

Gloucester City Housing Authority

Financial Statements

June 30, 2022

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



GLOUCESTER CITY HOUSING AUTHORITY
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JUNE 30, 2022

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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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Gloucester City Housing Authority, Inc. ("the Authority"), which comprise the statement of net as of June 30, 2022 and 2021, and the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gloucester City Housing Authority, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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 26, 2022 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.

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

Blackwood, New Jersey

September 26, 2022

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

(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 \$31,194 for the year then ended. The Agency’s net position decreased by (\$83,201) from the prior year due to a large depreciation expense of \$114,395.

Revenue from HUD operating subsidies was \$562,250 an increase of \$4,559 from the prior year. Tenant rents were \$371,625, an increase of \$26,648 for the year then ended June 30, 2022. The total expenses of the Agency were \$925,374 for 2022 compared to \$819,781 for 2021, an increase of \$105,593, excluding depreciation. The major reasons for the increase were a increase in maintenance costs and various administrative expenses.

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, 2022
(Unaudited)

Table 2 – Change of Net Position

	<u>2022</u>	<u>2021</u>
Beginning Balance – July 1st	\$1,009,459	\$1,024,259
Results of Operations Before Depreciation	31,194	105,850
Adjustments: Current Year Depreciation Expense	(114,395)	(120,650)
Interest Income	<u>-</u>	<u>-</u>
Ending Balance – June 30th	<u>\$ 926,258</u>	<u>\$ 1,009,459</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>2022</u>	<u>2021</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 371,625	\$ 344,977
Operating Subsidies	562,250	577,691
Interest	-	-
CFP and CFR Grant	-	-
Other	13,914	15,081
Laundry	<u>8,779</u>	<u>7,882</u>
	<u>956,568</u>	<u>925,631</u>
<u>Expenses</u>		
Administrative	193,051	162,756
Tenant Services	17,800	17,358
Utilities	167,604	152,308
Maintenance	256,919	189,973
Management Fee	92,837	90,307
General Expenses	176,781	166,093
Bad Debt	20,382	10,000
Extraordinary Expenses	<u>-</u>	<u>30,986</u>
Total Expenses	<u>925,374</u>	<u>819,781</u>
Income Before Depreciation	31,194	105,850
Depreciation	<u>(114,395)</u>	<u>(120,650)</u>
Changes in Net Assets	<u>\$ (83,201)</u>	<u>\$ (14,800)</u>

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022
(Unaudited)

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

Total revenue decreased in 2022 primarily due to the following:

Tenant rents collected increased	\$ 26,648
HUD subsidy increased	4,559

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 \$114,395 or 1.0 percent from the end of last year due entirely from depreciation expense of \$114,395. During the year, there were \$0 in capital asset additions.

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

	<u>2022</u>	<u>2021</u>
Land	\$ 15,000	\$ 15,000
Buildings	7,281,640	7,281,640
Furniture, Equipment, and Machinery – Admin	84,350	84,350
Building Improvements	<u>2,469,650</u>	<u>2,469,650</u>
	9,850,640	9,850,640
Accumulated Depreciation	<u>(9,381,958)</u>	<u>(9,267,563)</u>
Net Capital Assets	<u>\$ 468,682</u>	<u>\$ 583,077</u>

The following reconciliation identifies the changes in Capital Assets.

Table 5 – Change in Capital Assets

	<u>2022</u>	<u>2021</u>
Beginning Balance – July 1st	\$ 583,077	\$ 684,093
Changes Current Year	-	19,634
Current Year Depreciation Expense	<u>(114,395)</u>	<u>(120,650)</u>
Beginning Balance – June 30th	<u>\$ 468,682</u>	<u>\$ 583,077</u>

GLOUCESTER CITY HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022
(Unaudited)

Federal Awards status at June 30, 2022:

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, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Petty Cash	\$ 300	\$ 300
Cash in Bank	35,013	94,649
Accounts Receivable - Sec. 8	-	434
Tenant Accounts Receivable, less allowance for doubtful accounts of \$18,000 and \$10,000 for 2022 and 2021 respectively	10,637	14,007
Reserve for Repairs and Renewals	489,243	385,374
Prepaid Insurance	70,600	67,110
Prepaid Expense	<u>18,651</u>	<u>18,440</u>
<u>Total Current Assets</u>	<u>624,444</u>	<u>580,314</u>
 <u>Deposits Held in Trust</u>		
Tenants' Security Deposits	<u>34,994</u>	<u>34,238</u>
<u>Total Deposits Held in Trust</u>	<u>34,994</u>	<u>34,238</u>
 <u>Capital Assets</u>		
Land, Structure and Equipment:		
Land	15,000	15,000
Building Structures	7,275,481	7,281,640
Equipment	84,350	84,350
Improvements	<u>2,475,809</u>	<u>2,469,650</u>
	9,850,640	9,850,640
Less: Accumulated Depreciation	<u>9,381,958</u>	<u>9,267,563</u>
<u>Total Capital Assets</u>	<u>468,682</u>	<u>583,077</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 1,128,120</u>	 <u>\$ 1,197,629</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, 2022 AND 2021

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 139,068	\$ 119,663
Unearned Revenue - Tenants	3,902	14,193
Accrued Expenses	<u>23,898</u>	<u>20,076</u>
<u>Total Current Liabilities</u>	<u>166,868</u>	<u>153,932</u>
 <u>Deposit Liabilities</u>		
Tenants' Security Deposit	<u>34,994</u>	<u>34,238</u>
<u>Total Deposit Liabilities</u>	<u>34,994</u>	<u>34,238</u>
<u>Total Liabilities</u>	<u>201,862</u>	<u>188,170</u>
 <u>Net Position</u>		
Invested in Capital Assets (net of related debt)	468,682	583,077
Unrestricted Net Assets	<u>457,576</u>	<u>426,382</u>
	<u>926,258</u>	<u>1,009,459</u>
 <u>TOTAL LIABILITIES AND NET POSITION</u>	 <u>\$ 1,128,120</u>	 <u>\$ 1,197,629</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>OPERATING INCOME</u>		
Tenant Rents	\$ 371,625	\$ 344,977
Housing and Urban Development Subsidy	562,250	557,691
Laundry	8,779	7,882
Other Income	13,914	15,081
<u>TOTAL OPERATING INCOME</u>	<u>\$ 956,568</u>	<u>\$ 925,631</u>
<u>OPERATING EXPENSES</u>		
<u>Administration</u>		
Salaries	68,606	51,248
Other Administration Expense (Schedule)	<u>144,827</u>	<u>121,508</u>
<u>Total Administration Expenses</u>	<u>213,433</u>	<u>172,756</u>
<u>Tenant Services</u>		
Recreation, Publications, & Other	<u>17,800</u>	<u>17,358</u>
<u>Utilities</u>		
Utilities (Schedule)	<u>167,604</u>	<u>152,308</u>
<u>Ordinary Maintenance and Operations</u>		
Labor	102,148	91,370
Ordinary Maintenance & Material	51,340	41,767
Contract Cost (Schedule)	<u>103,431</u>	<u>56,836</u>
<u>Total Ordinary Expenses</u>	<u>256,919</u>	<u>189,973</u>
<u>General Expenses</u>		
Insurance	82,293	81,369
Payments in Lieu of Taxes	36,966	34,498
Employee Benefit Contributions	<u>57,522</u>	<u>50,226</u>
<u>Total General Expenses</u>	<u>176,781</u>	<u>166,093</u>
<u>Management Fee</u>	<u>92,837</u>	<u>90,307</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Non-Routine Operating Expenses</u>		
Extraordinary Expense	-	\$ 30,986
<u>Total Non-Routine Operating (Income) Expenses</u>	-	30,986
<u>TOTAL OPERATING EXPENSES</u>	<u>925,374</u>	<u>819,781</u>
<u>INCOME (LOSS) BEFORE DEPRECIATION</u>	<u>31,194</u>	<u>105,850</u>
Depreciation Expense	114,395	120,650
OPERATING GAIN (LOSS)	(83,201)	(14,800)
<u>NON-OPERATING REVENUE (EXPENSES)</u>		
Total Non-Operating Revenue	-	-
<u>CHANGE IN NET POSITION</u>	<u>\$ (83,201)</u>	<u>\$ (14,800)</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Total Net Position - Beginning	\$ 1,009,459	\$ 1,024,259
Less: Change in Net Position	<u>(83,201)</u>	<u>(14,800)</u>
Total Net Position - Ending	<u>\$ 926,258</u>	<u>\$ 1,009,459</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows from Operating Activities:</u>		
<u>Revenue</u>		
Cash From Tenants	\$ 366,995	\$ 340,398
Cash From Housing Assistance Payments	562,250	892,065
Cash From Capital Fund Program	-	-
Cash Laundry	8,779	7,882
Cash Miscellaneous	13,914	15,081
<u>Cash Payments For Operating Expenses</u>	<u>(907,705)</u>	<u>(852,839)</u>
<u>Net Cash Provided by Operating Activities</u>	<u>44,233</u>	<u>402,587</u>
<u>Cash Flows From Investing Activities</u>		
Transfers To Reserve for Repairs and Renewals	(103,869)	(334,374)
Purchases of Improvements and Equipment	<u>-</u>	<u>(19,634)</u>
<u>Net Cash Used In Investing Activities</u>	<u>(103,869)</u>	<u>(354,008)</u>
Net Increase (Decrease)	(59,636)	48,579
Cash - Beginning of Period	<u>94,949</u>	<u>46,370</u>
Cash - End of Period	<u>\$ 35,313</u>	<u>\$ 94,949</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided by Operating Activities</u>		
Net Operating Income (Loss)	(83,201)	(14,800)
Adjustments to Reconcile Increase in Surplus to Net Cash Provided By Operating Activities:		
Depreciation	114,395	120,650
(Increase) Decrease in:		
Tenant Accounts Receivable	3,370	(4,579)
Sec. 8 Accounts Receivable	434	271,986
Prepaid Insurance	(3,490)	4,796
Prepaid Expenses	(211)	(170)
Increase (Decrease) in:		
Unearned Revenue - Tenants	(10,291)	12,231
Accounts Payable/Accrued Expenses	<u>23,227</u>	<u>12,473</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 44,233</u>	<u>\$ 402,587</u>

