

**HOUSING AUTHORITY OF
GLOUCESTER COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

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, 2022 AND 2021

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Gloucester County, New Jersey

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of Gloucester County, New Jersey ("Authority") and the discretely presented component units, a component unit of the County of Gloucester, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, and of its aggregate discretely presented component units as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Adoption of New Accounting Principles

As described in Note 2 to the financial statements, during the year ended December 31, 2022, the Authority adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the Authority has determined that certain disclosures of leases, formerly classified as operating, now meet the criteria of this Statement. As a result, a capital asset and long-term liability are recorded for the underlying lease (notes 5 and 9). Our opinion is not modified with respect to this matter.

Because of the implementation of GASB Statement No. 87, the Authority has determined that certain disclosures of leases meet the criteria of this Statement. As a result, a lease receivable and a deferred inflow of resources are recorded for the underlying lease (Note 8). Our opinion is not modified with respect to this matter.

Restatement of Prior Period Financial Statements

Because of the implementation of GASB Statement No. 87, net position as of January 1, 2021 on the statements of revenues, expenses, and changes in net position has been restated, and the accompanying financial statements as of and for the year ended December 31, 2021 have been restated, as discussed in note 17 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability – Public Employees Retirement System ("PERS"), schedule of the Authority's contributions – PERS, schedule of changes in Authority's total OPEB liability and related ratios 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.

Supplementary 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 Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Financial Data Schedule, as required by the Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 basic 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 25, 2023 on our consideration of the Authority'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 solely 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 25, 2023

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, 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 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 (the “Authority”), a component unit of the County of Gloucester, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated September 25, 2023. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle. Also, our report on the financial statements included an additional emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of the new accounting principle.

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 for the discretely presented component units.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, 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 Authority'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, and federal awarding agencies and pass-through entities, in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants &
Consultants

Woodbury, New Jersey
September 25, 2023

HOUSING AUTHORITY OF GLOUCESTER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2022 and 2021
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 year ended on December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Authority'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)
For the Years Ended December 31, 2022 and 2021
Unaudited

FINANCIAL HIGHLIGHTS

- The Authority's Total Net Position (equity) decreased from 2021 to 2022 by \$770,063 including a decrease in Net Investment in Capital Assets of \$373,086 a decrease in Restricted Net Position of \$535,605, and an increase in Unrestricted Net Position of \$138,628.
- The Authority's Cash balance at the reporting year-end was **\$9,601,943 in 2022, \$9,659,166 in 2021, and \$9,415,698 in 2020**. This includes amounts designated for restricted use.
- The Authority had Total Revenues of **\$26,543,494 in 2022, \$27,370,520 in 2021, and \$25,256,790 in 2020**. The Authority had Total Expenses of **\$27,581,313 in 2022, \$31,634,669 in 2021, and \$27,006,156 in 2020**.
- The Primary Government's Expenditures of Federal Awards amounted to **\$19,824,124 in 2022, \$19,411,215 in 2021, and \$19,411,502 in 2020**.
- The Authority lost over \$198,000 in 2022, \$262,000 in 2021, and \$345,000 in 2020 in Section 8 Housing Choice Voucher Administrative Fees** as a result of the proration factor determined by HUD. The proration factor is based on national leasing statistics in the Program due to fiscal limitations imposed by Federal Appropriations.
- The Authority lost over \$83,000 in 2022, \$36,000 in 2021, and \$0 in 2020 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)
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021
Unaudited

CONDENSED FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION

	December 31, 2022		December 31, 2021		December 31, 2020	
	PRIMARY	COMPONENT	PRIMARY	COMPONENT	PRIMARY	COMPONENT
	GOVERNMENT	UNITS	GOVERNMENT	UNITS	GOVERNMENT	UNITS
Assets:						
Current Assets	\$ 8,027,271	\$ 3,213,628	\$ 7,552,612	\$ 3,353,806	\$ 6,470,368	\$ 2,686,407
Restricted Assets	164,476	3,224,118	181,089	3,107,035	147,934	2,999,673
Capital Assets, net of Depreciation	4,946,152	19,709,888	5,340,300	20,504,769	5,294,848	21,405,637
Other Non-Current Assets	153,170	1,004,416	203,703	1,085,848	-	522,261
Total Assets	\$ 13,291,069	\$ 27,152,050	\$ 13,277,704	\$ 28,051,458	\$ 11,913,150	\$ 27,613,978
<i>Deferred Outflow of Resources, Related to Pensions</i>	\$ 789,094	\$ -	\$ 664,584	\$ -	\$ 3,155,551	\$ -
<i>Deferred Outflow of Resources, Related to OPEB</i>	2,240,510	-	2,741,091	-	-	-
Liabilities:						
Current Liabilities	\$ 2,353,416	\$ 3,159,086	\$ 2,286,141	\$ 2,549,940	\$ 1,529,302	\$ 1,882,773
Long-Term Liabilities	17,417,962	7,714,720	19,541,496	7,959,924	16,346,246	8,189,632
Total Liabilities	\$ 19,771,378	\$ 10,873,806	\$ 21,827,637	\$ 10,509,864	\$ 17,875,548	\$ 10,072,405
<i>Deferred Inflow of Resources, Related to Pensions</i>	\$ 872,122	\$ -	\$ 2,715,586	\$ -	\$ 2,909,758	\$ -
<i>Deferred Inflow of Resources, Related to OPEB</i>	3,718,147	-	551,168	-	-	-
<i>Deferred Inflow of Resources, Related to LEASES</i>	136,335	1,201,729	179,551	1,281,752	-	-
Net Position:						
Net Investment in Capital Assets	4,946,152	892,590	5,340,300	871,528	5,294,848	871,158
Restricted Net Position	140,678	1,773,501	124,092	2,325,692	76,211	2,756,199
Unrestricted Net Position	(13,264,139)	12,410,434	(14,054,955)	13,062,622	(11,087,664)	13,914,216
Total Net Position	\$ (8,177,309)	\$ 15,076,525	\$ (8,590,563)	\$ 16,259,842	\$ (5,716,605)	\$ 17,541,573

STATEMENTS OF REVENUE, EXPENSES and CHANGES IN NET POSITION

	December 31, 2022		December 31, 2021		December 31, 2020	
	PRIMARY	COMPONENT	PRIMARY	COMPONENT	PRIMARY	COMPONENT
	GOVERNMENT	UNITS	GOVERNMENT	UNITS	GOVERNMENT	UNITS
Operating Revenues:						
Tenant Revenues	\$ 1,109,378	\$ 1,248,778	\$ 1,001,672	\$ 1,304,731	\$ 970,516	\$ 1,347,298
Government Grants	19,546,167	-	19,604,276	-	19,390,017	-
Management and contract fees	1,736,561	-	2,435,603	-	1,215,968	-
Other Revenues	-	-	-	-	-	-
Housing assistance payments	-	2,331,396	-	2,220,174	-	2,088,040
Development revenue	-	244,628	-	196,382	-	24,935
Miscellaneous income	145,469	181,117	142,200	213,196	94,239	125,777
Total Operating Revenues	22,537,575	4,005,919	23,183,751	3,934,483	21,670,740	3,586,050
Operating Expenses:						
Housing Assistance Payments	16,258,959	-	16,385,551	-	16,058,282	-
Administrative and Other Expenses	5,368,045	3,973,842	8,444,131	4,402,802	5,782,198	3,150,394
Depreciation and Amortization Expense	943,384	1,037,085	997,411	1,027,524	1,002,054	1,013,228
Total Operating Expense	22,570,388	5,010,927	25,827,093	5,430,326	22,842,534	4,163,622
Operating Loss	(32,813)	(1,005,008)	(2,643,342)	(1,495,843)	(1,171,794)	(577,572)
Non-operating Revenues (Expenses):						
Capital Grants	496,233	-	137,563	-	319,333	-
Gain on disposition of property	-	-	-	-	90,139	-
Interest Income	12,948	17,430	6,566	603	15,289	8,824
Lease Interest Income	8,126	94,917	8,015	99,539	-	-
Lease Interest expense	(71,240)	-	(72,611)	-	-	-
Interest Expense	-	(290,656)	-	(304,639)	-	(318,280)
Net Non-operating Revenues (Expenses)	446,067	(178,309)	79,533	(204,497)	424,761	(309,456)
Change in Net Position	413,254	(1,183,317)	(2,563,809)	(1,700,340)	(747,033)	(887,028)
Net Position - Beginning of the year	(8,590,563)	16,259,842	(5,716,605)	17,541,573	-4,969,572	18,428,601
Prior Period Adjustment	-	-	(310,149)	418,609	-	-
Net Position - End of the year	\$ (8,177,309)	\$ 15,076,525	\$ (8,590,563)	\$ 16,259,842	\$ (5,716,605)	\$ 17,541,573

**HOUSING AUTHORITY OF GLOUCESTER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Years Ended December 31, 2022 and 2021
Unaudited**

HOUSING FACTS:

1. Over 2,000 Low-Income Families have been assisted throughout the county by the Housing Authority in 2022; affording them decent, safe, and sanitary housing based on their ability to pay.
2. Over \$16 million was disbursed in Section 8 Housing Choice Voucher Housing Assistance Payments.
3. The Average monthly Housing Assistance provided for Section 8 families was approximately \$815.

BUDGETARY HIGHLIGHTS

As for the year ended December 31, 2022, 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 constitute the legal level of control.

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)
For the Years Ended December 31, 2022 and 2021
Unaudited

CAPITAL ASSETS and DEBT ADMINISTRATION

In 2022, the Authority invested \$496,233 in capital assets with grants provided by 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 2022 by the Housing Authority or any of its Component Units.

ECONOMIC FACTORS and NEXT YEAR'S BUDGETS

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. During this time, there were federal and state moratoriums.

Although there was special funding allocations that provided assistance to the tenants with unpaid rents, the Authority's tenant accounts receivables have increased substantially.

The Authority prepares its Financial Statements in accordance with Governmental GAAP which includes GASB 68, Accounting and Financial Reporting for Pensions, and GASB 75, Accounting and Financial Reporting for Post Employment Benefits Other than Pensions. Both are material to the Financial Statements and are based on estimates in accordance with the respective accounting standard.

Federal cuts in the Housing Choice Voucher Program, the Authority's largest program, have been ongoing for the past several years and continue into 2022. Administrative fees are not being fully funded and have been substantially reduced from the HUD-approved rates, amounting to losses of over \$198,000 in 2022. The proration factor in 2022 was **89.312%** and 2021 was **85.800%**. 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.

