

**GLOUCESTER COUNTY HOUSING  
DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**(A COMPONENT UNIT OF THE HOUSING AUTHORITY  
OF GLOUCESTER COUNTY, NEW JERSEY)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2024 AND 2023**



**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION**

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**December 31, 2024 and 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Gloucester County Housing  
Development Corporation and Subsidiary

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying basic financial statements of the business-type activities of the Gloucester County Housing Development Corporation (a non-profit organization) and Subsidiary, a component unit of the Housing Authority of Gloucester County, New Jersey, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements which collectively comprise the organization'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 Gloucester County Housing Development Corporation and Subsidiary as of December 31, 2024 and 2023, and the respective changes in financial position and 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 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 Corporation 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**

##### ***Restatement of Prior Period Financial Statements***

As discussed in Note 12 to the financial statements, the Gloucester County Housing Development Corporation restated its prior period financial statements to correct an error related to the accounting for construction-in-progress and revenue. In the prior year, certain additions to construction-in-progress were expensed rather than capitalized and revenue was overstated. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Gloucester County Housing

Development Corporation and Subsidiary'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 opinion. 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Corporation'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 Corporation'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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 Corporation's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is 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 22, 2025 on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.



Bowman & Company LLP  
Certified Public Accountants  
& Consultants

Woodbury, New Jersey  
September 22, 2025

**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 Directors  
Gloucester County Housing  
Development Corporation and Subsidiary

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 Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Gloucester County Housing Development Corporation (a non-profit organization) and Subsidiary (the “Corporation”), a component unit of the Housing Authority of Gloucester County, New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation’s basic financial statements, and have issued our report thereon dated September 22, 2025. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of prior period financial statements resulting from the Authority’s component unit expensing construction-in-progress additions rather than capitalizing and an overstatement of revenue.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation’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 Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation’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 Corporation'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 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 Corporation'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 Department of Community Affairs, State of New Jersey, and federal awarding agencies and pass-through entities, in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BOWMAN & COMPANY LLP  
Certified Public Accountants &  
Consultants

Woodbury, New Jersey  
September 22, 2025

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION AND SUBSIDIARY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Years Ended December 31, 2024 and 2023**  
**Unaudited**

This section of the Gloucester County Housing Development Corporation and Subsidiary's (the "Corporation") annual financial report presents our discussion and analysis of the Corporation's financial performance during the year ended on December 31, 2024. We encourage readers to consider the information presented here in conjunction with the Corporation's financial statements and accompanying notes.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Management's Discussion and Analysis is intended to share management's analysis of the Corporation's financial performance. The Corporation's financial statements are designed to provide readers with a broad overview of the Corporation'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 generally accepted accounting principles ("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** - presenting information on all the Corporation's assets and liabilities, with the difference between the two reported as net position (equity).
2. **The Statements of Revenue, Expenses, and Changes in Net Position** - presenting information on revenues and expenses showing how the Corporation performed.
3. **The Statements of Cash Flows** - presenting the inflows and outflows of cash and cash equivalents.
4. **Notes to Financial Statements**- providing additional information essential to fully understanding the data provided in the financial statements.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION AND SUBSIDIARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
For the Years Ended December 31, 2024 and 2023  
Unaudited**

**FINANCIAL HIGHLIGHTS**

- The Corporation's Total Net Position (equity) increased from 2023 to 2024 by **\$5,029,023** (or 70.4%) from **\$7,145,496** to **\$12,174,519** which includes an increase in Unrestricted Net Position for the same amount. The Corporation's Total Net Position (equity) increased from 2022 to 2023 by **\$3,126,938** (or 42.9%) from **\$7,290,399** to **\$10,417,337** which includes an increase in Unrestricted Net Position for the same amount.
- The Corporation had Total Operating Revenues of **\$627,546** in 2024, **\$236,212** in 2023, **\$466,337** in 2022. The Corporation had Total Operating Expenses of **\$524,021** in 2024, **\$499,930** in 2023, **\$556,061** in 2022.
- The Corporation's unrestricted cash and cash equivalent was **\$434,921** in 2024, **\$45,608** in 2023, **\$29,412** in 2022.
- The Corporate member's share of loss in Pop Moylan Urban Redevelopment Company, LLC was **\$1,545** in 2024, **\$4,900** in 2023, **\$4,751** in 2022.

