

**Gloucester City Housing Authority**

**Financial Statements**

**June 30, 2023**

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



GLOUCESTER CITY HOUSING AUTHORITY  
TABLE OF CONTENTS  
JUNE 30, 2023

<u>Description</u>	<u>Pages</u>
Independent Auditors' Report	3-5
Managements' Discussion and Analysis	6-9
Comparative Statements of Net Position	10-11
Comparative Statements of Revenue, Expenses and Changes in Net Position	12-14
Comparative Statements of Cash Flows	15
Notes to Financial Statements	16-20
Supplementary Information:	
Financial Data Schedules	21-28
Schedule of Changes - Capital Assets Additions	29
Supplementary Schedule of Expense	30-31
Schedule of Accounts Payable & Accrued Expenses	32
Computation of Surplus Cash, Distributions, and Residual Receipts – Annual	33
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	34-35
Schedule of Findings, Questioned Costs and Recommendations	36
Management Agents' Certification	37
Certification of Project Owner	38

# ***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, 2023 and 2022, 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, 2023 and 2022, 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 January 17, 2024 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  
January 17, 2024

GLOUCESTER CITY HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023

(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 \$154,274 for the year then ended. The Agency’s net position increased by \$44,417 from the prior year mainly due to \$69,000 in other income (insurance proceeds) and increased tenant rents of \$48,978 less depreciation expense of \$109,557.

Revenue from HUD operating subsidies was \$532,528 a decrease of \$29,721 from the prior year. Tenant rents were \$420,603, an increase of \$48,978 for the year then ended June 30, 2023. The total expenses of the Agency were \$877,252 for 2023 compared to \$925,374 for 2022, a decrease of \$48,122, excluding depreciation. The major reason for the decrease was a decrease 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, 2023**  
(Unaudited)

Table 2 – Change of Net Position

	<u>2023</u>	<u>2022</u>
Beginning Balance – July 1st	\$ 926,258	\$ 926,259
Results of Operations Before Depreciation	154,274	31,194
Adjustments: Current Year Depreciation Expense	(109,557)	(114,395)
Interest Income	<u>-</u>	<u>-</u>
Ending Balance – June 30th	<u>\$ 970,975</u>	<u>\$ 926,258</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>2023</u>	<u>2022</u>
<b><u>Revenues</u></b>		
Total Tenant Revenues	420,603	371,625
Operating Subsidies	532,528	562,250
Other	70,607	13,914
Laundry	<u>7,788</u>	<u>8,779</u>
	<u>1,031,526</u>	<u>956,568</u>
<b><u>Expenses</u></b>		
Administrative	194,901	193,051
Tenant Services	18,652	17,800
Utilities	161,036	167,604
Maintenance	230,103	256,919
Management Fee	95,621	92,837
General Expenses	176,939	176,781
Bad Debt	<u>-</u>	<u>20,382</u>
<b>Total Expenses</b>	<u>877,251</u>	<u>925,374</u>
Income Before Depreciation	154,275	31,194
Depreciation	<u>(109,557)</u>	<u>(114,395)</u>
Changes in Net Position	<u>44,718</u>	<u>(83,201)</u>

GLOUCESTER CITY HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2023  
(Unaudited)

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

Total revenue increased in 2023 primarily due to the following:

Tenant rents collected increased	\$ 48,978
HUD subsidy decreased	(29,722)
Insurance proceeds	69,000

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 \$9,943,311 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 \$109,557. During the year, there were \$92,671 in capital asset additions. There was other income of \$69,000 that was from insurance proceeds the Authority received, due to a fire at one of the Authority's scattered site houses on February 14, 2023. There was no gain or loss recognized as the Authority has not made a determination of sale or re-building at this time.

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

	<u>2023</u>	<u>2022</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>2,562,311</u>	<u>2,469,650</u>
	9,943,311	9,850,640
Accumulated Depreciation	<u>(9,491,515)</u>	<u>(9,381,958)</u>
<b>Net Capital Assets</b>	<b><u>\$ 451,796</u></b>	<b><u>\$ 468,682</u></b>

The following reconciliation identifies the changes in Capital Assets.