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, 2022 and 2021**

	December 31, 2022		(Restated) December 31, 2021	
	Primary Government	Component Units	Primary Government	Component Units
ASSETS				
Current assets				
Unrestricted cash and cash equivalents	\$ 4,409,642	\$ 1,544,483	\$ 4,485,026	\$ 1,620,869
Restricted cash and cash equivalents	177,611	81,613	186,473	78,674
Accounts receivable - tenant, net of allowance for doubtful accounts of \$147,774 in 2022 and \$124,817 in 2021	109,331	28,443	49,141	28,723
Accounts receivable - HUD	40,917	-	140,532	-
Accounts receivable - other government	401,135	165,527	348,654	222,336
Accounts receivable - Glassboro Housing Authority	289,509	-	152,356	-
Accounts receivable - primary government	-	-	-	11,746
Accounts receivable - primary government - lease receivable	-	26,660	-	25,210
Accounts receivable - component units	2,501,220	-	1,898,844	-
Accounts receivable - miscellaneous	40,321	32,398	153,331	39,638
Lease receivable	50,533	48,504	50,538	45,233
Inventory	4,856	-	4,856	-
Prepaid expenses	2,196	98,914	82,861	67,631
Total current assets	<u>8,027,271</u>	<u>2,026,542</u>	<u>7,552,612</u>	<u>2,140,060</u>
Non-current restricted assets				
Cash and cash equivalents	164,476	3,224,118	181,089	3,107,035
Total non-current restricted assets	<u>164,476</u>	<u>3,224,118</u>	<u>181,089</u>	<u>3,107,035</u>
Capital assets, net	4,946,152	19,709,898	5,340,300	20,504,769
Other non-current assets				
Debt acquisition costs, net	-	455,737	-	488,664
Accounts receivable - primary government - lease receivable	-	1,187,086	-	1,213,746
Lease receivable, net of current portion	153,170	548,679	203,703	597,184
Total other non-current assets	<u>153,170</u>	<u>2,191,502</u>	<u>203,703</u>	<u>2,299,594</u>
Total assets	<u>13,291,069</u>	<u>27,152,060</u>	<u>13,277,704</u>	<u>28,051,458</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	789,094	-	664,584	-
Related to OPEB	2,240,510	-	2,741,091	-
Total deferred outflows of resources	<u>3,029,604</u>	<u>-</u>	<u>3,405,675</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 16,320,673</u>	<u>\$ 27,152,060</u>	<u>\$ 16,683,379</u>	<u>\$ 28,051,458</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 316,935	\$ 280,503	\$ 286,338	\$ 309,424
Accounts payable related to pension	459,828	-	421,333	-
Tenant funds on deposit	46,933	81,613	46,242	78,674
Accounts payable - HUD	61,162	-	37,387	-
Accounts payable - other government	65,093	9,985	60,743	9,400
Accounts payable - Glassboro Housing Authority	8,319	-	4,649	-
Accounts payable - primary government	-	2,501,220	-	1,898,844
Accounts payable - component units	-	-	11,746	-
Accounts payable - component units - lease liability	26,660	-	25,210	-
Mortgage note payable, current maturities	-	264,742	-	236,316
Current portion of liability for compensated absences	143,335	-	139,315	-
Unearned revenue	38,065	21,023	39,432	17,282
Total current liabilities	<u>1,166,330</u>	<u>3,159,086</u>	<u>1,072,395</u>	<u>2,549,940</u>
Long-term liabilities				
Pension liability	5,472,360	-	4,262,020	-
Pension liability - contributions subsequent to plan date	228,639	-	210,667	-
Other post-retirement benefits	11,502,764	-	14,822,948	-
Tenant funds on deposit	137,002	-	178,208	-
Mortgage note payable, net of current maturities	-	7,491,163	-	7,742,897
Accounts payable - component units - lease liability	1,187,086	-	1,213,746	-
Accrued interest payable	-	223,557	-	217,027
Liability for compensated absences, net of current portion	77,197	-	67,653	-
Total long-term liabilities	<u>18,605,048</u>	<u>7,714,720</u>	<u>20,755,242</u>	<u>7,959,924</u>
Total liabilities	<u>19,771,378</u>	<u>10,873,806</u>	<u>21,827,637</u>	<u>10,509,864</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	872,122	-	2,715,586	-
Related to OPEB	3,718,147	-	551,168	-
Related to leases	136,335	1,201,729	179,551	1,281,752
Total deferred inflows of resources	<u>4,726,604</u>	<u>1,201,729</u>	<u>3,446,305</u>	<u>1,281,752</u>
NET POSITION				
Net investment in capital assets	4,946,152	892,590	5,340,300	871,528
Restricted net position	140,678	1,773,501	124,092	2,325,692
Unrestricted net position (deficit)	(13,264,139)	12,410,434	(14,054,955)	13,062,622
Total net position (deficit)	<u>(8,177,309)</u>	<u>15,076,525</u>	<u>(8,590,563)</u>	<u>16,259,842</u>
Total liabilities, deferred inflows of resources, and net position (deficit)	<u>\$ 16,320,673</u>	<u>\$ 27,152,060</u>	<u>\$ 16,683,379</u>	<u>\$ 28,051,458</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, 2022 and 2021

	December 31, 2022		(Restated) December 31, 2021	
	Primary Government	Component Units	Primary Government	Component Units
Operating revenue				
Federal grant awards	\$ 19,327,892	\$ -	\$ 19,411,215	\$ -
State and local grant awards	218,275	-	193,061	-
Management contract fees	1,736,561	-	2,435,603	-
Tenant charges	1,109,378	1,248,778	1,001,672	1,304,731
Housing assistance payments	-	2,331,396	-	2,220,174
Development fee income	-	244,628	-	196,382
Miscellaneous income	145,469	181,117	142,200	213,196
Total operating revenue	<u>22,537,575</u>	<u>4,005,919</u>	<u>23,183,751</u>	<u>3,934,483</u>
Operating expenses				
Housing assistance payments	16,258,959	-	16,385,551	-
Administrative	3,213,862	1,718,453	6,268,424	2,363,159
Depreciation and amortization	943,384	1,037,085	997,411	1,027,524
Maintenance	774,119	1,206,034	713,222	1,061,829
Tenant services	373,644	247,797	459,497	300,561
Utilities	372,560	339,112	342,266	313,543
Insurance	267,699	238,651	300,213	181,290
Protective services	250,812	124,875	219,421	107,957
General	115,349	98,920	141,088	74,463
Total operating expenses	<u>22,570,388</u>	<u>5,010,927</u>	<u>25,827,093</u>	<u>5,430,326</u>
Operating loss	<u>(32,813)</u>	<u>(1,005,008)</u>	<u>(2,643,342)</u>	<u>(1,495,843)</u>
Non-operating revenue (expenses)				
Capital grants	496,233	-	137,563	-
Interest income	12,948	17,430	6,566	603
Lease interest income	8,126	94,917	8,015	99,539
Lease Interest expense	(71,240)	-	(72,611)	-
Interest expense	-	(290,656)	-	(304,639)
Total non-operating revenue (expense)	<u>446,067</u>	<u>(178,309)</u>	<u>79,533</u>	<u>(204,497)</u>
Increase (decrease) in net position	<u>413,254</u>	<u>(1,183,317)</u>	<u>(2,563,809)</u>	<u>(1,700,340)</u>
Net position (deficit) at the beginning of the year, as originally stated	<u>(8,590,563)</u>	<u>16,259,842</u>	<u>(5,716,605)</u>	<u>17,541,573</u>
Prior period adjustment	-	-	(310,149)	418,609
Net position at the beginning of the fiscal year, as restated	<u>(8,590,563)</u>	<u>16,259,842</u>	<u>(6,026,754)</u>	<u>17,960,182</u>
Net position (deficit) at the end of the year	<u>\$ (8,177,309)</u>	<u>\$ 15,076,525</u>	<u>\$ (8,590,563)</u>	<u>\$ 16,259,842</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, 2022 and 2021

	December 31, 2022		(Restated) December 31, 2021	
	Primary	Component	Primary	Component
	Government	Units	Government	Units
Cash flows from operating activities				
Cash received from federal and state assistance programs	\$ 19,668,190	\$ -	\$ 19,556,192	\$ -
Cash received from management contracts	969,338	-	1,287,899	-
Cash received from tenants	1,026,926	1,216,786	967,813	1,270,743
Other operating cash receipts	258,479	188,357	158,913	124,994
Cash received from housing assistance payments	-	2,331,396	-	2,220,174
Cash received from development fees	-	301,994	-	113,465
Payments to landlords for rent	(16,258,959)	-	(16,385,551)	-
Payments to employees	(3,486,414)	-	(3,296,323)	-
Payments for goods and services	(2,175,250)	(3,390,523)	(1,834,302)	(3,263,546)
Net cash provided by operating activities	2,310	648,010	454,641	465,830
Cash flows from capital and related financing activities				
Acquisition of capital assets	(549,236)	(209,287)	(210,126)	(126,656)
Capital grants received	496,233	-	137,563	-
Net cash used in capital and related financing	(53,003)	(209,287)	(72,563)	(126,656)
Cash flows from investing activities				
Principal payments on note payable, secured by mortgage	-	(507,434)	-	(519,896)
Interest income received	12,948	17,430	6,566	603
Lease interest income received	8,126	94,917	8,015	99,539
Lease interest expense paid	(71,240)	-	(72,611)	-
Net cash used in investing activities	(50,166)	(395,087)	(58,030)	(419,754)
Increase (decrease) in cash and cash equivalents	(100,859)	43,636	324,048	(80,580)
Cash and cash equivalents - beginning	4,852,588	4,806,578	4,528,540	4,887,158
Cash and cash equivalents - ending	\$ 4,751,729	\$ 4,850,214	\$ 4,852,588	\$ 4,806,578

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Statements of Cash Flows (continued)
For the Years Ended December 31, 2022 and 2021

	December 31, 2022		(Restated) December 31, 2021	
	Primary	Component	Primary	Component
	Government	Units	Government	Units
Reconciliation of operating loss to net cash provided by operating activities				
Operating loss	\$ (32,813)	\$ (1,005,008)	\$ (2,643,342)	\$ (1,495,843)
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation	910,075	1,004,158	964,102	993,926
Amortization of debt issuance costs	-	32,927	-	33,598
Amortization of leases	33,309	-	33,309	-
Provision for allowance for doubtful accounts	22,957	-	19,758	-
Adjustment to actuarial pension expense	(739,662)	-	(807,368)	-
Adjustment to actuarial accounts payable related to pension	38,495	-	22,937	-
Adjustment to actuarial OPEB amount	347,376	-	4,063,681	-
Deferred inflow of resources - leases	(43,216)	(80,023)	(43,216)	(81,473)
(Increase) decrease in assets				
Accounts receivable - tenant	(83,147)	280	(35,393)	(19,977)
Accounts receivable - HUD	99,615	-	(115,844)	-
Accounts receivable - other government	(52,481)	56,809	(73,241)	(176,487)
Accounts receivable - Glassboro Housing Authority	(137,153)	-	(61,249)	-
Accounts receivable - primary government	-	11,746	-	572,349
Accounts receivable - primary government - lease receivable	-	25,210	-	23,839
Accounts receivable - component units	(602,376)	-	(464,185)	-
Accounts receivable - miscellaneous	113,010	7,240	59,929	(6,729)
Lease receivable	50,538	45,234	49,838	42,386
Prepaid expenses	80,665	(31,283)	(13,440)	(15,327)
Increase (decrease) in liabilities				
Accounts payable and accrued expenses	30,597	(28,921)	2,840	130,641
Tenant funds on deposit	(40,515)	2,939	51,516	(2,967)
Accounts payable - HUD	23,775	-	19,204	-
Accounts payable - other government	4,350	585	3,818	(246)
Accounts payable - Glassboro Housing Authority	3,670	-	(773)	-
Accounts payable - primary government	-	602,376	-	464,185
Accounts payable - component units	(11,746)	-	(572,349)	-
Accounts payable - component units - lease liability	(25,210)	-	(23,839)	-
Liability for compensated absences	13,564	-	10,399	-
Unearned revenue	(1,367)	3,741	7,549	3,955
Net cash provided by operating activities	<u>\$ 2,310</u>	<u>\$ 648,010</u>	<u>\$ 454,641</u>	<u>\$ 465,830</u>
Reconciliation of cash and cash equivalents to the statements of net position				
Unrestricted cash and cash equivalents - current	\$ 4,409,642	\$ 1,544,483	\$ 4,485,026	\$ 1,620,869
Restricted cash and cash equivalents - current	177,611	81,613	186,473	78,674
Restricted cash and cash equivalents - non-current	164,476	3,224,118	181,089	3,107,035
	<u>\$ 4,751,729</u>	<u>\$ 4,850,214</u>	<u>\$ 4,852,588</u>	<u>\$ 4,806,578</u>

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

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 County Commissioners of the County of Gloucester, one member appointed by the 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, 2022, 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 Payment 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. Capital grant funds are also received from HUD for various uses including capital improvements and modernizations to Public Housing buildings.