**OTHER FINANCIAL INFORMATION**

The Gloucester County Housing Development Corporation is a component unit of the Housing Authority of Gloucester County, New Jersey. The Corporation holds two mortgage notes on the Nancy J. Elkis Seniors Housing project owned by Pop Moylan Urban Redevelopment Company, LLC. The Corporation is the sponsor of this project. As of the year ended December 31, 2024, the mortgage receivables combined equaled **\$3,207,622** and accrued interest receivable was **\$4,469,676**. The corporation, through its subsidiary, PMURC, Inc., is a managing member of the LLC. See the Financial Notes for further explanation.

Nancy J. Elkis Seniors Housing is a tax credit project providing living space for elderly low-income families. The mortgage notes are payable as cash flow allows. The project has had little cash flow to make payments to the Corporation, hence there is a large accrued interest receivable. The project is expected to produce more cash flow in the near future but not sufficient enough to begin any principal reduction until beyond 2024.

The financial books are maintained in accordance with Generally Accepted Accounting Principles.

**CAPITAL ASSETS and DEBT ADMINISTRATION**

The Corporation's major capital asset is a parcel of land located in Deptford, New Jersey, which it leases to Pop Moylan Urban Redevelopment Company, LLC for the purpose of the Nancy J. Elkis Seniors Housing.

The Corporation currently has no debt.

GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION OF GLOUCESTER COUNTY  
AND SUBSIDIARY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**  
**Unaudited**

CONDENSED FINANCIAL STATEMENTS

	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b><u>STATEMENTS OF NET POSITION</u></b>			
<b>Assets:</b>			
Current Assets	\$ 538,198	\$ 148,885	\$ 139,594
Restricted Assets	2,320,749	3,367,149	140,635
Capital Assets	5,897,406	977,244	399,085
Other Non-Current Assets	8,239,751	8,012,662	7,754,191
<b>Total Assets</b>	<b>\$ 16,996,104</b>	<b>\$ 12,505,940</b>	<b>\$ 8,433,505</b>
<b>Liabilities:</b>			
Current Liabilities	\$ 4,704,259	\$ 5,244,663	\$ 1,610,384
Long-Term Liabilities	117,326	115,781	110,881
<b>Total Liabilities</b>	<b>4,821,585</b>	<b>5,360,444</b>	<b>1,721,265</b>
<b>Net Assets:</b>			
Net Investment in Capital Assets	5,897,406	977,244	399,085
Unrestricted Net Position	6,277,113	6,168,252	6,313,155
<b>Total Net Position</b>	<b>12,174,519</b>	<b>7,145,496</b>	<b>6,712,240</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 16,996,104</b>	<b>\$ 12,505,940</b>	<b>\$ 8,433,505</b>
<b><u>STATEMENTS OF REVENUE, EXPENSES and CHANGES IN NET POSITION</u></b>			
<b>Operating Revenues:</b>			
Interest Income on Notes Receivable	\$ 161,785	\$ 161,343	\$ 161,343
Management Contract and Other Income	65,261	63,485	59,866
Development revenue	400,000	-	244,628
Land Lease Income	500	500	500
<b>Total Operating Revenues</b>	<b>627,546</b>	<b>225,328</b>	<b>466,337</b>
<b>Operating Expenses:</b>			
Administrative	521,312	489,398	552,788
Insurance	2,709	10,532	3,273
<b>Total Operating Expense</b>	<b>524,021</b>	<b>499,930</b>	<b>556,061</b>
<b>Operating Income (Loss)</b>	<b>103,525</b>	<b>(274,602)</b>	<b>(89,724)</b>
<b>Non-operating Revenues (Expenses):</b>			
Interest Income	104,223	22,384	22
Government grants	4,822,820	112,215	-
Member's share in loss from limited liability company	(1,545)	(4,900)	(4,751)
<b>Total Non-operating Expenses</b>	<b>4,925,498</b>	<b>129,699</b>	<b>(4,729)</b>
<b>Change in Net Position</b>	<b>\$ 5,029,023</b>	<b>\$ (144,903)</b>	<b>\$ (94,453)</b>
Net position - beginning, as originally stated	7,145,496	6,712,240	6,806,693
Prior period adjustment	-	578,159	-
Net position - beginning, as restated	7,145,496	7,290,399	6,806,693
<b>Total Net Position - Ending</b>	<b>\$ 12,174,519</b>	<b>\$ 7,145,496</b>	<b>\$ 6,712,240</b>

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION AND SUBSIDIARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
For the Years Ended December 31, 2024 and 2023  
Unaudited**

**BUDGETARY HIGHLIGHTS**

A budget was prepared by the Corporation for internal control purposes. The budgets were used strictly as a management tool.

