

**HOUSING AUTHORITY OF
GLOUCESTER COUNTY, NEW JERSEY**

**REPORT OF AUDIT
FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**



HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

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HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

PART I - FINANCIAL SECTION

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Gloucester County, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of the Housing Authority of Gloucester County, New Jersey, a component unit of the County of Gloucester, as of and for the years ended December 31, 2019 and 2018 and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing Authority of Gloucester County, New Jersey and of its aggregate discretely presented component units as of December 31, 2019 and 2018, and its changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Financial Data Schedule as required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Financial Data Schedule as required by the U.S. Department of Housing and Urban Development are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Financial Data Schedule are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2020 on our consideration of the Housing Authority of Gloucester County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of Gloucester County's internal control over financial reporting and compliance.

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 18, 2020

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 Commissioners
Housing Authority of Gloucester County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities and the discretely presented component units of the Housing Authority of Gloucester County (Authority), a component unit of the County of Gloucester, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority of Gloucester County's basic financial statements, and have issued our report thereon dated September 18, 2020. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this does not include reporting on internal control over financial reporting or instances of reportable noncompliance with the discretely presented component units.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Housing Authority of Gloucester County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

BOWMAN & COMPANY LLP
Certified Public Accountants &
Consultants

Woodbury, New Jersey
September 18, 2020

HOUSING AUTHORITY OF GLOUCESTER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019
Unaudited

This section of the Housing Authority of Gloucester County's ("Authority") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2019. We encourage readers to consider the information presented here in conjunction with the Corporation's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Management's Discussion and Analysis is intended to share management's analysis of the Authority's financial performance. The Authority's financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to private businesses, such as real estate development and management. The financial statements included in this report were prepared in accordance with GAAP applicable to governmental entities for Proprietary Fund types ("Business-Type" activities). The financial statements and accompanying data include the following:

1. **The Statements of Net Position** - presents information on all the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and with the difference reported as net position (equity).
2. **The Statements of Revenue, Expenses, and Changes in Net Position** - presents information on revenues and expenses showing how the Authority performed.
3. **The Statements of Cash Flows** - presenting the inflows and outflows of cash and cash equivalents.
4. **Notes to Financial Statements** - provides additional information essential to fully understanding the data provided in the financial statements.
5. **Supplemental Information** - presents the schedule of expenditures of Federal Awards as required by the U.S. Office of Management and Budget (2 CFR 200 *Uniform Guidance*). Also included are the Financial Data Schedule and Capital Grant Schedule. Schedules for the Authority's post-retirement plan and the State-Administered pension plan are presented as Required Supplementary Information.

**HOUSING AUTHORITY OF GLOUCESTER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

December 31, 2019

Unaudited

FINANCIAL HIGHLIGHTS

- The Authority's Total Net Position (equity) decreased from 2018 to 2019 to \$13,363,520, including a decrease in Net Investment in Capital Assets of \$870,441, a decrease in Restricted Net Position of \$614,473, and a decrease in Unrestricted Net Position of \$1,573,033.

- The Authority's Cash and Investment balance at the reporting year-end was **\$8,916,141** in 2019, **\$8,237,631** in 2018, and **\$7,473,055** in 2017. This includes amounts designated for restricted use.

- The Authority had Total Revenues of **\$25,439,536** in 2019, **\$25,037,495** in 2018, and **\$24,076,140** in 2017. The Authority had Total Expenses of **\$27,012,569** in 2019, **\$26,642,927** in 2018, and **\$26,175,219** in 2017.

- The Primary Government's Expenditures of Federal Awards amounted to **\$19,171,313** in 2019, **\$19,124,367** in 2018, and **\$18,611,239** in 2017.

- The Authority lost over **\$345,000** in 2019, **\$344,800** in 2018, and **\$392,000** in 2017 in Section 8 Housing Choice Voucher Adr as a result of the proration factor determined by HUD. The proration factor is based on national leasing statistics in the Prog fiscal limitations imposed by Federal Appropriations.

- The Authority lost over **\$20,000** in 2019, **\$50,000** in 2018, and **\$64,000** in 2017 in government subsidy in the Public Housing Programs due to Federal Program cuts.

OTHER FINANCIAL INFORMATION

The Housing Authority of Gloucester County operates various programs involving the provisioning of affordable housing services. Some programs are federal or state instituted and others are management operations of affordable housing.

The major programs of the Authority are:

1. Public Housing Program
2. Section 8 Housing Choice Voucher Program
3. Business Activities, consisting of General Management and Supplemental funds.
4. Component Units, which are legally separate corporations and instrumentalities of the Housing Authority formed to carry out the mission of the Authority and expand affordable housing opportunities.

The financial books are maintained in accordance with Generally Accepted Accounting Principles (for government entities).

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Management's Discussion and Analysis (continued)

CONDENSED FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION

	December 31, 2019		December 31, 2018		December 31, 2017	
	PRIMARY	COMPONENT	PRIMARY	COMPONENT	PRIMARY	COMPONENT
	GOVERNMENT	UNITS	GOVERNMENT	UNITS	GOVERNMENT	UNITS
Assets:						
Current Assets	\$ 4,707,179	\$ 2,047,837	\$ 4,107,276	\$ 2,243,178	\$ 3,630,360	\$ 2,421,248
Restricted Assets	103,562	2,783,501	86,653	2,710,948	135,492	2,465,243
Capital Assets, net of Depreciation	5,993,353	22,277,981	6,997,403	23,049,046	7,944,268	23,952,821
Other Non Current Assets	-	556,497	-	591,340	-	626,760
Total Assets	\$ 10,804,094	\$ 27,665,816	\$ 11,191,332	\$ 28,594,512	\$ 11,710,120	\$ 29,466,072
Deferred Outflow of Resources, Related to Pensions	\$ 3,604,261		\$ 2,853,792		\$ 2,734,719	
Liabilities:						
Current Liabilities	\$ 718,355	\$ 832,421	\$ 670,303	\$ 952,777	\$ 941,823	\$ 900,550
Long-Term Liabilities	15,747,904	8,500,303	14,400,439	8,698,062	12,372,515	8,965,113
Total Liabilities	\$ 16,466,259	\$ 9,332,724	\$ 15,070,742	\$ 9,650,839	\$ 13,314,338	\$ 9,865,663
Deferred Inflow of Resources, Related to Pensions	\$ 2,911,668		\$ 2,981,502		\$ 1,741,323	
Net Position:						
Net Investment in Capital Assets	5,993,353	1,044,609	6,997,403	911,000	7,944,268	914,260
Restricted Net Position	472,448	3,222,499	360,881	3,814,454	79,865	4,290,574
Unrestricted Net Position	(11,435,373)	14,065,984	(11,365,404)	14,218,219	(8,634,955)	14,395,575
Total Net Position	\$ (4,969,572)	\$ 18,333,092	\$ (4,007,120)	\$ 18,943,673	\$ (610,822)	\$ 19,600,409

STATEMENTS OF REVENUE, EXPENSES and CHANGES IN NET POSITION

	December 31, 2019		December 31, 2018		December 31, 2017	
	PRIMARY	COMPONENT	PRIMARY	COMPONENT	PRIMARY	COMPONENT
	GOVERNMENT	UNITS	GOVERNMENT	UNITS	GOVERNMENT	UNITS
Operating Revenues:						
Tenant Revenues	\$ 1,035,732	\$ 3,377,296	\$ 1,034,377	\$ 1,272,716	\$ 1,039,310	\$ 1,233,861
Government Grants	18,975,173		18,994,717	2,039,278	18,622,920	2,034,630
Other Revenues	1,145,143	129,496	1,593,179	103,228	978,451	166,968
Total Operating Revenues	21,156,048	3,506,792	21,622,273	3,415,222	20,640,681	3,435,459
Operating Expenses:						
Housing Assistance Payments	15,993,276	-	16,041,530	-	16,013,493	-
Administrative and Other Expenses	5,817,703	2,949,387	5,127,024	2,706,067	5,989,399	2,490,277
Depreciation Expense	1,058,884	1,001,709	1,333,432	987,716	1,265,645	956,405
Total Operating Expense	22,869,863	3,951,096	22,501,986	3,693,783	23,268,537	3,446,682
Operating Income (Loss)	(1,713,815)	-444,304	(879,713)	-278,561	(2,627,856)	-11,223
Non-operating Revenues (Expenses):						
Capital Grants	410,225	-	364,907	-	181,218	-
Gain (loss) on disposition of property	301,281		(63,917)	(35,267)		
Contributions to/from primary government	-		-		-	(5,549)
Contributions to/from Colonial Park, LP	-		-		-	-
Contributions to/from component units	-		-		-	-
Interest Income	39,857	25,333	28,299	5,066	14,780	3,220
Interest expense		(187,729)		(343,023)		(389,614)
Fees and charges						(36,487)
Share in loss from managed entity		(3,881)		(4,951)		(4,011)
Relocation Expense						
Insurance recovery on capital assets net of impairment loss						
Net Non-operating Revenues (Expenses)	751,363	(166,277)	329,289	(378,175)	195,998	(432,441)
Change in Net Position	(962,452)	-610,581	(550,424)	-656,736	(2,431,858)	-443,664
Net Position - Beginning of the year	-4,007,120	18,943,673	-610,822	19,600,409	1,821,036	20,044,073
Cumulative effect of change in accounting principle			-2,845,874			
Net Position - End of the year	\$ (4,969,572)	\$ 18,333,092	\$ (4,007,120)	\$ 18,943,673	\$ (610,822)	\$ 19,600,409

**HOUSING AUTHORITY OF GLOUCESTER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

December 31, 2019

Unaudited

HOUSING FACTS:

1. Over 2,000 Low-Income Families have been assisted throughout the county by the Housing Authority in 2019; affording them decent, safe, and sanitary housing based on their ability to pay.
2. Close to \$16 million was disbursed in Housing Assistance Payments.
3. The Average monthly Housing Assistance provided for Section 8 families was \$747.

BUDGETARY HIGHLIGHTS

As for the year ended December 31, 2019, individual programs or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets are used primarily as a management tool. However, for the Authority's annual entity-wide (excluding component units) State budget, the total amount of appropriations constitutes the legal level of control. Expenditures may not exceed appropriations at this level without approval of the State of New Jersey Department of Community Affairs.

In some governmental programs, funding is derived by formula. The Authority experienced major funding changes in recent years, including recent reductions.

HOUSING AUTHORITY OF GLOUCESTER COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

December 31, 2019

Unaudited

CAPITAL ASSETS and DEBT ADMINISTRATION

In 2019, the Authority invested \$410,225 in capital assets with grants provided from HUD's Capital Fund Program to renovate and upgrade Authority-owned housing units and equipment. The Authority has an ongoing practice of maintaining its property at high standards, keeping them decent, safe, and sanitary.

No new outside debt was issued in 2019 by the Housing Authority or any of its Component Units.

ECONOMIC FACTORS and NEXT YEAR'S BUDGETS

The economy is still facing financial difficulties and monetary pain is felt at all levels. Out-of-control health care costs, bankruptcies, and foreclosures continue to dampen the local economy. The Federal Budget crisis in Washington over the past several years has had a major impact in the public housing sector. HUD has not been funding the various programs at or near 100% of what is required. In 2019, the Authority's Public Housing projects were hit with funding cuts totaling **\$22,627 which was a proration factor of 97.77%**. In 2018, the proration factor was 94.74%. This on top of prior year cuts has severely depleted the project reserves. Capital Grants, utilized to modernize and improve our housing stock, continue to be defunded by HUD, but also at a lower level than in past years.

Federal cuts in the Housing Choice Voucher Program, the Authority's largest program, have been ongoing for the past several years and continue into 2019. Administrative fees are not being fully funded and have been substantially reduced from the HUD approved rates, amounting to losses of over \$345,000 in 2019. The proration factor in 2019 was 81.1% and 2018 was 80.615%. While the administrative portion of revenue has decreased substantially, at the same time administrative expenses and overhead have increased. This continues to place a heavy burden on our primary government programs.

HUD will have to better fund these programs if they are to survive. In the meantime, the Authority will continue to assess its financial position and take whatever measures necessary to fulfill the spirit of its mission.

