Summary or Synopsis of Audit Report for Publication Summary or Synopsis of 2018 Audit Report of Vineland Housing Authority as Required by N.J.S. 40A:5A-16

STATEMENT OF NET POSITION

SEPTEMBER 30, 2018 and 2017

		<u>2018</u>		<u>2017</u>
ASSETS				
Current assets Cash and cash equivalents	\$	5,288,349	\$	4,392,971
Accounts receivable, net of allowance for doubtful accounts		04.050		40.050
of \$6,793 in 2018 and \$5,537 in 2017 Development fee receivable		21,050 267,146		16,856 435,050
Due from HUD		116,477		287,878
Due from other governments		42,868		49,655
Other receivables		2,621		1,292
Prepaid expenses		51,568		70,919
Total current assets		5,790,079		5,254,621
Non-current restricted assets				
Cash and cash equivalents		500,748		384,968
Capital assets, net		15,434,226		16,068,848
Due from Melrose Court Homes, LP		1,269,237		1,775,463
Total assets	\$	22,994,290	\$	23,483,900
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DEFERRED OUTFLOWS OF RESOURCES Related to pensions	\$	724 507	\$	970 266
Related to OPEB	Ф	724,507 23,577	Ф	879,366 -
Related to pensions	\$	748,084	\$	879,366
·				
LIABILITIES Current liabilities				
Accounts payable and accrued expenses	\$	404,369	\$	517,933
Current portion of liability for compensated absences	•	63,164	•	55,854
Due to other governments		133,145		140,916
Unearned revenue		15,411		16,364
Current portion of long-term debt		260,000		250,000
Accrued interest payable		44,017		48,575
Total current liabilities		920,106		1,029,642
Long-term liabilities				
Pension liability		2,846,879		3,231,234
Pension liability - contributions subsequen to measurement dat	е	35,955		32,148
Other postemployement benefits Long-term debt, net of current portion		5,748,552 2,015,000		2,275,000
Liability for compensated absences, net of current portion		189,493		167,563
Tenant funds on deposit		257,745		88,279
Total long-term liabilities		11,093,624		5,794,224
Total liabilities	\$	12,013,730	\$	7,022,044
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	\$	1,547,800	\$	1,424,900
Related to OPEB	•	3,186,274	•	-
	\$	4,734,074	\$	1,424,900
NET POSITION (DEFINIT)				
NET POSITION (DEFICIT) Net investment in capital assets	\$	13,159,226	\$	13,543,848
Restricted net position	Ψ	201,574	Ψ	97,766
Unrestricted net position (deficit)		(6,366,230)		2,274,708
Total net position	\$	6,994,570	\$	15,916,322
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STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 and 2017