**ECONOMIC FACTORS and NEXT YEAR'S BUDGETS**

The economy is still facing financial difficulties and monetary pain is felt at all levels. Unemployment, out-of-control health care costs, bankruptcies, and foreclosures continue to dampen the local economy. For the people who have recently entered into retirement and have seen their savings deplete during this economy, there has been an even greater need for affordable housing for seniors.

The corporation's sponsored project, Nancy J. Elkins Seniors Housing, will continue to be a viable resource in this area. However, the cost of contracted labor will continue to increase, due in large part to the increases in health insurance and other post-employment benefits which will be passed on to the corporation. Overall, next year's budget continues to reflect this trend.

**CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT**

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

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**  
Statements of Net Position  
As of December 31, 2024 and 2023

	<u>2024</u>	<u>Restated 2023</u>
<b>ASSETS</b>		
Current assets		
Unrestricted cash	\$ 434,921	\$ 45,608
Restricted cash and cash equivalents	2,320,749	3,367,149
Prepaid expenses	32,199	32,199
Due from affiliate	<u>71,078</u>	<u>71,078</u>
Total current assets	<u>2,858,947</u>	<u>3,516,034</u>
Noncurrent assets		
Restricted cash - operating deficit reserve	33,647	33,643
Land held for lease	399,085	399,085
Construction in progress	5,498,321	578,159
Notes receivable	3,207,622	3,207,622
Accrued interest on notes receivable	4,469,676	4,307,890
Due from affiliate	<u>528,806</u>	<u>463,507</u>
Total noncurrent assets	<u>14,137,157</u>	<u>8,989,906</u>
	<u>\$ 16,996,104</u>	<u>\$ 12,505,940</u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 570,298	\$ 55,406
Unearned revenue	1,763,607	3,271,841
Due to Housing Authority of Gloucester County	<u>2,370,354</u>	<u>1,917,416</u>
Total current liabilities	<u>4,704,259</u>	<u>5,244,663</u>
Member's interest in the deficit of a limited liability company	<u>117,326</u>	<u>115,781</u>
Total liabilities	4,821,585	5,360,444
Net position		
Net investment in capital assets	5,897,406	977,244
Unrestricted net position	<u>6,277,113</u>	<u>6,168,252</u>
Total net position	<u>12,174,519</u>	<u>7,145,496</u>
	<u>\$ 16,996,104</u>	<u>\$ 12,505,940</u>

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

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Statements of Revenue and Expenses and Changes in Net Position  
For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>Restated 2023</u>
Operating revenue		
Interest income on notes receivable	\$ 161,785	\$ 161,343
Management contract income	65,261	63,485
Development revenue	400,000	-
Land lease income	500	500
	627,546	225,328
 Operating expenses		
Administrative	521,312	489,398
Insurance	2,709	10,532
	524,021	499,930
Total operating expenses		
Total operating expenses	524,021	499,930
Operating gain (loss)	103,525	(274,602)
 Non-operating revenue (expense)		
Gloucester County awards	1,508,234	112,215
National Housing Trust Fund awards	3,314,586	-
Interest income	104,223	22,384
Member's share in loss from limited liability company	(1,545)	(4,900)
	4,925,498	129,699
Net non-operating revenue		
Change in net position	5,029,023	(144,903)
Net position - beginning, as originally stated	7,145,496	6,712,240
Prior period adjustment	-	578,159
Net position - beginning, as restated	-	7,290,399
Net position - ending	\$ 12,174,519	\$ 7,145,496