In 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a Public Health Emergency of International Concern. It has adversely impacted many industries and it could have continued material adverse impact on the economy and market conditions which could trigger a period of global economic slowdown. The outbreak presents uncertainty and risk with respect to the Authority, its performance, and its financial results.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide users with an overview of the Authority's finances. If you have questions concerning any of the information provided in this report, contact the Director of Finance, Housing Authority of Gloucester County, 100 Pop Moylan Boulevard, Deptford, New Jersey 08096.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

**Statements of Net Position
December 31, 2019 and 2018**

	December 31, 2019		December 31, 2018	
	Primary Government	Component Units	Primary Government	Component Units
ASSETS				
Current assets				
Unrestricted cash and cash equivalents	\$ 3,623,459	\$ 1,799,586	\$ 3,213,158	\$ 1,725,741
Restricted cash and cash equivalents	533,319	72,714	432,298	68,833
Accounts receivable, net of allowance for doubtful accounts of \$78,900 in 2019 and \$53,950 in 2018 (primary government) of \$67,525 in 2019 and \$147,318 in 2018 (component units)	62,114	19,950	75,007	3,445
Due from affiliate	42,018	6,674	181,962	22,321
Due from HUD	45,730	-	34,269	-
Due from other governments	33,993	101,918	49,882	101,918
Due from Glassboro Housing Authority	19,686	-	-	-
Due from primary government	-	-	-	320,500
Due from component units	237,361	-	-	-
Other receivables	28,197	-	45,467	-
Inventory	4,855	-	4,855	-
Prepaid expenses	76,447	46,995	70,378	420
Total current assets	<u>4,707,179</u>	<u>2,047,837</u>	<u>4,107,276</u>	<u>2,243,178</u>
Non-current restricted assets				
Cash and cash equivalents	103,562	2,783,501	86,653	2,710,948
Total non-current restricted assets	<u>103,562</u>	<u>2,783,501</u>	<u>86,653</u>	<u>2,710,948</u>
Capital assets, net	<u>5,993,353</u>	<u>22,277,981</u>	<u>6,997,403</u>	<u>23,049,046</u>
Other non-current assets				
Debt acquisition costs, net	-	556,497	-	591,340
Total other non-current assets	<u>-</u>	<u>556,497</u>	<u>-</u>	<u>591,340</u>
Total assets	<u>\$ 10,804,094</u>	<u>\$ 27,665,816</u>	<u>\$ 11,191,332</u>	<u>\$ 28,594,512</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	\$ 1,323,194	\$ -	\$ 1,929,403	\$ -
Related to OPEB	2,281,067	-	924,389	-
Total deferred outflows of resources	<u>\$ 3,604,261</u>	<u>\$ -</u>	<u>\$ 2,853,792</u>	<u>\$ -</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 68,541	\$ 298,614	\$ 46,536	\$ 278,069
Accounts payable related to pension	358,836	-	338,148	-
Tenant funds on deposit	44,768	77,861	53,398	73,761
Due to affiliate	2,008	-	-	-
Due to HUD	32,036	-	23,659	-
Due to other governments	63,702	-	58,708	-
Due to Glassboro Housing Authority	-	-	6,245	-
Due to primary government	-	237,361	-	396,180
Mortgage note payable, current maturities	-	208,319	-	195,620
Current portion of liability for compensated absences	123,865	-	117,619	-
Unearned revenue	24,599	10,266	25,990	9,147
Total current liabilities	<u>718,355</u>	<u>832,421</u>	<u>670,303</u>	<u>952,777</u>
Long-term liabilities				
Pension liability	6,194,900	-	6,693,596	-
Pension liability - contributions subsequent to plan date	167,212	-	169,074	-
Other post-retirement benefits	9,214,145	-	7,383,832	-
Tenant funds on deposit	103,562	-	86,653	-
Mortgage note payable, net of current maturities	-	8,201,078	-	8,409,397
Accrued interest payable	-	203,716	-	196,968
Liability for compensated absences, net of current portion	68,085	-	67,284	-
Other credits	-	95,509	-	91,697
Total long-term liabilities	<u>15,747,904</u>	<u>8,500,303</u>	<u>14,400,439</u>	<u>8,698,062</u>
Total liabilities	<u>\$ 16,466,259</u>	<u>\$ 9,332,724</u>	<u>\$ 15,070,742</u>	<u>\$ 9,650,839</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	\$ 2,404,512	\$ -	\$ 2,438,121	\$ -
Related to OPEB	507,156	-	543,381	-
Total deferred inflows of resources	<u>\$ 2,911,668</u>	<u>\$ -</u>	<u>\$ 2,981,502</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 5,993,353	\$ 1,044,609	\$ 6,997,403	\$ 911,000
Restricted net position	472,448	3,222,499	360,881	3,814,454
Unrestricted net position (deficit)	<u>(11,435,373)</u>	<u>14,065,984</u>	<u>(11,365,404)</u>	<u>14,218,219</u>
Total net position (deficit)	<u>\$ (4,969,572)</u>	<u>\$ 18,333,092</u>	<u>\$ (4,007,120)</u>	<u>\$ 18,943,673</u>

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Statements of Revenue, Expenses, and Changes in Net Position
For the Years Ended December 31, 2019 and 2018

	December 31, 2019		December 31, 2018	
	Primary Government	Component Units	Primary Government	Component Units
Operating revenue				
Federal grant awards	\$ 18,778,841	\$ -	\$ 18,795,458	\$ -
State and local grant awards	196,332	-	199,259	-
Management contract fees	1,064,217	-	1,062,740	-
Tenant charges	1,035,732	1,306,010	1,034,377	1,272,716
Housing assistance payments	-	2,071,286	-	2,039,278
Miscellaneous income	80,926	129,496	530,439	103,228
Total operating revenue	<u>21,156,048</u>	<u>3,506,792</u>	<u>21,622,273</u>	<u>3,415,222</u>
Operating expenses				
Housing assistance payments	15,993,276	-	16,041,530	-
Administrative	3,659,672	1,009,729	3,176,495	838,684
Depreciation and amortization	1,058,884	1,001,709	1,333,432	987,716
Maintenance	881,746	1,096,935	781,824	1,032,153
Tenant services	354,769	317,354	318,629	292,745
Utilities	350,651	324,376	352,877	346,056
Insurance	276,283	140,568	218,429	127,250
Protective services	177,011	-	172,042	-
General	117,571	60,425	106,728	69,179
Total operating expenses	<u>22,869,863</u>	<u>3,951,096</u>	<u>22,501,986</u>	<u>3,693,783</u>
Operating loss	<u>(1,713,815)</u>	<u>(444,304)</u>	<u>(879,713)</u>	<u>(278,561)</u>
Non-operating revenue (expenses)				
Capital grants	410,225	-	364,907	-
Loss on disposition of property	301,281	-	(63,917)	(35,267)
Interest income	39,857	25,333	28,299	5,066
Interest expense	-	(187,729)	-	(343,023)
Share in loss from managed entity	-	(3,881)	-	(4,951)
Total non-operating revenue (expense)	<u>751,363</u>	<u>(166,277)</u>	<u>329,289</u>	<u>(378,175)</u>
Decrease in net position	<u>(962,452)</u>	<u>(610,581)</u>	<u>(550,424)</u>	<u>(656,736)</u>
Net position (deficit) at the beginning of the year, as originally stated	<u>(4,007,120)</u>	<u>18,943,673</u>	<u>(610,822)</u>	<u>19,600,409</u>
Cumulative effect of change in accounting principle	-	-	(2,845,874)	-
Net position (deficit) at the beginning of the year, as restated	<u>(4,007,120)</u>	<u>18,943,673</u>	<u>(3,456,696)</u>	<u>19,600,409</u>
Net position (deficit) at the end of the year	<u>\$ (4,969,572)</u>	<u>\$ 18,333,092</u>	<u>\$ (4,007,120)</u>	<u>\$ 18,943,673</u>

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	December 31, 2019		December 31, 2018	
	Primary Government	Component Units	Primary Government	Component Units
Cash flows from operating activities				
Cash received from federal and state assistance programs	\$ 18,992,082	\$ -	\$ 19,326,094	\$ -
Cash received from management contracts	818,822	-	1,062,740	-
Cash received from tenants	1,010,879	1,293,605	1,000,336	1,278,757
Other operating cash receipts	111,089	129,496	528,862	103,228
Cash received from housing assistance payments	141,854	2,071,286	-	2,039,278
Payments to landlords for rent	(15,993,276)	-	(17,293,809)	-
Payments to employees	(3,853,590)	-	(3,263,242)	-
Payments for goods and services	(1,094,877)	(2,793,158)	(889,323)	(2,443,244)
Net cash provided by operating activities	<u>132,983</u>	<u>701,229</u>	<u>471,658</u>	<u>978,019</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(356,115)	(230,644)	(386,567)	(83,941)
Proceeds from sale of capital assets	301,281	-	-	-
Capital grants received	410,225	-	364,907	-
Net cash provided by (used in) capital and related financing	<u>355,391</u>	<u>(230,644)</u>	<u>(21,660)</u>	<u>(83,941)</u>
Cash flows from investing activities				
Proceeds from sales of investments	-	-	570,256	-
Principal payments on note payable, secured by mortgage	-	(233,904)	-	(276,668)
Deposits to reserves	-	(403,797)	-	(380,523)
Withdraws from reserves	-	292,062	-	49,339
Interest income received	39,857	25,333	28,299	5,066
Net cash provided by (used in) investing activities	<u>39,857</u>	<u>(320,306)</u>	<u>598,555</u>	<u>(602,786)</u>
Increase in cash and cash equivalents	528,231	150,279	1,048,553	291,292
Cash and cash equivalents - beginning	<u>3,732,109</u>	<u>4,505,522</u>	<u>2,683,556</u>	<u>4,214,230</u>
Cash and cash equivalents - ending	<u>\$ 4,260,340</u>	<u>\$ 4,655,801</u>	<u>\$ 3,732,109</u>	<u>\$ 4,505,522</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Statements of Cash Flows (continued)
For the Years Ended December 31, 2019 and 2018

	December 31, 2019		December 31, 2018	
	Primary Government	Component Units	Primary Government	Component Units
Reconciliation of operating loss to net cash used in operating activities				
Operating loss	\$ (1,713,815)	\$ (444,304)	\$ (879,713)	\$ (278,561)
Adjustments to reconcile operating loss to net cash used in operating activities				
Depreciation and amortization	1,058,884	1,001,709	1,333,432	987,716
Provision for allowance for doubtful accounts	24,950	-	17,450	-
Adjustment to actuarial pension expense	406,466	-	473,580	-
Adjustment to actuarial accounts payable amount related to pension	(316,658)	-	(396,953)	-
Adjustment to actuarial OPEB amount	720,925	-	(3,226,882)	-
(Increase) decrease in assets				
Accounts receivable	(12,057)	(16,505)	(7,653)	6,041
Due from affiliate	139,944	15,647	70,594	(20,965)
Due from HUD	(11,461)	-	375	140,638
Due from other governments	15,889	-	(49,882)	-
Due from Glassboro Housing Authority	(19,686)	-	19,863	-
Due from primary government	-	320,500	-	41,376
Due from component units	(237,361)	-	-	-
Other receivables	17,270	-	(1,637)	16,654
Prepaid expenses	(6,069)	(46,575)	(3,903)	39,913
Increase (decrease) in liabilities				
Accounts payable and accrued expenses	22,005	20,545	(221,437)	125,434
Accounts payable related to pension	20,688	-	(5,789)	-
Tenant funds on deposit	8,279	4,100	(48,448)	1,197
Due to affiliate	2,008	-	-	-
Due to HUD	8,377	-	(4,054)	-
Due to other governments	4,994	-	(691)	-
Due to Glassboro Housing Authority	(6,245)	-	6,245	-
Due to primary government	-	(158,819)	-	(86,391)
Due to component units	-	-	(61,245)	-
Liability for compensated absences	7,047	-	15,022	-
Unearned revenue	(1,391)	1,119	4,839	81
Other post-retirement benefits	-	-	3,438,545	-
Other credits	-	3,812	-	4,886
Net cash provided by operating activities	<u>\$ 132,983</u>	<u>\$ 701,229</u>	<u>\$ 471,658</u>	<u>\$ 978,019</u>
Reconciliation of cash and cash equivalents to the statements of net position				
Unrestricted cash and cash equivalents - current	\$ 3,623,459	\$ 1,799,586	\$ 3,213,158	\$ 1,725,741
Restricted cash and cash equivalents - current	533,319	72,714	432,298	68,833
Restricted cash and cash equivalents - noncurrent	<u>103,562</u>	<u>2,783,501</u>	<u>86,653</u>	<u>2,710,948</u>
	<u>\$ 4,260,340</u>	<u>\$ 4,655,801</u>	<u>\$ 3,732,109</u>	<u>\$ 4,505,522</u>

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements

Note 1: **ORGANIZATION AND ACTIVITY**

The Housing Authority of Gloucester County (the Authority) was created through a resolution of the Board of Chosen Freeholders of the County of Gloucester in 1972. Organized as a public housing authority (PHA) as defined by state statute (N.J.S.A. 40A:12A-1, et seq., the "Housing Authority Act"), the Authority functions under the supervision of the U.S. Department of Housing and Urban Development and the New Jersey State Department of Community Affairs. The Board of Commissioners of the Authority is a seven-member board with five members appointed by the Board of Chosen Freeholders of the County of Gloucester, one member appointed by the Freeholder Director of the County of Gloucester, and one member appointed by the Commissioner of the New Jersey State Department of Community Affairs.