**Table 5 – Change in Capital Assets**

	<u>2023</u>	<u>2022</u>
Beginning Balance – July 1st	\$ 468,682	\$ 583,077
Changes Current Year	92,671	-
Current Year Depreciation Expense	<u>(109,557)</u>	<u>(114,395)</u>
Beginning Balance – June 30th	<b><u>\$ 451,796</u></b>	<b><u>\$ 468,682</u></b>



GLOUCESTER CITY HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2023  
(Unaudited)

Federal Awards status at June 30, 2023:

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 Darryl Yorkman 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, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Assets</u>		
Petty Cash	\$ 300	\$ 300
Cash in Bank	98,018	35,013
Accounts Receivable - Sec. 8	693	-
Other Receivables	1,009	-
Tenant Accounts Receivable, less allowance for doubtful accounts of \$3,500 and \$18,000 for 2023 and 2022 respectively	13,125	10,637
Reserve for Repairs and Renewals	505,550	489,243
Prepaid Insurance	12,126	70,600
Prepaid Expense	<u>12,280</u>	<u>18,651</u>
<u>Total Current Assets</u>	<u>643,101</u>	<u>624,444</u>
 <u>Deposits Held in Trust</u>		
Tenants' Security Deposits	<u>35,451</u>	<u>34,994</u>
<u>Total Deposits Held in Trust</u>	<u>35,451</u>	<u>34,994</u>
 <u>Capital Assets</u>		
Land, Structure and Equipment:		
Land	15,000	15,000
Building Structures	7,281,650	7,281,650
Equipment	84,350	84,350
Improvements	<u>2,562,311</u>	<u>2,469,640</u>
	9,943,311	9,850,640
Less: Accumulated Depreciation	<u>9,491,515</u>	<u>9,381,958</u>
<u>Total Capital Assets</u>	<u>451,796</u>	<u>468,682</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 1,130,348</u>	 <u>\$ 1,128,120</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, 2023 AND 2022