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.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

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 Governmental Accountant Standard Board ("GASB") Statement No. 14, the Financial Reporting Entity, as amended. 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 Commissioners 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 ("GAAP") applicable to governmental entities.

As required by GAAP, 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"), 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) For the Years Ended December 31, 2022 and 2021

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

Component units (continued)

Except for AHA, the component units issue separately audited financial statements. The financial statements of the individual component units may be obtained by writing to the Authority's Executive Director at 100 Pop Moylan Boulevard, Deptford, NJ 08096-1947.

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 POPM 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 2022 and 2021, 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 ("IRC") 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 2022 and 2021, 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)
For the Years Ended December 31, 2022 and 2021

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

Basis of presentation

The financial statements of the Authority have been prepared in accordance with GAAP 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. 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 mortgage principal. Depreciation and amortization expense is not included in the budget appropriations.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

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

Budgets and budgetary control (continued)

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 were 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 of America 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 governmental 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 the 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) For the Years Ended December 31, 2022 and 2021

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 is not capitalized. Interest has been capitalized during the construction period on buildings and equipment.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

Capital assets and depreciation (continued)

Lease assets are measured on the statements of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

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. Amortization on leased assets is computed using the straight-line method over the shorter of the lease term or the following useful lives. Estimated useful lives are as follows:

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

Lease Receivable

Lease receivables recorded on the statements of net position represents a contract that conveys control of the right to use the Authority's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

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 GASB standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources: leases, defined benefit pension plans and postemployment benefit plans.

Compensated absences

Compensated absences are those absences for which employees will be paid, such as vacation and sick 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.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

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

Unearned revenue

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

OPEB – Authority Retired Employees Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense of the Authority Other Post-employment Benefits Plan are reported based on an actuarial report prepared in accordance with GASB No. 75.

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 or amortization of intangible capital assets, 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."

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

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

Income taxes

The Authority operates as defined by the IRC 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 IRC 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.

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.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

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

Operating and non-operating revenues and expenses (continued)

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 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 GAAP. Actual results may differ from those estimates.

New accounting standards adopted

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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Because of the implementation of GASB Statement No. 87, the Authority has determined that lease agreements in the prior year formerly reported and / or disclosed have now been reported and disclosed in accordance with the Statement (notes 5, 8 and 9).

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

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

New accounting standards adopted (continued)

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. The adoption of this Statement had no impact on the Authority's 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 the implementation and application of certain GASB Statements. The requirements of this Statement are effective as follows:

1. The requirements related to the effective date of Statement No. 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.
3. The requirements related to the application of Statement No. 84 to post employment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities.
4. The requirements related to the measurement of liabilities (and assets, if any) associated with Asset Retirement Obligations ("AROs") in a government acquisition.

The adoption of this statement had no impact on the Authority's financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for IRC Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this Statement had no impact on the financial statements.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

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. 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 No. 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 is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

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

Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statement and (2) accounting and financial reporting for financial guarantees. The requirements related to the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program ("SNAP") distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective immediately. The requirements related to leases, PPPs, and SBITAs will become effective for the Authority in the year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the Authority in the year ending December 31, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement will become effective for the Authority in the year ending December 31, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Authority in the year ending December 31, 2025. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

Prior year - Certain reclassifications have been made to the prior year financial statements in order to make them comparable to the current year presentation.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

**Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021**

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, 2022 and 2021, the Authority and the Component Units bank balances were insured or collateralized as follows:

	2022		2021	
	Authority	Component Units	Authority	Component Units
Insured	\$ 750,000	\$ 250,000	\$ 750,000	\$ 250,000
Collateralized under GUDPA	4,111,522	-	4,147,093	-
Uninsured or uncollateralized	-	1,619,873	-	1,505,738
	\$ 4,861,522	\$ 1,869,873	\$ 4,897,093	\$ 1,755,738

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,	
	2022	2021
Housing Assistance Payments – Section 8	\$ 35,553	\$ 105,385
Housing Assistance Payments - Mainstream	77,651	18,707
Tenant security deposits	46,933	46,242
Family Self-Sufficiency deposits	164,476	181,089
Other	17,474	16,139
	\$ 342,087	\$ 367,562

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 5: **CAPITAL ASSETS**

The Authority's capital assets activity for the years ended December 31, 2022 and 2021, was as follows:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022
Capital assets not being depreciated and amortized				
Land	\$ 439,000	\$ -	\$ -	\$ 439,000
Total capital assets not being depreciated and amortized	439,000	-	-	439,000
Capital assets being depreciated and amortized				
Buildings	25,124,700	373,222	-	25,497,922
Leased asset – office space	1,665,475	-	-	1,665,475
Furniture and equipment	2,343,821	176,014	-	2,519,835
Leasehold improvements	394,152	-	-	394,152
Total capital assets being Depreciated and amortized	29,528,148	549,236	-	30,077,384
Total capital assets	29,967,148	549,236	-	30,516,384
Less accumulated depreciation and amortization	24,626,848	943,384	-	25,570,232
Net capital assets	\$ 5,340,300	\$ (394,148)	\$ -	\$ 4,946,152

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

	Balance December 31, 2020 (Restated)	Additions	Reductions	Balance December 31, 2021
Capital assets not being depreciated and amortized				
Land	\$ 439,000	\$ -	\$ -	\$ 439,000
Total capital assets not being depreciated and amortized	<u>439,000</u>	<u>-</u>	<u>-</u>	<u>439,000</u>
Capital assets being depreciated and amortized				
Buildings	25,088,531	36,169	-	25,124,700
Leased asset – office space	1,665,475	-	-	1,665,475
Furniture and equipment	2,169,864	173,957	-	2,343,821
Leasehold improvements	<u>394,152</u>	<u>-</u>	<u>-</u>	<u>394,152</u>
Total capital assets being Depreciated and amortized	<u>29,318,022</u>	<u>210,126</u>	<u>-</u>	<u>29,528,148</u>
Total capital assets	29,757,022	210,126	-	29,967,148
Less accumulated depreciation and amortization	<u>23,629,437</u>	<u>997,411</u>	<u>-</u>	<u>24,626,848</u>
Net capital assets	<u>\$ 6,127,585</u>	<u>\$ (787,285)</u>	<u>\$ -</u>	<u>\$ 5,340,300</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

Component unit capital assets activity for the years ended December 31, 2022 and 2021, was as follows:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022
Capital assets not being depreciated				
Land	\$ 762,449	\$ -	\$ -	\$ 762,449
Capital assets being depreciated				
Buildings	33,144,119	79,896	-	33,224,015
Furniture and equipment	413,433	129,391	-	542,824
Total capital assets being depreciated	33,557,552	209,287	-	33,766,839
Total capital assets	34,320,001	209,287	-	34,529,288
Less accumulated depreciation	13,815,232	1,004,158	-	14,819,390
Net capital assets	<u>\$ 20,504,769</u>	<u>\$ (794,871)</u>	<u>\$ -</u>	<u>\$ 19,709,898</u>
	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021
Capital assets not being depreciated				
Land	\$ 762,449	\$ -	\$ -	\$ 762,449
Capital assets being depreciated				
Buildings	33,124,474	19,645	-	33,144,119
Furniture and equipment	340,020	73,413	-	413,433
Total capital assets being depreciated	33,464,494	93,058	-	33,557,552
Total capital assets	34,226,943	93,058	-	34,320,001
Less accumulated depreciation	12,821,306	993,926	-	13,815,232
Net capital assets	<u>\$ 21,405,637</u>	<u>\$ (900,868)</u>	<u>\$ -</u>	<u>\$ 20,504,769</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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, required supplementary information and detailed information about the PERS plan's fiduciary net position which can be obtained by writing to or at the following website:

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>

General Information about the Pension Plan

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. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

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 22, 2010.
- 4 Members who were eligible to enroll on or after May 22, 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)
For the Years Ended December 31, 2022 and 2021

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 are 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 are 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

Public Employees' Retirement System - 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 is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.00%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of the highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The Authority's contractually required contribution rate for the years ended December 31, 2022 and 2021 was 17.13% and 16.26% of the Authority's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2022, was \$457,275, and was payable by April 1, 2023. Employee contributions to the Plan for the year ended December 31, 2022, were \$203,122.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

Public Employees' Retirement System (continued)

Contributions (continued)

For the prior year PERS measurement date of June 30, 2021, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2021, was \$421,333, and was paid by April 1, 2022. Employee contributions to the Plan for the year ended December 31, 2021, were \$197,593.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Authority, under Chapter 133, P.L. 2001, for the year ended December 31, 2022, was 0.0364063761% of the Authority's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on behalf of the Authority, to the pension plan for the year ended December 31, 2022 was \$11,514, and is payable by April 1, 2023.

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

Pension Liability - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Authority's proportionate share of the PERS net pension liability was \$5,472,360. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. 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, 2022 measurement date, the Authority's proportion was 0.0362615057%, which was a decrease of 0.0002844617% from its proportion measured as of June 30, 2021.

As of December 31, 2021, the Authority's proportionate share of the PERS net pension liability was \$4,262,020. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. 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, 2021 measurement date, the Authority's proportion was 0.0359770440%, which was an increase of 0.0016072693% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the years ended December 31, 2022 and 2021, the Authority recognized its proportionate share of the PERS pension (benefit) expense of (\$282,388) and (\$386,033), respectively. These amounts were based on the Plan's June 30, 2022 and 2021 measurement dates, respectively.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

Public Employees' Retirement System (continued)

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

For the year ended December 31, 2022, the Authority has recognized as revenue and expenditure on-behalf payments made by the State for the State's proportionate share of the PERS pension expense, associated with the Authority, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022, measurement date. The amounts recognized as a revenue and an expenditure in the financial statements were \$11,514.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	Measurement Date June 30, 2022		Measurement Date June 30, 2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 39,497	\$ 34,831	\$ 67,218	\$ 30,511
Change of assumptions	16,955	819,429	22,197	1,517,307
Net difference between projected and actual earnings on pension plan investments	226,496	-	-	1,122,728
Changes in proportion and differences between Authority contributions and proportionate share of contributions	277,507	17,862	364,502	45,040
Authority contributions subsequent to the measurement date	<u>228,639</u>	<u>-</u>	<u>210,667</u>	<u>-</u>
	<u>\$ 789,094</u>	<u>\$ 872,122</u>	<u>\$ 664,584</u>	<u>\$2,715,586</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

**Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021**

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

Public Employees' Retirement System (continued)

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

Deferred outflows of resources in the amounts of \$228,639 and \$210,667 will be included as a reduction of the net pension liability during the years ending December 31, 2023 and 2022, respectively. These amounts are based on an estimated April 1, 2024 and April 1, 2023 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2022 and 2021, to the Authority's year end of December 31, 2022 and 2021, respectively.