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

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY  
Statements of Cash Flows  
For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>Restated 2023</u>
Cash flows from operating activities		
Cash received from management contracts	\$ 462	\$ 500
Cash received for development revenue	400,000	49,988
Cash paid to vendors and suppliers	(9,130)	(54,831)
Cash received from (paid to) Housing Authority of Gloucester County	<u>452,938</u>	<u>(114,860)</u>
Net cash provided by (used in) operating activities	844,270	(119,203)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(4,920,162)	-
Cash received from national housing trust fund awards	3,314,586	-
Cash received from gloucester county trust fund awards	<u>-</u>	<u>3,373,172</u>
Net cash provided by (used in) financing activities	(1,605,576)	3,373,172
Cash flows from investing activities		
Interest income received	<u>104,223</u>	<u>22,384</u>
Net increase (decrease) in cash	(657,083)	3,276,353
Cash - beginning	<u>3,446,400</u>	<u>170,047</u>
Cash - ending	<u>\$ 2,789,317</u>	<u>\$ 3,446,400</u>
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities		
Operating gain (loss)	\$ 103,525	\$ (274,602)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
(Increase) Decrease in		
Development revenue receivable	-	40,261
Accrued interest on notes receivable	(161,786)	(161,343)
Due from affiliate	(65,299)	(64,642)
Prepaid expenses	-	(32,199)
Increase (Decrease) in		
Accounts payable and accrued expenses	514,892	(12,100)
Unearned revenue	-	10,884
Due to Housing Authority of Gloucester County	<u>452,938</u>	<u>374,538</u>
Net cash provided by (used in) operating activities	<u>\$ 844,270</u>	<u>\$ (119,203)</u>
Reconciliation of cash to the statements of net position		
Cash	\$ 434,921	\$ 45,608
Restricted cash - operating deficit reserve	<u>2,354,396</u>	<u>3,400,792</u>
	<u>\$ 2,789,317</u>	<u>\$ 3,446,400</u>
Disclosure of non-cash investing activity:		
Share of loss from investment in limited liability company	<u>\$ 1,545</u>	<u>\$ 4,900</u>

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

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023**

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**Note 1: ORGANIZATION AND ACTIVITY**

Reporting entity - Gloucester County Housing Development Corporation and Subsidiary (the "Corporation") is an instrumentality and a component unit of the Housing Authority of Gloucester County, New Jersey (the "Authority") organized as a non-profit corporation under the laws of the State of New Jersey in December 1978. The purpose of the Corporation is to provide housing for persons of low income through ownership, development, and financing. The Board of Directors consists of six members who are elected by existing Board members. The Corporation has no employees, but utilizes certain employees of the Authority to manage day-to-day operations and reimburses the Authority for the costs of those services.

PMURC, Inc. ("PMURC"), a wholly-owned subsidiary of the Corporation, was organized to invest in real estate for low income housing.

Component unit - The Corporation is a component unit of the Housing Authority of Gloucester County as described in Governmental Accounting Standards Board ("GASB") Statements No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14. These financial statements are discreetly presented as part of the Authority's financial statements.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation – The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America (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. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying basic financial statements include the accounts of the Corporation and of PMURC. All intercompany transactions and balances have been eliminated in the accompanying financial statements.

Basis of accounting - Basis of accounting determines when transactions are 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. Interest Income and management fees are recognized as revenue when services are provided.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

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

Basis of accounting (continued)

Non-exchange transactions, in which the Corporation 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 Corporation must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis.

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

Cash – Cash includes amounts in demand accounts.

Land – Land held for lease is carried at cost.

Notes receivable – Management closely monitors its outstanding receivable balances and charges off to expense any balances that are determined to be uncollectible. At December 31, 2024 and 2023, the Corporation considered all notes receivable to be fully collectible. Accordingly, there was no allowance for doubtful accounts. Bad debt expense was \$0 for both of the years ended December 31, 2024 and 2023.

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 Corporation has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount. Currently, this component relates solely to capital assets and there is no related debt.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Currently, the Corporation has no restricted net position.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” This component includes net position that may be allocated for specific purposes by the Board.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

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

Income taxes – The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and, accordingly, does not record a provision for income taxes on related income. The wholly-owned Subsidiary is a corporation subject to Federal and state income taxes. PMURC had only a liability for the minimum tax to New Jersey for 2024 and there were no timing differences which would have resulted in deferred taxes.

Operating income – The Corporation distinguishes operating revenue and expenses from non-operating items. Operating revenue and expense generally result from the primary purpose of the Corporation. Operating revenue consists of the interest income on the notes receivable, management contract income, and land lease income, all of which are related to the provision of housing for persons of low income through its related organization Pop Moylan Urban Redevelopment Company, LLC (Pop Moylan). Operating expenses consist of expenses attributable to the provision of the management contract services, as well as certain corporate operating expenses. All revenue and expenses, including government grants, interest income and the income (loss) resulting from its membership in Pop Moylan, not meeting these criteria are considered non-operating.