LIABILITIES AND NET ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 66,481	\$ 139,068
Unearned Revenue - Tenants	7,123	3,902
Accrued Expenses	<u>50,318</u>	<u>23,898</u>
<u>Total Current Liabilities</u>	<u>123,922</u>	<u>166,868</u>
 <u>Deposit Liabilities</u>		
Tenants' Security Deposit	<u>35,451</u>	<u>34,994</u>
<u>Total Deposit Liabilities</u>	<u>35,451</u>	<u>34,994</u>
<u>Total Liabilities</u>	<u>159,373</u>	<u>201,862</u>
 <u>Net Position</u>		
Invested in Capital Assets (net of related debt)	451,796	468,682
Unrestricted Net Assets	<u>519,179</u>	<u>457,576</u>
	<u>970,975</u>	<u>926,258</u>
 <u>TOTAL LIABILITIES AND NET POSITION</u>	 <u>\$ 1,130,348</u>	 <u>\$ 1,128,120</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>OPERATING INCOME</u>		
Tenant Rents	\$ 420,603	\$ 371,625
Housing and Urban Development Subsidy	532,528	562,250
Laundry	7,788	8,779
Other Income	70,607	13,914
<u>TOTAL OPERATING INCOME</u>	<u>\$ 1,031,526</u>	<u>\$ 956,568</u>
<u>OPERATING EXPENSES</u>		
<u>Administration</u>		
Salaries	69,561	68,606
Other Administration Expense (Schedule)	125,340	144,827
<u>Total Administration Expenses</u>	<u>194,901</u>	<u>213,433</u>
<u>Tenant Services</u>		
Recreation, Publications, & Other	18,652	17,800
<u>Utilities</u>		
Utilities (Schedule)	161,036	167,604
<u>Ordinary Maintenance and Operations</u>		
Labor	103,193	102,148
Ordinary Maintenance & Material	64,344	51,340
Contract Cost (Schedule)	62,566	103,431
<u>Total Ordinary Expenses</u>	<u>230,103</u>	<u>256,919</u>
<u>General Expenses</u>		
Insurance	87,233	82,293
Payments in Lieu of Taxes	41,980	36,966
Employee Benefit Contributions	47,726	57,522
<u>Total General Expenses</u>	<u>176,939</u>	<u>176,781</u>
<u>Management Fee</u>	<u>95,621</u>	<u>92,837</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Non-Routine Operating Expenses</u>		
Extraordinary Expense	-	-
<u>Total Non-Routine Operating (Income) Expenses</u>	-	-
<u>TOTAL OPERATING EXPENSES</u>	<u>877,252</u>	<u>925,374</u>
<u>INCOME (LOSS) BEFORE DEPRECIATION</u>	<u>154,274</u>	<u>31,194</u>
Depreciation Expense	<u>109,557</u>	<u>114,395</u>
<u>OPERATING GAIN (LOSS)</u>	<u>44,717</u>	<u>(83,201)</u>
<u>NON-OPERATING REVENUE (EXPENSES)</u>		
Total Non-Operating Revenue	-	-
<u>CHANGE IN NET POSITION</u>	<u>\$ 44,717</u>	<u>\$ (83,201)</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Total Net Position - Beginning	\$ 926,258	\$ 1,009,459
Less: Change in Net Position	<u>44,717</u>	<u>(83,201)</u>
Total Net Position - Ending	<u>\$ 970,975</u>	<u>\$ 926,258</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows from Operating Activities:</u>		
<u>Revenue</u>		
Cash From Tenants	\$ 418,571	\$ 366,995
Cash From Housing Assistance Payments	531,835	562,250
Cash Laundry	7,788	8,779
Cash Miscellaneous	70,607	13,914
<u>Cash Payments For Operating Expenses</u>	<u>(856,817)</u>	<u>(907,705)</u>
<u>Net Cash Provided by Operating Activities</u>	<u>171,984</u>	<u>44,233</u>
<u>Cash Flows From Investing Activities</u>		
Transfers To Reserve for Repairs and Renewals	(16,307)	(103,869)
Purchases of Improvements and Equipment	<u>(92,671)</u>	<u>-</u>
<u>Net Cash Used In Investing Activities</u>	<u>(108,978)</u>	<u>(103,869)</u>
Net Increase (Decrease)	63,006	(59,636)
Cash - Beginning of Period	<u>35,313</u>	<u>94,949</u>
Cash - End of Period	<u>\$ 98,319</u>	<u>\$ 35,313</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided by Operating Activities</u>		
Net Operating Income (Loss)	44,717	(83,201)
Adjustments to Reconcile Increase in Surplus to Net Cash Provided By Operating Activities:		
Depreciation	109,557	114,395
(Increase) Decrease in:		
Tenant Accounts Receivable	(2,488)	3,370
Sec. 8 Accounts Receivable	(693)	434
Other Receivables	(1,009)	-
Prepaid Insurance	58,474	(3,490)
Prepaid Expenses	6,372	(211)
Increase (Decrease) in:		
Unearned Revenue - Tenants	3,221	(10,291)
Accounts Payable/Accrued Expenses	<u>(46,168)</u>	<u>23,227</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 171,983</u>	<u>\$ 44,233</u>

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

GLOUCESTER CITY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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, 2023, from the U.S. Department of Housing and Urban Development, was \$532,528, 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 \$79.

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, 2023

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, 2023

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, 2023 and 2022 was \$109,557 and \$114,395 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, 2023 and 2022 was \$75.89 and \$73.68, respectively, for a total of \$103,590 and \$92,837, respectively. Computer charges for the period were \$11.60 and \$10.71 per unit per month, for a total of \$14,619 and \$13,495 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022.

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 \$41,980 and \$36,966 for the years ended June 30, 2023 and 2022, respectively.

GLOUCESTER CITY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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>2023</u>	<u>2022</u>
Petty Cash	\$ 300	\$ 300
Cash in Bank	<u>98,018</u>	<u>35,013</u>
Total	<u>\$ 98,018</u>	<u>\$ 95,313</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, 2023 and 2022 totaled \$2,966 and \$2,497, respectively.

NOTE G: TENANTS' RECEIVABLE

Tenants' receivables for the years ending June 30, 2023 and 2022 were \$16,625 and \$28,637 respectively. Tenants' receivables have been shown net of an allowance for uncollectible. The Authority has provided an allowance for bad debt for the years ended June 30, 2023 and 2022 based on the Authority's estimate of the collectability of tenants' receivables. The allowances for uncollectible rents at June 30, 2023 and 2022 was \$3,500 and \$18,000, respectively.

GLOUCESTER CITY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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, 2023 and 2022 the housing agency was required to set aside \$108,978 and \$103,869, respectively as specified amounts for the replacement of property and other project expenditures. All withdrawals require approval from HUD.