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, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of assumptions		
Year of pension plan deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net difference between projected and actual earnings on pension plan investments		
Year of pension plan deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

Public Employees' Retirement System (continued)

Pension Liabilities, Pension (Benefit) Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

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,	
2023	\$ (390,908)
2024	(157,050)
2025	(37,635)
2026	274,058
2027	(132)
	\$ (311,667)

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

Public Employees' Retirement System (continued)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020. 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, 2022 and 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2022	Measurement Date June 30, 2021
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases:		
Through 2026	2.75% - 6.55%	2.00% - 6.00%
Thereafter	Based on years of service	Based on years of service 3.00% - 7.00%
		Based on years of service
Investment rate of return	7.00%	7.00%
Period of actuarial experience Study upon which actuarial assumptions were based	July 1, 2018 – June 30, 2021	July 1, 2014 – June 30, 2018

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

Note 6: PENSION PLAN (continued)

Public Employees' Retirement System (continued)

Actuarial Assumptions (continued)

For the June 30, 2022 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-2021.

For the June 30, 2021 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-2021.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022 and 2021) 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, 2022 and 2021, are summarized in the table on the following page.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

**Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021**

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

Public Employees' Retirement System (continued)

Actuarial Assumptions (continued)

<u>Asset Class</u>	<u>Measurement Date June 30, 2022</u>		<u>Measurement Date June 30, 2021</u>	
	<u>Target Allocation</u>	<u>Long- Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long- Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.54% as of the June 30, 2022 measurement date 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 Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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 was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date 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 Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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 as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 7,030,380	\$ 5,472,360	\$ 4,146,423

The following presents the Authority's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 5,804,007	\$ 4,262,020	\$ 2,953,426

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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' respective 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.

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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	15
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	48
	63

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	15
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	48
	63

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 for the years ended December 31, 2022 and 2021, were \$1,943 and \$2,155.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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 \$11,502,764 was measured as of December 31, 2022, and was determined by an actuarial valuation as of this same date.

The Authority's total OPEB liability of \$14,822,948 was measured as of December 31, 2021, 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:

	2022	2021
Inflation	2.50% Annually	2.50% Annually
Salary Increases	3.00% Annually	3.00% Annually
Discount Rate	3.70%	2.05%
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, 2022 and 2021 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 judgment in applying these assumptions to this plan.

Changes in the Total OPEB Liability

Balance at December 31, 2021		\$ 14,822,948
Changes for Year:		
Service cost	\$ 505,391	
Interest cost	310,549	
Benefit payments	(359,184)	
Actuarial assumption changes	(3,776,940)	
Net Changes		(3,320,184)
Balance at December 31, 2022		\$ 11,502,764

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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, 2020		\$ 10,353,389
Changes for Year:		
Service cost	\$ 474,059	
Interest cost	307,477	
Benefit payments	(250,516)	
Actuarial assumption changes	339,453	
Change in actuarial estimate	<u>3,599,086</u>	
Net Changes		<u>4,469,559</u>
Balance at December 31, 2021		<u>\$ 14,822,948</u>

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, 2022, as well as what the Authority's total OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
Total OPEB liability	<u>\$ 13,643,932</u>	<u>\$ 11,502,764</u>	<u>\$ 9,803,639</u>

The following presents the total OPEB liability of the Authority, at December 31, 2021, as well as what the Authority's total OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.05%)	Current Discount Rate (2.05%)	1% Increase (3.05%)
Total OPEB liability	<u>\$ 17,984,058</u>	<u>\$ 14,822,948</u>	<u>\$ 12,368,104</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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, 2022, as well as what the Authority's total OPEB liability would be if it was 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	Healthcare Costs Trend Rates	1% Increase
Total OPEB liability	\$ 9,452,482	\$ 11,502,764	\$ 14,178,137

The following presents the total OPEB liability of the Authority, at December 31, 2021, as well as what the Authority's total OPEB liability would be if it was 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	Healthcare Costs Trend Rates	1% Increase
Total OPEB liability	\$ 11,995,041	\$ 14,822,948	\$ 18,586,982

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2022, the Authority recognized OPEB expense of \$706,618. At December 31, 2022, 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	\$ 2,240,510	\$ 3,718,147
Change of actuarial gains	-	-
	\$ 2,240,510	\$ 3,718,147

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

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

General Information about the OPEB Plan (continued)

For the year ended December 31, 2021, the Authority recognized OPEB expense of \$1,144,324. At December 31, 2021, 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	\$ 2,741,091	\$ 551,168
Change of actuarial gains	-	-
	\$ 2,741,091	\$ 551,168

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefits) expenses as follows:

Year Ending December 31,	
2023	\$ (109,322)
2024	(109,322)
2025	(109,318)
2026	28,471
2027	(276,353)
Thereafter	(901,793)
	\$ (1,477,637)

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 8: LEASES RECEIVABLE

The Authority, as lessor, has entered into the following leases which meet the requirements of GASB 87:

Cell Tower Lease – On January 16, 2015, the Authority entered into a with Cellco Partnership d/b/a Verizon Wireless for the lease of cell towers with an incremental borrowing rate of 3.48%. Based on this agreement, the Authority is receiving payments of \$2,070 on a monthly basis through January 1, 2040.

On November 24, 1998, the Authority entered into a with Omnipoint Communications for the lease of cell towers with an incremental borrowing rate of 2%. Based on this agreement, the Authority is receiving payments of \$2,151 on a monthly basis through December 1, 2023.

The following is a summary of the leases as of December 31, 2022 for the Authority:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	203,703	43,216	8,126

Under the provision of GASB 87, annual requirements to amortize lease obligations and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 50,533	\$ 6,735	\$ 57,268
2024	32,448	5,330	37,778
2025	28,650	4,201	32,851
2026	29,647	3,204	32,851
2027	30,679	2,172	32,851
2028-2032	31,746	1,105	32,851
Total	<u>\$ 203,703</u>	<u>\$ 22,747</u>	<u>\$ 226,450</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 8: LEASES RECEIVABLE (continued)

The component unit of the Authority, as lessor, has entered into the following leases which meet the requirements of GASB 87:

Cell Tower Leases: On November 22, 2013, Pop Moylan Urban Redevelopment Co., LLC (a component unit of the Authority) entered into a twenty-year lease agreement with New Cingular Wireless PCS, LLC for the lease of cell towers with an incremental borrowing rate of 3.96%. Based on this agreement, the Authority is receiving payments of \$3,910 on a monthly basis through December 1, 2033.

On May 30, 2007, Pop Moylan Urban Redevelopment Co., LLC (a component unit of the Authority) entered into a twenty-year lease agreement with T-Mobile Northeast LLC for the lease of cell towers with an incremental borrowing rate of 4.42%. Based on this agreement, the Authority is receiving payments of \$1,866 on a monthly basis through June 1, 2027.

Office Space: On August 6, 1996, Pop Moylan Urban Redevelopment Co., LLC (a component unit of the Authority) entered into a fifty-year lease agreement with the Authority for the lease of office space with an incremental borrowing rate of 5.75%. Based on this agreement, the Authority is making payments of \$96,450 on an annual basis through August 1, 2046.

The following is a summary of the leases as of December 31, 2022 for the component units of the Authority:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Office Space	\$ 1,213,746	\$ 33,309	\$ 71,240
Cell Towers	597,183	48,164	23,677
Total	<u>\$ 1,810,929</u>	<u>\$ 124,689</u>	<u>\$ 94,917</u>

Under the provision of GASB 87, annual requirements to amortize lease obligations and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 75,164	\$ 92,979	\$ 168,143
2024	85,331	89,264	174,595
2025	89,358	89,438	174,595
2026	93,579	84,219	174,594
2027	83,739	78,919	160,485
2028-2032	461,539	324,655	785,089
2033-2037	317,314	221,816	539,130
2038-2042	345,897	136,353	482,250
2043-2046	259,009	30,341	289,349
Total	<u>\$ 1,810,929</u>	<u>\$ 1,137,301</u>	<u>\$ 2,948,230</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 9: LEASE LIABILITY AND LEASE ASSET

The Authority, as lessee, has entered into the following lease which meet the requirements of GASB 87:

Office Space: On August 6, 1996, the Authority entered into a fifty-year lease agreement with Pop Moylan Urban Redevelopment Co., LLC for the lease of office space with an incremental borrowing rate of 5.75%. Based on this agreement, the Authority is making payments of \$96,450 on annual basis through August 1, 2046.

Under the provision of GASB 87, as of December 31, 2022 and 2021, the balance of the lease liability is \$1,213,746 and \$1,238,956, and balance of the related right-to-use leased assets have a balance of \$766,118 and \$799,428, respectively. The leases are summarized as follows:

Description	<u>Balance at December 31,</u>			
	<u>2022</u>		<u>2021</u>	
	Lease Liability	Lease Asset	Lease Liability	Lease Asset
Office Space	\$ 1,213,746	\$ 766,118	\$ 1,238,956	\$ 799,428

Under the provision of GASB 87, annual requirements to amortize lease obligations and related interest are as follows:

Year	Principal	Interest	Total
2023	\$ 26,660	\$ 69,790	\$ 96,450
2024	28,193	68,257	96,450
2025	29,814	66,636	96,450
2026	31,528	64,922	96,450
2027	33,341	63,109	96,450
2028-2032	197,761	284,489	482,250
2033-2037	261,543	220,707	482,250
2038-2042	345,897	136,353	482,250
2043-2046	259,009	30,341	289,350
Total	\$ 1,213,746	\$ 1,004,604	\$ 2,218,350

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 10: **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, 2022 and 2021, are summarized as follows:

	December 31,	
	2022	2021
Balance, beginning of year	\$ 77,169	\$ 91,967
Claims incurred and changes in estimates	(1,598,075)	(1,303,030)
Claim payments	1,644,304	1,288,232
Balance, end of year	\$ 123,398	\$ 77,169

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 11: COMPENSATED ABSENCES

The Authority accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Employees earn vacation and sick leave in varying amounts based on the 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,	
	2022	2021
Beginning balance	\$ 206,968	\$ 196,569
Increase	340,013	320,802
Decrease	(326,449)	(310,403)
Ending balance	220,532	206,968
Current portion	\$ 143,335	\$ 139,315

Note 12: MORTGAGE NOTE PAYABLE

During the year ended December 31, 2022, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance
Mortgage note payable	\$ 7,742,897	\$ -	\$ (251,734)	\$ 7,491,163
Accrued interest payable	217,027	6,530	-	223,557
	\$ 7,959,924	\$ 6,530	\$ (251,734)	\$ 7,714,720

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance
Mortgage note payable	\$ 7,979,213	\$ -	\$ (236,316)	\$ 7,742,897
Accrued interest payable	210,419	6,608	-	217,027
	\$ 8,189,632	\$ 6,608	\$ (236,316)	\$ 7,959,924

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

**Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021**

Note 13: COMPONENT UNIT INFORMATION

Summarized financial information for the five component units, SHDC, GCHDC, AHA, POPM, and CPLP as of December 31, 2022 and 2021 is as follows:

Statements of Net Position – December 31, 2022

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS							
Current assets	\$ 308,070	\$ 139,595	\$ 12,770	\$ 1,367,676	\$ 1,492,889	\$ (107,372)	\$ 3,213,628
Non-current restricted cash and investments	-	140,635	-	843,461	2,240,022	-	3,224,118
Capital assets	493,505	399,085	-	1,017,561	17,799,747	-	19,709,898
Other non-current assets	13,952,954	7,754,191	-	548,679	455,737	(21,707,145)	1,004,416
Total assets	<u>\$14,754,529</u>	<u>\$ 8,433,506</u>	<u>\$ 12,770</u>	<u>\$ 3,777,377</u>	<u>\$ 21,988,395</u>	<u>\$ (21,814,517)</u>	<u>\$ 27,152,060</u>
LIABILITIES AND NET POSITION							
Current liabilities	\$ 821,260	\$ 1,610,385	\$ 1,623	\$ 856,995	\$ 2,660,807	\$ (2,791,984)	\$ 3,159,086
Deferred inflows of resources	-	-	-	1,201,729	-	-	1,201,729
Non-current liabilities	-	110,881	-	9,183,761	17,554,212	(19,134,134)	7,714,720
Total liabilities	<u>821,260</u>	<u>1,721,266</u>	<u>1,623</u>	<u>11,242,485</u>	<u>20,215,019</u>	<u>(21,926,118)</u>	<u>12,075,535</u>
Net investment in capital assets	493,505	399,085	-	-	-	-	892,590
Restricted	-	-	-	-	1,773,501	-	1,773,501
Unrestricted	13,439,764	6,313,155	11,147	(7,465,108)	(125)	111,601	12,410,434
Total net position	<u>13,933,269</u>	<u>6,712,240</u>	<u>11,147</u>	<u>(7,465,108)</u>	<u>1,773,376</u>	<u>111,601</u>	<u>15,076,525</u>
	<u>\$14,754,529</u>	<u>\$ 8,433,506</u>	<u>\$ 12,770</u>	<u>\$ 3,777,377</u>	<u>\$ 21,988,395</u>	<u>\$ (21,814,517)</u>	<u>\$ 27,152,060</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 13: **COMPONENT UNIT INFORMATION (continued)**

Statements of Revenue, Expenses, and Changes in Net Position – December 31, 2022

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenue	\$ 672,230	\$ 466,337	\$ -	\$ 840,856	\$ 2,902,417	\$ (875,921)	\$ 4,005,919
Operating expenses	<u>740,762</u>	<u>560,813</u>	<u>1,650</u>	<u>1,160,404</u>	<u>2,882,959</u>	<u>(335,661)</u>	<u>5,010,927</u>
Operating income (loss)	(68,532)	(94,476)	(1,650)	(319,548)	19,458	(540,260)	(1,005,008)
Non-operating income (expenses)	<u>39</u>	<u>22</u>	<u>5</u>	<u>(151,063)</u>	<u>(572,403)</u>	<u>545,091</u>	<u>(178,309)</u>
Change in net position	(68,493)	(94,454)	(1,645)	(470,611)	(552,945)	4,831	(1,183,317)
Beginning net position	<u>14,001,762</u>	<u>6,806,694</u>	<u>12,792</u>	<u>(6,994,497)</u>	<u>2,326,321</u>	<u>106,770</u>	<u>16,259,842</u>
Ending net position	<u>\$13,933,269</u>	<u>\$ 6,712,240</u>	<u>\$ 11,147</u>	<u>\$ (7,465,108)</u>	<u>\$ 1,773,376</u>	<u>\$ 111,601</u>	<u>\$ 15,076,525</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 13: **COMPONENT UNIT INFORMATION (continued)**

Statements of Net Position –December 31, 2021

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS							
Current assets	\$ 642,115	\$ 173,910	\$ 12,792	\$ 1,336,147	\$ 1,451,825	\$ (262,983)	\$ 3,353,806
Non-current restricted cash and investments	-	140,622	-	864,134	2,102,279	-	3,107,035
Capital assets	472,443	399,085	-	1,329,029	18,304,212	-	20,504,769
Other non-current assets	13,487,736	7,532,980	-	597,184	488,666	(21,020,718)	1,085,848
Total assets	<u>\$14,602,294</u>	<u>\$ 8,246,597</u>	<u>\$ 12,792</u>	<u>\$ 4,126,494</u>	<u>\$ 22,346,982</u>	<u>\$ (21,283,701)</u>	<u>\$ 28,051,458</u>
LIABILITIES AND NET POSITION							
Current liabilities	\$ 600,532	\$ 1,333,773	\$ -	\$ 662,785	\$ 2,668,029	\$ (2,715,179)	\$ 2,549,940
Deferred inflows of resources	-	-	-	1,281,752	-	-	1,281,752
Non-current liabilities	-	106,130	-	9,176,454	17,352,632	(18,675,292)	7,959,924
Total liabilities	<u>600,532</u>	<u>1,439,903</u>	<u>-</u>	<u>11,120,991</u>	<u>20,020,661</u>	<u>(21,390,471)</u>	<u>11,791,616</u>
Net investment in capital assets	472,443	399,085	-	-	-	-	871,528
Restricted	-	-	-	-	2,325,692	-	2,325,692
Unrestricted	13,529,319	6,407,609	12,792	(6,994,497)	629	106,770	13,062,622
Total net position	<u>14,001,762</u>	<u>6,806,694</u>	<u>12,792</u>	<u>(6,994,497)</u>	<u>2,326,321</u>	<u>106,770</u>	<u>16,259,842</u>
	<u>\$14,602,294</u>	<u>\$ 8,246,597</u>	<u>\$ 12,792</u>	<u>\$ 4,126,494</u>	<u>\$ 22,346,982</u>	<u>\$ (21,283,701)</u>	<u>\$ 28,051,458</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

**Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021**

Note 13: **COMPONENT UNIT INFORMATION (continued)**

Statements of Revenue, Expenses, and Changes in Net Position – December 31, 2021

	<u>SHDC</u>	<u>GCHDC</u>	<u>AHA</u>	<u>POPM</u>	<u>CPLP</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenue	\$ 635,827	\$ 415,662	\$ -	\$ 928,221	\$ 2,792,287	\$ (837,514)	\$ 3,934,483
Operating expenses	1,344,094	648,837	1,705	1,103,730	2,641,666	(309,706)	5,430,326
Operating income (loss)	(708,267)	(233,175)	(1,705)	(175,509)	150,621	(527,808)	(1,495,843)
Non-operating income (expenses)	88	23	2	(156,219)	(581,732)	533,341	(204,497)
Change in net position	(708,179)	(233,152)	(1,703)	(331,728)	(431,111)	5,533	(1,700,340)
Beginning net position, as originally stated	14,709,941	7,039,846	14,495	(7,081,378)	2,757,432	101,237	17,541,573
Prior period adjustment	-	-	-	418,609	-	-	418,609
Beginning net position, restated	14,709,941	7,039,846	14,495	(6,662,769)	2,757,432	101,237	17,960,182
Ending net position	<u>\$14,001,762</u>	<u>\$ 6,806,694</u>	<u>\$ 12,792</u>	<u>\$ (6,994,497)</u>	<u>\$ 2,326,321</u>	<u>\$ 106,770</u>	<u>\$ 16,259,842</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 14: **COMMITMENTS**

As of December 31, 2022, the Authority had commitments to expend approximately \$544,531 for various capital improvements and related costs for the 2019, 2020, and 2021 Capital Fund Programs.

Note 15: **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, 2022. 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.

Note 16: **DEVELOPMENT**

The Housing Authority of Gloucester County has an executed memorandum of understanding (MOU) with several parties with the purpose of developing affordable housing within its jurisdiction. GCHDC is in the predevelopment phase for 24 units of special needs housing, in Deptford, New Jersey.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

**Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021**

Note 17: PRIOR PERIOD ADJUSTMENT

The Authority adopted GASB Statement No. 87, *Leases* in the current year. As a result of adopting GASB Statement No. 87, the Authority recorded receivables and deferred inflow of resources related to leases. Amounts were reclassified from current assets, capital assets, other non-current assets, current liabilities, non-current liabilities, and beginning net deficit. See Note 5, 8, 9 and the table below for the restated values:

Primary Government			
Account	Original 2020 balance	2020 Restated	Change
Lease receivable	\$ -	\$ 24,836	\$ 24,836
Lease receivable, net of current portion	-	205,466	205,466
Capital assets, net	5,294,848	6,127,585	832,737
Accounts payable – component units – lease liability	-	(23,839)	(23,839)
Accounts payable – component units – lease liability, net of current portion	-	(1,238,956)	(1,238,956)
Deferred inflows of resources – related to leases	-	(148,990)	(148,990)
Beginning net deficit	(5,716,605)	(5,367,859)	348,746

Component Units			
Account	Original 2020 balance	2020 Restated	Change
Lease receivable	\$ -	\$ 42,386	\$ 42,386
Lease receivable, net of current portion	-	642,418	642,418
Accounts receivable – primary government – lease receivable	-	23,839	23,839
Accounts receivable – primary government – lease receivable, net of current portion	-	1,238,956	1,238,956
Deferred inflows of resources – related to leases	-	(1,365,225)	(1,365,225)
Beginning net position	17,541,573	16,957,199	(584,374)

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)
For the Years Ended December 31, 2022 and 2021

Note 18: **SUBSEQUENT EVENTS**

In May 24, 2023, the Authority signed an amendment agreement lease with T-Mobile Northeast LLC for their use of cell tower space for an additional 25-year term. See note 8.

In July, 2023, the Authority's component unit, Gloucester County Housing Development Corporation, was awarded \$11 million from the State of New Jersey Department of Community Affairs, National Housing Trust Fund 2023 Program. This award will be used to develop 24 units of affordable housing.

Management of the Housing Authority of Gloucester County has evaluated subsequent events through September 25, 2023, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022

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 Ten Plan Years

	<u>Measurement Date Ending June 30,</u>									
	<u>2022</u>	<u>2021</u>	<u>2020</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	0.0362615057%	0.0359770440%	0.0343697747%	0.0343808092%	0.0339957622%	0.0346621715%	0.0322902535%	0.0301390502%	0.0314685273%	0.0313715206%
Authority's proportionate share of the net pension liability	\$ 5,472,360	\$ 4,262,020	\$ 5,604,811	\$ 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	\$ 2,595,908	\$ 2,626,444	\$ 2,394,472	\$ 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	210.81%	162.27%	234.07%	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	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>									
	<u>2022</u>	<u>2021</u>	<u>2020</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	\$ 457,275	\$ 421,333	\$ 375,988	\$ 334,424	\$ 338,148	\$ 321,108	\$ 286,862	\$ 259,115	\$ 259,422	\$ 236,378
Contributions in relation to the contractually required contribution	<u>(457,275)</u>	<u>(421,333)</u>	<u>(375,988)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 2,669,379	\$ 2,591,871	\$ 2,547,369	\$ 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	17.13%	16.26%	14.76%	13.74%	13.78%	13.41%	12.39%	11.63%	12.91%	11.28%

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 Last Five Years

Total OPEB Liability	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Service cost	\$ 505,391	\$ 474,059	\$ 422,893	\$ 309,676	\$ 309,676
Interest cost	310,549	307,477	227,297	181,692	166,755
Benefit payments	(359,184)	(250,516)	(171,485)	(173,913)	(164,069)
Difference between actual and expected	-	-	517,441	-	-
Change in benefits	-	-	-	-	(126,100)
Actuarial assumption changes	(3,776,940)	339,453	143,098	1,512,858	-
Change in actuarial estimate	-	3,599,086	-	-	-
Net change in total OPEB liability	(3,320,184)	4,469,559	1,139,244	1,830,313	186,262
Total OPEB liability - beginning of the year	<u>14,822,948</u>	<u>10,353,389</u>	<u>9,214,145</u>	<u>7,383,832</u>	<u>7,197,570</u>
Total OPEB liability - end of the year	<u>\$ 11,502,764</u>	<u>\$ 14,822,948</u>	<u>\$ 10,353,389</u>	<u>\$ 9,214,145</u>	<u>\$ 7,383,832</u>
Covered-employee payroll	\$ 2,162,174	\$ 2,398,535	\$ 1,728,446	\$ 1,709,489	\$ 1,745,587
Total OPEB liability as a percentage of covered-employee payroll	532.00%	618.00%	599.00%	539.00%	423.00%

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):

The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/Aaa or higher. The "20-Bond GO Index" was used to establish the discount rate of 3.70% as of December 31, 2022.