Member’s interest in the deficit of a limited liability company – PMURC holds a 1% general partnership interest in Pop Moylan Urban Redevelopment Company, LLC (Pop Moylan), which is accounted for using the equity method. Under the equity method of accounting, the initial investment is recorded at cost and subsequently increased by its share of earnings and decreased by its share of losses and distributions. Certain obligations and liabilities of the general partner require the recognitions of losses which can result in a negative basis.

Use of estimates – The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New accounting standards adopted

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 adoption of this Statement had no impact on the Authority’s 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 adoption of this Statement had no impact on the Authority’s financial statements.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

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

New accounting standards to be implemented in the future

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

Statement No. 102, *Certain Risk Disclosures* - The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. 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 Corporation.

Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. That objective is achieved by improving the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The Statement will become effective for the Authority in the year ending December 31, 2026. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

Statement No. 104, *Disclosure of Certain Capital Assets* - The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement also requires additional disclosures for capital assets held for sale. That objective is achieved by improving financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The Statement will become effective for the Corporation in the year ending December 31, 2026. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Corporation.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

**Note 3: CASH**

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the Corporation’s deposits may not be recovered. The Corporation’s formal policy regarding custodial credit risk is included in its cash management plan. The first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC).

As of December 31, 2024 and 2023, the Corporation’s bank balances were exposed to custodial credit risk as follows:

	<u>2024</u>	<u>2023</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Uninsured	2,289,316	3,196,432
	\$ 2,539,316	\$ 3,446,432

**Note 4: NOTES RECEIVABLE**

The Corporation holds a second mortgage from Pop Moylan, a related party, which bears interest at 5.03% per annum. Annual payments of \$188,664 were due commencing on January 1, 1999, and continuing every January 1 through 2028. Payments are due only to the extent of net cash flow as defined in Pop Moylan’s Amended and Restated Operating Agreement. At December 31, 2024 and 2023, outstanding principal was \$2,687,622. Accrued interest at December 31, 2024 and 2023 was \$3,739,496 and \$3,603,939, respectively. As of December 31, 2024 and 2023, Pop Moylan had not made any scheduled payments.

The Corporation holds a third mortgage from Pop Moylan, a related party, in the amount of \$520,000. The mortgage bears interest at the rate of 5.03% per annum on the outstanding principal balance. Annual payments of \$34,458 were due commencing on January 1, 1999, and continuing through January 1, 2028. Payments are due only to the extent of net cash flow as defined in Pop Moylan’s Amended and Restated Operating Agreement. At December 31, 2024 and 2023, accrued interest was \$730,179 and \$703,952. As of December 31, 2024 and 2023, Pop Moylan had not made any scheduled payments.

Both notes are secured by a deed of trust on rental property owned by Pop Moylan.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

**Note 5: CAPITAL ASSETS**

The Corporation's capital assets activity for the years ended December 31, 2024 and 2023, was as follows:

	Restated Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Capital assets not being depreciated				
Land	\$ 399,085	\$ -	\$ -	\$ 399,085
Construction in progress	578,159	4,920,162	-	5,498,321
Total capital assets not being depreciated	<u>\$ 977,244</u>	<u>\$ 4,920,162</u>	<u>\$ -</u>	<u>\$ 5,897,406</u>

	Restated Balance December 31, 2022	Additions	Reductions	Restated Balance December 31, 2023
Capital assets not being depreciated				
Land	\$ 399,085	\$ -	\$ -	\$ 399,085
Construction in progress	578,159	-	-	578,159
Total capital assets not being depreciated	<u>\$ 977,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 977,244</u>

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

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**Note 6: RELATED PARTY TRANSACTIONS**

Pop Moylan Urban Redevelopment Company, LLC – The Corporation manages a rental property owned by Pop Moylan, a related party. The management and bookkeeping fees are established by the New Jersey Housing and Mortgage Finance Agency (NJHMFA). At December 31, 2024 and 2023, the management fee was \$67.98 and \$66.13 per unit per month, respectively. The bookkeeping fee is paid by Pop Moylan to the Corporation. Management fees totaling \$65,261 and \$63,485 were accrued for the years ending December 31, 2024 and 2023, respectively. During the years ended December 31, 2024 and 2023, Pop Moylan paid the Corporation a total of \$0 and \$0, respectively, of accrued management fees due to insufficient cash flow of Pop Moylan as defined by the Operating Agreement. As of December 31, 2024 and 2023, \$528,806 and \$463,507 of management fee is receivable and included in due from affiliate on the statement of net position.