NOTE L: OTHER INCOME

There was other income of \$69,000 that was from insurance proceeds the Authority received, due to a fire at one of the Authority’s scattered site houses on February 14, 2023. There was no gain or loss recognized as the Authority has not made a determination of sale or re-building at this time.

NOTE M: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 17, 2024, 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, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
1120 Cash – Operations	98,318	35,313
1130 Tenant/member Accounts Receivable (Coops)	16,625	28,637
1131 Allowance for Doubtful Accounts	3,500	18,000
1130N Net Tenant Accounts Receivable	13,125	10,637
1135 Accounts Receivable - HUD	693	-
1190 Miscellaneous Receivable	1,009	-
1200 Prepaid Expenses	24,406	89,251
1100T Total Current Assets	<u>137,551</u>	<u>135,201</u>
1191 Tenant/patient Deposits Held in Trust	<u>35,451</u>	<u>34,994</u>
1320 Replacement Reserve	505,550	489,243
1300T Total Deposits	<u>505,550</u>	<u>489,243</u>
1410 Land	15,000	15,000
1420 Buildings	9,843,961	9,751,290
1440 Furniture for Project/Tenant Use	84,350	84,350
1400T Total Fixed Assets	<u>9,943,311</u>	<u>9,850,640</u>
1495 Accumulated Depreciation	<u>9,491,515</u>	<u>9,381,958</u>
1400T Net Fixed Assets	<u>451,796</u>	<u>468,682</u>
1000T Total Assets	<u><u>1,130,348</u></u>	<u><u>1,128,120</u></u>
<b>LIABILITIES</b>		
2110 Accounts Payable – Operations	\$ 66,481	\$ 139,068
2190 Miscellaneous Current Liabilities		
2190-020 Accrued Expenses	50,318	23,898
2210 Prepaid Revenue	7,123	3,902
2122T Total Current Liabilities	<u>123,922</u>	<u>166,868</u>
2191 Tenant/Patient Deposits held in Trust (Contra)	<u>35,451</u>	<u>34,994</u>
2300T Total Long Term Liabilities	<u>-</u>	<u>-</u>
2000T Total Liabilities	<u><u>159,373</u></u>	<u><u>201,862</u></u>
<b>NET ASSETS</b>		
3131 Unrestricted Net Assets	970,975	926,258
3130 Total Net Assets	<u>970,975</u>	<u>926,258</u>
2033T Total Liabilities and Equity/Net Assets	<u><u>1,130,348</u></u>	<u><u>1,128,120</u></u>

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
RENTS		
5120 Rent Revenue Gross Potential	<u>433,742</u>	<u>375,025</u>
5121 Tenant Assistance Payments	<u>532,528</u>	<u>562,250</u>
5190 Miscellaneous Revenue		
5190-020 Miscellaneous	69,606	8,121
5190-020 Commercial	999	
5190-020 Unrealized gain	2	5,643
5190-020 Vacancy loss subsidy	807	1,968
5190-020 Late and other	<u>-</u>	<u>30</u>
	<u>71,414</u>	<u>15,762</u>
5100T Total Rent Revenue	<u>1,037,684</u>	<u>953,037</u>
VACANCIES		
5220 Apartments	13,946	5,368
5250 Rental Concessions	<u>-</u>	<u>-</u>
5200T Total Vacancies	<u>13,946</u>	<u>5,368</u>
5152N Net Rental Revenue (Rent Revenue Less Vacancies)	<u>1,023,738</u>	<u>947,669</u>
OTHER REVENUE		
5910 Laundry and Vending Revenue	7,788	8,899
5900T Total Other Revenue	<u>7,788</u>	<u>8,899</u>
5000T Total Revenue	<u>1,031,526</u>	<u>956,568</u>
ADMINISTRATIVE EXPENSES		
6210 Advertising	42	296
6310 Office Salaries	69,561	68,606
6311 Office Expenses	11,743	9,033
6320 Management Fee	95,621	92,837
6330 Manager or Superintendent Salaries	63,547	63,424
6340 Legal Expense – Project	21,186	24,005
6350 Audit Expense	10,383	9,757
6351 Bookkeeping Fees/Accounting Services	13,495	13,495
6370 Bad Debts	493	20,382
6390 Miscellaneous Administrative Expenses	<u>86,650</u>	<u>85,659</u>
<b>Details – Miscellaneous Administrative Expenses</b>		
6390-010 – Tenant Services Salaries	18,177	16,506
6390-010 – Tenant Services Other	475	1,294
6390-010 – Dues and Subscriptions	-	-
6390-010 – Telephone	15,024	13,714
6390-010 – Postage	1,162	1,279
6390-010 – Other Office	5,696	5,544
6390-010 – Inspection and Other	16,225	17,422
6390-010 – Other Professional Fees	27,646	27,181
6390-010 – Misc Admin	<u>2,245</u>	<u>2,719</u>
6263T Total Administrative Expenses	<u>372,721</u>	<u>387,494</u>