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

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, from the U.S. Department of Housing and Urban Development, was \$562,250, 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.

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.

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.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2022 and 2021 was \$114,395 and \$120,650 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. The Organization is currently operating under the first one-year renewal period. 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, 2022 and 2021 was \$73.68 and \$71.67, respectively, for a total of \$ 92,837 and \$90,306, respectively. Computer charges for the period were \$10.71 per unit per month, for a total of \$13,495 for the years ended June 30, 2022 and 2021, 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, 2022 and 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 \$36,966 and \$34,498 for the years ended June 30, 2022 and 2021, respectively.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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>2022</u>	<u>2021</u>
Petty Cash	\$ 300	\$ 300
Cash in Bank	<u>35,013</u>	<u>94,649</u>
Total	<u>\$ 35,313</u>	<u>\$ 94,949</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, 2022 and 2021 totaled \$2,497 and \$1,783, respectively.

NOTE G: TENANTS' RECEIVABLE

Tenants' receivables for the years ending June 30, 2022 and 2021 were \$34,994 and \$24,007 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, 2022 based on the Authority's estimate of the collectability of tenants' receivables. The allowances for uncollectible rents at June 30, 2022 and 2021 was \$18,000 and \$10,000, respectively.

GLOUCESTER CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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: RESERVE FOR REPAIRS AND REPLACEMENTS

During the years ended June 30, 2022 and 2021 the housing agency was required to set aside \$103,869 and \$100,000, respectively as specified amounts for the replacement of property and other project expenditures. All withdrawals require approval from HUD.