There were transactions with Pop Moylan during the year for other costs between the entities. As a result, there was a receivable due from Pop Moylan of \$71,078 and \$71,078 at December 31, 2024 and 2023, respectively.

Notes receivable – See Note 4.

Housing Authority of Gloucester County - The Authority was organized as a public housing authority under the supervision of HUD in October 1972. There were transactions with the Authority during the year for contracted services provided to the Corporation, as well as allocations of various other costs between the entities. As a result, there was a payable due to the Authority in the amount of \$2,370,354 and \$1,917,416 at December 31, 2024 and 2023, respectively. There are no specific terms for repayment of this intercompany amount and no interest is provided on the outstanding balance.

**Note 7: GROUND LEASE - LESSOR**

The Corporation entered into a ground lease agreement with Pop Moylan (the lessee) to lease the land on which a rental property owned by Pop Moylan was built for a period of 50 years. Minimum annual payments of \$500 are due on August 6 of each year. Maximum annual payments of \$10,460 are due and payable to the extent of surplus cash of the lessee. Maximum annual payments not paid due to insufficient surplus cash accrue interest at the rate of 12% per annum; however such deferred amounts are not required to be paid unless the Corporation notifies Pop Moylan in writing that additional payments are due. No surplus cash was available to pay additional ground rent at December 31, 2024 and 2023, and the Corporation has not notified Pop Moylan of any deferred amounts due.

**Note 8: GROUND LEASE – LESSEE**

The Corporation entered into a ground lease agreement with Rowan College of South Jersey (the lessor) on November 13, 2023, to lease the land on which a rental property owned by the lessor was built for a period of 99 years. Annual rent payments of \$1 are due each year. This transaction is not subject to GASB 87 as it fails to meet the definition of an exchange or exchange-like transaction.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

**Note 9: INVESTMENT IN LIMITED LIABILITY COMPANY**

PMURC holds a 1% general partnership interest in Pop Moylan. Profits, losses and cash distributions from the operation of Pop Moylan are allocated based on the Corporation's operating agreement. The project consists of an 80-unit apartment project in Deptford, New Jersey.

Summarized financial information of Pop Moylan as of December 31, 2024 and 2023, and for the years then ended, is as follows:

**BALANCE SHEETS**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Investment in real estate		
Buildings and improvements	\$ 9,184,453	\$ 9,061,154
Furniture and fixtures	<u>405,737</u>	<u>242,626</u>
	9,590,190	9,303,780
Less: accumulated depreciation	<u>8,990,155</u>	<u>8,624,129</u>
	600,035	679,651
Other assets	<u>1,166,982</u>	<u>1,117,938</u>
	<u>\$ 1,767,017</u>	<u>\$ 1,797,589</u>
<b>LIABILITIES AND MEMBERS' DEFICIT</b>		
<b>LIABILITIES</b>		
Mortgage payable	\$ 4,472,518	\$ 4,657,921
Other liabilities	<u>5,975,863</u>	<u>5,655,549</u>
	10,448,381	10,313,470
MEMBERS' DEFICIT	<u>(8,681,364)</u>	<u>(8,515,881)</u>
	<u>\$ 1,767,017</u>	<u>\$ 1,797,589</u>

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

**Note 9: INVESTMENT IN LIMITED LIABILITY COMPANY (continued)**

STATEMENTS OF OPERATIONS

	<u>2024</u>	<u>2023</u>
Revenue		
Rent	\$ 1,079,123	\$ 847,405
Other	108,786	97,268
	1,187,909	944,673
Expenses		
Depreciation	366,026	360,989
Interest	223,033	233,929
Other expenses	839,500	839,746
	1,428,559	1,434,664
Deficit of revenue over expenses	(240,650)	(489,991)
Insurance recovery	41,147	-
Deposits to repairs and replacement reserve	48,000	51,733
Withdraws from repairs and replacement reserve	(25,461)	(5,854)
Interest earned	11,481	2,538
Members' deficit – beginning	(8,515,881)	(8,074,307)
Members' deficit – ending	\$ (8,681,364)	\$ (8,515,881)