Operating revenue \$ 5,935,314 \$ 5,791,078 State and local grant awards 91,652 82,229 Tenant charges 2,524,587 2,437,723 Management contract fees 152,753 108,565 Development fee - - Other income 97,141 172,786 Total operating revenue 8,801,447 8,592,381 Operating expenses 4,447 8,592,381 Administration 1,772,589 1,674,017 Tenant services 200,162 218,985 Utilities 1,132,644 988,230 Housing assistance payments 3,729,281 3,841,776 Ordinary maintenance and operation 1,228,812 1,260,434 Protective services 1,200 1,200 General expenses 201,416 205,694 Depreciation expenses 201,416 205,694 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) <t< th=""><th>Operating revenue</th><th><u>2018</u></th><th><u>2017</u></th></t<>	Operating revenue	<u>2018</u>	<u>2017</u>
Other income 97,141 172,786 Total operating revenue 8,801,447 8,592,381 Operating expenses 3,401,447 8,592,381 Administration 1,772,589 1,674,017 Tenant services 200,162 218,985 Utilities 1,132,644 988,230 Housing assistance payments 3,729,281 1,260,434 Protective services 1,200 1,200 General expenses 201,416 205,694 Perpeciation expense 1,033,024 1,082,758 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 70 11,985 10,997 Tower rental income 52,729 59,615 50,615 Capital grants 441,650 451,454 11,985 10,997 Insurance recovery on capital assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005	Federal grant awards State and local grant awards Tenant charges	91,652 2,524,587	82,229 2,437,723
Operating expenses 1,772,589 1,674,017 Tenant services 200,162 218,985 Utilities 1,132,644 988,230 Housing assistance payments 3,729,281 3,841,776 Ordinary maintenance and operation 1,228,812 1,260,434 Protective services 1,200 1,200 General expenses 201,416 205,694 Depreciation expense 1,033,024 1,082,758 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 70,000 1,000 Tower rental income 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on capital assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504)	·	97,141	172,786
Administration 1,772,589 1,674,017 Tenant services 200,162 218,985 Utilities 1,132,644 988,230 Housing assistance payments 3,729,281 3,841,776 Ordinary maintenance and operation 1,228,812 1,260,434 Protective services 1,200 1,200 General expenses 201,416 205,694 Depreciation expenses 1,033,024 1,082,758 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 70 70 70 Tower rental income 52,729 59,615 70 Capital grants 441,650 451,454 11,985 10,997 Interest expense (109,287) (120,061) 11,985 10,997 Interest expense (109,287) (120,061) 10,907 Net non-operating revenue 712,232 402,005 Decrease in net position <td< td=""><td>Total operating revenue</td><td>8,801,447</td><td>8,592,381</td></td<>	Total operating revenue	8,801,447	8,592,381
Tenant services 200,162 218,985 Utilities 1,132,644 988,230 Housing assistance payments 3,729,281 3,841,776 Ordinary maintenance and operation 1,228,812 1,260,434 Protective services 1,200 1,200 General expenses 201,416 205,694 Depreciation expense 1,033,024 1,082,758 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 70 (896,583) Tower rental income 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on capital assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as orig			
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Housing assistance payments	Tenant services	200,162	218,985
Ordinary maintenance and operation 1,228,812 1,260,434 Protective services 1,200 1,200 General expenses 201,416 205,694 Depreciation expense 1,033,024 1,082,758 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Utilities	1,132,644	988,230
Ordinary maintenance and operation 1,228,812 1,260,434 Protective services 1,200 1,200 General expenses 201,416 205,694 Depreciation expense 1,033,024 1,082,758 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Housing assistance payments	3.729.281	3.841.776
Protective services 1,200 1,200 General expenses 201,416 205,694 Depreciation expense 1,033,024 1,082,758 Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on capital assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900		, ,	, ,
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Insurance 231,055 215,870 Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): Tower rental income 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	•		
Total operating expenses 9,530,183 9,488,964 Operating loss (728,736) (896,583) Non-operating revenue (expenses): 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	· · · · · · · · · · · · · · · · · · ·	·	
Operating loss (728,736) (896,583) Non-operating revenue (expenses): 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on capital assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Insurance	231,055	215,870
Non-operating revenue (expenses): 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Total operating expenses	9,530,183	9,488,964
Tower rental income 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Operating loss	(728,736)	(896,583)
Tower rental income 52,729 59,615 Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Non-operating revenue (expenses):		
Capital grants 441,650 451,454 Investment income 11,985 10,997 Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	. • • • • • • • • • • • • • • • • • • •	52.729	59.615
Investment income 11,985 10,997 (120,061) Interest expense (109,287) (120,061) Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900		·	
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Insurance recovery on captial assets, net of impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900		,	
impairment loss 315,155 - Net non-operating revenue 712,232 402,005 Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) - Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	•	(109,201)	(120,001)
Decrease in net position (16,504) (494,578) Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900		315,155	
Net position at the beginning of the year, as originally stated 15,916,322 16,410,900 Cumulative effect of change in accounting principle (8,905,248) Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Net non-operating revenue	712,232	402,005
Cumulative effect of change in accounting principle (8,905,248) Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Decrease in net position	(16,504)	(494,578)
Net position (deficit) at the beginning of the year, as restated 7,011,074 16,410,900	Net position at the beginning of the year, as originally stated	15,916,322	16,410,900
<u> </u>	Cumulative effect of change in accounting principle	(8,905,248)	
Net position at the end of the year \$ 6,994,570 \$ 15,916,322	Net position (deficit) at the beginning of the year, as restated	7,011,074	16,410,900
	Net position at the end of the year	\$ 6,994,570	\$ 15,916,322

RECOMMENDATIONS

There were adjustments that were simply overlooked in the activity surrounding the the completion of the tax credit project. Should management engagement in new project development activities in the future, management should take more care to ensure that all related activity is properly accounted for in accordance with generally accepted accounting principles.

GENERAL INFORMATION

The above synopsis was prepared from the Report of Audit of the Housing Authority of the City of Vineland, for the fiscal year 2018 submitted by Nina S. Sorelle of Bowman & Company LLP, Certified Public Accountants & Consultants. The information included herein is not intended to represent complete financial information as presented in the Report of Audit. A copy of the Report of Audit is on file and available for public inspection in the office of the Housing Authority Secretary.

Secretary		