Changes in benefit terms - None

Assumptions:

Inflation	2.50% annually
Salary increases	3.00% annually
Discount rate	3.70%
Healthcare cost trend rates	
Medical (pre-65)	5.40%
Medical (post-65)	4.50%
Prescription	6.50%
Medicare Part B	5.00%
Retirees' share of benefit-related costs	Pursuant to Chapter 78

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Note to Other Required Supplementary Information
For the Year Ended December 31, 2022

Note to Required Supplementary Information

Public Employees' Retirement System (PERS)

Change in Benefit Terms:

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Change in Assumptions:

The Discount rate used as of June 30 measurement date is as follows

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

SUPPLEMENTARY INFORMATION

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

DECEMBER 31, 2022

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	EUM	Total
111 Cash - Unrestricted	\$476,235	\$332,357		\$5,825,813	\$61,546	\$68,963		\$85,337		\$95,848		\$6,946,099		\$6,946,099
112 Cash - Restricted - Modernization and Development										\$0	\$1,276	\$1,276		\$1,276
113 Cash - Other Restricted		\$3,224,118	\$27,474	\$16,198		\$77,651		\$172,555		\$0		\$3,517,996		\$3,517,996
114 Cash - Tenant Security Deposits	\$46,933	\$81,613								\$0		\$128,546		\$128,546
115 Cash - Restricted for Payment of Current Liabilities								\$297,109		\$0		\$297,109		\$297,109
100 Total Cash	\$523,168	\$3,638,088	\$27,474	\$5,842,011	\$61,546	\$146,614	\$0	\$555,001	\$0	\$95,848	\$1,276	\$10,891,026	\$0	\$10,891,026
121 Accounts Receivable - PHA Projects										\$0				
122 Accounts Receivable - HUD Other Projects	\$0							\$36,059	\$4,858	\$0		\$40,917		\$40,917
124 Accounts Receivable - Other Government		\$62,202		\$822,729	\$47,375		\$1,734			\$0		\$934,040		\$934,040
125 Accounts Receivable - Miscellaneous	\$13,806	\$221,593		\$17,338				\$9,177		\$0		\$261,914		\$261,914
126 Accounts Receivable - Tenants	\$227,771	\$165,843		\$12,119	\$17,215					\$0		\$422,948		\$422,948
126.1 Allowance for Doubtful Accounts - Tenants	-\$129,287	-\$137,400		-\$12,119	-\$6,368			\$0		\$0		-\$285,174		-\$285,174
126.2 Allowance for Doubtful Accounts - Other	\$0	-\$85,870	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	-\$85,870		-\$85,870
127 Notes, Loans, & Mortgages Receivable - Current	\$50,533	\$48,504								\$0		\$99,037		\$99,037
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	\$162,823	\$274,872	\$0	\$840,067	\$58,222	\$0	\$1,734	\$45,236	\$4,858	\$0	\$0	\$1,387,812	\$0	\$1,387,812
131 Investments - Unrestricted										\$0				
132 Investments - Restricted										\$0				
135 Investments - Restricted for Payment of Current Liability										\$0				
142 Prepaid Expenses and Other Assets		\$98,913		\$2,196						\$0		\$101,109		\$101,109
143 Inventories				\$4,856						\$0		\$4,856		\$4,856
143.1 Allowance for Obsolete Inventories				\$0						\$0		\$0		\$0
144 Inter Program Due From	\$0	\$0		\$624,018					\$8,381	\$0		\$632,399	-\$632,399	\$0
145 Assets Held for Sale										\$0				
150 Total Current Assets	\$685,991	\$4,011,873	\$27,474	\$7,313,148	\$119,768	\$146,614	\$1,734	\$600,237	\$13,239	\$95,848	\$1,276	\$13,017,202	-\$632,399	\$12,384,803
161 Land	\$439,000	\$762,449								\$0		\$1,201,449		\$1,201,449
162 Buildings	\$25,497,922	\$33,224,016		\$1,665,475						\$0		\$60,387,413		\$60,387,413
163 Furniture, Equipment & Machinery - Dwellings	\$467,829	\$509,077								\$0		\$976,906		\$976,906
164 Furniture, Equipment & Machinery - Administration	\$1,321,916	\$33,749		\$383,546	\$15,939			\$150,861		\$0	\$179,744	\$2,085,755		\$2,085,755
165 Leasehold Improvements				\$222,379						\$0	\$171,773	\$394,152		\$394,152
166 Accumulated Depreciation	-\$23,837,798	-\$14,819,391		-\$1,328,607	-\$15,939			-\$150,577		\$0	-\$237,312	-\$40,389,624		-\$40,389,624
167 Construction in Progress										\$0				
168 Infrastructure										\$0				
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,888,869	\$19,709,900	\$0	\$942,793	\$0	\$0	\$0	\$284	\$0	\$0	\$114,205	\$24,656,051	\$0	\$24,656,051
171 Notes, Loans and Mortgages Receivable - Non-Current	\$153,170	\$548,679								\$0		\$701,849		\$701,849
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due										\$0				
173 Grants Receivable - Non Current										\$0				
174 Other Assets		\$455,737								\$0		\$455,737		\$455,737
176 Investments in Joint Ventures										\$0				
180 Total Non-Current Assets	\$4,042,039	\$20,714,316	\$0	\$942,793	\$0	\$0	\$0	\$284	\$0	\$0	\$114,205	\$25,813,637	\$0	\$25,813,637
200 Deferred Outflow of Resources	\$823,280			\$552,694	\$103,208	\$3,596		\$1,146,054		\$6,918	\$393,855	\$3,029,605		\$3,029,605
290 Total Assets and Deferred Outflow of Resources	\$5,551,310	\$24,726,189	\$27,474	\$8,808,635	\$222,976	\$150,210	\$1,734	\$1,746,575	\$13,239	\$102,766	\$509,336	\$41,860,444	-\$632,399	\$41,228,045

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	EUM	Total
311 Bank Overdraft										\$0				
312 Accounts Payable <= 90 Days		\$270,823		\$28,990	\$5,040			\$4,276		\$0	\$159,327	\$468,456		\$468,456
313 Accounts Payable >90 Days Past Due										\$0				
321 Accrued Wage/Payroll Taxes Payable										\$0				
322 Accrued Compensated Absences - Current Portion	\$29,692			\$65,220				\$36,304		\$0	\$12,119	\$143,335		\$143,335
324 Accrued Contingency Liability	\$21,068	\$38,207		\$16,650	\$2,864			\$29,930		\$105	\$9,281	\$118,105		\$118,105
325 Accrued Interest Payable		\$223,557								\$0		\$223,557		\$223,557
331 Accounts Payable - HUD PHA Programs						\$6,878		\$2,513		\$51,771		\$61,162		\$61,162
332 Account Payable - PHA Projects										\$0				
333 Accounts Payable - Other Government	\$65,092	\$9,986		\$8,319						\$0		\$83,397		\$83,397
341 Tenant Security Deposits	\$46,933	\$81,613								\$0		\$128,546		\$128,546
342 Unearned Revenue	\$8,967	\$21,023	\$0	\$14,868	\$7,988			\$1,810		\$4,432		\$59,088		\$59,088
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$264,742		\$26,660						\$0		\$291,402		\$291,402
344 Current Portion of Long-term Debt - Operating Borrowings										\$0				
345 Other Current Liabilities	\$212,585	\$265		\$595	\$28,182	\$2,007	\$844	\$297,109		\$1,220	\$95,974	\$638,781		\$638,781
346 Accrued Liabilities - Other		\$46,556		\$41,900						\$0		\$88,456		\$88,456
347 Inter Program - Due To							\$890		\$13,239	\$0	\$618,270	\$632,399	-\$632,399	\$0
348 Loan Liability - Current										\$0				
310 Total Current Liabilities	\$384,337	\$956,772	\$0	\$203,202	\$44,074	\$8,885	\$1,734	\$371,942	\$13,239	\$57,528	\$894,971	\$2,936,684	-\$632,399	\$2,304,285
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$7,491,163								\$0		\$7,491,163		\$7,491,163
352 Long-term Debt, Net of Current - Operating Borrowings										\$0				
353 Non-current Liabilities - Other				\$1,187,087				\$137,002		\$0		\$1,324,089		\$1,324,089
354 Accrued Compensated Absences - Non Current	\$15,988			\$35,135				\$19,549		\$0	\$6,525	\$77,197		\$77,197
355 Loan Liability - Non Current										\$0				
356 FASB 5 Liabilities										\$0				
357 Accrued Pension and OPEB Liabilities	\$3,969,740			\$5,234,706	\$471,213	\$37,977		\$5,335,866		\$46,367	\$2,107,892	\$17,203,761		\$17,203,761
350 Total Non-Current Liabilities	\$3,985,728	\$7,491,163	\$0	\$6,456,928	\$471,213	\$37,977	\$0	\$5,492,417	\$0	\$46,367	\$2,114,417	\$26,096,210	\$0	\$26,096,210
300 Total Liabilities	\$4,370,065	\$8,447,935	\$0	\$6,660,130	\$515,287	\$46,862	\$1,734	\$5,864,359	\$13,239	\$103,895	\$3,009,388	\$29,032,894	-\$632,399	\$28,400,495
400 Deferred Inflow of Resources	\$1,379,740	\$1,201,729		\$854,746	\$169,849	\$0		\$1,742,576		\$8,690	\$571,003	\$5,928,333		\$5,928,333
508.4 Net Investment in Capital Assets	\$3,888,870	\$5,007,121		\$1,170,004				\$284		\$0	\$114,206	\$10,180,485		\$10,180,485
511.4 Restricted Net Position			\$27,474			\$77,651		\$35,553		\$0		\$140,678		\$140,678
512.4 Unrestricted Net Position	-\$4,087,365	\$10,069,404	\$0	\$123,755	-\$462,160	\$25,697	\$0	-\$5,896,197	\$0	-\$9,819	-\$3,185,261	-\$3,421,946		-\$3,421,946
513 Total Equity - Net Assets / Position	-\$198,495	\$15,076,525	\$27,474	\$1,293,759	-\$462,160	\$103,348	\$0	-\$5,860,360	\$0	-\$9,819	-\$3,071,055	\$6,899,217	\$0	\$6,899,217
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$5,551,310	\$24,726,189	\$27,474	\$8,808,635	\$222,976	\$150,210	\$1,734	\$1,746,575	\$13,239	\$102,766	\$509,336	\$41,860,444	-\$632,399	\$41,228,045