As of December 31, 2019, the activities of the Authority included the ownership and/or management or oversight management of the following housing programs and projects in Gloucester County, New Jersey:

The Housing Assistance Payments Programs include the Housing Choice Voucher and Moderate Rehabilitation programs. These programs provide housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for extremely low and very low income families as defined by the Housing Act of 1998, at rents they can afford. The U.S. Department of Housing and Urban Development ("HUD") provides assistance for approximately 1,900 housing units to the Authority.

The Public Housing Program consists of 262 rental units constructed or purchased and operated by the Authority. The purpose of this program is to provide decent, safe, and sanitary housing to eligible low-income families and the elderly at rents they can afford. HUD provides assistance to the Authority in the form of operating subsidies.

Under the Management Services Programs of the Authority, property management and administrative services are provided for a fee to affiliated not-for-profit corporations and other outside parties providing affordable housing.

The Tenant Services Program is a federal and state-funded program that provides nutrition, housekeeping, and certain other services to tenants residing in the Authority's owned or managed housing projects for the elderly and disabled.

The Expanded Housing Opportunities Program consisted of 12 Authority-owned single-family dwellings rented to low-income families. Surplus funds previously generated by certain Housing Assistance Payments Programs were used to provide a portion of the purchase price of the properties.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14. Blended component units, although legally separate entities, are in-substance part of the government's operations. The discretely presented component units are reported in a separate column collectively in the financial statements to emphasize that they are legally separate from the primary government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority is considered to be a component unit of Gloucester County described in the preceding paragraph due to the fact that the County's Board of Freeholders can appoint and remove five out of seven commissioners. These financial statements would be discretely presented as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

As required by generally accepted accounting principles, the financial statements present the Authority (the primary government) and its component units. The primary government includes the accounts of all Authority operations. The component units (discussed below) are included in the Authority's reporting entity because of the significance of their operational or financial relationships with the Authority.

Component units

The component unit column in the financial statements includes the financial data of the Authority's three not-for-profit component units, two for profit component units which function as "instrumentalities" of the Authority, and two for-profit real estate entities in which the Authority is a general partner, although they are separate legal entities. The five component units are Seniors Housing Development Corporation of Gloucester County (SHDC), Gloucester County Housing Development Corporation (GCHDC) and Affordable Housing Alternatives of Gloucester County, Inc. (AHA), Pop Moylan Urban Redevelopment Company, LLC (POPM), and Colonial Park, L.P. (CPLP). Because the component units included in the financial statements do not meet the criteria for blending, they are reported discretely. All of the component units have December 31st year ends.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Component units (continued)

Except for AHA, the component units issue separately audited financial statements. Copies of the component unit financial statements may be obtained from the Authority's accounting department.

SHDC is a 501(c)(3) organization. The Authority and SHDC have interlocking boards of trustees/commissioners and common management. SHDC currently owns land on which an affordable housing project is located. SHDC assisted in the redevelopment of the complex and leases the land to Colonial Park, L.P., (CPLP) a for-profit, limited partnership. SHDC is the management company for Colonial Park, L.P. eMurphyg, Inc., an investee (SHDC owns approximately 80% of the common stock of eMurphyg) of SHDC, holds a .01% interest in Colonial Park, L.P. SHDC has also provided financing to CPLP through a note receivable secured by the fourth mortgage on the building. SHDC charges the project a fee for bookkeeping and management services.

GCHDC is a 501(c)(3) organization. The Authority and GCHDC have interlocking boards of trustees/commissioners and common management. GCHDC currently owns land on which an affordable housing project, as well as facilities for the administrative offices of the Authority, are located. GCHDC assisted in the development of the complex and leases the land to POPM. A wholly-owned, for-profit subsidiary of GCHDC, PMURC, Inc. holds a 1% general partner interest in POPM. GCHDC has also provided financing to Pop Moylan through notes receivable secured by second and third mortgages on the building. GCHDC charges the project a fee for management services. The Authority provides certain accounting and administrative services to GCHDC. In 2019 and 2018, the only transactions between the Authority and GCHDC consisted of reimbursements by GCHDC for expenditures made by the Authority on behalf of GCHDC.

AHA is a 501(c)(3) organization that was formed in December 2000 to develop additional affordable housing in Gloucester County, New Jersey.

POPM is a limited liability company under the laws of the State of New Jersey, formed on October 10, 1996, for the purpose of constructing and operating a low-income rental housing project consisting of 80 units for the elderly in Deptford, New Jersey, and currently operating under the name Nancy J. Elkins Seniors Housing. The project has qualified for low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the project must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the tax credits. The Authority provides certain accounting, administrative, and property management services to POPM. In 2019 and 2018, the only transactions between the Authority and POPM consisted of reimbursements by POPM for expenditures made by the Authority on behalf of POPM.

CPLP is a limited partnership under the laws of the State of New Jersey formed on December 29, 2011. The purpose of the Partnership includes, but is not limited to, rehabilitating and operating an affordable housing project consisting of 200 units of which utilizes 1 rental unit for a superintendent. The property is located in Woodbury, New Jersey. The building which houses an apartment complex was purchased in February 2011 and renovation activities commenced at that time. Renovations were completed December 12, 2013. Rents are subsidized by the United States Department of Housing and Urban Development (HUD) under a Section 8 contract, dated May 20, 2011 and effective for a period of 20 years.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues, or (iii) that the pricing policies of the activity establish fees and charges, designated to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Basis of accounting

Basis of accounting determines when transactions are being recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Tenant charges are recognized as revenue when services are provided.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and budgetary control

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current year and to adopt not later than the beginning of the Authority's year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense is not included in the budget appropriations.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Budgets and budgetary control (continued)

The legal level of budgetary control is established at the detail shown on the Statements of Revenue, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Authority did not adopt an amending budget resolution during the year.

Non-appropriated capital budgets were prepared for the Capital Fund Program. Expenditures for these funds were controlled on the basis of applicable separate annual grant awards from HUD and were carried forward each year until the projects are completed or the grant award had been expended.

The Authority's annual budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by function and nature. The total amount of appropriations constitutes the legal level of control. Expenditures may not exceed appropriations at this level without approval of the State of New Jersey Department of Community Affairs.

Cash and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value, as applicable.

HUD authorizes public housing authorities to invest in U.S. obligations, U.S. agencies, money market funds limited to U.S. obligations, certificates of deposit, savings accounts, and repurchase agreements fully collateralized by U.S. obligations (with certain restrictions).

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services, Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and cash equivalents and investments (continued)

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks, or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Authority has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Restricted assets

Certain cash of the Authority is restricted by HUD for use to fund future housing assistance payments, for tenant security deposits, or for other specified purposes.

Prepaid expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the Authority's applicable year end.

Capital assets and depreciation

Land, buildings, furniture and equipment, and leasehold improvements are carried substantially at cost. All additions and betterments are charged to the capital assets accounts. The Authority has no infrastructure fixed assets.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Interest has been capitalized during the construction period on buildings and equipment.

Assets capitalized generally have an original cost of \$2,000 or more and a useful life in excess of three years. Dwelling equipment (ranges and refrigerators) is capitalized irrespective of cost. Depreciation has been provided on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 years
Building improvements	10 to 20 years
Furniture and equipment	3 to 10 years

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Deferred outflows of resources

The statements of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report amounts related to the defined benefit pension plan and other postemployment benefits plan that are applicable to future periods as deferred outflows of resources and deferred inflows of resources. See notes 6 and 7 for more information regarding the pension plan and other postemployment benefits (OPEB), respectively.

Compensated absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measureable and the Authority is eligible to realize the revenue.

Pensions

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Income taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and is exempt from income taxes under Section 115. The not-for-profit component units claim exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, do not record a provision for income taxes on related income. The for-profit component units are recognized as partnerships for federal and state purposes. No provisions for income taxes are presented in the financial statements since taxable income or loss is reported by the partners on their individual income tax returns.

Operating and non-operating revenues and expenses

The major sources of revenue for the Authority are various subsidies from the U.S. Department of Housing and Urban Development, state financial assistance, management contract revenue, and charges to tenants. The major sources of revenue for the discretely presented component units are developer's fee earned, interest income on the notes receivable, land lease income, management contract revenue, and other miscellaneous revenue as discussed below.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Operating and non-operating revenues and expenses (continued)

Federal and state grant revenue - Operating subsidies, Section 8 housing assistance payments, and Capital Fund program revenue received from the U.S. Department of Housing and Urban Development are susceptible to accrual and are recognized during the year earned in accordance with applicable HUD program guidelines. The Authority is generally entitled to receive monies under an established payment schedule or, for the Capital Fund program, as expenditures are made. Housing Choice Voucher Program income is recognized based on amounts reported per HUD's Voucher Management System (VMS), with subsequent adjustments computed by HUD in accordance with current regulations. Adjustments made by HUD in periods subsequent to the year-end are reflected in the financial statements when they become known and are not anticipated to be material in amount. For the Moderate Rehabilitation program, a year-end settlement is computed, and the underpaid or overpaid amount, if any, is considered to be an amount due to or from HUD. Advance payments received for the subsequent year are recorded as unearned revenue.

State financial assistance applicable to the Tenant Services Program is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Management contract fees - The Authority has provided property management and administrative services to certain outside parties providing affordable housing and administrative services to Seniors Housing Development Corporation and Gloucester County Housing Development Corporation. Seniors Housing Development Corporation receives management contract fees from Colonial Park, L.P. related to the provision of housing for persons of low-income. Gloucester County Housing Development Corporation receives management contract fees from Pop Moylan Urban Redevelopment Company, LLC related to the provision of housing for persons of low-income. Certain management fees for these services are determined annually based on formulas prescribed in the individual management contracts, while one management contract provides for a fixed annual management fee. Revenue from these contracts is recognized on an accrual basis.

Tenant charges - Tenant charges consist of rental income and fees for nutrition, housekeeping, and certain other services. Charges are determined and billed monthly and are recognized as revenues when assessed because they are measurable and are collectible within the current period. Amounts not received by year-end are considered to be accounts receivable, and amounts paid for the subsequent fiscal year are recorded as unearned revenue.

Other income - Miscellaneous income is composed primarily of miscellaneous service fees. This revenue is recorded as earned since it is measurable and available.

Use of estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets, liabilities, deferred inflows of resources, deferred outflows of resources, and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

New accounting standards adopted

For the year ended December 31, 2019, the Authority early adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The adoption of this Statement has impacted the year that the Authority will adopt several of the statements listed in the recently issued accounting pronouncements below.

New accounting standards to be implemented in the future

The Authority plans to implement the following pronouncements by the required implementation dates or earlier, when deemed feasible:

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The Statement will become effective for the Authority in the year ending December 31, 2020. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement will become effective for the Authority in the year ending December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement will become effective for the Authority in the year ending December 31, 2020. Management has not yet determined the impact of this Statement on the financial statements.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

New accounting standards to be implemented in the future (continued)

Statement No. 90, *Major Equity Interests*. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement will become effective for the Authority in the year ending December 31, 2020. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statements are effective as follows:

1. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
2. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022.
3. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022.
4. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022.

Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. This Statement will become effective for the Authority in the year ending December 31, 2021. GASB Statement 95 changed the effective date for paragraphs 13 and 14 to the year ending December 31, 2022. Management does not expect this Statement will have an impact on the financial statements.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

New accounting standards to be implemented in the future (continued)

Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Statement will become effective for the Authority in the year ending December 31, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the Authority in the year ending December 31, 2023. Management does not expect this Statement will have an impact on the financial statements.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents

Custodial credit risk related to deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority’s formal policy regarding custodial credit risk is the same as described in Note 2, N.J.S.A. 17:9-41 et seq. and included in its cash management plan. The Authority shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). Public funds owned by the Authority and Component Units in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Authority and Component Units relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of December 31, 2019 and 2018, the Authority and the Component Units bank balances were insured or collateralized as follows:

	2019		2018	
	Authority	Component Units	Authority	Component Units
Insured	\$ 500,000	\$ 250,000	\$ 500,000	\$ 250,000
Collateralized under GUDPA	3,567,742	-	3,100,974	-
Uninsured or uncollateralized	-	1,767,831	-	1,696,630
	<u>\$ 4,067,742</u>	<u>\$ 2,017,831</u>	<u>\$ 3,600,974</u>	<u>\$ 1,946,630</u>

Note 4: RESTRICTED ASSETS

The Authority established restricted cash accounts as required by HUD to report the associated cash associated with unused Housing Assistance Payments, other amounts associated with liabilities for the Housing Choice Voucher program, to hold tenant security deposits, and for other specified purposes. The Authority also established a restricted cash account to hold money the Authority has set aside for tenants participating in the Family Self-Sufficiency Program. The purpose of the program is to reduce dependency on housing assistance. Participants can withdraw monies from their account to pay for certain expenditures, including the purchase of a home.