**Note 10: OPERATING DEFICIT RESERVE**

Pursuant to Pop Moylan's Amended and Restated Operating Agreement, the Corporation was required to fund an operating deficit reserve in the initial amount of \$122,126. Annually, on each January 10<sup>th</sup>, the Corporation is required to deposit 10% of Pop Moylan's net cash flow into the reserve. The reserve is to be used to fund project operations when there is insufficient operating cash available. As of December 31, 2024 and 2023, the balance of the reserve was \$33,647 and \$33,643, respectively. This amount represents the initial deposit plus accumulated interest as Pop Moylan has not experienced positive cash flow to date.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION  
AND SUBSIDIARY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2024 and 2023**

**Note 11: DEVELOPMENT**

On April 26, 2023, the Corporation was awarded \$7,365,746 from the State of New Jersey, Department of Community Affairs, National Housing Trust Fund 2023 Program in the form of a 30-year note payable. This award will be used to develop 24 units of affordable housing. The Corporation received a total of \$3,314,586 from the National Housing Trust Fund during 2024, for which all of the award was spent during 2024. A grant was received from the County of Gloucester in the amount of \$3,373,172 during 2023. Unearned revenue for this grant was \$1,763,607 and \$3,271,841 as of December 31, 2024 and 2023, respectively. This amount is included in the statements of revenue, expenses, and changes in net position as non-operating grant revenue, county grant awards.

**Note 12: PRIOR PERIOD ADJUSTMENT**

The Corporation had not previously recorded construction in progress and revenue was overstated. Accordingly, these accounts have been restated for December 31, 2023:

Account	Original	Restated	Change
<b>Balance Sheet</b>			
Constructions in progress	\$ -	\$ 578,159	\$ 578,159
Unearned revenue	-	3,271,841	3,271,841
Net assets	6,712,240	7,290,399	(578,159)
<b>Income Statement</b>			
Development revenue	\$ 10,884	-	\$ (10,884)
Gloucester County awards	3,373,172	112,215	(3,260,957)

**Note 13: SUBSEQUENT EVENTS**

Management of the Corporation has evaluated subsequent events through September 22, 2025, the date the financial statements were available to be issued.

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION**

**PART II - SINGLE AUDIT SECTION**

**DECEMBER 31, 2024**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Gloucester County Housing  
Development Corporation and Subsidiary

**Report on Compliance for the Major Federal Program**

**Opinion on the Major Federal Program**

We have audited the Gloucester County Housing Development Corporation (the "Corporation") and Subsidiary, a component unit of the Housing Authority of Gloucester County, New Jersey, 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 Corporation's major federal program for the year ended December 31, 2024. The Corporation'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 Corporation, 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, 2024.

The Corporation'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; the audit requirements as prescribed by the Department of Community Affairs, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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 Corporation 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 Corporation'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 Corporation's federal program.

## **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 Corporation'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*, Department of Community Affairs, State of New Jersey, 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 Corporation'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 Corporation'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 Corporation'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 Corporation'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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were 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  
Certified Public Accountants &  
Consultants

Woodbury, New Jersey  
September 22, 2025

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2024**

<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>
<b>U.S. Department of Housing and Urban Development</b>					
<b>Direct Programs</b>					
<b>New Jersey Department of Community Affairs</b>					
National Housing Trust Fund	14.275	F21-SG340100	2023-02360-0862-00	-	<u>3,314,586</u>
Total expenditures of federal awards					<u><u>\$ 3,314,586</u></u>

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

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Years Ended December 31, 2024**

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Gloucester County Housing Development Corporation (the "Corporation") under programs of the federal government for the year ended December 31, 2024. The Corporation 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 Corporation, it is not intended to and does not present the financial position, and changes in net position or cash flows of the Corporation.

**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: INDIRECT COST RATE**

The Corporation has elected not to use the 10-percent de minimis indirect cost rate allowed under the 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**

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

**Note 6: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

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

**PART III – SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2024**

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***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
14.275	Housing Trust Fund

- |   |            |
|---|------------|
| H. Dollar threshold used to distinguish between type A and type B programs: | \$ 750,000 |
| I. Auditee qualified as low-risk auditee?                                   | No         |

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORP**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2024**

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***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 Department of Community Affairs, State of New Jersey, requires.

No Current Year Findings

***Section 3- Schedule of Federal Award Findings and Recommendations***

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

**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORP**  
**Summary Schedule of Prior Year Audit Findings**  
**And Recommendations as Prepared by Management**

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The Corporation was not required to have an audit 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).