

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 of \$6,793 in 2018 and \$5,537 in 2017	21,050	16,856
Development fee receivable	267,146	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	<u>5,790,079</u>	<u>5,254,621</u>
Non-current restricted assets		
Cash and cash equivalents	<u>500,748</u>	<u>384,968</u>
Capital assets, net	<u>15,434,226</u>	<u>16,068,848</u>
Due from Melrose Court Homes, LP	<u>1,269,237</u>	<u>1,775,463</u>
Total assets	<u>\$ 22,994,290</u>	<u>\$ 23,483,900</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions	\$ 724,507	\$ 879,366
Related to OPEB	<u>23,577</u>	<u>-</u>
Related to pensions	<u>\$ 748,084</u>	<u>\$ 879,366</u>
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	<u>44,017</u>	<u>48,575</u>
Total current liabilities	<u>920,106</u>	<u>1,029,642</u>
Long-term liabilities		
Pension liability	2,846,879	3,231,234
Pension liability - contributions subsequent to measurement date	35,955	32,148
Other postemployment benefits	5,748,552	-
Long-term debt, net of current portion	2,015,000	2,275,000
Liability for compensated absences, net of current portion	189,493	167,563
Tenant funds on deposit	<u>257,745</u>	<u>88,279</u>
Total long-term liabilities	<u>11,093,624</u>	<u>5,794,224</u>
Total liabilities	<u>\$ 12,013,730</u>	<u>\$ 7,022,044</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	\$ 1,547,800	\$ 1,424,900
Related to OPEB	<u>3,186,274</u>	<u>-</u>
Total deferred inflows of resources	<u>\$ 4,734,074</u>	<u>\$ 1,424,900</u>
NET POSITION (DEFICIT)		
Net investment in capital assets	\$ 13,159,226	\$ 13,543,848
Restricted net position	201,574	97,766
Unrestricted net position (deficit)	<u>(6,366,230)</u>	<u>2,274,708</u>
Total net position	<u>\$ 6,994,570</u>	<u>\$ 15,916,322</u>

**STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET POSITION**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenue		
Federal grant awards	\$ 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
	<u>8,801,447</u>	<u>8,592,381</u>
Total operating revenue		
Operating expenses		
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 expense	1,033,024	1,082,758
Insurance	231,055	215,870
	<u>9,530,183</u>	<u>9,488,964</u>
Total operating expenses		
Operating loss	<u>(728,736)</u>	<u>(896,583)</u>
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 capial assets, net of impairment loss	315,155	-
	<u>712,232</u>	<u>402,005</u>
Net non-operating revenue		
Decrease in net position	<u>(16,504)</u>	<u>(494,578)</u>
Net position at the beginning of the year, as originally stated	<u>15,916,322</u>	<u>16,410,900</u>
Cumulative effect of change in accounting principle	<u>(8,905,248)</u>	<u>-</u>
Net position (deficit) at the beginning of the year, as restated	<u>7,011,074</u>	<u>16,410,900</u>
Net position at the end of the year	<u>\$ 6,994,570</u>	<u>\$ 15,916,322</u>

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