The Authority’s restricted cash is as follows:

	December 31,	
	2019	2018
Housing Assistance Payments – Section 8	\$ 338,363	\$ 360,881
Housing Assistance Payments - Mainstream	134,085	-
Tenant security deposits	44,768	53,398
Family Self-Sufficiency deposits	103,562	86,581
Other	16,103	18,091
	<u>\$ 636,881</u>	<u>\$ 518,951</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 5: **CAPITAL ASSETS**

The Authority's capital assets activity for the years ended December 31, 2019 and 2018 was as follows:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
Capital assets not being depreciated				
Land	\$ 715,200		\$ (251,000)	\$ 464,200
Construction in progress	-			-
Capital assets not being depreciated	<u>715,200</u>	<u>-</u>	<u>(251,000)</u>	<u>464,200</u>
Capital assets being depreciated				
Buildings	25,602,102	\$ 271,576	(806,034)	25,067,644
Furniture and equipment	1,806,180	145,829	(28,461)	1,923,548
Leasehold improvements	394,152			394,152
Total capital assets being depreciated	<u>27,802,434</u>	<u>417,405</u>	<u>(834,495)</u>	<u>27,385,344</u>
Total capital assets	28,517,634	417,405	(1,085,495)	27,849,544
Less accumulated depreciation	<u>21,520,231</u>	<u>1,058,884</u>	<u>(722,924)</u>	<u>21,856,191</u>
Net capital assets	<u>\$ 6,997,403</u>	<u>\$ (641,479)</u>	<u>\$ (362,571)</u>	<u>\$ 5,993,353</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 5: **CAPITAL ASSETS (continued)**

	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018
Capital assets not being depreciated				
Land	\$ 715,200			\$ 715,200
Construction in progress	-			-
Total capital assets not being depreciated	<u>715,200</u>	<u>-</u>	<u>-</u>	<u>715,200</u>
Capital assets being depreciated				
Buildings	25,277,231	\$ 324,870		25,602,102
Furniture and equipment	1,970,214	125,615	\$ (289,647)	1,806,180
Leasehold improvements	394,152			394,152
Total capital assets being depreciated	<u>27,641,597</u>	<u>450,485</u>	<u>(289,647)</u>	<u>27,802,434</u>
Total capital assets	28,356,797	450,485	(289,647)	28,517,634
Less accumulated depreciation	<u>20,412,529</u>	<u>1,333,432</u>	<u>(225,730)</u>	<u>21,520,231</u>
Net capital assets	<u>\$ 7,944,268</u>	<u>\$ (882,947)</u>	<u>\$ (63,917)</u>	<u>\$ 6,997,403</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 5: **CAPITAL ASSETS (continued)**

Component unit capital assets activity for the years ended December 31, 2019 and 2018 was as follows:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
Capital assets not being depreciated				
Land	\$ 762,449		\$ -	\$ 762,449
Capital assets being depreciated				
Buildings	32,999,232	\$ 108,242		33,107,474
Furniture and equipment	162,814	87,558		250,372
Total capital assets being depreciated	33,162,046	195,800		33,357,846
Total capital assets	33,924,495	195,800		34,120,295
Less accumulated depreciation	10,875,449	966,865		11,842,314
Net capital assets	<u>\$ 23,049,046</u>	<u>\$ (771,065)</u>	<u>\$ -</u>	<u>\$ 22,277,981</u>
	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018
Capital assets not being depreciated				
Land	\$ 762,449			\$ 762,449
Capital assets being depreciated				
Buildings	32,960,821	\$ 49,830	\$ (11,420)	32,999,232
Furniture and equipment	299,813	33,956	(170,955)	162,814
Total capital assets being depreciated	33,260,634	83,787	(182,375)	33,162,046
Total capital assets	34,023,083	83,787	(182,375)	33,924,495
Less accumulated depreciation	10,070,262	952,294	147,107	10,875,449
Net capital assets	<u>\$ 23,952,821</u>	<u>\$ (868,507)</u>	<u>\$ (35,268)</u>	<u>\$ 23,049,046</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN**

Public Employees' Retirement System

A substantial number of the Authority employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits ("the Division"). This plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

Plan Description

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Vesting and Benefit Provisions (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the years ended December 31, 2019 and 2018 was 13.74% and 13.78% of the Authority's covered payroll. These amounts were actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the fiscal year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$334,424, and was paid by April 1, 2020. Based on the PERS measurement date of June 30, 2018, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$338,148, which was paid by April 1, 2019. Employee contributions to the Plan during the years ended December 31, 2019 and 2018 were \$184,825 and \$185,821, respectively.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Authority's proportionate share of the net pension liability was \$6,194,900. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Authority's proportion was 0.0343808092%, which was an increase of 0.000385047% from its proportion measured as of June 30, 2018.

At December 31, 2018, the Authority's proportionate share of the net pension liability was \$6,693,596. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Authority's proportion was 0.0339957622%, which was a decrease of 0.0006664093% from its proportion measured as of June 30, 2017.

For the years ended December 31, 2019 and 2018, the Authority recognized pension expense of \$406,466 and \$473,580, respectively. These amounts were based on the plan's June 30, 2019 and 2018 measurement dates, respectively.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019 and 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>December 31, 2019</u>		<u>December 31, 2018</u>	
	Measurement Date June 30, 2019		Measurement Date June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 111,190	\$ 27,366	\$ 127,648	\$ 34,514
Change of assumptions	618,584	2,150,230	1,102,994	2,140,256
Net difference between projected and actual earnings on pension plan investments		97,789		62,786
Changes in proportion and differences between Authority contributions and proportionate share of contributions	426,208	129,127	529,687	200,565
Authority contributions subsequent to the measurement date	<u>167,212</u>		<u>169,074</u>	
	<u>\$ 1,323,194</u>	<u>\$2,404,512</u>	<u>\$ 1,929,403</u>	<u>\$2,438,121</u>

The deferred outflows of resources related to pensions totaling \$167,212 and \$169,074 will be included as a reduction of the net pension liability in the years ended December 31, 2020 and 2019, respectively. This amount is based on an estimated April 1, 2020 and April 1, 2019 contractually required contribution, prorated from the pension plans measurement date of June 30, 2019 and June 30, 2018 to the Authority's year end of December 31, 2019 and 2018.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

The Authority will amortize the other deferred outflows of resources and deferred inflows of resources related to PERS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of pension plan deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of assumptions		
Year of pension plan deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net difference between projected and actual earnings on pension plan investments		
Year of pension plan deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

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

Public Employees' Retirement System (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

	Deferred Outflow of Resources	Deferred Inflows of Resources
Changes in proportion and differences between Authority contributions and proportionate share of contributions		
Year of pension plan deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending December 31,	
2020	\$ (48,703)
2021	(452,150)
2022	(482,824)
2023	(243,384)
2024	(21,469)
	\$ (1,248,530)

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019 and 2018. These actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2019	Measurement Date June 30, 2018
Inflation Rate:		
Price	2.75%	2.25%
Wage	3.25%	2.25%
Salary increases:		
Through 2026	2.00% - 6.00%	1.65% - 4.15%
Thereafter	Based on years of service 3.00% - 7.00%	Based on age 1.65% - 4.15%
Investment rate of return	7.00%	7.00%
Period of actuarial experience Study upon which actuarial assumptions were based	July 1, 2014 – June 30, 2018	July 1, 2011 – June 30, 2014

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Actuarial Assumptions (continued)

For the June 30, 2019 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For the June 30, 2018 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019 and 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 and 2018 are summarized in the table on the following page.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Actuarial Assumptions (continued)

Asset Class	Measurement Date June 30, 2019		Measurement Date June 30, 2018	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
High Yield	2.00%	5.37%	2.50%	6.82%
Private Credit	6.00%	7.92%		
Global Diversified Credit			5.00%	7.10%
Credit Oriented Hedge Funds			1.00%	6.60%
Debt Related Private Equity			2.00%	10.63%
Debt Related Real Estate			1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Real Estate	7.50%	8.33%	6.25%	9.23%
U.S. Equity	28.00%	8.26%	30.00%	8.19%
Non-U.S. Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
Buyouts/Venture Capital			8.25%	13.08%
Private Equity	12.00%	10.85%		
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2019 was 6.28%. The single blended discount rate as based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from pension plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current pension plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Actuarial Assumptions (continued)

Discount Rate (continued) - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66%. The respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from pension plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current pension plan members through 2046; therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

The following presents the Authority's proportionate share of the net pension liability at December 31, 2019, calculated using a discount rate of 6.28%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Proportionate share of the net pension liability	\$ 7,825,166	\$ 6,194,900	\$ 4,821,171

The following presents the Authority's proportionate share of the net pension liability at December 31, 2018, calculated using a discount rate of 5.66%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Proportionate share of the net pension liability	\$ 8,416,426	\$ 6,693,596	\$ 5,248,252

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 7: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

General Information about the OPEB Plan

Plan Description

The Housing Authority of Gloucester County provides medical benefits to employees that have completed 25 years of public employment with the Authority and have retired from the Authority through a single-employer defined benefit healthcare plan. Employees hired prior to June 22, 2009 are also eligible for reimbursement of Medicare Part B premiums.

Employees Covered by Benefit Terms

At December 31, 2019 and 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	24
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>51</u>
	<u>75</u>

Contributions

Retirees with less than twenty years of service as of June 28, 2011, are required to contribute to the plan, in accordance with provisions of P.L. 2011, C. 78. Retiree contributions to the Plan during the both of the years ended December 31, 2019 and 2018 were \$1,572.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 7: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

General Information about the OPEB Plan (continued)

Total OPEB Liability

The Authority's total OPEB liability of \$9,214,145 was measured as of December 31, 2019, and was determined by an actuarial valuation as of this same date.

The Authority's total OPEB liability of \$7,383,832 was measured as of December 31, 2018, and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2019	2018
Inflation	2.00% Annually	2.00% Annually
Salary Increases	2.00% Annually	2.00% Annually
Discount Rate	2.49%	3.64%
Healthcare Cost Trend Rates	7.00%	7.00%
Retirees' Share of Benefit Related Costs	Pursuant to Chapter 78	Pursuant to Chapter 78

An experience study was not performed on the actuarial assumptions used in the December 31, 2019 and 2018 valuations since the plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables either issued by the SOA or developed for the applicable State Pension system in which the Authority participates. The actuary has used his/her professional judgement in applying these assumptions to this plan.

Changes in the Total OPEB Liability

Balance at December 31, 2018		\$ 7,383,832
Changes for Year:		
Service Cost	\$ 309,676	
Interest Cost	181,692	
Benefit Payments	(173,913)	
Difference Between Actuarial and Expected	-	
Actuarial Assumption Changes	1,512,858	
Actuarial Demographic Gains	-	
Net Changes		1,830,313
Balance at December 31, 2019		\$ 9,214,145

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 7: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

General Information about the OPEB Plan (continued)

Changes in the Total OPEB Liability (continued)

Balance at December 31, 2017		\$	7,197,570
Changes for Year:			
Service Cost	\$		309,676
Interest Cost			166,755
Benefit Payments			(164,069)
Difference Between Actuarial and Expected			(126,100)
Actuarial Assumption Changes			-
Actuarial Demographic Gains			-
			186,262
Net Changes			186,262
Balance at December 31, 2018			7,383,832

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Authority, at December 31, 2019, as well as what the Authority's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.49%)	Current Discount Rate (2.49%)	1% Increase (3.49%)
Total OPEB liability	\$ 11,388,683	\$ 9,214,145	\$ 7,094,892

The following presents the total OPEB liability of the Authority, at December 31, 2018, as well as what the Authority's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB liability	\$ 9,126,416	\$ 7,383,832	\$ 5,685,551

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 7: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

General Information about the OPEB Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Authority, at December 31, 2019, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.00%)	Healthcare Costs Trend Rates (7.00%)	1% Increase (8.00%)
Total OPEB liability	<u>\$ 7,187,033</u>	<u>\$ 9,214,145</u>	<u>\$ 11,508,467</u>

The following presents the total OPEB liability of the Authority, at December 31, 2018, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.00%)	Healthcare Costs Trend Rates (7.00%)	1% Increase (8.00%)
Total OPEB liability	<u>\$ 5,759,389</u>	<u>\$ 7,383,832</u>	<u>\$ 9,222,406</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 7: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

General Information about the OPEB Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2019, the Authority recognized OPEB expense of \$375,732. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 2,281,067	\$ -
Change of actuarial gains	-	507,156
	\$ 2,281,067	\$ 507,156

For the year ended December 31, 2018, the Authority recognized OPEB expense of \$375,732. At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 924,389	\$ -
Change of actuarial gains	-	543,381
	\$ 924,389	\$ 543,381

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2020	\$ (119,955)
2021	(119,955)
2022	(119,955)
2023	(119,955)
2024	(119,955)
Thereafter	(1,174,136)
	\$ (1,773,911)

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 8: **SELF-INSURANCE**

Plan Description - The Authority is self-insured for employee healthcare, effective May 1, 2013. The plan administrator is the Insurance Administrator of America, Inc.