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
UTILITIES EXPENSE		
6450 Electricity	31,139	23,408
6451 Water	47,359	60,079
6452 Gas	8,519	8,073
6453 Sewer	<u>74,019</u>	<u>76,044</u>
6400T Total Utilities Expense	<u>161,036</u>	<u>167,604</u>
OPERATING & MAINTENANCE EXPENSE		
6510 Payroll	39,646	38,724
6515 Supplies	21,696	13,319
6520 Contracts	55,948	97,403
6525 Garbage and Trash Removal	6,618	6,028
6548 Snow Removal	-	-
6570 Vehicle and Maintained Equipment Operations and Repairs	453	1,815
6590 Miscellaneous Operating and Maintenance Expenses	<u>42,195</u>	<u>36,206</u>
<b>Details – Miscellaneous Operating and Maintenance Expenses</b>		
6590-010 – Other Maintenance Repairs	25,732	14,570
6590-010 – Plumbing Repairs	6,254	7,057
6590-010 – Electrical Repairs	2,377	2,454
6590-010 – Kitchen Equipment	3,093	2,963
6590-010 – Windows & Glass	1,116	2,913
6590-010- Carpentry	3,575	6,182
6590-010 - Masonry	<u>48</u>	<u>67</u>
6500T Total Operating and Maintenance Expenses	<u>166,556</u>	<u>193,495</u>
TAXES AND INSURANCE		
6710 Real Estate Taxes	41,980	36,966
6711 Payroll Taxes (Project’s Share)	20,054	18,909
6720 Property & Liability Insurance (Hazard)	87,233	82,293
6722 Workmen’s Compensation	6,747	6,475
6723 Health Insurance and Other Employee Benefits	<u>20,925</u>	<u>32,138</u>
6700T Total Taxes and Insurance	<u>176,939</u>	<u>176,781</u>



GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
OPERATING RESULTS		
6000T Total Cost of Operation before Depreciation	877,252	925,374
5060T Profit (Loss) before Depreciation	154,275	31,194
6600 Depreciation Expenses	109,557	114,395
5060N Operating Profit or (Loss)	<u>44,717</u>	<u>(83,201)</u>
CHANGE IN NET ASSETS FROM OPERATIONS		
3247 Change in Unrestricted Net Assets from Operations	44,717	(83,201)
3250 Change in Total Net Assets from Operations	44,717	(83,201)
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	103,869
EQUITY DATA		
S1100-060 Previous Year Unrestricted Net Assets	926,258	1,009,459
3247 Change in Unrestricted Net Assets from Operations	44,717	(83,201)
3131 Unrestricted Net Assets	970,975	926,258
S1100-050 Previous Year Total Net Assets	926,258	1,009,459
3250 Change in Total Net Assets from Operations	44,717	(83,201)
3130 Total Net Assets	<u>970,975</u>	<u>926,258</u>