NOTE L: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 26, 2022, 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, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
1120 Cash – Operations	35,313	94,949
1130 Tenant/member Accounts Receivable (Coops)	28,637	24,007
1131 Allowance for Doubtful Accounts	18,000	10,000
1130N Net Tenant Accounts Receivable	10,637	14,007
1135 Accounts Receivable - HUD	-	434
1200 Prepaid Expenses	<u>89,251</u>	<u>85,550</u>
1100T Total Current Assets	<u>135,201</u>	<u>194,940</u>
1191 Tenant/patient Deposits Held in Trust	<u>34,994</u>	<u>34,238</u>
1320 Replacement Reserve	489,243	385,374
1300T Total Deposits	<u>489,243</u>	<u>385,374</u>
1410 Land	15,000	15,000
1420 Buildings	9,751,290	9,751,290
1440 Furniture for Project/Tenant Use	<u>84,350</u>	<u>84,350</u>
1400T Total Fixed Assets	9,850,640	9,850,640
1495 Accumulated Depreciation	<u>9,381,958</u>	<u>9,267,563</u>
1400T Net Fixed Assets	<u>468,682</u>	<u>583,077</u>
1000T Total Assets	<u><u>1,128,120</u></u>	<u><u>1,197,629</u></u>
LIABILITIES		
2110 Accounts Payable – Operations	\$ 139,068	119,663
2190 Miscellaneous Current Liabilities		
2190-020 Accrued Expenses	23,898	20,076
2210 Prepaid Revenue	<u>3,902</u>	<u>14,193</u>
2122T Total Current Liabilities	<u>166,868</u>	<u>153,932</u>
2191 Tenant/Patient Deposits held in Trust (Contra)	<u>34,994</u>	<u>34,238</u>
2300T Total Long Term Liabilities	<u>-</u>	<u>-</u>
2000T Total Liabilities	<u><u>201,862</u></u>	<u><u>188,170</u></u>
NET ASSETS		
3131 Unrestricted Net Assets	<u>926,258</u>	<u>1,009,459</u>
3130 Total Net Assets	<u>926,258</u>	<u>1,009,459</u>
2033T Total Liabilities and Equity/Net Assets	<u><u>1,128,120</u></u>	<u><u>1,197,629</u></u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
RENTS		
5120 Rent Revenue Gross Potential	<u>375,025</u>	<u>356,918</u>
5121 Tenant Assistance Payments	<u>562,250</u>	<u>356,918</u>
5190 Miscellaneous Revenue		
5190-020 Miscellaneous	8,121	7,806
5190-020 Unrealized gain	5,643	7,175
5190-020 Vacancy loss subsidy	1,968	-
5190-020 Late and other	<u>30</u>	<u>100</u>
	<u>15,762</u>	<u>15,081</u>
5100T Total Rent Revenue	<u>953,037</u>	<u>929,690</u>
VACANCIES		
5220 Apartments	5,368	11,941
5250 Rental Concessions	<u>-</u>	<u>-</u>
5200T Total Vacancies	<u>5,368</u>	<u>11,941</u>
5152N Net Rental Revenue (Rent Revenue Less Vacancies)	<u>947,669</u>	<u>917,749</u>
OTHER REVENUE		
5910 Laundry and Vending Revenue	8,899	7,882
5990 Capital Fund Program Grant	<u>-</u>	<u>-</u>
5900T Total Other Revenue	<u>8,899</u>	<u>7,882</u>
5000T Total Revenue	<u>956,568</u>	<u>925,631</u>
ADMINISTRATIVE EXPENSES		
6210 Advertising	296	576
6310 Office Salaries	68,606	51,248
6311 Office Expenses	9,033	6,766
6320 Management Fee	92,837	90,307
6330 Manager or Superintendent Salaries	63,424	56,815
6340 Legal Expense – Project	24,005	19,666
6350 Audit Expense	9,757	9,986
6351 Bookkeeping Fees/Accounting Services	13,495	13,495
6370 Bad Debts	20,382	10,000
6390 Miscellaneous Administrative Expenses	<u>85,659</u>	<u>78,377</u>
Details – Miscellaneous Administrative Expenses		
6390-010 – Tenant Services Salaries	16,506	16,908
6390-010 – Tenant Services Other	1,294	450
6390-010 – Dues and Subscriptions	-	120
6390-010 – Telephone	13,714	12,234
6390-010 – Postage	1,279	943
6390-010 – Other Office	5,544	3,799
6390-010 – Inspection and Other	17,422	16,272
6390-010 – Other Professional Fees	27,181	26,381
6390-010 – Misc Admin	2,719	1,270
6390-010 – Misc Bank Charges	-	-
6390-010 – Donations	<u>-</u>	<u>-</u>
6263T Total Administrative Expenses	<u>387,494</u>	<u>337,236</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
UTILITIES EXPENSE		
6420 Fuel Oil/Coal	-	-
6450 Electricity	23,408	23,782
6451 Water	60,079	45,742
6452 Gas	8,073	5,914
6453 Sewer	<u>76,044</u>	<u>76,870</u>
6400T Total Utilities Expense	<u>167,604</u>	<u>152,308</u>