Expenses related to the plan are reported when invoices are received from the plan administrator. A liability is also accrued for claims that have been incurred but not reported including the future costs of handling claims. This liability is based on an estimate calculated by the plan administrator and deemed to be reasonable based on payments made in the first few months after year end. This liability is included in accounts payable and accrued expenses in the statements of net position.

Changes in the total reported liability and benefits obligations for the year ended December 31, 2019 are summarized as follows:

	December 31,	
	2019	2018
Balance, beginning of year	\$ 117,402	\$ 86,723
Claims incurred and changes in estimates	1,363,662	1,334,938
Claim payments	(1,385,049)	(1,304,259)
Balance, end of year	\$ 96,015	\$ 117,402

Note 9: **COMPENSATED ABSENCES**

Employees earn vacation and sick leave in varying amounts based upon length of service. Earned but unused vacation leave must be taken in the succeeding year. One-half of earned but unused sick leave can be "bought back" at year end, up to one week each year, or accrued and carried into the succeeding year. Upon separation, employees are paid for accumulated vacation and fifty percent of accumulated sick time earned.

The following summarizes compensated absences at year end:

	December 31,	
	2019	2018
	Compensated Absences	Compensated Absences
Beginning balance	\$ 184,903	\$ 169,881
Increase	321,804	316,759
Decrease	(314,757)	301,737
Ending balance	191,950	184,903
Current portion	\$ 123,865	\$ 117,619

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements

Note 10: **COMPONENT UNIT INFORMATION**

Summarized financial information for the five component units, SHDC, GCHDC, AHA, POPM, and CPLP as of December 31, 2019 and 2018 is as follows:

Statements of Net Position – December 31, 2019

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS							
Current assets	\$ 1,279,618	\$ 72,935	\$ 16,221	\$ 273,641	\$ 1,127,580	\$ (722,158)	\$ 2,047,837
Non-current restricted cash and investments	-	140,425	-	810,142	1,832,934	-	2,783,501
Capital assets	472,162	399,085	-	1,952,804	19,453,930	-	22,277,981
Other noncurrent assets	12,863,765	7,095,843	-	-	556,497	(19,959,608)	556,497
 Total assets	 <u>\$14,615,545</u>	 <u>\$ 7,708,288</u>	 <u>\$ 16,221</u>	 <u>\$ 3,036,587</u>	 <u>\$ 22,970,941</u>	 <u>\$ (20,681,766)</u>	 <u>\$ 27,665,816</u>
LIABILITIES AND NET POSITION							
Current liabilities	\$ 118,716	\$ 590,279	\$ -	\$ 506,271	\$ 372,373	\$ (755,218)	\$ 832,421
Non-current liabilities	-	95,509	-	9,128,957	19,202,385	(19,926,548)	8,500,303
 Total liabilities	 118,716	 685,788	 -	 9,635,228	 19,574,758	 (20,681,766)	 9,332,724
Net investment in capital assets	472,162	399,085	-	-	173,362	-	1,044,609
Restricted	-	-	-	-	3,222,499	-	3,222,499
Unrestricted	14,024,667	6,623,415	\$ 16,221	(6,598,641)	322	-	14,065,984
 Total net position	 <u>14,496,829</u>	 <u>7,022,500</u>	 <u>16,221</u>	 <u>(6,598,641)</u>	 <u>3,396,183</u>	 <u>-</u>	 <u>18,333,092</u>
	<u>\$14,615,545</u>	<u>\$ 7,708,288</u>	<u>\$ 16,221</u>	<u>\$ 3,036,587</u>	<u>\$ 22,970,941</u>	<u>\$ (20,681,766)</u>	<u>\$ 27,665,816</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 10: **COMPONENT UNIT INFORMATION (continued)**

Statements of Revenue, Expenses, and Changes in Net Position – December 31, 2019

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenue	\$ 598,613	\$ 217,254	\$ -	\$ 887,787	\$ 2,602,834	\$ (799,696)	\$ 3,506,792
Operating expenses	<u>322,525</u>	<u>168,330</u>	<u>930</u>	<u>1,047,846</u>	<u>2,564,656</u>	<u>(153,191)</u>	<u>3,951,096</u>
Operating income (loss)	276,088	48,924	(930)	(162,059)	38,178	(644,505)	(444,304)
Non-operating income (expenses)	<u>(56,250)</u>	<u>(3,106)</u>	<u>25</u>	<u>(262,192)</u>	<u>(489,259)</u>	<u>644,505</u>	<u>(166,277)</u>
Change in net position	219,838	45,818	(905)	(424,251)	(451,259)	-	(610,581)
Beginning net position	<u>14,276,991</u>	<u>6,976,682</u>	<u>17,126</u>	<u>(6,174,390)</u>	<u>3,847,264</u>	<u>-</u>	<u>18,943,673</u>
Ending net position	<u>\$14,496,829</u>	<u>\$ 7,022,500</u>	<u>\$ 16,221</u>	<u>\$ (6,598,641)</u>	<u>\$ 3,396,183</u>	<u>\$ -</u>	<u>\$ 18,333,092</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 10: **COMPONENT UNIT INFORMATION (continued)**

Statements of Net Position –December 31, 2018

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS							
Current assets	\$ 1,321,025	\$ 58,757	\$ 17,126	\$ 253,396	\$ 855,881	\$ (263,007)	\$ 2,243,178
Non-current restricted cash and investments	-	139,724	-	884,300	1,686,924	-	2,710,948
Capital assets	479,107	399,085	-	2,205,215	19,965,639	-	23,049,046
Other noncurrent assets	12,506,956	6,879,088	-	-	591,340	(19,386,044)	591,340
Total assets	<u>\$14,307,088</u>	<u>\$ 7,476,654</u>	<u>\$ 17,126</u>	<u>\$ 3,342,911</u>	<u>\$ 23,099,784</u>	<u>\$ (19,649,051)</u>	<u>\$ 28,594,512</u>
LIABILITIES AND NET POSITION							
Current liabilities	\$ 30,097	\$ 499,972	\$ -	\$ 426,612	\$ 2,530,399	\$ (2,534,303)	\$ 952,777
Non-current liabilities	-	-	-	9,090,690	16,722,120	(17,114,748)	8,698,062
Total liabilities	<u>30,097</u>	<u>499,972</u>	<u>-</u>	<u>9,517,302</u>	<u>19,252,519</u>	<u>(19,649,051)</u>	<u>9,650,839</u>
Net investment in capital assets	479,107	399,085	-	-	32,808	-	911,000
Restricted	-	-	-	-	3,814,454	-	3,814,454
Unrestricted	13,797,884	6,577,597	\$ 17,126	(6,174,391)	3	-	14,218,219
Total net position	<u>14,276,991</u>	<u>6,976,682</u>	<u>17,126</u>	<u>(6,174,391)</u>	<u>3,847,265</u>	<u>-</u>	<u>18,943,673</u>
	<u>\$14,307,088</u>	<u>\$ 7,476,654</u>	<u>\$ 17,126</u>	<u>\$ (3,342,911)</u>	<u>\$ 23,099,784</u>	<u>\$ -</u>	<u>\$ 28,594,512</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 10: **COMPONENT UNIT INFORMATION (continued)**

Statements of Revenue, Expenses, and Changes in Net Position – December 31, 2018

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenue	\$ 581,330	\$ 216,420	\$ 49	\$ 844,645	\$ 2,559,261	\$ (782,452)	\$ 3,415,222
Operating expenses	<u>340,636</u>	<u>167,644</u>	<u>1,666</u>	<u>1,000,106</u>	<u>2,468,160</u>	<u>(284,429)</u>	<u>3,693,783</u>
Operating income (loss)	240,694	48,776	(1,617)	(155,461)	87,070	(498,023)	(278,561)
Non-operating income (expenses)	<u>2,995</u>	<u>(4,401)</u>	<u>-</u>	<u>(311,494)</u>	<u>(563,324)</u>	<u>(498,023)</u>	<u>(378,175)</u>
Change in net position	243,689	44,375	(1,617)	(466,955)	(476,254)	-	(656,736)
Beginning net position	<u>14,033,302</u>	<u>6,932,307</u>	<u>18,716</u>	<u>(5,707,435)</u>	<u>4,323,519</u>	<u>-</u>	<u>19,600,409</u>
Ending net position	<u><u>\$14,276,991</u></u>	<u><u>\$ 6,976,682</u></u>	<u><u>\$ 17,126</u></u>	<u><u>\$ (6,174,390)</u></u>	<u><u>\$ 3,847,265</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,943,673</u></u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements

Note 10: **COMPONENT UNIT INFORMATION (continued)**

Seniors Housing Development Corporation:

SHDC owns a single family home, which it rents to an HAGC Housing Choice Voucher holder. Housing assistance payments received for the year ended December 31, 2019 and 2018 were \$11,028 and \$6,190, respectively.

Note 11: **OPERATING LEASE**

The Authority leases office facilities from Pop Moylan Urban Redevelopment Company, LLC (a related party described in Note 2) under a 40-year non-cancellable lease which requires annual rental payments of \$96,450 to be paid in equal monthly installments for the life of the lease which expires in December 2037. The lease may be renewed for a period of ten years after the expiration of the original term on the same terms as the original agreement.

Note 12: **COMMITMENTS**

As of December 31, 2019, the Authority had commitments to expend approximately \$115,382 for various capital improvements and related costs for the 2018 and 2019 Capital Fund Programs.

Note 13: **CONTINGENCIES**

The Authority and its component units manage risk through the procurement of commercial insurance policies. There have been no significant reductions in insurance coverage during the year ended December 31, 2019. Settled claims have not exceeded commercial coverage in recent years.

Certain claims have been filed against the organizations. In the opinion of management, all matters are adequately covered by insurance or are without merit.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 14: SUBSEQUENT EVENTS

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Authority, its performance, and its financial results.

As a result of the Covid-19 Pandemic, on March 27, 2020 the CARES Act was signed into law. This law provided regulatory waivers and additional funding to Public Housing Authorities across the nation. The Authority accepted many of the blanket waivers available from HUD as well as additional funding. In May 2020, the Authority received \$299,396 in additional administrative fees for the Section 8 Housing Choice Voucher Program and \$1,234 in additional administrative fees for the Mainstream Voucher Program. In August 2020, the Authority received \$156,459 in additional Public Housing operating subsidy, \$352,218 in additional administrative fees for the Section 8 Housing Choice Voucher Program, and \$8,122 in additional admin fees for the Mainstream Voucher Program. The additional funding is for expenditures incurred between March 27, 2020 and December 31, 2021 for activity relating to the preparation of, response to, and prevention of coronavirus. Any unused funds must be returned to HUD.