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	EUM	Total
70300 Net Tenant Rental Revenue	\$1,014,097	\$1,502,126								\$122,284		\$2,638,507		\$2,638,507
70400 Tenant Revenue - Other	\$3,108	\$16,565								\$0		\$19,673		\$19,673
70500 Total Tenant Revenue	\$1,017,205	\$1,518,691	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,284	\$0	\$2,658,180	\$0	\$2,658,180
70600 HUD PHA Operating Grants	\$1,159,603		\$110,726			\$652,177	\$115,567	\$17,100,891	\$66,643	\$0		\$19,205,607		\$19,205,607
70610 Capital Grants	\$449,686									\$0	\$46,547	\$496,233		\$496,233
70710 Management Fee										\$0	\$294,125	\$294,125		\$294,125
70720 Asset Management Fee										\$0				
70730 Book Keeping Fee										\$0	\$21,263	\$21,263	-\$21,263	\$0
70740 Front Line Service Fee										\$0				
70750 Other Fees										\$0				
70700 Total Fee Revenue										\$0	\$315,388	\$315,388	-\$21,263	\$294,125
70800 Other Government Grants		\$2,061,483			\$218,275					\$0		\$2,279,758		\$2,279,758
71100 Investment Income - Unrestricted	\$8,126	\$112,347		\$11,065	\$10	\$6				\$7	\$1,584	\$133,145		\$133,145
71200 Mortgage Interest Income								\$274		\$0		\$274		\$274
71300 Proceeds from Disposition of Assets Held for Sale										\$0				
71310 Cost of Sale of Assets										\$0				
71400 Fraud Recovery	\$5,479							\$15,156		\$0	\$17,467	\$38,102		\$38,102
71500 Other Revenue	\$44,138	\$425,745	\$27,474	\$1,805,778	\$54,071			\$4,641		\$0		\$2,361,847		\$2,361,847
71600 Gain or Loss on Sale of Capital Assets										\$0				
72000 Investment Income - Restricted										\$0				
70000 Total Revenue	\$2,684,237	\$4,118,266	\$138,200	\$1,816,843	\$272,356	\$652,183	\$115,567	\$17,120,962	\$66,643	\$122,291	\$380,986	\$27,488,534	-\$21,263	\$27,467,271
91100 Administrative Salaries	\$165,403		\$54,398	\$415,853	\$20,000	\$14,640		\$717,361		\$2,770	\$245,182	\$1,635,607		\$1,635,607
91200 Auditing Fees	\$14,900	\$63,090		\$4,800	\$800	\$1,400		\$20,000		\$1,600		\$106,590		\$106,590
91300 Management Fee	\$301,316	\$0					\$10,483			\$0		\$311,799		\$311,799
91310 Book-keeping Fee	\$23,206	\$6,998								\$0		\$30,204	-\$21,263	\$8,941
91400 Advertising and Marketing	\$420	\$134		\$10,611		\$66		\$1,815		\$12	\$308	\$13,366		\$13,366
91500 Employee Benefit contributions - Administrative	\$106,818		\$56,328	\$319,094	\$5,000	\$9,455		\$442,074	\$1,789	\$158,338	\$1,098,896	\$1,098,896		\$1,098,896
91600 Office Expenses	\$31,665	\$41,342		\$159,814	\$972	\$916		\$110,113		\$815	\$19,777	\$365,414		\$365,414
91700 Legal Expense	\$17,969	\$23,878		\$25,906		\$167		\$8,207		\$54	\$592	\$76,773		\$76,773
91800 Travel	\$1,121			\$29,920	\$3,687			\$10,355	\$649	\$7	\$9,739	\$55,478		\$55,478
91810 Allocated Overhead										\$0				
91900 Other	\$5,962	\$1,583,013		\$17,018	\$770	\$307		\$15,048		\$72	\$2,621	\$1,624,811		\$1,624,811
91000 Total Operating - Administrative	\$668,780	\$1,718,455	\$110,726	\$983,016	\$31,229	\$26,951	\$10,483	\$1,324,973	\$649	\$7,119	\$436,557	\$5,318,938	-\$21,263	\$5,297,675
92000 Asset Management Fee										\$0				
92100 Tenant Services - Salaries	\$74,698				\$55,812				\$30,568	\$0		\$161,078		\$161,078
92200 Relocation Costs	\$8,419									\$0		\$8,419		\$8,419
92300 Employee Benefit Contributions - Tenant Services	\$34,166				\$36,044				\$33,816	\$0		\$104,026		\$104,026
92400 Tenant Services - Other	\$4,513	\$247,798		\$406	\$93,001			\$1,610	\$0	\$591		\$347,919		\$347,919
92500 Total Tenant Services	\$121,796	\$247,798	\$0	\$406	\$184,857	\$0	\$0	\$0	\$65,994	\$0	\$591	\$621,442	\$0	\$621,442
93100 Water	\$77,158	\$45,008								\$0		\$122,166		\$122,166
93200 Electricity	\$85,718	\$85,791								\$0		\$171,509		\$171,509
93300 Gas	\$81,587	\$62,532								\$0		\$144,119		\$144,119
93400 Fuel	\$1,505	\$287								\$0		\$1,792		\$1,792
93500 Labor										\$0				
93600 Sewer	\$126,593	\$145,494								\$0		\$272,087		\$272,087
93700 Employee Benefit Contributions - Utilities										\$0				
93800 Other Utilities Expense										\$0				
93000 Total Utilities	\$372,561	\$339,112	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$711,673	\$0	\$711,673

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	EJIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$283,286			\$26,203							\$20	\$309,509		\$309,509
94200 Ordinary Maintenance and Operations - Materials and Other	\$55,333	\$1,056,102		\$1,838	\$169	\$34		\$1,685		\$11	\$1,186	\$1,116,358		\$1,116,358
94300 Ordinary Maintenance and Operations Contracts	\$204,876	\$149,933		\$4,169	\$1,029						\$3,416	\$363,423	\$0	\$363,423
94500 Employee Benefit Contributions - Ordinary Maintenance	\$182,946			\$7,916							\$0	\$190,862		\$190,862
94000 Total Maintenance	\$726,441	\$1,206,035	\$0	\$40,126	\$1,198	\$34	\$0	\$1,685	\$0	\$11	\$4,622	\$1,980,152	-\$1,792	\$1,978,360
95100 Protective Services - Labor	\$8,896										\$0	\$8,896		\$8,896
95200 Protective Services - Other Contract Costs	\$241,916	\$124,875									\$0	\$366,791		\$366,791
95300 Protective Services - Other											\$0			
95500 Employee Benefit Contributions - Protective Services											\$0			
95000 Total Protective Services	\$250,812	\$124,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,687	\$0	\$375,687
96110 Property Insurance	\$85,495	\$405		\$2,274	\$1,578	\$15		\$492		\$0	\$1,576	\$91,835		\$91,835
96120 Liability Insurance	\$19,788	\$228,771		\$19,149			\$386	\$18,928		\$0		\$287,022		\$287,022
96130 Workmen's Compensation	\$26,520	\$9,474		\$18,745	\$2,290	\$710		\$34,596		\$186	\$11,398	\$103,919		\$103,919
96140 All Other Insurance	\$10,199			\$3,388		\$200		\$9,787		\$0		\$23,574		\$23,574
96100 Total Insurance Premiums	\$142,002	\$238,650	\$0	\$43,556	\$3,868	\$1,311	\$0	\$63,803	\$0	\$186	\$12,974	\$506,350	\$0	\$506,350
96200 Other General Expenses		\$36,487						\$596		\$0		\$48,614		\$48,614
96210 Compensated Absences	\$4,256			\$8,558				\$454		\$0	\$1,904	\$15,172		\$15,172
96300 Payments in Lieu of Taxes	\$65,092	\$23,480								\$0		\$88,572		\$88,572
96400 Bad debt - Tenant Rents	\$22,281	\$38,952			\$676					\$0		\$61,909		\$61,909
96500 Bad debt - Mortgages										\$0				
96600 Bad debt - Other										\$0				
96800 Severance Expense										\$0				
96000 Total Other General Expenses	\$91,629	\$98,919	\$0	\$8,558	\$676	\$596	\$0	\$11,985	\$0	\$0	\$1,904	\$214,267	\$0	\$214,267
96710 Interest of Mortgage (or Bonds) Payable		\$290,655								\$0		\$290,655		\$290,655
96720 Interest on Notes Payable (Short and Long Term)										\$0				
96730 Amortization of Bond Issue Costs		\$32,926								\$0		\$32,926		\$32,926
96700 Total Interest Expense and Amortization Cost	\$0	\$323,581	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$323,581	\$0	\$323,581
96900 Total Operating Expenses	\$2,374,021	\$4,297,425	\$110,726	\$1,075,662	\$221,828	\$28,892	\$10,483	\$1,402,446	\$66,643	\$7,316	\$456,648	\$10,052,090	-\$23,055	\$10,029,035
97000 Excess of Operating Revenue over Operating Expenses	\$310,216	-\$179,159	\$27,474	\$741,181	\$50,528	\$623,291	\$105,084	\$15,718,516	\$0	\$114,975	-\$75,662	\$17,436,444	\$1,792	\$17,438,236
97100 Extraordinary Maintenance										\$0				
97200 Casualty Losses - Non-capitalized										\$0				
97300 Housing Assistance Payments						\$540,171	\$105,084	\$15,509,803		\$103,901		\$16,258,959		\$16,258,959
97350 HAP Portability-In										\$0				
97400 Depreciation Expense	\$877,222	\$1,004,159		\$51,078	\$0			\$488		\$0	\$14,597	\$1,947,544		\$1,947,544
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	\$3,251,243	\$5,301,584	\$110,726	\$1,126,740	\$221,828	\$569,063	\$115,567	\$16,912,737	\$66,643	\$111,217	\$471,245	\$28,258,593	-\$23,055	\$28,235,538
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				

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	EJIM	Total
10080 Special Items (Net Gain/Loss)										\$0				
10091 Inter Project Excess Cash Transfer In	\$300,000									\$0		\$300,000		\$300,000
10092 Inter Project Excess Cash Transfer Out	-\$300,000									\$0		-\$300,000		-\$300,000
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$567,006	-\$1,183,318	\$27,474	\$690,103	\$50,528	\$83,120	\$0	\$208,225	\$0	\$11,074	-\$90,259	-\$770,059	\$1,792	-\$768,267
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$293,821	\$15,660,221	\$0	\$1,043,184	-\$512,688	\$20,228	\$0	-\$6,068,585	\$0	-\$20,893	-\$2,980,796	\$7,434,492		\$7,434,492
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$74,690	\$599,622		-\$439,528						\$0	\$0	\$234,784		\$234,784
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								-\$5,895,912		\$0		-\$5,895,912		-\$5,895,912
11180 Housing Assistance Payments Equity								\$35,552		\$0		\$35,552		\$35,552
11190 Unit Months Available	3120	3360				684	128	23488		180	0	30960		30960
11210 Number of Unit Months Leased	3094	3311				587	128	19090		136	0	26346		26346
11270 Excess Cash	\$109,200									\$0		\$109,200		\$109,200
11610 Land Purchases	\$0									\$0	\$0	\$0		\$0
11620 Building Purchases	\$373,223									\$0	\$0	\$373,223		\$373,223
11630 Furniture & Equipment - Dwelling Purchases	\$5,950									\$0	\$0	\$5,950		\$5,950
11640 Furniture & Equipment - Administrative Purchases	\$5,950									\$0	\$46,547	\$52,497		\$52,497
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: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
111 Cash - Unrestricted	\$198,749	\$170,874	\$106,612			\$476,235
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted						
114 Cash - Tenant Security Deposits	\$32,570	\$7,409	\$6,954			\$46,933
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$231,319	\$178,283	\$113,566	\$0	\$0	\$523,168
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects		\$0				\$0
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous	\$4,403	\$4,962	\$4,441			\$13,806
126 Accounts Receivable - Tenants	\$92,045	\$59,216	\$76,510			\$227,771
126.1 Allowance for Doubtful Accounts -Tenants	-\$43,343	-\$27,089	-\$58,855			-\$129,287
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$50,533				\$50,533
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$53,105	\$87,622	\$22,096	\$0	\$0	\$162,823
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets						
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From	\$0					\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
145 Assets Held for Sale						
150 Total Current Assets	\$284,424	\$265,905	\$135,662	\$0	\$0	\$685,991
161 Land	\$274,000	\$25,000	\$140,000			\$439,000
162 Buildings	\$8,723,648	\$8,759,112	\$8,015,162			\$25,497,922
163 Furniture, Equipment & Machinery - Dwellings	\$181,632	\$46,434	\$239,763			\$467,829
164 Furniture, Equipment & Machinery - Administration	\$102,598	\$653,106	\$566,212			\$1,321,916
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$8,253,895	-\$7,986,702	-\$7,597,201			-\$23,837,798
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,027,983	\$1,496,950	\$1,363,936	\$0	\$0	\$3,888,869
171 Notes, Loans and Mortgages Receivable - Non-Current		\$153,170				\$153,170
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	\$1,027,983	\$1,650,120	\$1,363,936	\$0	\$0	\$4,042,039
200 Deferred Outflow of Resources	\$257,011	\$313,355	\$252,914			\$823,280
290 Total Assets and Deferred Outflow of Resources	\$1,569,418	\$2,229,380	\$1,752,512	\$0	\$0	\$5,551,310