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>		
S1200- 010 Rental Receipts	950,406	929,245
S1200 – 030 Other Operating Receipts	78,395	22,693
S1200 – 040 Total Receipts	<u>1,028,801</u>	<u>951,938</u>
S1200 – 050 Administrative	(164,313)	(129,208)
S1200 – 070 Management Fee	(95,620)	(92,837)
S1200 – 090 Utilities	(161,036)	(167,604)
S1200 – 100 Salaries and Wages	(190,931)	(187,260)
S1200 – 110 Operating and Maintenance	(126,910)	(154,771)
S1200 – 120 Real Estate Taxes	(41,980)	(36,966)
S1200 – 140 Property Insurance	(28,759)	(82,293)
S1200 – 150 Miscellaneous Taxes and Insurance	(47,726)	(57,522)
S1200 – 160 Tenant Security Deposits	457	756
S1200 – 170 Other Operating Expenses	<u>-</u>	<u>-</u>
S1200 – 230 Total Disbursements	<u>(856,818)</u>	<u>(907,705)</u>
S1200 – 240 Net Cash provided by (used in) Operating Activities	171,983	44,233
<b>CASH FLOW INVESTING ACTIVITIES</b>		
S1200 – 250 Net Deposits to the Reserve for Replacement account	(16,307)	(103,869)
S1200 – 330 Net Purchase of Fixed Assets	<u>(92,671)</u>	<u>-</u>
S1200 – 350 Net Cash Used in Investing Activities	<u>(108,978)</u>	<u>(103,869)</u>

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
S1200 – 470 Net Increase (decrease) in Cash and Cash Equivalents	63,005	(59,636)
<b>CASH AND CASH EQUIVALENTS</b>		
S1200 – 480 Beginning of Period Cash	<u>35,313</u>	<u>94,949</u>
S1200T End of Period Cash	<u><u>98,318</u></u>	<u><u>35,313</u></u>
<b>SCHEDULE OF RESERVE FOR REPLACEMENT</b>		
1320P Balance at Beginning of Year	489,243	385,374
1320DT Total Monthly Deposits	16,307	103,869
1320ODT Other Deposits	-	-
1320INT Interest on Replacement Reserve Accounts	-	-
1320WT Approved Withdraws	<u>-</u>	<u>-</u>
1320 Balance at End of Year	505,550	489,243
1320R Deposits Suspended or Waived Indicator	N	N

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
<b>COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS, AND RESIDUAL RECEIPTS (ANNUAL)</b>		
S1300-010 Cash	133,769	70,307
1135 Accounts Receivable – HUD	693	-
	<u>1,009</u>	<u>-</u>
S1300-40 Total Cash	135,471	70,307
S1300-70 Delinquent Deposits to Reserve for Replacements	-	-
S1300-75 Accounts Payable – 30 days	66,481	139,068
S1300-100 Accrued Expenses Not Escrowed	50,318	23,898
2210 Prepaid Revenue	7,123	3,902
2191 Tenant/Patient Deposits Held in Trust (Contra)	<u>35,451</u>	<u>34,994</u>
S1300-140 Total Current Obligations	<u>159,373</u>	<u>201,862</u>
S1300-150 Surplus Cash (Deficiency)	(23,902)	(131,555)
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, 2023

CAPITAL ASSETS

Capital asset activity for the GCHA for fiscal year ended June 30, 2023 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	84,350	-	-	84,350
Improvements	<u>2,469,650</u>	<u>92,671</u>	<u>-</u>	<u>2,562,321</u>
	<u>\$ 9,850,640</u>	<u>\$ 92,671</u>	<u>\$ -</u>	<u>\$ 9,943,311</u>
Less: Accumulated Depreciation for:				
Building	\$ 7,035,155	\$ 66,883	\$ -	\$ 7,102,038
Equipment	68,650	1,123	-	69,773
Improvements	<u>2,278,153</u>	<u>41,551</u>	<u>-</u>	<u>2,319,704</u>
Total Accumulated Depreciation	<u>\$ 9,381,958</u>	<u>\$ 109,557</u>	<u>\$ -</u>	<u>\$ 9,491,515</u>
Total Capital Asset – Net	<u>\$ 468,682</u>			<u>\$ 451,796</u>

Depreciation expense for the fiscal year ended June 30, 2023 was \$109,557

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
STATEMENTS OF INCOME AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Administrative</u>		
Postage	\$ 1,162	\$ 1,279
Telephone	15,024	13,714
Office Supplies	11,743	9,033
Advertising	42	296
Legal	21,186	24,005
Accounting and Auditing	10,383	9,757
Computer Fees	13,495	13,495
Bad Debt	493	20,382
Other Professional Services	27,646	27,181
Inspection & Other	16,225	17,422
Other	7,941	8,263
<u>Total Administrative</u>	<u>\$ 125,340</u>	<u>\$ 144,827</u>
<u>Utilities</u>		
Water	\$ 47,359	\$ 60,079
Electricity	31,139	23,408
Gas	8,519	8,073
Sewer	74,019	76,044
<u>Total Utilities</u>	<u>\$ 161,036</u>	<u>\$ 167,604</u>
<u>Ordinary Maintenance and Operations – Material</u>		
Electrical	\$ 2,377	\$ 2,454
Window Glass	1,116	2,913
HVAC Supplies	7,450	4,231
Carpentry	3,575	6,182
Plumbing	6,254	7,057
Masonry	48	67
Kitchen Equipment	3,093	2,963
Janitorial Supplies	2,158	2,695
Equipment and Tools	83	395
Grounds and Landscaping	4,976	244
Paint and Decorating Supplies	2,140	2,395
Maintenance Supplies	4,889	3,359
Vehicle	453	1,815
Other Maintenance Expense	25,732	14,570
<u>Total Ordinary Maintenance and Operation-Material</u>	<u>\$ 64,344</u>	<u>\$ 51,340</u>

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
STATEMENTS OF INCOME AND EXPENSES (Cont'd)  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Ordinary Maintenance, Operations, and Contract Cost</u>		
Elevator	\$ 9,103	\$ 8,730
Trash Removal	6,618	6,028
Exterminating	5,303	6,863
Painting and Decorating	925	8,800
Grounds and Landscaping Contracts	12,720	10,808
Other Maintenance Contracts	<u>27,897</u>	<u>62,202</u>
<u>Total Ordinary Maintenance, Operations and Contract Cost</u>	<u>\$ 62,566</u>	<u>\$ 103,431</u>

GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
SCHEDULE OF ACCOUNTS PAYABLE & ACCRUED EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Accounts Payable</u>	
American Express	\$ 268
Wages/Taxes GCH - Accrued Salaries	64,419
Otis Elevator Corp	566
PRD Management Inc.	1,118
Quill Corporation	400
Tenant refunds	(290)
<u>Total Accounts Payable</u>	<u>\$ 66,481</u>
 <u>Accrued Expenses</u>	
PSE&G - Electric	\$ 477
PSE&G - Gas	219
Direct Energy - Electric	1,441
Direct Energy - Gas	284
Connor Strong & Buckelew	5,909
Wages/Taxes GCH - Accrued Salaries	2,499
CCMUA accruals	9,060
Philip D Kunz Architect	2,108
Chuck Wigginton - Legal	2,653
Joseph W. Bowley & Co., LLP - Audit	10,051
401k Accruals	3,727
Real Estate Taxes	10,946
Accrued Deposit Refunds	342
Other Accrued Expenses	601
<u>Total Accrued Expenses</u>	<u>\$ 50,318</u>



GLOUCESTER CITY HOUSING AUTHORITY  
SUPPLEMENTARY DATA  
SUPPLEMENTARY DATA REQUIRED BY HUD  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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

FDS Line #		<u>2023</u>	<u>2022</u>
	Current Assets:		
111	Cash - Unrestricted	\$ 98,318	\$ 35,313
114	Cash - Tenants' Security Deposits	35,451	34,994
120	Tenant Accounts Receivable		
	Less: Allowance for Doubtful Accounts	<u>13,818</u>	<u>10,637</u>
	Total Current Assets	<u>147,587</u>	<u>80,944</u>
	Current Liabilities:		
312	Accounts Payable Due Within 90 Days	66,481	139,068
346	Accrued Liabilities	50,318	23,898
341	Tenants' Security Deposits Liability	35,451	34,994
342	Unearned Revenue - Tenant Rents	<u>7,123</u>	<u>3,902</u>
	Total Current Liabilities	<u>159,373</u>	<u>201,862</u>
969/12	Total Operating Expenses (877,251/12)	<u>73,104</u>	<u>77,115</u>
	Total Current Liabilities and Working Capital Minimum	<u>232,477</u>	<u>278,977</u>
	Surplus Cash (Deficiency)	<u>\$ (84,890)</u>	<u>\$ (198,033)</u>

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

## **CERTIFIED PUBLIC ACCOUNTANTS**

- Joseph W. Bowley, CPA, Partner
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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, 2023 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 January 17, 2024.

#### **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  
January 17, 2024

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: \_\_\_\_\_