OPERATING & MAINTENANCE EXPENSE

6510 Payroll	38,724	34,555
6515 Supplies	13,319	9,953
6520 Contracts	97,403	44,268
6525 Garbage and Trash Removal	6,028	5,103
6548 Snow Removal	-	-
6570 Vehicle and Maintained Equipment Operations and Repairs	1,815	1,426
6590 Miscellaneous Operating and Maintenance Expenses	<u>36,206</u>	<u>68,839</u>
Details – Miscellaneous Operating and Maintenance Expenses		
6590-010 – Other Maintenance Repairs	14,570	15,121
6590-010 – Plumbing Repairs	7,057	5,992
6590-010 – Electrical Repairs	2,454	1,937
6590-010 – Kitchen Equipment	2,963	3,517
6590-010 – Windows & Glass	2,913	1,156
6590-010 – Elevator Repairs and Maint.	-	7,465
6590-010- Carpentry	6,182	2,135
6590-010 - Masonry	67	530
6590-010 - Extraordinary Expense	<u>-</u>	<u>30,986</u>
6500T Total Operating and Maintenance Expenses	<u>193,495</u>	<u>164,144</u>

TAXES AND INSURANCE

6710 Real Estate Taxes	36,966	34,498
6711 Payroll Taxes (Project's Share)	18,909	17,010
6720 Property & Liability Insurance (Hazard)	82,293	81,369
6722 Workmen's Compensation	6,475	8,200
6723 Health Insurance and Other Employee Benefits	<u>32,138</u>	<u>25,016</u>
6700T Total Taxes and Insurance	<u>176,781</u>	<u>166,093</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
OPERATING RESULTS		
6000T Total Cost of Operation before Depreciation	<u>925,374</u>	<u>819,781</u>
5060T Profit (Loss) before Depreciation	31,194	105,850
6600 Depreciation Expenses	<u>114,395</u>	<u>120,650</u>
5060N Operating Profit or (Loss)	<u><u>(83,201)</u></u>	<u><u>(14,800)</u></u>
CHANGE IN NET ASSETS FROM OPERATIONS		
3247 Change in Unrestricted Net Assets from Operations	(83,201)	(14,800)
3250 Change in Total Net Assets from Operations	(83,201)	(14,800)
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.	103,869	334,374
EQUITY DATA		
S1100-060 Previous Year Unrestricted Net Assets	1,009,459	1,024,259
3247 Change in Unrestricted Net Assets from Operations	<u>(83,201)</u>	<u>(14,800)</u>
3131 Unrestricted Net Assets	926,258	1,009,459
S1100-050 Previous Year Total Net Assets	1,009,459	1,024,259
3250 Change in Total Net Assets from Operations	<u>(83,201)</u>	<u>(14,800)</u>
3130 Total Net Assets	<u><u>926,258</u></u>	<u><u>1,009,459</u></u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
CHANGE IN NET ASSETS FROM OPERATIONS		
S1200- 010 Rental Receipts	929,245	1,232,463
S1200 – 030 Other Operating Receipts	<u>22,693</u>	<u>22,963</u>
S1200 – 040 Total Receipts	951,938	1,255,426
S1200 – 050 Administrative	(129,208)	(121,958)
S1200 – 070 Management Fee	(92,837)	(90,307)
S1200 – 090 Utilities	(167,604)	(152,308)
S1200 – 100 Salaries and Wages	(187,260)	(159,526)
S1200 – 110 Operating and Maintenance	(154,771)	(129,589)
S1200 – 120 Real Estate Taxes	(36,966)	(34,498)
S1200 – 140 Property Insurance	(82,293)	(82,301)
S1200 – 150 Miscellaneous Taxes and Insurance	(57,522)	(50,226)
S1200 – 160 Tenant Security Deposits	756	(1,787)
S1200 – 170 Other Operating Expenses	<u>-</u>	<u>(30,339)</u>
S1200 – 230 Total Disbursements	<u>(907,705)</u>	<u>(852,839)</u>
S1200 – 240 Net Cash provided by (used in) Operating Activities	44,233	402,587
CASH FLOW INVESTING ACTIVITIES		
S1200 – 250 Net Deposits to the Reserve for Replacement account	(103,869)	(334,374)
S1200 – 330 Net Purchase of Fixed Assets	<u>-</u>	<u>(19,634)</u>
S1200 – 350 Net Cash Used in Investing Activities	<u>(103,869)</u>	<u>(354,008)</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM FINANCING ACTIVITIES		
S1200 – 470 Net Increase (decrease) in Cash and Cash Equivalents	(59,636)	48,579
CASH AND CASH EQUIVALENTS		
S1200 – 480 Beginning of Period Cash	<u>94,949</u>	<u>46,370</u>
S1200T End of Period Cash	<u>35,313</u>	<u>94,949</u>
SCHEDULE OF RESERVE FOR REPLACEMENT		
1320P Balance at Beginning of Year	385,374	51,000
1320DT Total Monthly Deposits	103,869	100,000
1320ODT Other Deposits	-	279,151
1320INT Interest on Replacement Reserve Accounts	-	-
1320WT Approved Withdraws	<u>-</u>	<u>44,777</u>
1320 Balance at End of Year	489,243	385,374
1320R Deposits Suspended or Waived Indicator	N	N