Management of the Housing Authority of Gloucester County has evaluated subsequent events through September 18, 2020, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Seven Plan Years

	<u>Measurement Date Ending June 30,</u>						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's proportion of the net pension liability	0.0343808092%	0.0339957622%	0.0346621715%	0.0322902535%	0.0301390502%	0.0314685273%	0.0313715206%
Authority's proportionate share of the net pension liability	\$ 6,194,900	\$ 6,693,596	\$ 8,068,799	\$ 9,563,447	\$ 6,765,613	\$ 5,891,769	\$ 5,995,721
Authority's covered payroll	\$ 2,441,276	\$ 2,406,952	\$ 2,358,384	\$ 2,206,956	\$ 2,070,532	\$ 2,159,368	\$ 2,140,256
Authority's proportionate share of the net pension liability as a percentage of it's covered payroll	253.76%	278.09%	342.13%	433.33%	326.76%	272.85%	280.14%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Required Supplementary Information
Schedule of the Authority's Contributions
Public Employees' Retirement System (PERS)
Last Seven Years

	<u>Year Ended December 31,</u>						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 334,424	\$ 338,148	\$ 321,108	\$ 286,862	\$ 259,115	\$ 259,422	\$ 236,378
Contributions in relation to the contractually required contribution	<u>(334,424)</u>	<u>(338,148)</u>	<u>(321,108)</u>	<u>(286,862)</u>	<u>(259,115)</u>	<u>(259,422)</u>	<u>(236,378)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 2,433,280	\$ 2,453,864	\$ 2,394,281	\$ 2,314,425	\$ 2,228,851	\$ 2,008,847	\$ 2,095,995
Contributions as a percentage of Authority's covered payroll	13.74%	13.78%	13.41%	12.39%	11.63%	12.91%	11.28%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Required Supplementary Information
Schedule of Changes in the Authority's
Total OPEB Liability and Related Ratios
For the Year Ended December 31, 2019

Total OPEB Liability	December 31, 2019	December 31, 2018
Service cost	\$ 309,676	\$ 309,676
Interest cost	181,692	166,755
Benefit payments	(173,913)	(164,069)
Change in benefits	-	(126,100)
Actuarial assumption changes	1,512,858	-
Actuarial demographic gains	-	-
Net change in total OPEB liability	1,830,313	186,262
Total OPEB liability - beginning of the year	7,383,832	7,197,570
Total OPEB liability - end of the year	<u>\$ 9,214,145</u>	<u>\$ 7,383,832</u>
Covered-employee payroll	\$ 1,957,057	\$ 1,839,104
Total OPEB liability as a percentage of covered-employee payroll	470.82%	401.49%

Note:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note to Required Supplementary Information (OPEB)

Changes in benefit terms - None

Changes in Assumptions - The discount rate was changed to 2.49% from the prior valuation as required under GASB 75. The rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index which consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years as of December 31, 2019.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Note to Required Supplementary Information
For the Year Ended December 31, 2019

Note to Required Supplementary Information (PERS)

Changes in benefit terms - None

Changes in Assumptions - The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

SUPPLEMENTARY INFORMATION

**(AS REQUIRED BY U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT)**

DECEMBER 31, 2019

Gloucester County Housing Authority (NJ204)
Deptford, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	6.1 Component Unit - Discreetly Presented	14.239 HOME Investment Partnerships Program	2 State/Local	14.879 Mainstream Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$620,800			\$5,045	\$2,910,257	\$1,799,586		\$53,747	\$12,774	\$88,987	\$1,849	\$5,493,045		\$5,493,045
112 Cash - Restricted - Modernization and Development										\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$10,948			\$430,977	\$16,103	\$2,778,354			\$134,085	\$0		\$3,370,467		\$3,370,467
114 Cash - Tenant Security Deposits	\$44,768					\$77,861				\$0		\$122,629		\$122,629
115 Cash - Restricted for Payment of Current Liabilities										\$0				
100 Total Cash	\$676,516	\$0	\$0	\$436,022	\$2,926,360	\$4,655,801	\$0	\$53,747	\$146,859	\$88,987	\$1,849	\$8,986,141	\$0	\$8,986,141
121 Accounts Receivable - PHA Projects										\$0				
122 Accounts Receivable - HUD Other Projects			\$9,287	\$36,443						\$0	\$3,232	\$48,962		\$48,962
124 Accounts Receivable - Other Government					\$72,695	\$107,995		\$33,993		\$0		\$214,683		\$214,683
125 Accounts Receivable - Miscellaneous	\$7,879			\$9,177	\$209,811	\$9,172				\$0		\$236,039		\$236,039
126 Accounts Receivable - Tenants	\$75,478			\$12,119	\$78,900			\$7,884		\$0		\$174,381		\$174,381
126.1 Allowance for Doubtful Accounts - Tenants	-\$63,000		\$0		-\$11,900	-\$61,448		-\$4,000		\$0		-\$140,348		-\$140,348
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0	-\$6,077		\$0		\$0	\$0	-\$6,077		-\$6,077
127 Notes, Loans, & Mortgages Receivable - Current										\$0				
128 Fraud Recovery										\$0				
128.1 Allowance for Doubtful Accounts - Fraud										\$0				
129 Accrued Interest Receivable										\$0				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$20,357	\$0	\$9,287	\$45,620	\$282,725	\$128,542	\$0	\$37,877	\$0	\$0	\$3,232	\$527,640	\$0	\$527,640
131 Investments - Unrestricted										\$0				
132 Investments - Restricted										\$0				
135 Investments - Restricted for Payment of Current Liability										\$0				
142 Prepaid Expenses and Other Assets	\$31,348			\$18,954	\$19,195	\$46,995		\$2,182		\$39	\$4,729	\$123,442		\$123,442
143 Inventories					\$4,856					\$0		\$4,856		\$4,856
143.1 Allowance for Obsolete Inventories					\$0					\$0		\$0		\$0
144 Inter Program Due From	\$288,019			\$32,463	\$1,317,350	\$459,151		\$0		\$0		\$2,096,983	-\$2,096,983	\$0
145 Assets Held for Sale										\$0				
150 Total Current Assets	\$1,016,240	\$0	\$9,287	\$533,059	\$4,550,486	\$5,290,489	\$0	\$93,806	\$146,859	\$89,026	\$9,810	\$11,739,062	-\$2,096,983	\$9,642,079
161 Land	\$439,000				\$25,200	\$762,449				\$0		\$1,226,649		\$1,226,649
162 Buildings	\$24,947,760				\$119,883	\$33,107,473				\$0		\$58,175,116		\$58,175,116
163 Furniture, Equipment & Machinery - Dwellings	\$333,750					\$250,372				\$0		\$584,122		\$584,122
164 Furniture, Equipment & Machinery - Administration	\$988,917			\$150,861	\$301,465			\$15,939		\$0	\$133,197	\$1,590,379		\$1,590,379
165 Leasehold Improvements					\$222,379					\$0	\$171,773	\$394,152		\$394,152
166 Accumulated Depreciation	-\$21,058,927			-\$149,114	-\$436,859	-\$1,842,313		-\$12,144		\$0	-\$199,727	-\$33,699,084		-\$33,699,084
167 Construction in Progress										\$0				
168 Infrastructure										\$0				
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,650,500	\$0	\$0	\$1,747	\$232,068	\$22,277,981	\$0	\$3,795	\$0	\$0	\$105,243	\$28,271,334	\$0	\$28,271,334
171 Notes, Loans and Mortgages Receivable - Non-Current						\$0				\$0		\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due										\$0				
173 Grants Receivable - Non Current										\$0				
174 Other Assets						\$556,497				\$0		\$556,497		\$556,497
176 Investments in Joint Ventures										\$0				
180 Total Non-Current Assets	\$5,650,500	\$0	\$0	\$1,747	\$232,068	\$22,834,478	\$0	\$3,795	\$0	\$0	\$105,243	\$28,827,831	\$0	\$28,827,831
200 Deferred Outflow of Resources	\$962,898			\$1,381,748	\$680,825			\$114,640		\$8,243	\$455,907	\$3,604,261		\$3,604,261
290 Total Assets and Deferred Outflow of Resources	\$7,629,638	\$0	\$9,287	\$1,916,554	\$5,463,379	\$28,124,967	\$0	\$212,241	\$146,859	\$97,269	\$570,960	\$44,171,154	-\$2,096,983	\$42,074,171

Gloucester County Housing Authority (NJ204)
Deptford, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	6.1 Component Unit - Discretely Presented	14.239 HOME Investment Partnerships Program	2 State/Local	14.879 Mainstream Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
311 Bank Overdraft										\$0				
312 Accounts Payable <= 90 Days					\$8,960	\$106,214		\$7,398		\$0	\$109,447	\$232,019		\$232,019
313 Accounts Payable >90 Days Past Due										\$0				
321 Accrued Wage/Payroll Taxes Payable						\$116,150				\$0		\$116,150		\$116,150
322 Accrued Compensated Absences - Current Portion	\$17,063			\$34,102	\$60,606					\$0	\$12,097	\$123,868		\$123,868
324 Accrued Contingency Liability	\$16,679			\$24,412	\$11,718	\$29,977		\$1,825		\$150	\$7,656	\$92,417		\$92,417
325 Accrued Interest Payable						\$203,716				\$0		\$203,716		\$203,716
331 Accounts Payable - HUD PHA Programs				\$0					\$766	\$34,503		\$35,269		\$35,269
332 Account Payable - PHA Projects										\$0				
333 Accounts Payable - Other Government	\$57,644				\$13,509	\$9,863				\$1,332		\$82,348		\$82,348
341 Tenant Security Deposits	\$44,768					\$77,861				\$0		\$122,629		\$122,629
342 Unearned Revenue	\$6,811				\$14,847	\$10,266		\$2,940		\$0		\$34,864		\$34,864
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						\$208,319				\$0		\$208,319		\$208,319
344 Current Portion of Long-term Debt - Operating Borrowings										\$0				
345 Other Current Liabilities	\$88,689			\$222,165	\$65,853	\$416		\$10,107		\$813	\$40,342	\$428,185		\$428,185
346 Accrued Liabilities - Other					\$38,300	\$35,994				\$0		\$74,294		\$74,294
347 Inter Program - Due To	\$121,021		\$9,287	\$682,955	\$34	\$696,512		\$26,701	\$32,463	\$40,045	\$487,965	\$2,096,983	-\$2,096,983	\$0
348 Loan Liability - Current										\$0				
310 Total Current Liabilities	\$352,675	\$0	\$9,287	\$963,634	\$213,627	\$1,495,288	\$0	\$48,971	\$33,229	\$76,843	\$657,507	\$3,851,061	-\$2,096,983	\$1,754,078
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						\$8,201,078				\$0		\$8,201,078		\$8,201,078
352 Long-term Debt, Net of Current - Operating Borrowings										\$0				
353 Non-current Liabilities - Other	\$10,948			\$92,614		\$95,509				\$0		\$199,071		\$199,071
354 Accrued Compensated Absences - Non Current	\$9,380			\$18,745	\$33,311					\$0	\$6,649	\$68,085		\$68,085
355 Loan Liability - Non Current										\$0				
356 FASB 5 Liabilities										\$0				
357 Accrued Pension and OPEB Liabilities	\$3,903,567			\$5,499,156	\$3,551,151			\$525,737		\$47,743	\$2,049,317	\$15,576,671		\$15,576,671
350 Total Non-Current Liabilities	\$3,923,895	\$0	\$0	\$5,610,515	\$3,584,462	\$8,296,587	\$0	\$525,737	\$0	\$47,743	\$2,055,966	\$24,044,905	\$0	\$24,044,905
300 Total Liabilities	\$4,276,570	\$0	\$9,287	\$6,574,149	\$3,798,089	\$9,791,875	\$0	\$574,708	\$33,229	\$124,586	\$2,713,473	\$27,895,966	-\$2,096,983	\$25,798,983
400 Deferred Inflow of Resources	\$772,655			\$1,133,045	\$553,810			\$89,268		\$6,958	\$355,932	\$2,911,668		\$2,911,668
508.4 Net Investment in Capital Assets	\$5,650,500			\$1,747	\$232,067	\$1,044,609		\$3,795		\$0	\$105,244	\$7,037,962		\$7,037,962
511.4 Restricted Net Position				\$338,363		\$3,222,499			\$134,085	\$0		\$3,694,947		\$3,694,947
512.4 Unrestricted Net Position	-\$3,070,087	\$0	\$0	-\$6,130,750	\$879,413	\$14,065,984	\$0	-\$455,530	-\$20,455	-\$34,275	-\$2,603,689	\$2,630,611		\$2,630,611
513 Total Equity - Net Assets / Position	\$2,580,413	\$0	\$0	-\$5,790,640	\$1,111,480	\$18,333,092	\$0	-\$451,735	\$113,630	-\$34,275	-\$2,498,445	\$13,363,520	\$0	\$13,363,520
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$7,629,638	\$0	\$9,287	\$1,916,554	\$5,463,379	\$28,124,967	\$0	\$212,241	\$146,859	\$97,269	\$570,960	\$44,171,154	-\$2,096,983	\$42,074,171