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
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	\$8,566	\$10,667	\$10,459			\$29,692
324 Accrued Contingency Liability	\$6,230	\$8,425	\$6,413			\$21,068
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$31,596	\$13,873	\$19,623			\$65,092
341 Tenant Security Deposits	\$32,570	\$7,409	\$6,954			\$46,933
342 Unearned Revenue	\$2,184	\$3,715	\$3,068			\$8,967
343 Current Portion of Long-term Debt - Capital						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities	\$61,794	\$84,515	\$66,276			\$212,585
346 Accrued Liabilities - Other						
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$142,940	\$128,604	\$112,793	\$0	\$0	\$384,337

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	\$4,612	\$5,744	\$5,632			\$15,988
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$1,175,992	\$1,472,842	\$1,320,906			\$3,969,740
350 Total Non-Current Liabilities	\$1,180,604	\$1,478,586	\$1,326,538	\$0	\$0	\$3,985,728
300 Total Liabilities	\$1,323,544	\$1,607,190	\$1,439,331	\$0	\$0	\$4,370,065
400 Deferred Inflow of Resources	\$360,915	\$626,364	\$392,461			\$1,379,740
508.4 Net Investment in Capital Assets	\$1,027,984	\$1,496,950	\$1,363,936			\$3,888,870
511.4 Restricted Net Position						
512.4 Unrestricted Net Position	-\$1,143,025	-\$1,501,124	-\$1,443,216	\$0	\$0	-\$4,087,365
513 Total Equity - Net Assets / Position	-\$115,041	-\$4,174	-\$79,280	\$0	\$0	-\$198,495
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$1,569,418	\$2,229,380	\$1,752,512	\$0	\$0	\$5,551,310

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	\$362,792	\$307,467	\$343,838			\$1,014,097
70400 Tenant Revenue - Other	\$2,380	\$351	\$377			\$3,108
70500 Total Tenant Revenue	\$365,172	\$307,818	\$344,215	\$0	\$0	\$1,017,205
70600 HUD PHA Operating Grants	\$298,775	\$469,456	\$391,372			\$1,159,603
70610 Capital Grants	\$173,536	\$228,941	\$47,209			\$449,686
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		\$8,126				\$8,126
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery			\$5,479			\$5,479
71500 Other Revenue	\$10	\$38,758	\$5,370			\$44,138
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$837,493	\$1,053,099	\$793,645	\$0	\$0	\$2,684,237

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
91100 Administrative Salaries	\$39,364	\$64,793	\$61,246			\$165,403
91200 Auditing Fees	\$4,000	\$5,450	\$5,450			\$14,900
91300 Management Fee	\$74,947	\$114,657	\$111,712			\$301,316
91310 Book-keeping Fee	\$5,565	\$8,828	\$8,813			\$23,206
91400 Advertising and Marketing		\$136	\$284			\$420
91500 Employee Benefit contributions - Administrative	\$25,422	\$41,843	\$39,553			\$106,818
91600 Office Expenses		\$14,217	\$17,448			\$31,665
91700 Legal Expense	\$3,556	\$10,862	\$3,551			\$17,969
91800 Travel	\$660	\$281	\$180			\$1,121
91810 Allocated Overhead						
91900 Other	\$1,926	\$1,835	\$2,201			\$5,962
91000 Total Operating - Administrative	\$155,440	\$262,902	\$250,438	\$0	\$0	\$668,780
92000 Asset Management Fee						
92100 Tenant Services - Salaries		\$45,602	\$29,096			\$74,698
92200 Relocation Costs	\$1,492	\$6,927				\$8,419
92300 Employee Benefit Contributions - Tenant Services		\$22,413	\$11,753			\$34,166
92400 Tenant Services - Other		\$2,098	\$2,415			\$4,513
92500 Total Tenant Services	\$1,492	\$77,040	\$43,264	\$0	\$0	\$121,796
93100 Water	\$26,710	\$26,958	\$23,490			\$77,158
93200 Electricity		\$45,826	\$39,892			\$85,718
93300 Gas		\$44,662	\$36,925			\$81,587
93400 Fuel		\$1,005	\$500			\$1,505
93500 Labor						
93600 Sewer	\$29,507	\$50,286	\$46,800			\$126,593

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$56,217	\$168,737	\$147,607	\$0	\$0	\$372,561
94100 Ordinary Maintenance and Operations - Labor	\$115,189	\$99,063	\$69,034			\$283,286
94200 Ordinary Maintenance and Operations - Materials and	\$17,599	\$6,377	\$31,357			\$55,333
94300 Ordinary Maintenance and Operations Contracts	\$80,006	\$66,528	\$58,342			\$204,876
94500 Employee Benefit Contributions - Ordinary Maintenance	\$74,389	\$63,975	\$44,582			\$182,946
94000 Total Maintenance	\$287,183	\$235,943	\$203,315	\$0	\$0	\$726,441
95100 Protective Services - Labor		\$8,896				\$8,896
95200 Protective Services - Other Contract Costs		\$117,218	\$124,698			\$241,916
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$126,114	\$124,698	\$0	\$0	\$250,812
96110 Property Insurance	\$44,375	\$20,620	\$20,500			\$85,495
96120 Liability Insurance	\$5,768	\$7,010	\$7,010			\$19,788
96130 Workmen's Compensation	\$7,313	\$11,074	\$8,133			\$26,520
96140 All Other Insurance	\$2,975	\$3,612	\$3,612			\$10,199
96100 Total insurance Premiums	\$60,431	\$42,316	\$39,255	\$0	\$0	\$142,002
96200 Other General Expenses						
96210 Compensated Absences	\$1,484		\$2,772			\$4,256
96300 Payments in Lieu of Taxes	\$31,596	\$13,873	\$19,623			\$65,092
96400 Bad debt - Tenant Rents	\$8,187	\$6,089	\$8,005			\$22,281
96500 Bad debt - Mortgages						

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$41,267	\$19,962	\$30,400	\$0	\$0	\$91,629
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	\$602,030	\$933,014	\$838,977	\$0	\$0	\$2,374,021
97000 Excess of Operating Revenue over Operating Expenses	\$235,463	\$120,085	-\$45,332	\$0	\$0	\$310,216
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments						
97350 HAP Portability-In						
97400 Depreciation Expense	\$162,788	\$348,038	\$366,396			\$877,222
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$764,818	\$1,281,052	\$1,205,373	\$0	\$0	\$3,251,243

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
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			\$300,000			\$300,000
10092 Inter Project Excess Cash Transfer Out	-\$150,000	-\$150,000				-\$300,000
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	-\$150,000	-\$150,000	\$300,000	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$77,325	-\$377,953	-\$111,728	\$0	\$0	-\$567,006
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	-\$37,716	\$299,089	\$32,448	\$0	\$0	\$293,821
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$74,690	\$0			\$74,690
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						

Gloucester County Housing Authority (NJ204)

Deptford, NJ

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	NJ204000001	NJ204000003	NJ204000004	NJ204009999	OTHER PROJ	Total
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	744	1188	1188	0	0	3120
11210 Number of Unit Months Leased	742	1177	1175	0	0	3094
11270 Excess Cash	\$92,829	\$61,600	-\$45,229	\$0	\$0	\$109,200
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$149,417	\$198,398	\$25,408	\$0	\$0	\$373,223
11630 Furniture & Equipment - Dwelling Purchases	\$5,950	\$0	\$0	\$0	\$0	\$5,950
11640 Furniture & Equipment - Administrative Purchases	\$0	\$5,950	\$0	\$0	\$0	\$5,950
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, 2022

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 the Major Federal Program

Opinion on the Major Federal Program

We have audited the Housing Authority of Gloucester County's (the "Authority"), a component unit of the County of Gloucester, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2022. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Housing Authority of Gloucester County, New Jersey, a component unit of the County of Gloucester, State of 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 its major federal program for the year ended December 31, 2022.

The Authority's aggregate discretely presented component units are not subject to Single Audit requirements and are not covered by this report.

Basis for Opinion on its Major Federal Program

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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

BOWMAN & COMPANY LLP
Certified Public Accountants &
Consultants

Woodbury, New Jersey
September 25, 2023

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

<u>Federal Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal FAIN 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	Various	N/A	-	\$ 17,100,891
Mainstream Vouchers	14.879	Various	N/A	-	<u>652,177</u>
Subtotal - Housing Voucher Cluster					17,753,068
Public and Indian Housing	14.850	NJ204-00000122D/ NJ204-00000322D/ NJ204-00000422D	N/A	-	1,159,603
Public Housing Capital Fund	14.872	NJ39P20450119/ NJ39P20450120/ NJ39P20450121	N/A	-	496,233
Section 8 Project-Based Cluster					
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	NJ204MR0005	N/A	-	122,284
Resident Opportunity and Supportive Services - Service Coordinators	14.870	ROSS191262	N/A	-	66,643
Family Self-Sufficiency Program	14.896	FSS22NJ4362	N/A	-	<u>110,726</u>
Subtotal - Direct Programs					<u>19,708,557</u>
Passed Through the County of Gloucester					
Home Investment Partnerships Program	14.239	N/A	N/A	-	<u>115,567</u>
Total expenditures of federal awards					<u>\$ 19,824,124</u>

See accompanying notes to financial statements and notes to the schedule of expenditures of federal awards.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2022 and 2021

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Housing Authority of Gloucester County, New Jersey (the "Authority") under programs of the federal government for the year ended December 31, 2022. The Authority is defined in Note 1 to the financial statements. The information in the 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). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule. 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, and changes in net position or cash flows of the Authority.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 expenditures reflected in the Schedule are presented at the federal participation level; thus, any matching portion is not included.

Note 3: DE MINIMIS COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 4: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with, in all material respects, the amounts reported in the related financial statements.

Note 5: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Included in the amount reported as Federal expenditures in the accompanying schedule for Assistance Listing number 14.871 are settlements for prior year's administrative fees received from the United States Department of Housing and Urban Development (HUD) of \$96,287 for 2021 related to Section 8 Housing Choice Vouchers. 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 \$218,275 under the State of New Jersey, Department of Community Affairs Congregate Housing Services Program, which is not subject to a State Single Audit.

Note 6: PHA'S STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS

There were no Modernization Cost Certificates filed by the Authority in 2022.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

PART III – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2022

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

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: | |

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.871	Housing Voucher Cluster

- | | |
|---|------------|
| 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, 2022

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *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, requires.

No Current Year Findings

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs and significant instances of abuse, 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