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS, AND RESIDUAL RECEIPTS (ANNUAL)		
S1300-010 Cash	70,307	129,187
1135 Accounts Receivable – HUD	-	14,441
S1300-40 Total Cash	<u>70,307</u>	<u>143,628</u>
S1300-70 Delinquent Deposits to Reserve for Replacements	-	-
S1300-75 Accounts Payable – 30 days	139,068	119,662
S1300-100 Accrued Expenses Not Escrowed	23,898	20,076
S1300-110 Due to HUD	-	-
2210 Prepaid Revenue	3,902	14,193
2191 Tenant/Patient Deposits Held in Trust (Contra)	<u>34,994</u>	<u>34,238</u>
S1300-140 Total Current Obligations	<u>201,862</u>	<u>188,169</u>
S1300-150 Surplus Cash (Deficiency)	(131,555)	(44,541)
S1300-200 Amount Available for Distribution during next fiscal period	-	-

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS

Capital asset activity for the GCHA for fiscal year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Building Structures	7,281,640	-	-	7,281,640
Equipment	84,350	-	-	84,350
Improvements	2,469,650	-	-	2,469,650
	<u>\$ 9,850,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,850,640</u>
Less: Accumulated Depreciation for:				
Building	\$ 6,968,272	\$ 66,883	\$ -	\$ 7,035,155
Equipment	66,375	2,275	-	68,650
Improvements	2,232,916	45,238	-	2,278,154
Total Accumulated Depreciation	<u>\$ 9,267,563</u>	<u>\$ 114,395</u>	<u>\$ -</u>	<u>\$ 9,381,958</u>
Total Capital Asset – Net	<u>\$ 583,077</u>			<u>\$ 468,682</u>

Depreciation expense for the fiscal year ended June 30, 2022 was \$114,395.