Gloucester County Housing Authority (NJ204)
Deptford, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	6.1 Component Unit - Discretely Presented	14.239 HOME Investment Partnerships Program	2 State/Local	14.879 Mainstream Vouchers	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$882,123				\$71,508	\$1,549,912				\$0		\$2,503,543		\$2,503,543
70400 Tenant Revenue - Other	\$4,165				\$334	\$10,311		\$77,622		\$0		\$92,432		\$92,432
70500 Total Tenant Revenue	\$886,288	\$0	\$0	\$0	\$71,842	\$1,560,223	\$0	\$77,622	\$0	\$0	\$0	\$2,595,975	\$0	\$2,595,975
70600 HUD PHA Operating Grants	\$976,333	\$47,018	\$79,254	\$17,117,240			\$78,215		\$280,045	\$124,969		\$18,703,074		\$18,703,074
70610 Capital Grants	\$410,225									\$0		\$410,225		\$410,225
70710 Management Fee										\$0	\$277,920	\$277,920	-\$277,920	\$0
70720 Asset Management Fee										\$0	\$31,440	\$31,440	-\$31,440	\$0
70730 Book Keeping Fee										\$0	\$23,018	\$23,018	-\$23,018	\$0
70740 Front Line Service Fee										\$0				
70750 Other Fees										\$0				
70700 Total Fee Revenue										\$0	\$332,378	\$332,378	-\$332,378	\$0
70800 Other Government Grants						\$1,813,857		\$196,329		\$0		\$2,010,186		\$2,010,186
71100 Investment Income - Unrestricted				\$4,735	\$27,535	\$25,333				\$510	\$7,519	\$65,632		\$65,632
71200 Mortgage Interest Income										\$0				
71300 Proceeds from Disposition of Assets Held for Sale										\$0				
71310 Cost of Sale of Assets										\$0				
71400 Fraud Recovery				\$11,234						\$0		\$11,234		\$11,234
71500 Other Revenue	\$56,918			\$1,067	\$1,083,571	\$132,712				\$0	\$8	\$1,274,276		\$1,274,276
71600 Gain or Loss on Sale of Capital Assets					\$301,280					\$0		\$301,280		\$301,280
72000 Investment Income - Restricted										\$0				
70000 Total Revenue	\$2,329,764	\$47,018	\$79,254	\$17,134,276	\$1,484,228	\$3,532,125	\$78,215	\$273,951	\$280,045	\$125,479	\$339,905	\$25,704,260	-\$332,378	\$25,371,882
91100 Administrative Salaries	\$122,521	\$23,312		\$722,239	\$587,774			\$20,000	\$14,740	\$4,720	\$234,363	\$1,729,669		\$1,729,669
91200 Auditing Fees	\$12,000			\$20,188	\$5,000	\$60,910		\$800	\$412	\$1,500		\$100,810		\$100,810
91300 Management Fee	\$228,058					\$0	\$7,483			\$0		\$235,541	-\$277,920	-\$42,379
91310 Book-keeping Fee	\$23,018					\$6,643				\$0		\$29,661	-\$23,018	\$6,643
91400 Advertising and Marketing	\$640			\$729	\$2,015				\$15	\$4	\$64	\$3,467		\$3,467
91500 Employee Benefit contributions - Administrative	\$67,227	\$23,706		\$586,193	\$481,756			\$5,000	\$11,963	\$3,860	\$191,693	\$1,371,398		\$1,371,398
91600 Office Expenses	\$22,392		\$300	\$154,337	\$102,130	\$34,608		\$1,280	\$3,150	\$1,035	\$24,999	\$344,231		\$344,231
91700 Legal Expense	\$6,644			\$792	\$62,240	\$3,985				\$0		\$73,661		\$73,661
91800 Travel	\$925		\$2,475	\$7,774	\$37,193			\$3,625	\$159	\$14	\$5,545	\$57,710		\$57,710
91810 Allocated Overhead										\$0				
91900 Other	\$14,687			\$8,252	\$12,148	\$756,999		\$722	\$168	\$40	\$2,912	\$795,928		\$795,928
91000 Total Operating - Administrative	\$498,112	\$47,018	\$2,775	\$1,500,504	\$1,290,256	\$863,145	\$7,483	\$31,427	\$30,607	\$11,173	\$459,576	\$4,742,076	-\$300,938	\$4,441,138
92000 Asset Management Fee	\$31,440									\$0		\$31,440	-\$31,440	\$0
92100 Tenant Services - Salaries	\$64,789		\$35,445					\$38,717		\$0		\$138,951		\$138,951
92200 Relocation Costs	\$1,687									\$0		\$1,687		\$1,687
92300 Employee Benefit Contributions - Tenant Services	\$57,337		\$37,308					\$43,026		\$0		\$137,671		\$137,671
92400 Tenant Services - Other	\$5,083		\$3,726			\$317,354		\$67,518		\$0	\$135	\$393,816		\$393,816
92500 Total Tenant Services	\$128,896	\$0	\$76,479	\$0	\$0	\$317,354	\$0	\$149,261	\$0	\$0	\$135	\$672,125	\$0	\$672,125
93100 Water	\$62,317				\$3,942	\$45,520				\$0		\$111,779		\$111,779
93200 Electricity	\$91,120				\$233	\$92,909				\$0		\$184,262		\$184,262
93300 Gas	\$69,699				\$571	\$61,705				\$0		\$131,975		\$131,975
93400 Fuel	\$691					\$285				\$0		\$976		\$976
93500 Labor										\$0				
93600 Sewer	\$117,582				\$4,496	\$123,956				\$0		\$246,034		\$246,034
93700 Employee Benefit Contributions - Utilities										\$0				
93800 Other Utilities Expense										\$0				
93000 Total Utilities	\$341,409	\$0	\$0	\$0	\$9,242	\$324,375	\$0	\$0	\$0	\$0	\$0	\$675,026	\$0	\$675,026

Gloucester County Housing Authority (NJ204)
Deptford, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	6.1 Component Unit - Discretely Presented	14.239 HOME Investment Partnerships Program	2 State/Local	14.879 Mainstream Vouchers	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$291,482				\$20,421					\$0		\$311,903		\$311,903
94200 Ordinary Maintenance and Operations - Materials and Other	\$56,143				\$2,501	\$881,648		\$633		\$0	\$1,222	\$942,147		\$942,147
94300 Ordinary Maintenance and Operations Contracts	\$215,686			\$1,142	\$17,250	\$215,286		\$2,032	\$23	\$0	\$300	\$451,719		\$451,719
94500 Employee Benefit Contributions - Ordinary Maintenance	\$258,737				\$15,707					\$0		\$274,444		\$274,444
94000 Total Maintenance	\$822,048	\$0	\$0	\$1,142	\$55,879	\$1,096,934	\$0	\$2,665	\$23	\$0	\$1,522	\$1,980,213	\$0	\$1,980,213
95100 Protective Services - Labor										\$0				
95200 Protective Services - Other Contract Costs	\$177,008									\$0		\$177,008		\$177,008
95300 Protective Services - Other										\$0				
95500 Employee Benefit Contributions - Protective Services										\$0				
95000 Total Protective Services	\$177,008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$177,008	\$0	\$177,008
96110 Property Insurance	\$87,007			\$2,753	\$18,129	\$19,746		\$6,930	\$56	\$0	\$8,579	\$143,200		\$143,200
96120 Liability Insurance	\$14,487			\$13,599	\$14,414	\$110,836			\$278	\$0		\$153,614		\$153,614
96130 Workmen's Compensation	\$19,164			\$15,414	\$14,858	\$9,536		\$1,437	\$315	\$151	\$9,062	\$69,937		\$69,937
96140 All Other Insurance	\$16,656			\$29,879	\$2,507	\$450			\$610	\$0		\$50,102		\$50,102
96100 Total Insurance Premiums	\$137,314	\$0	\$0	\$61,645	\$49,908	\$140,568	\$0	\$8,367	\$1,259	\$151	\$17,641	\$416,853	\$0	\$416,853
96200 Other General Expenses				\$26,380		\$36,487			\$538	\$0		\$63,405		\$63,405
96210 Compensated Absences	\$527			\$1,767	\$16,959				\$36	\$0		\$19,289		\$19,289
96300 Payments in Lieu of Taxes	\$57,644				\$4,363	\$23,938				\$0		\$85,945		\$85,945
96400 Bad debt - Tenant Rents	\$21,540					\$17,600		\$300		\$0		\$39,440		\$39,440
96500 Bad debt - Mortgages										\$0				
96600 Bad debt - Other										\$0				
96800 Severance Expense										\$0				
96000 Total Other General Expenses	\$79,711	\$0	\$0	\$28,147	\$21,322	\$78,025	\$0	\$300	\$574	\$0	\$0	\$208,079	\$0	\$208,079
96710 Interest of Mortgage (or Bonds) Payable						\$331,026				\$0		\$331,026		\$331,026
96720 Interest on Notes Payable (Short and Long Term)										\$0				
96730 Amortization of Bond Issue Costs						\$34,843				\$0		\$34,843		\$34,843
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$365,869	\$0	\$0	\$0	\$0	\$0	\$365,869	\$0	\$365,869
96900 Total Operating Expenses	\$2,215,938	\$47,018	\$79,254	\$1,591,438	\$1,426,607	\$3,186,270	\$7,483	\$192,020	\$32,463	\$11,324	\$478,874	\$9,268,689	-\$332,378	\$8,936,311
97000 Excess of Operating Revenue over Operating Expenses	\$113,826	\$0	\$0	\$15,542,838	\$57,621	\$345,855	\$70,732	\$81,931	\$247,582	\$114,155	-\$138,969	\$16,435,571	\$0	\$16,435,571
97100 Extraordinary Maintenance										\$0				
97200 Casualty Losses - Non-capitalized										\$0				
97300 Housing Assistance Payments				\$15,679,974			\$70,732		\$133,952	\$108,618		\$15,993,276		\$15,993,276
97350 HAP Portability-In										\$0				
97400 Depreciation Expense	\$1,002,566			\$488	\$42,061	\$966,866		\$2,277		\$0	\$11,494	\$2,025,752		\$2,025,752
97500 Fraud Losses										\$0				
97600 Capital Outlays - Governmental Funds										\$0				
97700 Debt Principal Payment - Governmental Funds										\$0				
97800 Dwelling Units Rent Expense										\$0				
90000 Total Expenses	\$3,218,504	\$47,018	\$79,254	\$17,271,900	\$1,468,668	\$4,153,136	\$78,215	\$194,297	\$166,415	\$119,942	\$490,368	\$27,287,717	-\$332,378	\$26,955,339

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	6.1 Component Unit - Discretely Presented	14.239 HOME Investment Partnerships Program	2 State/Local	14.879 Mainstream Vouchers	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In										\$0				
10020 Operating transfer Out										\$0				
10030 Operating Transfers from/to Primary Government										\$0				
10040 Operating Transfers from/to Component Unit										\$0				
10050 Proceeds from Notes, Loans and Bonds										\$0				
10060 Proceeds from Property Sales										\$0				
10070 Extraordinary Items, Net Gain/Loss										\$0				
10080 Special Items (Net Gain/Loss)						-\$59,787				\$0		-\$59,787		-\$59,787
10091 Inter Project Excess Cash Transfer In										\$0				
10092 Inter Project Excess Cash Transfer Out										\$0				
10093 Transfers between Program and Project - In										\$0				
10094 Transfers between Project and Program - Out										\$0				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	-\$59,787	\$0	\$0	\$0	\$0	\$0	-\$59,787	\$0	-\$59,787
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$888,740	\$0	\$0	-\$137,624	\$15,560	-\$680,798	\$0	\$79,654	\$113,630	\$5,537	-\$150,463	-\$1,643,244	\$0	-\$1,643,244
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$3,469,153	\$0	\$0	-\$5,653,016	\$1,095,920	\$18,943,679	\$0	-\$531,389	\$0	-\$39,812	-\$2,347,982	\$14,936,553		\$14,936,553
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0					\$70,211				\$0		\$70,211		\$70,211
11050 Changes in Compensated Absence Balance										\$0				
11060 Changes in Contingent Liability Balance										\$0				
11070 Changes in Unrecognized Pension Transition Liability										\$0				
11080 Changes in Special Term/Severance Benefits Liability										\$0				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										\$0				
11100 Changes in Allowance for Doubtful Accounts - Other										\$0				
11170 Administrative Fee Equity				-\$6,129,003						\$0		-\$6,129,003		-\$6,129,003
11180 Housing Assistance Payments Equity				\$338,363						\$0		\$338,363		\$338,363
11190 Unit Months Available	3120			23424	96	3348	131		480	180		30779		30779
11210 Number of Unit Months Leased	3066			20881	82	3284	131		163	155		27762		27762
11270 Excess Cash	\$436,609									\$0		\$436,609		\$436,609
11610 Land Purchases	\$0									\$0	\$0	\$0		\$0
11620 Building Purchases	\$271,575									\$0	\$0	\$271,575		\$271,575
11630 Furniture & Equipment - Dwelling Purchases	\$29,279									\$0	\$0	\$29,279		\$29,279
11640 Furniture & Equipment - Administrative Purchases	\$109,371									\$0	\$0	\$109,371		\$109,371
11650 Leasehold Improvements Purchases	\$0									\$0	\$0	\$0		\$0
11660 Infrastructure Purchases	\$0									\$0	\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0									\$0	\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0									\$0	\$0	\$0		\$0

