</u>	<u>-</u>	<u>2,232,916</u>
Total Accumulated Depreciation	<u>\$ 9,146,913</u>	<u>\$ 120,650</u>	<u>\$ -</u>	<u>\$ 9,267,563</u>
Total Capital Asset – Net	<u>\$ 684,093</u>			<u>\$ 583,077</u>

Depreciation expense for the fiscal year ended June 30, 2021 was \$120,650.

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
STATEMENTS OF INCOME AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Administrative</u>		
Postage	\$ 943	\$ 1,441
Telephone	12,234	12,706
Dues & Subscriptions	120	502
Office Supplies	6,766	3,381
Advertising	576	438
Legal	19,666	41,838
Accounting and Auditing	9,986	9,524
Computer Fees	13,495	13,438
Bad Debt	10,000	-
Other Professional Services	26,381	51,143
Inspection & Other	16,272	19,361
Other	<u>5,069</u>	<u>3,576</u>
<u>Total Administrative</u>	<u>\$ 121,508</u>	<u>\$ 157,348</u>
<u>Utilities</u>		
Water	\$ 45,742	\$ 38,812
Electricity	23,782	29,822
Gas	5,914	9,408
Sewer	<u>76,870</u>	<u>75,682</u>
<u>Total Utilities</u>	<u>\$ 152,308</u>	<u>\$ 153,724</u>
<u>Ordinary Maintenance and Operations – Material</u>		
Electrical	\$ 1,937	\$ 1,993
Window Glass	1,156	1,739
HVAC Supplies	1,233	6,224
Carpentry	2,135	3,545
Plumbing	5,992	7,082
Masonry	530	4,257
Kitchen Equipment	3,517	5,032
Janitorial Supplies	1,745	2,122
Equipment and Tools	55	581
Grounds and Landscaping	954	1,350
Snow Removal	-	964
Paint and Decorating Supplies	2,093	2,641
Maintenance Supplies	3,873	4,712
Vehicle	1,426	472
Other Maintenance Expense	<u>15,121</u>	<u>23,093</u>
<u>Total Ordinary Maintenance and Operation-Material</u>	<u>\$ 41,767</u>	<u>\$ 65,807</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
STATEMENTS OF INCOME AND EXPENSES (Cont'd)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Ordinary Maintenance, Operations, and Contract Cost</u>		
Elevator	\$ 7,465	\$ 8,867
Trash Removal	5,103	4,276
Exterminating	7,107	5,572
Painting and Decorating	1,027	7,201
Grounds and Landscaping Contracts	10,483	12,414
Other Maintenance Contracts	<u>25,651</u>	<u>47,339</u>
<u>Total Ordinary Maintenance, Operations and Contract Cost</u>	<u>\$ 56,836</u>	<u>\$ 85,669</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
SCHEDULE OF ACCOUNTS PAYABLE & ACCRUED EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

<u>Accounts Payable</u>	
American Express	\$ 160
Camden County MUA	9,240
Connor Strong & Buckelew	61,537
Comcast	195
Advanced Enviro Systems	162
HD Supply Facilities Ltd.	371
Home Depot Credit Services	879
Keystone Fire Protection	2,545
PRD Management Inc.	37,418
PSE&G	14
RealPage, Inc.	5,473
Charles W. Wiggington Esq.	1,669
<u>Total Accounts Payable</u>	<u>\$ 119,663</u>
 <u>Accrued Expenses</u>	
PSE&G - Electric	\$ 3,562
PSE&G - Gas	346
Wages/Taxes GCH - Accrued Salaries	1,700
Accrued Trash Expense	1,287
Joseph W. Bowley & Co., LLP - Audit	9,503
Real Estate Taxes	1,948
Other Accrued Expenses	1,730
<u>Total Accrued Expenses</u>	<u>\$ 20,076</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
SUPPLEMENTARY DATA REQUIRED BY HUD
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

Computation of Surplus Cash, Distributions, and Residual Receipts – Annual

FDS Line #		<u>2021</u>	<u>2020</u>
	Current Assets:		
111	Cash - Unrestricted	\$ 94,949	\$ 46,370
114	Cash - Tenants' Security Deposits	34,238	36,025
120	Tenant Accounts Receivable		
	Less: Allowance for Doubtful Accounts	<u>14,441</u>	<u>281,848</u>
	Total Current Assets	<u>143,628</u>	<u>364,243</u>
	Current Liabilities:		
312	Accounts Payable Due Within 90 Days	119,663	101,653
346	Accrued Liabilities	20,076	25,613
341	Tenants' Security Deposits Liability	34,238	36,025
342	Unearned Revenue - Tenant Rents	<u>14,193</u>	<u>1,962</u>
	Total Current Liabilities	<u>188,170</u>	<u>165,253</u>
969/12	Total Operating Expenses (778,795/12)	<u>64,900</u>	<u>71,454</u>
	Total Current Liabilities and Working Capital Minimum	<u>253,070</u>	<u>236,707</u>
	Surplus Cash (Deficiency)	<u>\$ (109,442)</u>	<u>\$ 127,536</u>

Joseph W. Bowley & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

- Joseph W. Bowley, CPA, Partner
- Jeffrey J. Bowley, CPA, MT
- Licensed in New Jersey & Pennsylvania

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INDEPENDENT AUDITOR'S 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

Board of Directors
Gloucester City Housing Authority, Inc.
Gloucester City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gloucester City Housing Authority Inc., as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Gloucester City Housing Authority, Inc.'s basic financial statements, and have issued our report thereon dated September 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gloucester City Housing 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 Gloucester City Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Gloucester City Housing Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Gloucester City Housing 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 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.

Joseph W. Bowley & Company, L.L.P.

Blackwood, New Jersey

September 27, 2021

GLOUCESTER CITY HOUSING AUTHORITY
Schedule of Findings, Questioned Costs and
Recommendations

None

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT AGENT'S CERTIFICATION

MANAGEMENT AGENT'S CERTIFICATION

We hereby certify that we have examined the accompanying financial statements and supplemental data of Gloucester City Housing Authority, Inc's HUD Project #NJ-39RD00009 to the best of our knowledge and belief; the same are accurate and complete.

Federal ID# 22-2158031

Signature of Management Agent's Representative

Title

PRD Management

Date

GLOUCESTER CITY HOUSING AUTHORITY
HUD PROJECT NO NJ39-RD00009
CERTIFICATION OF PROJECT OWNER

We hereby certify that we have examined the accompanying financial statements and supplemental data of Gloucester City Housing Authority Inc., HUD Project No. NJ-39RD00009 to the best of our knowledge and belief, the same are accurate and complete.

Federal ID# 01-0554061

Officer: _____

Date: _____