

Synopsis of audit report of the Housing Authority of the Borough of Clementon for the fiscal year ended June 30, 2017, as required by N.J.S.A. 40A:5A-16.

For the year ended June 30, 2017

Statement of Net Position

June 30, 2017

	<u>2017</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 114,930
Accounts receivable - tenants, net	55
Accounts receivable - PHA projects	2,575
Prepaid expenses	11,810
Total current assets	<u>129,370</u>
Capital assets, net	<u>1,634,389</u>
Total assets	<u>1,763,759</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>181,025</u>
Total deferred outflow of resources	<u>181,025</u>
Total assets and deferred outflow of resources	<u>1,944,784</u>
LIABILITIES	
Current liabilities:	
Accounts payable	24,913
Pension payable	17,937
Accrued wages and payroll taxes	2,658
Tenant security deposits	15,044
Other accrued liabilities	14,342
Accrued compensated absences, current	4,904
Current portion of energy loan	3,688
Total current liabilities	<u>83,486</u>
Long-term liabilities:	
Net pension liability	577,517
Energy loan	3,086
Accrued compensated absences	32,621
Total liabilities	<u>696,710</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>109,418</u>
Total deferred inflow of resources	<u>109,418</u>
Total liabilities and deferred inflow of resources	<u>806,128</u>
NET POSITION	
Net position:	
Net investment in capital assets	1,627,615
Restricted	581
Unrestricted	(489,540)
Total net position	<u>1,138,656</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 1,944,784</u>

Statements of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2017

	2017
Operating revenues:	
Tenant rental revenue	\$ 274,608
HUD operating grants	606,263
Other revenues	37,151
Total operating revenues	918,022
Operating expenses:	
Administrative	209,131
Tenant services	4,962
Utilities	153,168
Ordinary repairs and maintenance	145,652
Protective services	10,611
General expenses	30,841
Housing assistance payments	325,549
Extraordinary maintenance	17,814
Contract costs	7,079
Fringe benefits - cost of providing services	25,737
Depreciation	66,886
Total operating expenses	997,430
Operating loss	(79,408)
Non-operating revenues:	
Investment income	84
Income/(loss) before capital grants	(79,324)
Capital grants	-
Change in net position	(79,324)
Net position, July 1	1,217,980
Net position, June 30	\$ 1,138,656

The following recommendations were made for the year ended June 30, 2017:

2017-001: The Authority should comply with N.J.S.A. 40A:5-16 of the Rules and Regulations of the New Jersey Department of Community Affairs, Local Finance Board.

2017-002: The Authority should strengthen internal controls by implementing a review process over the Housing Choice Voucher Program. Another employee should be reviewing the eligibility and payment determination as well as verifying the payments agree to the approved documentation.

2017-003: The Authority should perform general ledger maintenance on a monthly basis in order to properly monitor the budget and evaluate financial performance. Financial records should be maintained in accordance with generally accepted accounting principles. The accounting records should also be kept on site. A backup of the general ledger system should be performed on a routine basis and accessible by more than one employee.

The above synopsis was prepared from the report of the audit of the Housing Authority of the Borough of Clementon as of June 30, 2017.

This report of audit, submitted by Holman Frenia Allison, P.C., Certified Public Accountants, is on file at the office of the Housing Authority of the Borough of Clementon, 22 Gibbsboro Road, Clementon, NJ 08021, and may be inspected by any interested person.