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
STATEMENTS OF INCOME AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Administrative</u>		
Postage	\$ 1,279	\$ 943
Telephone	13,714	12,234
Dues & Subscriptions	-	120
Office Supplies	9,033	6,766
Advertising	296	576
Legal	24,005	19,666
Accounting and Auditing	9,757	9,986
Computer Fees	13,495	12,495
Bad Debt	20,382	10,000
Other Professional Services	27,181	26,381
Inspection & Other	17,422	16,272
Other	<u>8,263</u>	<u>5,069</u>
<u>Total Administrative</u>	<u>\$ 144,827</u>	<u>\$ 120,508</u>
<u>Utilities</u>		
Water	\$ 60,079	\$ 45,742
Electricity	23,408	23,782
Gas	8,073	5,914
Sewer	<u>76,044</u>	<u>76,870</u>
<u>Total Utilities</u>	<u>\$ 167,604</u>	<u>\$ 152,308</u>
<u>Ordinary Maintenance and Operations – Material</u>		
Electrical	\$ 2,454	\$ 1,937
Window Glass	2,913	1,156
HVAC Supplies	4,231	1,233
Carpentry	6,182	2,135
Plumbing	7,057	5,992
Masonry	67	530
Kitchen Equipment	2,963	3,517
Janitorial Supplies	2,695	1,745
Equipment and Tools	395	55
Grounds and Landscaping	244	954
Snow Removal	-	-
Paint and Decorating Supplies	2,395	2,093
Maintenance Supplies	3,359	3,873
Vehicle	1,815	1,426
Other Maintenance Expense	<u>14,570</u>	<u>15,121</u>
<u>Total Ordinary Maintenance and Operation-Material</u>	<u>\$ 51,340</u>	<u>\$ 41,767</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
STATEMENTS OF INCOME AND EXPENSES (Cont'd)
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Ordinary Maintenance, Operations, and Contract Cost</u>		
Elevator	\$ 8,730	\$ 7,465
Trash Removal	6,028	5,103
Exterminating	6,863	7,107
Painting and Decorating	8,800	1,027
Grounds and Landscaping Contracts	10,808	10,483
Other Maintenance Contracts	<u>62,202</u>	<u>25,651</u>
<u>Total Ordinary Maintenance, Operations and Contract Cost</u>	<u>\$ 103,431</u>	<u>\$ 56,836</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
SCHEDULE OF ACCOUNTS PAYABLE & ACCRUED EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

<u>Accounts Payable</u>	
American Express	\$ 1,619
Anyzek Fuel, Inc.	414
John Barron Carpet Service, Inc.	1,495
Camden County MUA	7,920
Carr's Hardware	(26)
Connor Strong & Buckelew	64,587
J.C. Erlich Co. Inc.	156
Wages/Taxes GCH - Accrued Salaries	7,436
Gernserve, Inc.	1,045
HD Supply Facilities Ltd.	892
Keystone Fire Protection	12,331
Orsini Landscaping, Inc.	1,214
Pro Computer Service	53
PRD Management Inc.	27,626
Quill Corporation	576
RealPage, Inc.	5,492
River Mechanical Services, Inc.	5,686
Tenant refunds	552
<u>Total Accounts Payable</u>	<u>\$ 139,068</u>
 <u>Accrued Expenses</u>	
PSE&G - Electric	\$ 3,194
PSE&G - Gas	186
Chuck Wigginton - Legal	3,773
Joseph W. Bowley & Co., LLP - Audit	9,810
Real Estate Taxes	2,966
Other Accrued Expenses	3,968
<u>Total Accrued Expenses</u>	<u>\$ 23,898</u>

GLOUCESTER CITY HOUSING AUTHORITY
SUPPLEMENTARY DATA
SUPPLEMENTARY DATA REQUIRED BY HUD
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

FDS Line #		<u>2022</u>	<u>2021</u>
	Current Assets:		
111	Cash - Unrestricted	\$ 35,313	\$ 94,949
114	Cash - Tenants' Security Deposits	34,994	34,238
120	Tenant Accounts Receivable		
	Less: Allowance for Doubtful Accounts	<u>10,637</u>	<u>14,441</u>
	Total Current Assets	<u>80,944</u>	<u>143,628</u>
	Current Liabilities:		
312	Accounts Payable Due Within 90 Days	139,068	119,663
346	Accrued Liabilities	23,898	20,076
341	Tenants' Security Deposits Liability	34,994	34,238
342	Unearned Revenue - Tenant Rents	<u>3,902</u>	<u>14,193</u>
	Total Current Liabilities	<u>201,862</u>	<u>188,170</u>
969/12	Total Operating Expenses (925,374/12)	<u>77,115</u>	<u>64,900</u>
	Total Current Liabilities and Working Capital Minimum	<u>278,977</u>	<u>253,070</u>
	Surplus Cash (Deficiency)	<u>\$ (198,033)</u>	<u>\$ (109,442)</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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Blackwood, New Jersey 08012
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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, 2022 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 26, 2022.

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.

Joseph W. Bowley & Company, L.L.P.
Blackwood, New Jersey
September 26, 2022

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: _____