Gloucester County Housing Authority (NJ204)
 Deptford, NJ
Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
111 Cash - Unrestricted	\$225,000	\$275,300	\$120,500			\$620,800
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted	\$10,948					\$10,948
114 Cash - Tenant Security Deposits	\$31,271	\$6,859	\$6,638			\$44,768
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$267,219	\$282,159	\$127,138	\$0	\$0	\$676,516
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous	\$4,980	\$2,359	\$540			\$7,879
126 Accounts Receivable - Tenants	\$34,966	\$13,141	\$27,371			\$75,478
126.1 Allowance for Doubtful Accounts -Tenants	-\$27,000	-\$11,000	-\$25,000			-\$63,000
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0			\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$12,946	\$4,500	\$2,911	\$0	\$0	\$20,357
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$11,382	\$10,195	\$9,771			\$31,348
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From	\$0	\$288,019				\$288,019
145 Assets Held for Sale						
150 Total Current Assets	\$291,547	\$584,873	\$139,820	\$0	\$0	\$1,016,240

Gloucester County Housing Authority (NJ204)
 Deptford, NJ
Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
161 Land	\$274,000	\$25,000	\$140,000			\$439,000
162 Buildings	\$8,552,496	\$8,551,545	\$7,843,719			\$24,947,760
163 Furniture, Equipment & Machinery - Dwellings	\$88,149	\$21,088	\$224,513			\$333,750
164 Furniture, Equipment & Machinery - Administration	\$102,598	\$552,911	\$333,408			\$988,917
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$7,627,625	-\$6,941,129	-\$6,490,173			-\$21,058,927
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,389,618	\$2,209,415	\$2,051,467	\$0	\$0	\$5,650,500
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$1,389,618	\$2,209,415	\$2,051,467	\$0	\$0	\$5,650,500
200 Deferred Outflow of Resources	\$305,600	\$364,985	\$292,313			\$962,898
290 Total Assets and Deferred Outflow of Resources	\$1,986,765	\$3,159,273	\$2,483,600	\$0	\$0	\$7,629,638
311 Bank Overdraft						
312 Accounts Payable <= 90 Days						
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion	\$3,836	\$5,989	\$7,238			\$17,063
324 Accrued Contingency Liability	\$4,891	\$6,632	\$5,156			\$16,679
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						

Gloucester County Housing Authority (NJ204)
 Deptford, NJ
Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$26,432	\$13,017	\$18,195			\$57,644
341 Tenant Security Deposits	\$31,271	\$6,859	\$6,638			\$44,768
342 Unearned Revenue	\$2,348	\$3,881	\$582			\$6,811
343 Current Portion of Long-term Debt - Capital						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities	\$26,856	\$34,088	\$27,745			\$88,689
346 Accrued Liabilities - Other						
347 Inter Program - Due To	\$25,953		\$95,068			\$121,021
348 Loan Liability - Current						
310 Total Current Liabilities	\$121,587	\$70,466	\$160,622	\$0	\$0	\$352,675
351 Long-term Debt, Net of Current - Capital Projects/Mortgage						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other	\$10,948					\$10,948
354 Accrued Compensated Absences - Non Current	\$2,109	\$3,292	\$3,979			\$9,380
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$1,214,748	\$1,429,143	\$1,259,676			\$3,903,567
350 Total Non-Current Liabilities	\$1,227,805	\$1,432,435	\$1,263,655	\$0	\$0	\$3,923,895
300 Total Liabilities	\$1,349,392	\$1,502,901	\$1,424,277	\$0	\$0	\$4,276,570
400 Deferred Inflow of Resources	\$236,964	\$296,252	\$239,439			\$772,655
508.4 Net Investment in Capital Assets	\$1,389,619	\$2,209,414	\$2,051,467			\$5,650,500
511.4 Restricted Net Position						
512.4 Unrestricted Net Position	-\$989,210	-\$849,294	-\$1,231,583	\$0	\$0	-\$3,070,087
513 Total Equity - Net Assets / Position	\$400,409	\$1,360,120	\$819,884	\$0	\$0	\$2,580,413
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$1,986,765	\$3,159,273	\$2,483,600	\$0	\$0	\$7,629,638

Gloucester County Housing Authority (NJ204)
Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	\$279,834	\$279,259	\$323,030			\$882,123
70400 Tenant Revenue - Other	\$2,748	\$702	\$715			\$4,165
70500 Total Tenant Revenue	\$282,582	\$279,961	\$323,745	\$0	\$0	\$886,288
70600 HUD PHA Operating Grants	\$247,629	\$386,604	\$342,100			\$976,333
70610 Capital Grants	\$11,552	\$344,398	\$54,275			\$410,225
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants						
71100 Investment Income - Unrestricted						
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery						
71500 Other Revenue		\$51,155	\$5,763			\$56,918
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$541,763	\$1,062,118	\$725,883	\$0	\$0	\$2,329,764
91100 Administrative Salaries	\$32,425	\$46,022	\$44,074			\$122,521
91200 Auditing Fees	\$3,000	\$4,500	\$4,500			\$12,000
91300 Management Fee	\$54,098	\$86,497	\$87,463			\$228,058
91310 Book-keeping Fee	\$5,460	\$8,730	\$8,828			\$23,018

Gloucester County Housing Authority (NJ204)
Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
91400 Advertising and Marketing	\$293	\$260	\$87			\$640
91500 Employee Benefit contributions - Administrative	\$15,452	\$25,254	\$26,521			\$67,227
91600 Office Expenses	\$75	\$11,467	\$10,850			\$22,392
91700 Legal Expense	\$1,365	\$4,109	\$1,170			\$6,644
91800 Travel	\$502	\$335	\$88			\$925
91810 Allocated Overhead						
91900 Other	\$1,809	\$5,765	\$7,113			\$14,687
91000 Total Operating - Administrative	\$114,479	\$192,939	\$190,694	\$0	\$0	\$498,112
92000 Asset Management Fee	\$7,440	\$12,000	\$12,000			\$31,440
92100 Tenant Services - Salaries		\$41,780	\$23,009			\$64,789
92200 Relocation Costs	\$1,687					\$1,687
92300 Employee Benefit Contributions - Tenant Services		\$37,039	\$20,298			\$57,337
92400 Tenant Services - Other		\$2,118	\$2,965			\$5,083
92500 Total Tenant Services	\$1,687	\$80,937	\$46,272	\$0	\$0	\$128,896
93100 Water	\$23,073	\$23,857	\$15,387			\$62,317
93200 Electricity	\$455	\$46,361	\$44,304			\$91,120
93300 Gas	\$589	\$30,675	\$38,435			\$69,699
93400 Fuel	\$275	\$301	\$115			\$691
93500 Labor						
93600 Sewer	\$26,848	\$47,894	\$42,840			\$117,582
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$51,240	\$149,088	\$141,081	\$0	\$0	\$341,409
94100 Ordinary Maintenance and Operations - Labor	\$111,364	\$98,414	\$81,704			\$291,482
94200 Ordinary Maintenance and Operations - Materials and	\$20,973	\$11,141	\$24,029			\$56,143

Gloucester County Housing Authority (NJ204)
Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
94300 Ordinary Maintenance and Operations Contracts	\$104,712	\$45,694	\$65,280			\$215,686
94500 Employee Benefit Contributions - Ordinary Maintenance	\$99,385	\$87,246	\$72,106			\$258,737
94000 Total Maintenance	\$336,434	\$242,495	\$243,119	\$0	\$0	\$822,048
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs		\$89,246	\$87,762			\$177,008
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$89,246	\$87,762	\$0	\$0	\$177,008
96110 Property Insurance	\$38,232	\$24,249	\$24,526			\$87,007
96120 Liability Insurance	\$4,043	\$5,222	\$5,222			\$14,487
96130 Workmen's Compensation	\$5,601	\$7,712	\$5,851			\$19,164
96140 All Other Insurance	\$4,664	\$5,996	\$5,996			\$16,656
96100 Total insurance Premiums	\$52,540	\$43,179	\$41,595	\$0	\$0	\$137,314
96200 Other General Expenses						
96210 Compensated Absences			\$527			\$527
96300 Payments in Lieu of Taxes	\$26,432	\$13,017	\$18,195			\$57,644
96400 Bad debt - Tenant Rents	\$6,150	\$6,200	\$9,190			\$21,540
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$32,582	\$19,217	\$27,912	\$0	\$0	\$79,711
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$596,402	\$829,101	\$790,435	\$0	\$0	\$2,215,938

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
97000 Excess of Operating Revenue over Operating Expenses	-\$54,639	\$233,017	-\$64,552	\$0	\$0	\$113,826
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments						
97350 HAP Portability-In						
97400 Depreciation Expense	\$275,272	\$332,471	\$394,823			\$1,002,566
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$871,674	\$1,161,572	\$1,185,258	\$0	\$0	\$3,218,504
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$329,911	-\$99,454	-\$459,375	\$0	\$0	-\$888,740

Gloucester County Housing Authority (NJ204)
Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$730,320	\$1,459,574	\$1,279,259	\$0	\$0	\$3,469,153
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0	\$0			\$0
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	744	1188	1188	0		3120
11210 Number of Unit Months Leased	728	1161	1177	0		3066
11270 Excess Cash	\$97,930	\$435,121	-\$96,442	\$0	\$0	\$436,609
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$265,884	\$5,691	\$0	\$0	\$271,575
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$29,279	\$0	\$0	\$29,279
11640 Furniture & Equipment - Administrative Purchases	\$11,552	\$78,514	\$19,305	\$0	\$0	\$109,371
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

PART II - SINGLE AUDIT SECTION

DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of Gloucester County, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of Gloucester County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of Gloucester County, New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

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

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



BOWMAN & COMPANY LLP
Certified Public Accountants &
Consultants

Woodbury, New Jersey
September 18, 2020

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development Direct Programs				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	-	\$ 17,263,333
Mainstream Vouchers	14.879	N/A	-	<u>133,952</u>
Subtotal - Housing Voucher Cluster				17,397,285
Public and Indian Housing	14.850	N/A	-	994,085
Public Housing Capital Fund	14.872	N/A	-	468,240
Section 8 Project-Based Cluster				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	N/A	-	124,969
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	-	79,254
Family Self-Sufficiency Program	14.896	N/A	-	<u>47,018</u>
Subtotal - Direct Programs				<u>19,110,851</u>
Passed Through the County of Gloucester				
Home Investment Partnerships Program	14.239	N/A	-	<u>78,215</u>
Total expenditures of federal awards				<u><u>\$ 19,189,066</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Schedule of Expenditures of Federal Awards

Note 1: GENERAL

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Housing Authority of Gloucester County, New Jersey (the "Authority") under programs of the federal government for the year ended December 31, 2019. Gloucester County Housing Development Corporation, Seniors Housing Development Corporation of Gloucester County, and Affordable Housing Alternatives of Gloucester County, Inc. are not subject to Single Audits. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Expenditures reported on this Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Authority's financial statements.

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Included in the amount reported as Federal expenditures in the accompanying schedule for CFDA number 14.871 are settlements for prior year's administrative fees received from the United States Department of Housing and Urban Development (HUD) of \$28,411 for 2018 and no amounts for 2018 for housing assistance payments were included. All other amounts in the accompanying schedule agree with, in all material respects, the amounts reported in the related federal financial reports.

Additionally, there were expenditures of \$196,332 under the State of New Jersey, Department of Community Affairs Congregate Housing Services Program, which is not subject to a State Single Audit.

Note 5: PHA'S STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS

There were no Modernization Cost Certificates filed by the Authority in 2019.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

PART III – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2019

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

Section 1 – Summary of Auditor’s Results

Financial Statements

- | | |
|--|------------|
| A. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP | Unmodified |
| B. Internal control over financial reporting: | |
| 1. Material weakness(es) identified? | None noted |
| 2. Significant deficiency(ies) identified? | None noted |
| C. Noncompliance material to financial statements noted? | None noted |

Federal Awards Section

- | | |
|---|------------|
| D. Internal control over major federal programs: | |
| 1. Material weakness(es) identified? | None noted |
| 2. Significant deficiency(ies) identified? | None noted |
| E. Type of auditor’s report on compliance for major federal programs: | Unmodified |
| F. Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): | None noted |
| G. Identification of major federal programs: | |

CFDA Numbers	Name of Federal Program or Cluster
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers

- | | |
|---|------------|
| H. Dollar threshold used to distinguish between type A and type B programs: | \$ 750,000 |
| I. Auditee qualified as low-risk auditee? | Yes |

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Current Year Findings

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No Current Year Findings

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards that are required to be reported in accordance with Government Auditing Standards, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

APPRECIATION

We express our appreciation for the courtesies extended and assistance rendered to us during the course of this audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants