Report On Audit

MILLVILLE
HOUSING AUTHORITY

For the Year Ended
September 30, 2021

Millville Housing Authority
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Millville Housing Authority
122 East Main Street
Millville, New Jersey 08332

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities and the aggregate discretely present component unit of the Millville Housing Authority (a governmental public corporation) in Millville, New Jersey, hereafter referred to as the Authority, which comprise the statement of net position as of September 30, 2021, and the related statement of revenue, expenses and changes in net position, statement of cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Millville Housing Authority's preparation and fair presentation of the financial statements 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 Millville Housing Authority's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Millville Housing Authority as of September 30, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and OPEB and PERS supplemental information on pages 4 through 17 and pages 64-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method 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 basic financial statements Millville Housing Authority. The accompanying supplemental information on pages 69-77 is presented for additional analysis and is not required part of the basic financial statements.

The accompanying 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* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The electronic filed Financial Data Schedule is presented for additional analysis as required by the U.S. Department of Housing and Urban Development's Real Estate Assessment Center and is also not required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and the Financial Data Schedule are 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.

The 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 and the Financial Data Schedule, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The financial statement of the Millville Housing Authority as of September 30, 2020, was audited by other auditors whose report dated July 29, 2021, expressed an unmodified opinion on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued reports dated May 27, 2022, on our consideration of the Millville Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Millville Housing Authority 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 Millville Housing Authority's internal control over financial reporting and compliance.

Giampaolo & Associates

Lincroft, New Jersey
Date: May 27, 2022

MILLVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON SEPTEMBER 30, 2021

As Management of the Millville Housing Authority (the Authority), present the following discussion and analysis which is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached financial statements. Management Discussion and Analysis is designed to focus on the current year activities, resulting changes, and current known facts. It is by necessity highly summarized, and in order to gain a thorough understanding of the Authority's financial position, the financial statements and footnotes should be viewed in their entirety beginning on page 18 of this report. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

FINANCIAL HIGHLIGHTS

The assets of the Authority primary government exceeded its liabilities at the close of the most recent fiscal year by $6,919,333 an increase in the financial position of $1,036,198 or 18% percent as compared to the prior year.

As noted above, the net position of the Authority primary government was $6,919,333 as of September 30, 2021. Of this amount, the primary government unrestricted net position is a negative ($1,625,803) representing a decrease in the deficit of $753,397 or 32% percent from the previous year. Additional information on the Authority's unrestricted net positions can be found in Note 21 the financial statements, which is included in this report.

The primary government net investment in capital assets increased $248,826 or 3% percent for an ending balance of $8,505,008. The primary government restricted net position increased $33,975 or 552% percent for an ending balance of $40,128. Additional information on the Authority's restricted net position can be found in Note 20 to the financial statements, which is included in this report.

The Authority's primary government total cash and cash equivalent on September 30, 2021 is $2,014,010 representing an increase of $632,493 or 46% percent from the prior fiscal year. Operating cash increased $643,974 or 49% percent for an ending balance of $1,950,130. Total primary government restricted deposits and funded reserves decreased $11,481 or 15% percent for an ending balance of $63,880. The full detail of this amount can be found in the Statement of Cash Flows on pages 21-22 of this report.

The Authority's primary government total assets and deferred outflows are $11,850,010 of which capital assets net book value is $9,339,234, deferred outflows in the amount of $251,454, leaving total current assets at $2,259,322.

FINANCIAL HIGHLIGHTS - CONTINUED

Total Authority's primary government current assets increased from the previous year by $435,610 or 24% percent. Unrestricted cash and cash equivalents increased by $643,974, accounts receivables decreased by $190,240, and prepaid expenses decreased by $6,643.

Total restricted deposits and funded reserves decreased $11,481 for an ending balance of $63,880.

The Authority primary government capital assets reported an increase in the net book value of the capital assets in the amount of $33,367, or less than 1% percent. The major factor that contributed for the increase was the purchase of fixed assets in the amount of $789,047, less the recording of depreciation expense in the amount of $755,680. A full detail of capital outlays can be found in the Notes to the Financial Statements Section Note – 8 Fixed Assets.

Notes receivable non-current decreased $73,357, or 100% percent, from the prior year for an ending balance of $-0-. Full detail of the account balance can be found in the Notes to the Financial Statements Section Note – 9 Notes Receivable non-current.

The Authority primary government reported a decrease of $83,859 or 25% percent in the deferred outflow for the pension for an ending balance of $251,454. The Authority primary government also reported a decrease in the deferred inflow for the pension cost in the amount of $135,052, or 9% percent, for an ending balance of $1,311,659. A full detail of the pension reporting requirement can be found in the Notes to the Financial Statements Section Note – 10 Deferred Outflows/Inflows of Resources.

The Authority's primary government total liabilities are reported at $3,619,018 of which current liabilities are stated at $715,469 and noncurrent liabilities are stated at $2,903,549. Total liabilities decreased during the year as compared to the prior year in the amount of $589,385 or 14% percent. Total current liabilities decreased during the year by $141,720, leaving non-current liabilities for a decrease of $447,665 as compared to the previous year.

As previously stated, total primary government current liabilities decreased from the previous year by $141,720 or 17% percent. Accounts payables increased by $61,590, accrued liabilities decreased by $188,344, unearned revenue decreased by $104,742 and tenant security deposits payable increased by $551. The current portion of the Capital Project Bonds payable increased $89,225 from the previous year.

The Authority primary government total noncurrent liabilities decreased by $447,665 or 13% percent. The decrease was comprised of three accounts, long-term note payable which decreased by $304,684 for an ending balance of $605,001, accrued compensated absences – long term with no offsetting assets decreased $3,546 from the prior fiscal year for an ending balance of $83,674.

FINANCIAL HIGHLIGHTS - CONTINUED

Accrued pension and OPEB liabilities decreased $139,435 or by 6% percent for an ending balance of $2,214,874. Additional information on the Authority's accrued pension and OPEB liabilities at September 30, 2021 can be found in Notes 17-18 to the financial statements, which is included in this report.

The Authority primary government had total operating revenue of $6,351,464 as compared to $5,981,284 from the prior year for an increase of $370,180, or 6% percent. The Authority primary government had total operating expenses of $6,542,844 as compared to $6,477,971 from the previous year for an increase of $64,873 or 1% percent, resulting in a deficiency of revenue from operations in the amount of $191,380 for the current year as compared to a deficiency of revenue from operations in the amount of $496,687 for a decrease in deficit of $305,307 or 61% percent from the previous year.

Total primary government capital improvements contributions from HUD were in the amount of $869,296 as compared to $360,033 from the previous year for an increase of $509,263 or 141% percent. The Authority primary government had capital outlays in the amount of $789,047 for the fiscal year. A full detail of capital outlays can be found in the Notes to the Financial Statements Section Note – 8 Fixed Assets.

The Authority's Expenditures of Federal Awards amounted to $4,958,083 for the fiscal year 2021 as compared to $4,182,461 for the previous fiscal year 2020 for an increase of $775,622 or 19% percent.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

1. Public and Indian Housing Program
2. Section 8 Housing Choice Vouchers
3. Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This discussion and analysis are intended to serve as an introduction to the Housing Authority's primary government financial statements. The financial statements are prepared on an entity wide basis excluding the discretely presented component units and consist of:

1) Statement of Net Position
2) Statement of Revenue, Expenses, and Changes in Net Position
3) Statement of Cash Flows
4) Notes to the Financial Statements

The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities in the United States of America for the Enterprise Fund types. The Authority's activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations. The financial statements can be found on pages 18 through 22.

Statement of Net Position – This statement presents information on the Authority's total of assets and deferred outflow of resources, and total of liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenue, Expenses and Changes in Net Position – This statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows and cash outflows in the future periods.

Statement of Cash Flows– This statement presents information showing the total cash receipts and cash disbursements of the Housing Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt payments, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Housing Authority in prior periods and subsequently received during the current fiscal year (i.e. accounts receivable, notes receivable, etc.).

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

Notes to the Financial Statements - Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Housing Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Housing Authority may face. The Notes to Financial Statements can be found in this Report beginning on page 23 through 63.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Housing Authority's various programs and the required information mandated by regulatory bodies that fund the Housing Authority's various programs.

The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis 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* (Uniform Guidance), Audits of States, Local Governments and Non-profit Organizations. The schedule of Expenditures of Federal Awards can be found on pages 69-70 of this report.

1. **Federal Awards** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), federal award is defined as federal financial assistance and federal cost reimbursement contracts that non-federal agencies receive directly or indirectly from federal agencies or pass-through entities. Federal financial assistance is defined as assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations and other assistance.

2. **Type A and Type B Programs** - The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the levels of expenditures or expenses to be used in defining Type A and Type B Federal financial assistance programs. Type A programs for the Millville Housing Authority are those which equal or exceeded $750,000 in expenditures for the fiscal year ended September 30, 2021. Type B programs for the Millville Housing Authority are those which are less than $750,000 in expenditures for the fiscal year ended September 30, 2021.

FINANCIAL ANALYSIS OF THE AUTHORITY (PRIMARY GOVERNMENT)

The following summarizes the computation of Net Position of the primary government between September 30, 2021 and September 30, 2020:

Computations of Net Position of the primary government are as follows:

	Year Ended		Increase
	September-21	September-20	(Decrease)
Cash	$ 2,014,010	$ 1,381,517	$ 632,493
Other Current Assets	245,312	442,195	(196,883)
Capital Assets - Net	9,339,234	9,305,867	33,367
Notes Receivable	-	73,357	(73,357)
Deferred Outflows	251,454	335,313	(83,859)
Total Assets	11,850,010	11,538,249	311,761
Less: Current Liabilities	(715,469)	(857,189)	141,720
Less: Non Current Liabilities	(2,903,549)	(3,351,214)	447,665
Less: Deferred Inflows	(1,311,659)	(1,446,711)	135,052
Net Position	$ 6,919,333	$ 5,883,135	$ 1,036,198
Net Investment in Capital Assets	$ 8,505,008	$ 8,256,182	$ 248,826
Restricted Net Position	40,128	6,153	33,975
Unrestricted Net Position	(1,625,803)	(2,379,200)	753,397
Net Position	$ 6,919,333	$ 5,883,135	$ 1,036,198

Cash increased by $632,493 or 46% percent. Net cash provided by operating activities was $603,597, net cash provided by capital and related financing activities was $28,076 and net cash provided by investing activities was $820. The full detail of this amount can be found in the Statement of Cash Flows on pages 21-22 of this audit report.

Other current assets decreased by $196,883 or 45% percent. Accounts receivables decreased by $190,240, and prepaid expenses decreased by $6,643.

The Authority primary government capital assets reported an increase in the net book value of the capital assets in the amount of $33,367, or less than 1% percent. The major factor that contributed for the increase was the purchase of fixed assets in the amount of $789,047, less the recording of depreciation expense in the amount of $755,680. A full detail of capital outlays can be found in the Notes to the Financial Statements Section Note – 8 Fixed Assets.

Notes receivable non-current decreased by $73,357, or 100% percent, from the prior year for a final amount of $-0-. Full detail of the account balance can be found in the Notes to the Financial Statements Section Note – 9 Notes Receivable non-current.

FINANCIAL ANALYSIS OF THE AUTHORITY (PRIMARY GOVERNMENT) - CONTINUED

The Authority primary government reported a decrease of $83,859 or 25% percent in the deferred outflow for the pension cost for an ending balance of $251,454. The Authority primary government also reported a decrease in the deferred inflow for the pension cost in the amount of $135,052 for an ending balance of $1,311,659. A full detail of the pension reporting requirement can be found in the Notes to the Financial Statements Section Note – 10 Deferred Outflows/Inflows of Resources.

Total primary government current liabilities decreased from the previous year by $141,720 or 17% percent. Accounts payables increased by $61,590, accrued liabilities decreased by $188,344, unearned revenue decreased by $104,742 and tenant security deposit payable increased by $551. The current portion of the Capital Project Bonds payable increased $89,225 from the previous year.

The Authority primary government total noncurrent liabilities decreased by $447,665 or 13% percent. The decrease was comprised of three accounts, long-term note payable which decreased by $304,684 for an ending balance of $605,001, accrued compensated absences – long term with no offsetting assets decreased $3,546 from the prior fiscal year for an ending balance of $83,674.

Accrued pension and OPEB liabilities decreased $139,435 or by 6% percent for an ending balance of $2,214,874. Additional information on the Authority's accrued pension and OPEB liabilities at September 30, 2021 can be found in Notes 17-18 to the financial statements, which is included in this report.

The Authority's primary government reported a net position of $6,919,333 which is made up of three categories. The net investment in capital assets in the amount of $8,505,008 represents the majority of the net position of the Authority. The net investment in capital assets (e.g., land, buildings, vehicles, equipment, and construction in process); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide housing services to the tenants; consequently, these assets are not available for future spending. The schedule below reflects the activity in this account for the current fiscal year:

Balance September 30, 2020	$ 8,256,182
Fixed Asset Acquisitions	789,047
Payment of Principal on Debt	215,459
Depreciation Expense	(755,680)
Balance September 30, 2021	$ 8,505,008

The primary government restricted net position increased $33,975 or 552% percent for an ending balance of $40,128. Additional information on the Authority's restricted net position can be found in Note 20 to the financial statements, which is included in this report.

FINANCIAL ANALYSIS OF THE AUTHORITY (PRIMARY GOVERNMENT) - CONTINUED
The Millville Housing Authority primary government operating results for September 30, 2021 reported an increase in unrestricted net position of $753,397 or 32% percent for an ending balance of negative ($1,625,803). A full detail of this account can be found in the Notes to the Financial Statements Section Note – 21.

The following summarizes the changes in Net Position of the primary government between September 30, 2021 and September 30, 2020:

Computation of Changes in Net Position of the primary government are as follows:

	Year Ending		Increase
	September-21	September-20	(Decrease)
Revenues			
Tenant Revenues	$ 1,815,622	$ 1,708,138	$ 107,484
HUD Subsidies	4,088,787	3,822,428	266,359
Other Revenues	447,055	450,718	(3,663)
Total Operating Income	6,351,464	5,981,284	370,180
Expenses			
Operating Expenses	5,787,162	5,528,555	258,607
Depreciation Expense	755,682	949,416	(193,734)
Total Operating Expenses	6,542,844	6,477,971	64,873
Operating Income before Non Operating Income	(191,380)	(496,687)	305,307
Interest Income	820	7,480	(6,660)
HUD Capital Grants	869,296	360,033	509,263
Pension Adjustment	357,462	-	357,462
Change in Net Position	1,036,198	(129,174)	1,165,372
Net Position Prior Year	5,883,135	6,107,621	(224,486)
Prior Period Adjustment - GASB #75	-	(95,312)	95,312
Total Net Position	$ 6,919,333	$ 5,883,135	$ 1,036,198

Approximately 64% percent of the Authority's primary government total operating revenue was provided by HUD operating subsidy, while 29% percent resulted from tenant revenue. Charges for various services and fraud recovery provided 7% percent of the total income.

FINANCIAL ANALYSIS OF THE AUTHORITY (PRIMARY GOVERNMENT) - CONTINUED

The Millville Housing Authority received from the Capital Fund Program (CFP) $869,296 in grant money for an increase of $509,263, or 141% percent, from the prior fiscal year. The Authority primary government had capital expenditures of $789,047. The current year additions included the purchase of touchless plumbing fixtures, basement leak repairs, concrete replacement, a hot water heater replacement, and the installation of PTAC units.

The Authority's primary government operating expenses cover a range of expenses. The largest expense was for housing assistance payments representing 23% percent of total operating expenses. Administrative expenses accounted for 22% percent, tenant services accounted for less than 1% percent, utilities expense accounted for 13% percent, maintenance expense accounted for 21% percent, other operating expenses accounted for 9% percent, and depreciation accounted for the remaining 11% percent of the total operating expenses.

The Authority primary government operating expenses exceeded its operating revenue resulting in a deficiency of revenue from operations in the amount of $191,380 from operations as compared to excess expenses from operations of $496,687 for the previous year. The key elements for the decrease in the deficit in comparison to the prior year are as follows:

- The Authority reported an increase in the tenants dwelling rental revenue in the amount of $107,484 or 6% percent.

- The Authority primary government reported an increase in HUD PHA operating grants in the amount of $266,359 or 7% percent.

- Fraud recovery revenue decreased $5,788 or 68% percent.

- Other revenue increased in the amount of $2,125 or less than 1% percent.

- The Authority reported increases in the following expense accounts:
    - Administrative expenses increased $121,094, or 9% percent.
    - Maintenance expense increased $41,509, or 3% percent.
    - Other operating expenses increased $118,314, or 26% percent.
    - Housing Assistance Payments increased $34,669, or 2% percent.

- The Authority reported decreases in the following expense accounts:
    - Tenant services expenses decreased $12,040 or 81% percent.
    - Utilities expense decrease $44,939, or 5% percent.
    - Depreciation expense decreased $193,734 or 20% percent.

Total net cash provided by operating activities during the year was $603,597 as compared to cash provided by operating activities in the amount of $538,246 for the 2020 year.

FINANCIAL ANALYSIS OF THE AUTHORITY (PRIMARY GOVERNMENT) - CONTINUED

The following are financial highlights of significant items for the primary government for a four-year period of time ending on September 30, 2021:

	September-21	September-20	September-19	September-18
Significant Income				
Total Tenant Revenue	$ 1,815,622	$ 1,708,138	$ 1,695,542	$ 1,637,302
HUD Operating Grants	4,088,787	3,822,428	3,641,870	3,401,771
HUD Capital Grants	869,296	360,033	544,229	218,531
Investment Income	820	7,480	2,358	4,216
Other Income	447,055	450,718	483,450	445,946
Total	$ 7,221,580	$ 6,348,797	$ 6,367,449	$ 5,707,766
Payroll Expense				
Administrative Salaries	$ 626,754	$ 681,805	$ 685,367	$ 838,864
Tenant Services Salaries		-	-	2,967
Maintenance Labor	253,234	269,173	312,702	246,963
Protective Services - Labor	-	-	1,495	10,290
Employee Benefits Expense	361,680	364,872	337,331	322,602
Total Payroll Expense	$ 1,241,668	$ 1,315,850	$ 1,336,895	$ 1,421,686
Other Significant Expenses				
Other Administrative Expenses	$ 411,340	$ 396,672	$ 416,292	$ 407,030
Utilities Expense	844,236	889,175	877,240	868,296
Maintenance Materials Cost	250,937	256,772	291,444	235,484
Maintenance Contract Cost	703,655	713,188	617,658	500,991
Insurance Premiums	247,915	247,915	244,779	235,782
Housing Assistance Payments	1,544,376	1,509,707	1,432,021	1,437,742
Total	$ 4,002,459	$ 4,013,429	$ 3,879,434	$ 3,685,325
Total Operating Expenses	$ 6,542,844	$ 6,477,971	$ 6,289,760	$ 6,410,081
Total of Federal Awards	$ 4,958,083	$ 4,182,461	$ 4,186,099	$ 3,620,302

THE AUTHORITY AS A WHOLE

The Authority's primary government revenues consist primarily of rents and subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. The Authority's unrestricted net position does not appear sufficient to cover any foreseeable shortfall rising from a possible economic turndown and reduced subsidies and grants.

THE AUTHORITY AS A WHOLE -CONTINUED

By far, the largest portion of the Authority's primary government net position reflects its net investment in capital assets. The net investment in capital assets (e.g., land, buildings, equipment, and construction in progress) uses these capital assets to provide housing services to its tenants. Consequently, these assets are reported as "Net Investment in Capital Assets" and are not available for future spending.

MILLVILLE HOUSING AUTHORITY PROGRAMS

Public and Indian Housing Program:

Under the Public Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD's rent subsidy program provides housing assistance to low-income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a $50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) the Millville Housing Authority flat rent amount.

Public Housing Capital Fund Program:

The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments to keep them clean, safe and in good condition.

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a contract that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

PIH and Housing Choice Voucher CARES Act Program

The CARES Act requires that recipients use of CARES grants be tied to preventing, preparing for, and responding to COVID-19, including maintaining normal operations and funding eligible affordable housing activities under NAHASDA during the period the program is impacted by COVID-19. These funds may also be used to maintain normal operations and fund eligible activities during the period that a recipient's program is impacted by COVID-19. HUD expects and encourages recipients to expend funds expeditiously given the ongoing COVID-19 National Emergency.

BUDGETARY HIGHLIGHTS

For the year ended September 30, 2021, individual program or grant budgets were prepared by the Authority. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

The Authority submits its annual operating and capital budgets to the State of New Jersey Department of Community Affairs in accordance with New Jersey statute. After the New Jersey Department of Community Affairs approves the budget, it is formally adopted by resolution of the Housing Authority's Board of Commissioners. Once adopted, the Board of Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund's budget is prepared on a detailed line-item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

CAPITAL ASSETS AND DEBT ADMINISTRATION

1 – Capital Assets

The Authority's primary government net investment in capital assets as of September 30, 2021 was $9,339,234 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and construction in progress. The total increase during the year in the Authority's investment in capital assets was $33,367 or less than 1% percent. Major capital expenditures of $789,047 were made during the year. The major capital assets events during the fiscal year included the following:

- Basement Leak Repairs
- Hot Water Heater Replacement
- Touchless Plumbing Fixtures
- Concrete Repairs
- PTAC Units

	September-21	September-20	Increase (Decrease)
Land	$ 517,188	$ 517,188	$ -
Building	30,840,042	30,824,569	15,473
Furniture, Equipment - Dwelling	3,309,704	3,294,813	14,891
Furniture, Equipment - Administration	2,664,954	2,615,898	49,056
Leasehold Improvements	2,426,601	2,411,526	15,075
Construction in Process	1,534,575	840,023	694,552
Total Capital Assets	41,293,064	40,504,017	789,047
Less: Accumulated Depreciation	(31,953,830)	(31,198,150)	(755,680)
Net Book Value	$ 9,339,234	$ 9,305,867	$ 33,367

CAPITAL ASSETS AND DEBT ADMINISTRATION -CONTINUED

Additional information on the Authority's capital assets can be found in Note 8 to the financial statements, which is included in this report.

2 - Debt Administration

The Authority primary government has two (2) loans payable and 1 component unit loan outstanding at September 30, 2021.

	Short Term	Long Term	Total
CFFP Leveraging	$ 150,000	$ 605,001	$ 755,001
Old National Bank - Energy	79,225	-	79,225
Total Notes Payable	$ 229,225	$ 605,001	$ 834,226

A full disclosure of loans payable at September 30, 2021 can be found in Note-16.

NEW INITIATIVES

For the fiscal year 2021 the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 69% percent of its revenue from the Department of Housing and Urban Development, (2020 was 66% percent), the Authority is constantly monitoring for any appropriation changes, especially since it appears the nation is continuing an era of need for additional public assistance to help families meet the challenges of a very tumultuous economy.

The current administration of the Authority is determined to improve the financial results of the Authority's operations. The Authority is exploring the process of converting the Public and Indian Housing Program rental units into RAD subsidy units.

The Authority has made steady progress in various phases of the operations, all the while increasing the occupancy percentage in the public housing units and a high utilization rate in Housing Assistance Programs. Interactions with the residents are a constant reminder of the need of the services.

Regardless of the constraints (financial or regulatory) placed on this Housing Authority, the Authority will continuously look for ways to better provide or expand housing and housing assistance to qualified residents of the City of Millville all the while being mindful of their responsibility to be good stewards of the public's tax dollars.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Millville Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. We do not expect this consistent trend to change.

The capital budgets for the 2022 fiscal year have already been submitted to HUD for approval and no major changes were made. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing property including administrative fees involved in the modernization.

The following factors were considered in preparing the Authority's budget for the fiscal year ending September 30, 2022.

- State of New Jersey economy including the impact on tenant income. Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income. Tenant rental payments are based on tenant income.

- Continued increases in health care insurance are expected to impact employee benefits cost over the next several years.

- Converting Low Income Housing Program rental units into RAD subsidy units.

- Inflationary pressure on utility rates, supplies and other cost.

- Trends in the housing market which affect rental housing available for the Section 8 tenants, along with the amount of the rents charged by the private landlords, are expected to have a continued impact on Section 8 HAP payments.

- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mrs. Samantha Silvers, Executive Director, Millville Housing Authority, 122 East Main Street, Millville, NJ 08332 or call (856) 825-8860.

MILLVILLE HOUSING AUTHORITY
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2021

	September 30, 2021		
	Primary Government	Component Unit (Sept 2021)	Total (Memorandum)
Assets			
Current Assets:			
Cash and Cash Equivalents			
Operating	$ 1,950,130	$ 81,064	$ 2,031,194
Restricted	63,880	-	63,880
Total cash and equivalents	$ 2,014,010	$ 81,064	$ 2,095,074
Accounts Receivables, Net of Allowances	177,440	6,292	183,732
Prepaid Expenses	67,872	2,603	70,475
Total Current Assets	2,259,322	89,959	2,349,281
Capital Assets			
Land	517,188	-	517,188
Building	30,840,042	438,476	31,278,518
Furniture, Equipment - Dwelling	3,309,704	-	3,309,704
Furniture, Equipment - Administration	2,664,954	117,467	2,782,421
Leasehold Improvements	2,426,601	13,333	2,439,934
Construction in Process	1,534,575	-	1,534,575
Total Capital Assets	41,293,064	569,276	41,862,340
Less: Accumulated Depreciation	(31,953,830)	(200,862)	(32,154,692)
Net Book Value	9,339,234	368,414	9,707,648
Total Assets	11,598,556	458,373	12,056,929
Deferred Outflow of Resources			
Total Deferred Outflows of Resources	251,454	-	251,454
Total Assets and Deferred Outflow of Resources	$ 11,850,010	$ 458,373	$ 12,308,383

See accompanying notes to the financial statements.

MILLVILLE HOUSING AUTHORITY
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2021

	September 30, 2021		
	Primary Government	Component Unit (Sept 2021)	Total (Memorandum)
Liabilities			
Current Liabilities:			
Accounts Payable	$ 398,388	$ 9,735	$ 408,123
Accrued Liabilities	49,232	171,124	220,356
Unearned Revenue	27,581	6,424	34,005
Tenant Security Deposits	11,043	-	11,043
Long Term Debt - Current	229,225	5,583	234,808
Total Current Liabilities	715,469	192,866	908,335
Noncurrent Liabilities			
Long Term Debt - Non Current	605,001	-	605,001
Accrued Compensated Absences - Long-Term	83,674	11,668	95,342
Accrued Other Post-Employment Benefits Liabilities	2,214,874	-	2,214,874
Total Noncurrent Liabilities	2,903,549	11,668	2,915,217
Total Liabilities	3,619,018	204,534	3,823,552
Deferred Inflow of Resources			
Total Deferred Inflow of Resources	1,311,659	-	1,311,659
Net Position:			
Net Investment in Capital Assets	8,505,008	362,831	8,867,839
Restricted	40,128	-	40,128
Unrestricted	(1,625,803)	(108,992)	(1,734,795)
Total Net Position	6,919,333	253,839	7,173,172
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 11,850,010	$ 458,373	$ 12,308,383

See accompanying notes to the financial statements.

MILLVILLE HOUSING AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2021

	September 30, 2021		
	Primary Government	Component Unit (Sept 2021)	Total (Memorandum)
Revenue:			
Tenant Rental Revenue	$ 1,815,622	$ -	$ 1,815,622
HUD PHA Operating Grants	4,088,787	-	4,088,787
Fraud Recovery	2,708	-	2,708
Other Revenue	444,347	560,316	1,004,663
Total Revenue	6,351,464	560,316	6,911,780
Operating Expenses:			
Administrative Expense	1,422,797	59,103	1,481,900
Tenant Services	2,739	298,495	301,234
Utilities Expense	844,236	49,792	894,028
Maintenance Expense	1,398,679	31,634	1,430,313
Other Operating Expenses	574,335	20,488	594,823
Housing Assistance Payments	1,544,376	-	1,544,376
Depreciations Expense	755,682	42,962	798,644
Total Operating Expenses	6,542,844	502,474	7,045,318
Excess (Expenses) Revenue From Operations	(191,380)	57,842	(133,538)
Non Operating Income:			
Investment Income	820	31	851
Capital Grants	869,296	-	869,296
Pension Adjustment	357,462	-	357,462
Total Non Operating Income	1,227,578	31	1,227,609
Change in Net Position	1,036,198	57,873	1,094,071
Beginning Net Position	5,883,135	195,966	6,079,101
Ending Net Position	$ 6,919,333	$ 253,839	$ 7,173,172

See accompanying notes to the financial statements.

MILLVILLE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2021

	September 30, 2021		
	Primary Government	Component Unit (Sept 2021)	Total (Memorandum)
Cash Flow From Operating Activities			
Receipts from Tenants	$ 1,781,505	$ -	$ 1,781,505
Receipts from Federal Grants	4,205,156	-	4,205,156
Receipts from Misc. Sources	513,251	385,578	898,829
Payments to Vendors and Suppliers	(2,162,246)	(47,513)	(2,209,759)
Payments for Housing Assistance Payments	(1,544,376)	-	(1,544,376)
Payments to Employees	(983,777)	(272,496)	(1,256,273)
Payment of Employee Benefits	(361,680)	(30,298)	(391,978)
Payment of Utilities Expenses	(844,236)	(49,792)	(894,028)
Net Cash Provided (Used) by Operating Activities	603,597	(14,521)	589,076
		-	
Cash Flow From Capital and Related Financing Activities			
Receipts from Capital Grants	869,296	-	869,296
Acquisitions and Construction of Capital Assets	(789,047)	-	(789,047)
(Decrease) Increase in Long Term Compensated Absences	(3,546)	1,048	(2,498)
Principal Payment on Debt	(215,459)	(5,648)	(221,107)
Pension Adjustment	357,462	-	357,462
(Decrease) in Pension and OPEB Liabilities	(139,435)	-	(139,435)
Net Effect of Deferred Inflows and Outflows	(51,195)	-	(51,195)
Net Cash Provided (Used) by Capital and Related Financing Activities	28,076	(4,600)	23,476
Cash Flow From Investing Activities			
Interest Income	820	31	851
Net Cash Provided by Investing Activities	820	31	851
Net Increase (Decrease) in Cash and Cash Equivalents	632,493	(19,090)	613,403
Beginning Cash, Cash Equivalents and Restricted Cash	1,381,517	100,154	1,481,671
Ending Cash, Cash Equivalents and Restricted Cash	$ 2,014,010	$ 81,064	$ 2,095,074
Reconciliation of Cash Balances:			
Cash and Cash Equivalents - Unrestricted	$ 1,950,130	$ 81,064	$ 2,031,194
Restricted Cash	63,880	-	63,880
Ending Cash, Cash Equivalents and Restricted Cash	$ 2,014,010	$ 81,064	$ 2,095,074

See accompanying notes to the financial statements.

MILLVILLE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2021

	September 30, 2021		
	Primary Government	Component Unit (Sept 2021)	Total (Memorandum)
(Used) Provided by Operating Activities	$ (191,380)	$ 57,842	$ (133,538)
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:			
Depreciation Expense	755,682	42,962	798,644
Forgiveness of Debt	73,357	(73,357)	-
Forgivess of PPP loan		(65,089)	(65,089)
(Increase) Decrease in:			
Accounts Receivables	190,240	(6,292)	183,948
Prepaid Expenses	6,643	2,695	9,338
Increase (Decrease) in:			
Accounts Payable	61,590	(114,028)	(52,438)
Accrued Liabilities	(188,344)	152,569	(35,775)
Unearned Revenues	(104,742)	(11,823)	(116,565)
Tenant Security Deposits	551	-	551
Net Cash Provided (Used) by Operating Activities	$ 603,597	$ (14,521)	$ 589,076
Supplemental Cash Flow Disclosures			
Interest Expense Paid During the Year	48,437	315	48,752

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF ORGANIZATION, ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization - The Authority is a governmental, public corporation which was organized under the laws public corporation created under federal and state housing laws as defined by State statute (N.J., S.A. 40A:12A-1 et al the Housing Authority Act) for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the City of Millville in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD).

The Authority is governed by a Board of Commissioners which is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the State of New Jersey Department of Community Affairs. An Executive Director is appointed by the Housing Authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance, and management of public housing for low and moderate income families residing in City of Millville. Operating and modernization subsidies are provided to the Authority by the federal government.

The financial statements include all the accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The Authority is not included in any governmental "reporting entity" since its board members; while they are appointed primarily by the Mayor of Millville and City Council, the Board of Commissioners have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters. The Authority has also concluded that it is excluded from the City of Millville reporting entity.

The Authority's financial statements include the accounts of all the Authority's operations.The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards,* include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Organization – continued
Based on the following criteria, the Authority has identified one (1) entity which should be subject to evaluation for inclusion in the Authority's reporting entity. The Authority manages the financial affairs of Holly City Family Center.

2. Significant Accounting Policies
The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Authority has determined that the applicable measurement focus (flow of economic resources) and accounting basis (accrual) is similar to that of a commercial enterprise. As such, the use of proprietary funds best reflects the activities of the Authority.

The Authority has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.* The Statement establishes accounting and financial reporting standards for non-exchange transactions including financial or capital resources. The Authority's primary source of non-exchange revenue relates to grants and subsidies. Grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. It is a cost sharing, multiple employers defined benefit pension plan. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide coverage, including post-retirement health care, for substantially all full-time employees of the state, its counties, municipalities, school districts or public agencies, provided the employee is not a member of another state administered retirement system.

Basis of Accounting –
In proprietary fund, activities are recorded using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Basis of Accounting – Continued

The major sources of revenue are tenants dwelling rentals, HUD operating subsidy, and other revenue. Other revenue composed primarily of resident's charges, roof top antenna rentals, laundry income, office rental charges, management fees, and HCV port in income from other Authorities. Non-operating revenue and expenses consist of revenues and expenses that are related to financing and investing activities and result from non-exchange transactions or ancillary activities. The Authority provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for extremely low and very low-income families. Holly City Family Center consist of membership fees and dues generated from the fitness center.

HUD's rent subsidy program provides housing to low-income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a $50 minimum; it cannot exceed the greater of the following amounts:

(a) 30% of the family's adjusted monthly income,
(b) 10% of the family's monthly income, or
(c) Millville Housing Authority's flat rent amount.

Financial transactions are recorded and organized in accordance with the purpose of the transaction. Each program is an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Component Unit – Discretely Presented

Holly City Family Center is organized as a not-for-profit corporation. In accordance with GASB Statement No. 61, due to the Authority manages the financial affair of this nonprofit corporation; this entity is being reported as a discretely presented component unit. Therefore, the activity of this nonprofit corporation is presented as component unit on the Authority's electronically filed financial data schedule. The method of accounting for the component unit is in accordance with accounting principles generally accepted in the United States of America. The accounting year end for the Holly City Family Center is September 30.

Report Presentation –
The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America 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 Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues, or (iii) that the pricing policies of the activity establish fees and charges, designated to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The federally funded programs administered by the Authority are detailed in the Financial Data Schedule and the Schedule of Expenditures of Federal Awards; both are which are included as Supplemental information.

Financial Reporting Entity
The financial reporting entity includes organizations, functions, and activities over which appointed officials exercise oversight responsibility. Oversight responsibility is determined based on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

All governmental activities and functions performed for the Authority are its direct responsibility. The financial reporting entity consists of:

(a) the primary government which is the Authority,
(b) organizations for which the primary government is financially accountable, and
(c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 61.

Financial Reporting Entity -Continued
The decision to include a potential unit in the Authority's reporting entity is based on several criteria set forth in GASB Statement No. 61, including legal standing, fiscal dependency, and financial accountability. the Authority has identified one (1) entity which should be subject to evaluation for inclusion in the Authority's reporting entity.

The Authority manages the financial affairs of Holly City Family Center.

Other accounting policies are as follows:
1 – Cash and cash equivalents are stated at cost, which approximates market. The Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts.

3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight line basis.

4 – Repairs funded out of operations, such as painting, roofing and plumbing, are charged against income for all programs.

5 – Operating subsidies received from HUD are recorded as income when earned.

6 – The cost of accumulated unpaid compensated absences, including fringe benefits, is reported in the period earned rather than in the period paid.

7 – Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

8 – The Authority does not have any infrastructure assets for its Enterprise Fund.

9 – Inter-fund receivable and payables arise from inter-fund transactions and are recorded by all funds in the period in which the transactions are executed.

10- Advertising cost is charged to expense when incurred.

Other accounting policies - Continued

11- Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized. Liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site-specific costs. Generally, such recognition coincides with the Authority's commitment to a formal plan of action.

12- When expenses are incurred where both restricted and unrestricted net positions are available the Authority will first use the restricted funds until they are exhausted and then the unrestricted net position will be used.

13 - Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and is exempt from income taxes under Section 115.

Under federal, state, and local law, the Authority's program is exempt from income, property and excise taxes. However, the Authority is required to make payments in lieu of taxes (PILOT) for the low-income housing program in accordance with the provision of a Cooperation Agreement. Under the Cooperation Agreement, the Authority pay the municipality a 10% of its net shelter rent.

14- Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Authority, but which will only be resolved when one or more future events occur or fail to occur. The Authority's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Authority or unasserted claims that may result in such proceedings, the Authority's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Authority's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Other accounting policies - Continued

15 - Net Position

In accordance with the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"*, the Authority has classified its net position into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds 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. Rather that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), granters, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component of net position consists of net position that do not meet the definitions of "restricted" or "net investment in capital assets."

16 - Operating and non-operating revenues and expenses

The major sources of revenue are tenants dwelling rentals, HUD operating subsidy, and other revenue. Other revenue composed primarily of resident's charges, roof top antenna rentals, laundry income, office rental charges, management fees, and HCV port in income from other Authorities. The major sources of revenue for Holly City Family Center consist of membership fees and dues generated from the fitness center.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Non-operating revenues and expense consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

Other accounting policies - Continued

17-Impairment Losses

The Authority reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2021.

18- Recent Accounting Pronouncements

The Authority has implemented all new accounting pronouncements that are in effect and that may impact its financial statements. The Authority does not believe that there are any new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Budgetary and Policy Control –

The Authority submits its annual operating subsidy and capital budgets to HUD. The Authority also submits its annual operating and capital budgets to the State of New Jersey Department of Community Affairs in accordance with New Jersey statute. After the New Jersey Department of Community Affairs approves the budget, it is formally adopted by resolution of the Housing Authority's Board of Commissioners. Once adopted, the Board of Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

Activities - The programs activities administered by the Authority were:

Program	CFDA #	Project #	Units Authorized
Public Housing			
Public and Indian Housing	14.850	NJ-61	497
Capital Fund	14.872		
PIH CARES Act	14.PHC		
Section 8 Housing			
Housing Choice Vouchers	14.871	NJ-39V0-61	170
HCV CARES Act	14.HCC		

Activities - Continued

Public and Indian Housing Program:

Under the Public and Indian Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD's rent subsidy program provides housing assistance to low income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a $50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) the Millville Housing Authority flat rent amount.

Public Housing Capital Fund Program:

The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments to keep them clean, safe and in good condition.

Section 8 Housing Choice Voucher Program

Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a contract that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

PIH and Housing Choice Voucher CARES Act Program

The CARES Act requires that recipients use of CARES grants be tied to preventing, preparing for, and responding to COVID-19, including maintaining normal operations and funding eligible affordable housing activities under NAHASDA during the period the program is impacted by COVID-19. These funds may also be used to maintain normal operations and fund eligible activities during the period that a recipient's program is impacted by COVID-19. HUD expects and encourages recipients to expend funds expeditiously given the ongoing COVID-19 National Emergency.

Component Unit
Holly City Family Center is organized as a not-for-profit corporation. In accordance with GASB Statement No. 61, since to the Authority manages the financial affair of this nonprofit corporation; this entity is being reported as a discretely presented component unit. Therefore, the activity of this nonprofit corporation is presented as a component unit on the Authority's electronically filed financial data schedule. The method of accounting for the component unit is in accordance with accounting principles generally accepted in the United States of America. The accounting year end for the Holly City Family Center is September 30.

Board of Commissioners - The criteria used in determining the scope of the entity for financial reporting purposes are as follows:

1. The ability of the Board to exercise supervision of a component unit's financial independence.

2. The Board's governing authority extends to financial decision making authority and is held primarily accountable for decisions.

3. The Board appoints management of the Authority who is responsible for the day-to-day operations and management is directly accountable to the Board.

4. The ability of the Board to significantly influence operations through budgetary approvals, signing and authorizing contracts, exercising control over facilities, and approving the hiring or retention of key managerial personnel.

5. The ability of the Board to have absolute authority over all funds of the Authority and have accountability in fiscal matters.

Revenue from Rental Contracts
The Authority recognizes rental revenue from tenant(s) who entered into a lease agreement (contract) for a unit in the development. The lease agreement allows the tenant use of the unit until the expiration of the lease term or cancellation by the tenant or landlord due to cause. Lease terms are for one year, unless mutually agreed to by the landlord and the tenant(s) prior to move in. Tenant(s) have to be income qualified in accordance with income limitations before allowed to occupy unit.

All lease agreements have similar terms, therefore all lease contract revenue has been aggregated in the caption rental income in the statement of revenue, expenses and changes in net position. The lease contract revenue is recognized at the end of each month when the performance obligation of providing a unit is complete. The performance obligation each month also includes applicable maintenance services provided to maintain the tenant's unit and the buildings. Since the performance of these services are completed simultaneously each month, they are treated as performance obligation.

Tenant's lease payments are due the first day of each month of the lease term. The monthly unit rental charge is determined based on HUD calculation. Any tenant's rental payment not received by the fifth day of each month will be considered late. Any rental payment received in advance of the first day of the month are recognized as deferred revenue since the conditions for recognizing revenue will not occur until the end of the following month.

NOTE 2 – ESTIMATES
The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectibility of accounts receivable, the use, and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

NOTE 3 - PENSION PLAN

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. It is a cost sharing, multiple-employer defined benefit pension plan. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide coverage, including post-retirement health care, for substantially all full time employees of the state, its counties, municipalities, school districts or public agencies, provided the employee is not a member of another state administered retirement system.

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and Chapter 115, P.L. of 1998, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employer's contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 7.50% of base wages.

The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments, and the cost of medical premiums after retirement for qualified retirees, and noncontributory death benefits. The Authority's contribution for 2021 amounted to $143,886.

Post Employment Retirement Benefits

The Authority provides post employment health care benefits and life insurance for its eligible retirees. Eligibility requires that employees be 55 years or older with various years of service.

Further information on the Pension Plan and its effects of GASB #68 can be found in Note 18– Accrued Pension Liability.

NOTE 4 – CASH, CASH EQUIVALENTS

The Authority's cash, and cash equivalents are stated at cost, which approximates market. Cash, and cash equivalents includes cash in banks, petty cash money market checking account and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

Concentration of Credit Risk

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority. These funds at various banks are collateral pledge under the New Jersey Government Code of the Banking Law.

Risk Disclosures

Collateral for Deposits

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. On September 30, 2021, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

NOTE 4 – CASH, CASH EQUIVALENTS – CONTINUED

Credit Risk

This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities. The Authority's checking accounts and investments are categorized to give indication of the level of credit risk assumed by the Authority. Custodial credit risk is the risk in the event of a bank failure, the Authority's deposits may not be returned to it. The custodial credit risk categories are described below.

	Bank Balances	
	Primary Government	Component Unit
Depository Accounts		
Insured	$ 626,684	$ 81,064
Collateralized held by pledging bank's trust department in the Authority's name	1,387,326	-
Total Cash, Cash Equivalents	$ 2,014,010	$ 81,064

The Holly City Family Center maintains its cash in financial institutions insured by Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. Holly City Family has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalent.

Restricted Deposits

The Authority has total restricted deposits on September 30, 2021, in the amount of $63,880. The tenant security deposit restricted deposits on September 30, 2021, was in the amount of $11,043. This amount is held as security deposits for the tenants of the Public and Indian Housing Program in an interest-bearing accounts.

The amount of $2,132 for 2021 is held in trust at the Bank of New York with investments consisting of Morgan Stanley Prime Installment Investments. These funds at Bank of New York are controlled by the New Jersey Housing Mortgage Finance Agency (NJHMFA) for the capital leveraging project.

The restricted cash in the amount of $37,996 was reported under the Housing Choice Voucher Program as a HAP reserve for future use. In accordance with HUD's PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

NOTE 4 – CASH, CASH EQUIVALENTS – CONTINUED

The restricted cash in the amount of $12,709 for 2021 was reported under the Housing Choice Voucher CARES Act Program for grant money received but not expend during the year and is reported as a reserve for future use.

The Authority's investments on September 30, 2021, included the following:

Investment	Maturity	Fair Value
Money Market Account	Upon Demand	$ 255,918
Money Market Account	Upon Demand	124,552
Total Investments		$ 380,470

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts Receivable on September 30, 2021, consist of the following:

	Primary Government	Component Unit
Tenants Accounts Receivable - Present	$ 68,335	$ -
Less: Allowance for Doubtful Accounts - Tenants	(60,548)	-
Net Tenants Accounts Receivable	7,787	-
Accounts Receivable - Dues and Fees	169,653	6,292
Less: Allowance for Doubtful Accounts - Other	-	-
Net Other Receivables	169,653	6,292
Net Accounts Receivables Total	$ 177,440	$ 6,292

Tenants rents are due the first of each month. Management considers rents outstanding after the 5th day of the month as past due. The Millville Housing Authority carries its accounts receivable at cost less an allowance for doubtful accounts. Accounts are written off as uncollectible when management determines that a sufficient period of time has elapsed without receiving payment and the individual do not exhibit the ability to meet their obligations. Management continually monitors payment patterns of the tenants, investigates past-due accounts to assess likelihood of collections, and monitors the industry and economic trends to estimate required allowances. It is reasonably possible that management's estimate of the allowance will change.

NOTE 6 – INTERFUND ACTIVITY

Interfund activity is reported as short term loans, services provided during the course of operations, reimbursements, or transfers. Short term loans are reported as interfund short term receivables and payable as appropriate. The amounts between the various programs administered by the Authority at September 30, 2021 are detailed on the Financial Data Schedule of this report. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

NOTE 7 – PREPAID EXPENSES

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items. All purchases of insurance premiums are written off on a monthly basis. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed. Prepaid expenses on September 30, 2021, consisted of the following:

	Primary Government	Component Unit
Prepaid Insurance	$ 61,797	$ 2,603
Prepaid Maintenance Contracts	6,075	-
Total Prepaid Expenses	$ 67,872	$ 2,603

NOTE 8 - FIXED ASSETS

Fixed assets consist primarily of expenditures to acquire, construct, place in operations, and improve the facilities of the Authority and are stated at cost.

Expenditures for repairs, maintenance and minor renewals are charged against income in the year they are incurred. Major renewals and betterment are capitalized. Expenditures are capitalized when they meet the Capitalization Policy requirements. Under the policy, assets purchased or constructed at a cost not exceeding $5,000 are expensed when incurred. Donated fixed assets are stated at their fair value on the date donated.

Depreciation Expense

Depreciation expense for the primary government on September 30, 2021, was $755,682. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

1. Building and Structure	40 years
2. Office Improvements	7 years
3. Site Improvements	15 years
4. Building Components	15 years
5. Office Equipment	5 years

Component Unit

Property and equipment valued at $1,000 or more is capitalized at cost if purchased and at fair market value if donated. Improvements are also capitalized at cost. Routine repairs and maintenance are expensed as incurred.

Depreciation -Component Unit

Depreciation expense for 2021 was $42,962. Depreciation of capital assets is provided using the straight-line basis over the useful lives of the respective assets. Buildings are depreciated over 15-40 years and furniture, equipment, and machinery are being depreciated over 3-7 years.

The Millville Housing Authority reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery's reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended September 30, 2021.

Below is a schedule of changes in fixed assets for the twelve months ending September 30, 2021

Primary Government	September-20	Additions	Transfer	September-21
Land	$ 517,188	$ -	$ -	$ 517,188
Building	30,824,569	15,473	-	30,840,042
Furniture, Equipment - Dwelling	3,294,813	14,891	-	3,309,704
Furniture, Equipment - Administration	2,615,898	51,220	(2,164)	2,664,954
Leasehold Improvements	2,411,526	12,911	2,164	2,426,601
Construction in Process	840,023	694,552	-	1,534,575
Total Fixed Assets	40,504,017	789,047	-	41,293,064
Accumulated Depreciation	(31,198,150)	(755,680)	-	(31,953,830)
Net Book Value	$ 9,305,867	$ 33,367	$ -	9,339,234

Component Unit	September-20	Additions	Transfer	September-21
Building	$ 438,476	$ -	-	$ 438,476
Furniture, Equipment	117,467	-	-	117,467
Leasehold Improvements	13,333	-	$ -	13,333
Total Fixed Assets	569,276	-	-	569,276
Accumulated Depreciation	(157,900)	(42,962)	-	(200,862)
Net Book Value	$ 411,376	$ (42,962)	$ -	$ 368,414

NOTE 8 - FIXED ASSETS – CONTINUED

Below is a schedule of the net book value of the fixed assets for the Millville Housing Authority as of September 30, 2021:

	Primary Government	Component Unit
Net Book Value of Fixed Assets		
Land	$ 517,188	$ -
Building	4,682,454	296,916
Furniture, Equipment - Dwelling	1,005,439	-
Furniture, Equipment - Administration	1,318,892	67,230
Leasehold Improvements	280,686	4,268
Construction in Process	1,534,575	-
Net Book Value	$ 9,339,234	$ 368,414

NOTE 9 – NOTES RECEIVABLE – NONCURRENT

Holly City Family Center – Equipment Loan # 3

The Center borrowed $73,357 from Millville Housing Authority to purchase fitness equipment for the Holly City Family Center. Fully amortized principal and interest payments are in full on April 1, 2024. The note bears interest at a fixed rate of 5.00%. Per agreement with Millville Housing Authority payments were suspended indefinitely effective April 1, 2020, and interest due on the loan from that date until payments are resumed is abated. The Authority forgave this balance in the 2021 year.

The following represents a schedule of amounts during the fiscal year ended September 30, 2021:

	September-20	Forgiveness	September-21
Equipment Loan #3	$ 73,357	$ (73,357)	$ -

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A deferred outflow is an outflow of resources, which is a consumption of net assets by the government that is applicable to the reporting period. A deferred inflow is an inflow of resources, which is an acquisition of net assets by the government that is applicable to the reporting period.

The OPEB and Pension Liability discussed in Note 17 and 18 resulted in the Authority incurring deferred outflows and inflows. The difference between expected and actual experience with regard to economic and demographic factors, when the actuary calculated the net pension liability, is amortized over a five-year closed period for PERS and OPEB, reflecting the average remaining service life of members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

The Authority's deferred outflows and inflows are as follows:

Deferred Outflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	$ -	$ 36,618	$ 36,618
Changes in Assumptions	-	65,242	65,242
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	68,740	68,740
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	80,854	80,854
Total	$ -	$ 251,454	$ 251,454

Deferred Inflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	$ -	$ 7,112	$ 7,112
Changes in Assumptions	27,068	842,056	869,124
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	435,423	435,423
Total	$ 27,068	$ 1,284,591	$ 1,311,659

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES -CONTINUED

Difference in Expected and Actual Experience

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a five-year closed period reflecting the average remaining service life of the plan members (active and inactive), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $36,618 and $7,112.

Changes in Assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over a five-year closed period, reflecting the average remaining service life of the plan members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $65,242 and $869,124.

Net Difference between Projected and Actual Investment Earningon Pension Plan Investments

The difference between the System's expected rate of return of and the actual investment earnings on pension plan investments is amortized over a five-year closed period in accordance with GASB #68 and #75. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $68,740 and $-0-.

Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions

The change in employer proportionate share is the amount of difference between the employer proportionate shares of net pension liability in the prior year compared to the current year. The difference between employer contributions and proportionate share of contributions is the difference between the total amount of employer contributions and the amount of the proportionate share of employer contributions. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a six-year closed period for PERS and OPEB, reflecting the average remaining service life of PERS and OPEB members (active and inactive members), respectively. The changes in proportion and differences between employer contributions and proportionate share of contributions for the fiscal year are $80,854 and $435,423.

NOTE 11 – ACCOUNTS PAYABLE

The Authority reported accounts payable on its Statement of Net Position as of September 30, 2021. Accounts payable vendors are amount owing to creditors or generally on open accounts, as a result of delivered goods and completed services. Accounts payable on September 30, 2021, consist of the following:

	Primary Government	Component Unit
Accounts Payable Vendors	$ 219,417	$ 9,735
Accounts Payable - Other Government	178,971	-
Total Accounts Payable	$ 398,388	$ 9,735

NOTE 12 – ACCOUNTS PAYABLE – OTHER GOVERNMENT (PILOT PAYABLE)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City of Millville. Under the Cooperation Agreements, the Authority must pay the municipality 10% of its net shelter rent for real property taxes. During the fiscal year ended September 30, 2021, PILOT expense of $97,099 was accrued.

NOTE 13 – ACCRUED EXPENSES

The Authority reported accrued expenses on its Statement of Net Position. Accrued expenses are liabilities covering expenses incurred on or before September 30 and are payable at some future date. Accrued liabilities on September 30, 2021, consist of the following:

	Primary Government	Component Unit
Compensated Absences - Current Portion	$ 9,297	$ 4,953
Accrued Expenses - Wages and Payroll Taxes	21,527	4,530
Accrued Interest Payable	18,408	37
Accrued Operating Expenses	-	161,604
Total Accrued Liabilities	$ 49,232	$ 171,124

NOTE 14 – ACCRUED COMPENSATED ABSENCES

Compensated absences are those for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the Authority will be accounted for in the period in which such services were rendered. Unused sick leave may be carried to future periods and used in the event of extended illness. In the event of retirement from service, an employee will receive 50% of his-her accumulated sick leave provided however that such payment will not exceed $15,000 under the Authority's current personnel policy. Generally, only six (6) unused vacation days may be carried over for a one-year period. In the event of separation from the Authority, the employee is eligible for compensation of for any unused vacations time earned though the last day of employment.

The Authority has determined that the potential liability for accumulated vacation and sick time on September 30, 2021, as follows:

	Primary Government	Component Unit
Accumulated Sick Time	$ 62,966	$ 15,860
Accumulated Vacation Time	30,005	761
Total	92,971	16,621
Compensated Absences - Current Portion	(9,297)	(4,953)
Total Compensated Absences - Noncur	$ 83,674	$ 11,668

NOTE 15 – UNEARNED REVENUE

The Authority reported unearned revenues on its Statement of Net Position. Unearned revenues arise when resources are received by the Authority before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized.

	Primary Government	Component Unit
October Prepaid Tenant Rents	$ 14,872	$ -
Prepaid Membership Fees	-	6,424
HCV Cares Act Funding	12,709	-
Total Unearned Revenue	$ 27,581	$ 6,424

NOTE 16 – LONG TERM DEBT

The Authority had the following notes payable as of September 30, 2021:

	Short Term	Long Term	Total
CFFP Leveraging	$ 150,000	$ 605,001	$ 755,001
Old National Bank - Energy	79,225	-	79,225
Total Notes Payable -Primary Government	229,225	605,001	834,226
Equipment Lease - Component Unit	5,583	-	5,583
Total Notes Payable	$ 234,808	$ 605,001	$ 839,809

Below is the change in long-term debt as of September 30, 2021:

	September-20	Payments	Debt Forgiveness	September-21
CFFP Leveraging	$ 895,000	$ (139,999)	$ -	$ 755,001
Old National Bank - Energy	154,685	(75,460)	-	79,225
Locker Room Upgrade #1	11,231	(5,648)	-	5,583
Equipment Loan #3	73,357	-	(73,357)	-
PPP Loan - 2020 - Component Unit	65,089	-	(65,089)	-
Total	$ 1,199,362	$ (221,107)	$ (138,446)	$ 839,809

CFFP Leveraging Note

The Authority participated on December 23, 2004 with other New Jersey Housing Authorities in the issuance of $79,860,000 in Series 2004 HMFA Bonds. The Authority portion of the Series 2004 HMFA Bonds is $2,875,000. The purpose of the Bonds is restricted. The proceeds from the Bonds must be used in the renovations and capital improvements to the Authority assets in the Low Income Housing Program. The Bonds are fully registered in denominations of $5,000. The term of the Bonds is twenty (20) years expiring on November 1, 2026.

The faith and credit of the Millville Housing Authority was not pledged for payment of principal and interest on the Bonds. Additionally, the Bonds are not an obligation of the State of New Jersey, The United States, or the Housing and Urban Development (HUD). The Bonds are not secured directly or indirectly by any collateral in the Authority Low Income Housing Program.

Interest on the Bonds is payable on May 1 and November 1 commencing on May 1, 2005. The interest is calculated on a basis of three hundred sixty (360) day year of twelve (12) thirty (30) day month.

NOTE 16 – LONG TERM DEBT -CONTINUED

CFFP Leveraging Note

The Bonds are payable by the Authority Capital Fund Program (CFP), which is subject to the availability of appropriations, and paid to the Authority by HUD.

Under the Bond Agreement, the Authority is required to maintain a Debt Service Reserve Fund located at the Bank of New York, an amount equal to the debt service reserve fund requirement. If at any time, the amount on deposit in the debt service reserve fund is insufficient to pay the principal and interest when due, the Trustee is authorized to withdraw the amount due from the reserve fund.

The interest payable for November 1, 2021, is $17,742 and May 1, 2022 is $17,742. These amounts were not accrued since the payment would be made from the Authority Capital Fund Program (CFP) and would be considered grant revenue in the year ended September 30, 2021.

The debt requirements as to principal reduction of the mortgages for long term debt until exhausted are as follows:

September 30, 2022	$ 150,000
September 30, 2023	160,000
September 30, 2024	170,000
September 30, 2025	180,000
September 30, 2026	95,001
Total Capital Project Bonds	$ 755,001

Old National Bank – Energy Note

November 2006 the Authority entered into a lease purchase agreement with Old National Bank for $863,937. The purpose of the loan is to finance the cost of energy improvements. The lease commenced November 1, 2006 with a fixed annual interest rate of 4.990% and will end November 1, 2021. The schedule below describes the principal and interest payments for the next five years and thereafter:

September 30, 2022	$ 79,225
Total Note Payable	$ 79,225

NOTE 16 – LONG TERM DEBT -CONTINUED

Ford Motor Credit

The Authority entered into a capital lease with Ford Motor Credit for the purchase of a vehicle in the amount of $45,140 at an interest rate of 5.65% with 36 monthly payments ending on February 2021.

Component Unit

Capital Lease – Equipment Loan

The Center borrowed $21,658 from Micro Lease Corporation to purchase fitness equipment for the Holly City Family Center. Fully amortized principal and interest payments are due monthly beginning September 1, 2019 with a monthly lease payment of $528 for forty-eight (48) months ending August 2022.

The following is a summary of activity for long-term lease payable September 30, 2021:

September 30, 2022	$	5,583
Total Lease Payable	$	5,583

Capital Lease – Equipment Loan

The Center borrowed $73,357 from Millville Housing Authority to purchase fitness equipment for the Holly City Family Center. Fully amortized principal and interest payments are in full on April 1, 2024. The note bears interest at a fixed rate of 5.00%. Per agreement with Millville Housing Authority payments were suspended indefinitely effective April 1, 2020 and interest due on the loan from that date until payments are resumed is abated. The Authority forgave this balance in the 2021 year.

Component Unit

Paycheck Protection Program loan

Federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Holly City Family Center elected to account for the Paycheck Protection Program loan in accordance with International Accounting Standards No. 20, Accounting for Government Grants and Disclosure of Government Assistance." The Holly City Family Center recognized the amount expected to be forgiven on a systemic basis that is consistent with the timing of the associated costs that have been incurred for the period April 2020 to October 2020.

The Holly City Family Center applied for and a forgivable Paycheck Protection Program loan of $65,089 as provided under the CARES Act and the loan was funded on April 17, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24-week period through October 31, 2020, and that certain employment levels are maintained.

NOTE 16 – LONG TERM DEBT -CONTINUED
Component Unit

Paycheck Protection Program loan - Continued

To the extent a portion of the loan does not meet the criteria to be forgiven, such amount is due in monthly payments starting on November 5, 2020, and carries an interest rate of 1%. The Holly City Family Center has used all of the proceeds for eligible costs and expects the entire loan to be forgiven. A formal request for forgiveness has been submitted. The Holly City Family Center has elected to account for the forgivable note in accordance with *International Accounting Standards No. 20, Accounting for Government Grants and Disclosure of Government Assistance* and, therefore, has estimated the amount to be forgiven and time period over which the qualifying costs will be incurred of 6 months and recognized. The date of forgiveness is June 9, 2021.

NOTE 17 – ACCRUED PENSION AND OPEB LIABILITIES

The Authority as of September 30, 2021, reported accrued pension and OPEB liability amounts as follows:

	September-21
Accrued OPEB Liability	$ 203,800
Accrued Pension Liability	2,011,074
Total OPEB and Pension Liability	$ 2,214,874

These amounts arose due to adoption of GASB #75 in 2018 year as well as GASB #68 which was adopted in 2015 year. This note will discuss the liability associated with GASB #75, which is accrued other postemployment benefits. Note - 18 will discuss the effect of GASB #68 and the liability which arose from that.

OPEB Liability – Plan Description and Benefits Provided

Plan Description: The Authority administers a single-employer defined-benefit post-employment healthcare plan. Spouses are eligible for coverage under the plan and benefits may continue to the surviving spouses.

OPEB Liability

The Authority as of September 30, 2021, reported a net OPEB liability in the amount of $203,800 due to GASB #75. The component of the current year net OPEB liability of the Authority as of September 30, 2021, the last evaluation date, is as follows:

Employer OPEB Liability	$ 203,800
Plan Net Position	-
Employer Net OPEB Liability	$ 203,800

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED

OPEB Liability - Continued

The Authority's net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. This liability reflects the roll forward calculation for the fiscal year October 1, 2020 to September 30, 2021.

Benefits Provided: Retirees, that are vested, are eligible for post-employment medical benefits, including prescription drug benefits, as part of the medical plan on a fully insured basis through New Jersey State Health Benefits Program. Employee will pay Medicare Part B premium and reimbursed by Authority. Dental coverage and vision coverage are also provided to retirees. All coverages are 100% subsidized by the Authority.

Employees covered by benefits terms: On September 30, 2021 (the census date), the following employees were covered by the benefits terms:

Active Employees	18
Total Employees	18

Assets: The Authority has not accumulated plan assets in an irrevocable trust designated for plan participants.

Net OPEB Liability

The Authority's net OPEB liability was measured as of September 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED

Actuarial Assumptions: The total OPEB Liability in the September 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Discount Rate:	2.29%, net of OPEB plan investment expense, including inflation.
Assets	Not valued since benefit is unfunded
Information for Valuation	All information provided by Authority
Covered Benefits	Employees that retire are eleigible for subsidized postemployement medical, including prescription drug coverage. Benefits are provided for dental, vision, and Medicare Part B premium reimbursements.
Insurance Coverage and Funding Basis	Medical, including prescription drugs, are fully insured through the NJ State Health Benefits Program for Local Government Employer Groups.
Actuarial Cost Method	Entry Age Normal as Percentage of Payroll
Retirement System	Valuation is based on NJ Public Employees' Retirement System (PERS). Decrement tables used in this valuation are form the July 1, 2019 Annual Report of the Actuary.
Mortality	MP 2019 Healthy Male and Femal Tables are base on the Combined Healthy Table for both pre & post reitrement projected with mortality improvements using Projection Scale AA for 2 years plus 7 years for generational improvement.

Change in Assumptions: Effective September 20, 2021.

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED
Changes in Net OPEB Liability:

Total OPEB Liability		**2021**
Service Cost	$	17,254
Interest on Total OPEB liability		4,192
Expected Investment Return		-
Administrative Expenses		-
Changes in Benefits Term		-
Inflows/Outflows of Resources		(553)
Changes in Assumptions or Other Inputs		-
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments		-
Benefit Payments		(303)
Change in Plan		-
Net Change in Total OPEB Liability		20,590
Total OPEB Liability, Beginning		183,210
Total OPEB Liability, Ending	$	203,800

Sensitivity of the OPEB Liability to changes in the discount rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.29%) or one percentage point higher (3.29%) than the current discount rate:

	Discount Rate Sensitivity		
	1% Decrease	Current Rate	1% Increase
	1.29%	2.29%	3.29%
Total OPEB Liability	$ 223,890	$ 203,800	$ 185,038

Sensitivity of the OPEB Liability to changes in healthcare cost trend rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates than the current healthcare cost trend rates:

	Healthcare Cost Inflation Rate Sensitivity		
	1% Decrease	Current	1% Increase
Total OPEB Liability	$ 186,587	$ 203,800	$ 224,324

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the Authority recognized an OPEB expense of $21,446 before contribution in the amount of $-0-, which netted to $21,446. As of September 30, 2021, the Authority reported a deferred outflows of resources and deferred inflows of resources in relation to OPEB.

NOTE 18 – ACCRUED PENSION LIABILITY

Net Pension Liability Information

The Authority as of September 30, 2021, reported a net pension liability in the amount of $2,011,074 due to GASB 68. The component of the current year net pension liability of the Authority as of June 30, 2020, the last evaluation date, is as follows:

	PERS
Employer Total Pension Liability	$ 8,349,569
Plan Net Position	(6,338,495)
Employer Net Pension Liability	$ 2,011,074

The Authority allocation percentage is 0.01233229% as of June 30, 2020.

Plan Description

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.gov/treasury/pensions/financial-reports.shtml.

Net Pension Liability Information

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The Authority participates in the State of New Jersey, Public Employees' Retirement System (PERS).

NOTE 18 – ACCRUED PENSION LIABILITY - CONTINUED

Net Pension Liability Information -Continued

The following represents the membership tiers for PERS:

1) Tier 1 – Members who enrolled prior to July 1, 2007
2) Tier 2 – Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3) Tier 3 – Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4) Tier 4 – Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5) Tier 5 – Members who were eligible to enroll on or after June 28, 2011.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

Allocation Percentage Methodology

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2020, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2020.

NOTE 18 – ACCRUED PENSION LIABILITY – CONTINUED

Allocation Percentage Methodology -Continued

The contribution for PERS is set by NJSA 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which include the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020 the State's pension contribution was less than the actuarial determined amount.

Actuarial Assumptions

The total pension liability for June 30, 2020, measurement dates were determined by using an actuarial valuation as of July 1, 2018, with update procedures used to roll forward the total pension liability to June 30, 2020. The actuarial valuations used the following actuarial assumptions:

Inflation	2.75%
Salary Increases:	
Through 2026	2.00-6.00%, based on age
Thereafter	3.00-7.00%, based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality form the base year of 2010 using a generational approach based on the plan actuary's modified MP-2020 projection scale.

Post-mortality rates were based on the Pub-2010 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2010 using a generational approach based on the plan actuary's modified MP-2020 projection scale. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

NOTE 18 – ACCRUED PENSION LIABILITY - CONTINUED

Actuarial Assumptions – Continued

The actuarial assumptions used in the July 1, 2020, evaluation was based on the results of an actuarial experience study for the period July 1, 2014, to June 30, 2020. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities were higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% on June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020, as summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	100%	

NOTE 18 – ACCRUED PENSION LIABILITY - CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the most recent fiscal year.

The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the current-period net pension liability of the employers calculated using the current-period discount rate assumption of 7.0% percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.0% percent) or 1 percentage-point higher (8.0% percent) than the current assumption (in thousands). Sensitivity of the Authority's proportionate share of the Net Pension Liability due to change in the Discount Rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Authority's Proprortionate Share of the Net Pension Liability (Asset)	$ 2,839,106	$ 2,011,074	$ 1,598,374

NOTE 18 – ACCRUED PENSION LIABILITY – CONTINUED

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

Year Ending June 30, 2021	$	(426,574)
Year Ending June 30, 2022		(39,709)
Year Ending June 30, 2023		(228,203)
Year Ending June 30, 2024		(91,394)
Year Ending June 30, 2025		(18,017)
Total	$	(803,897)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2020, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Pension Expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the plan fiscal year ending June 30, 2020, are as follows:

Service Cost	$	160,084
Interest on the Total Pension Liability		543,686
Benefits Changes		(3,373)
Member Contributions		(112,093)
Administrative Expenses		2,388
Expected Investment Return Net of Investment Expenses		(240,513)
Pension Expense Related to Specific Liabilities of Individual Employers		(227)
Current Period Recognition (Amortization) of Deferred Outflows and Inflows of Resources:		
Difference Between Expected and Actual Experience		50,914
Changes of Assumptions		(292,488)
Differences Between Projected and Actual Investment Earnings on Pension Plan Investments		52,072
Total	$	160,450

NOTE 19 – NET INVESTMENT IN CAPITAL ASSETS

This component consists of land, construction in process and depreciable assets, net of accumulation and net of related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of investment in Net Investment in Capital Assets. Rather, that portion of the debt is included in the same net asset component as the unspent proceeds.

	Primary Government	Component Unit
Balance September 30, 2020	$ 8,256,182	$ 326,788
Depreciation Expenses	(755,682)	(42,962)
Purchase of Fixed Assets	789,047	-
Payment of Debt	215,461	5,648
Forgiveness of Debt	-	73,357
Balance September 30, 2021	$ 8,505,008	$ 362,831

NOTE 20 – RESTRICTED NET POSITION

The Authority restricted net position for the Authority primary government account balance on September 30, 2021, consist of the following:

	Primary Government
Section 8 HAP Reserve	$ 37,996
CFFP Leveraging Funds	2,132
Total Restricted Net Position	$ 40,128

The restricted cash in the amount of $37,996 was reported under the Housing Choice Voucher Program as a HAP reserve for future use. In accordance with HUD's PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

The amount of $2,132 for 2021 is held in trust at the Bank of New York with investments consisting of Morgan Stanley Prime Installment Investments. These funds at Bank of New York are controlled by the New Jersey Housing Mortgage Finance Agency (NJHMFA) for the capital leveraging project.

NOTE 20 – RESTRICTED NET POSITION -CONTINUED

Housing Choice Voucher Program HUD Held Reserves Funds

Effective January 1, 2012, HUD was required to control the disbursement of funds in such a way that the Authority does not receive funds before they are needed, resulting in the re-establishment of HUD held program reserves to comply with the Treasury requirements. HUD held reserve is a holding account at the HUD level that maintains the excess of HAP funds that have been obligated (ABA) but undisbursed to the Authority. The excess HAP funds will remain obligated but not disbursed to the Authority. HUD will hold these funds until needed by the Authority. The amount of HUD held reserves for the Authority at September 30, 2021 was $221,037.

NOTE 21 – UNRESTRICTED NET POSITION

The Authority's primary government unrestricted net position account balance at September 30, 2021 is a negative ($1,625,803) and the component unit net position with a balance of a negative ($108,992) changes in unrestricted net position is as follows:

Primary Government	PIH Program Reserves	HCV Reserve	COCC Center	Total
Balance September 30, 2020	$ (790,991)	$ (138,874)	$ (1,449,335)	$(2,379,200)
Increase During the Year	280,897	29,762	442,738	753,397
Decrease During the Year	-	-	-	-
Balance September 30, 2021	$ (510,094)	$ (109,112)	$ (1,006,597)	$(1,625,803)

	Component Unit
Balance September 30, 2020	$ (130,882)
Increase During the Year	21,890
Balance September 30, 2021	$ (108,992)

NOTE 22 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES

HUD contributes operating subsidy for the Public and Indian program approved in the operating budget under the Annual Contribution Contract. The operating subsidy contributions for the year ended September 30, 2021, were $1,931,334.

Annual Contributions Contracts for the Section 8 Housing Choice Voucher Program to provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payment with respect to existing housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expense. HUD contributions for the Housing Choice Voucher Program for September 30, 2021, was in the amount of $1,675,963.

NOTE 23 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority operations are concentrated in the low-income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Total financial support by HUD was $4,958,083 to the Authority which represents approximately 69% percent of the Authority's total revenue for the fiscal year September 30, 2021.

NOTE 24 – CONTINGENCIES AND COMMITMENTS

Litigation – On September 30, 2021, the Authority was not involved in any threatened litigation.

Contingencies

The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the years ended September 30, 2021.

NOTE 24 – CONTINGENCIES AND COMMITMENTS -CONTINUED

Other Insurance

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters; etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Unemployment Insurance

The Authority provides unemployment insurance through direct billings from the New Jersey Unemployment Insurance Fund. For the year ended September 30, 2021, the Authority paid no benefits from the unemployment reserve. On September 30, 2021, the Authority did not recognize a liability for unpaid, unasserted claims, if any, as these would be deemed immaterial.

Construction Commitments

On September 30, 2021, the Authority outstanding construction commitments pertaining to its capital fund were not material. The cost pertaining to such commitments will be paid by grants approved and committed to the Authority by the U.S. Department of Housing and Urban Development.

National Health Emergency

The United States is presently during a national health emergency related to the COVID-19 virus (coronavirus). The overall consequences of coronavirus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law to provide additional funding to Public Housing Authority's to prevent, prepare for and respond to coronavirus, including to maintain normal operations during the period the program was impacted. During the year ended September 30, 2021, the Authority received $161,400 in total CARES Act funding of which $12,709 was unspent. The overall impact of this situation on the Authority and its future results and financial position is not presently determinable.

NOTE 25 – RELATED PARTY TRANSACTION

The Millville Housing Authority manages the Holly City Family Center. The property management agreements provide the details for the Authority to provide Holly City Family Center direct cost for administrative salaries, and operating cost expense related to the direct operations and administration of Holly City Family Center. As of September 30, 2021, Millville Housing Authority provided the following cost:

Administrative Salaries	$	23,386
IT Support		2,800
Office Supplies		1,196
Total Charges	$	27,382

NOTE 26 – SUBSEQUENT EVENTS

Coronavirus Pandemic:
In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2021, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenant's ability to pay the required monthly rent. Operating functions that may be changed include intake, recertification's and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown. The Authority already received additional operating subsidy from HUD to offset these expenses.

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued, must be evaluated for recognition or disclosed. The effects of subsequent events that provide evidence about conditions that existed after the Statement of Net Position date required disclosure in the accompanying notes. Management has evaluated the activity of the Authority thru May 27, 2022; the date which the financial statements were available for issue and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 2021

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS

GASB #75 requires supplementary information which includes changes in the Authority's total OPEB liability along with related ratios as listed below.

Total OPEB Liability	**2021**	**2020**	**2019**	**2018**
Service Cost	$ 17,254	$ 16,831	$ 6,984	$ 6,984
Interest on Total OPEB liability	4,192	4,383	5,890	5,892
Expected Investment Return	-	-	-	-
Administrative Expenses	-	-	-	-
Changes in Benefits Term	-	(265)	-	
Inflows/Outflows of Resources	(553)	-	-	
Changes in Assumptions or Other Inputs	-	-	-	-
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	-	(31,825)	-	
Benefit Payments	(303)	-	-	-
Change in Plan	-	-	-	-
Net Change in Total OPEB Liability	20,590	(10,876)	12,874	12,876
Total OPEB Liability, Beginning	183,210	194,086	181,212	168,336
Total OPEB Liability, Ending	$ 203,800	$ 183,210	$ 194,086	$ 181,212
Covered, Employee Payroll	$ 863,719	$ 863,719	$ 878,099	$ 789,904
Total OPEB Liability as a percentage of covered employee payroll	23.60%	21.21%	22.10%	22.94%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

GASB #68 requires supplementary information which includes the Authority's share of the net pension liability along with related ratios as listed below. The schedule below displays the Authority's proportionate share of Net Pension Liability.

	2021	2020	2019
Housing Authority's proportion of the net pension liability	0.01233229%	0.01204928%	0.01204928%
Housing Authority's proportionate share of the net pension liability	$ 2,011,074	$ 2,171,099	$ 2,171,097
Housing Authority's covered employee payroll	$ 983,777	$ 863,719	$ 878,099
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	204.42%	251.37%	247.25%
Plan fiduciary net position as a percentage of the total pension liability	75.91%	43.42%	43.42%

**The amounts determined for each fiscal year were determined as of June 30.*

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

GASB #68 requires supplementary information which includes the Authority's share of the net pension liability along with related ratios as listed below. The schedule below displays the Authority's proportionate share of Net Pension Liability.

	2018	2017	2016	2015
Housing Authority's proportion of the net pension liability	0.01332332%	0.01576555%	0.01526477%	0.01655000%
Housing Authority's proportionate share of the net pension liability	$ 2,623,296	$ 3,669,968	$ 4,520,986	$ 3,429,949
Housing Authority's covered employee payroll	$ 1,088,794	$ 1,091,357	$ 1,121,636	$ 1,171,548
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	240.94%	336.28%	403.07%	292.77%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.01%	59.86%	52.07%

**The amounts determined for each fiscal year were determined as of June 30.*

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

The schedule below displays the Authority's contractually required contributions along with related ratios.

	2021	2020	2019
Contractually required contribution	$ 143,886	$ 117,204	$ 117,204
Contribution in relation to the contractually required contribution	(143,886)	(117,204)	(117,204)
Contribution deficiency (excess)	$ -	$ -	$ -
Authority's covered payroll	$ 983,777	$ 863,719	$ 878,099
Contribution as a percentage of covered employee payroll	14.63%	13.57%	13.35%

**The amounts determined for each fiscal year were determined as of June 30.*

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM

The schedule below displays the Authority's contractually required contributions along with related ratios.

	2018	2017	2016	2015
Contractually required contribution	$ 132,524	$ 146,051	$ 135,160	$ 145,047
Contribution in relation to the contractually required contribution	(132,524)	(146,051)	(135,160)	(145,047)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 1,088,794	$ 1,091,357	$ 1,121,636	$ 1,171,548
Contribution as a percentage of covered employee payroll	12.17%	13.38%	12.05%	12.38%

**The amounts determined for each fiscal year were determined as of June 30.*

MILLVILLE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2021

	CFDA #'s	Beginning Balance	Revenue Recognized	Fiscal Year Expenditures	Ending Balance
Public and Indian Housing Program					
NJ061	14.850	$ -	$ 1,931,334	$ 1,931,334	$ -
PIH CARES ACT					
NJ061-DC	14.PHC	-	36,330	36,330	-
Grant Total 14.850		-	1,967,664	1,967,664	-
Section 8 Housing Choice Voucher Program					
NJ39P061	14.871	-	1,675,963	1,675,963	-
HCV CARES Act Funding	14.HCC	-	112,361	112,361	-
Grant Total 14.871		-	1,788,324	1,788,324	-
Public Housing Capital Fund Program					
NJ39P061	14.872	-	1,202,095	1,202,095	-
Grant Total 14.872		-	1,202,095	1,202,095	-
Total Expenditures of Federal Awards		$ -	$ 4,958,083	$ 4,958,083	$ -

MILLVILLE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2021

Note 1. Presentation:
The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Millville Housing Authority is under programs of the federal government for the year ended September 30, 2021. The information in this 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). Because the Schedule presents only a selected portion of the operations of the Millville Housing Authority, it is not intended to and does not present the financial position, change in net position, or cash flows of the Millville Housing Authority.

Note 2. Summary of Significant Accounting Policies:
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate
The Millville Housing Authority has not elected to use the 10 percent de minimis indirect cost rate as allowable under the Uniform Guidance.

Note 4. Loans Outstanding:
Millville Housing Authority has notes payable in the amount of $834,226 outstanding on September 30, 2021. See Note 16 on pages 46-49 of this report for full detail.

Note 5. Non- Cash Federal Assistance:
The Authority did not receive any non-cash Federal assistance for the year ended September 30, 2021.

Note 6. Sub recipients:
Of the federal expenditures presented in the schedule above, the Millville Housing Authority did not provide federal awards to any sub recipients.

Millville Housing Authority (NJ061)
MILLVILLE, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.PHC Public Housing CARES Act	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$1,479,449		$81,064	$101,248		$369,433	$2,031,194		$2,031,194
112 Cash - Restricted - Modernization and Development	$2,132						$2,132		$2,132
113 Cash - Other Restricted				$37,996	$12,709		$50,705		$50,705
114 Cash - Tenant Security Deposits	$11,043						$11,043		$11,043
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	$1,492,624	$0	$81,064	$139,244	$12,709	$369,433	$2,095,074		$2,095,074
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects									
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous	$4,318		$6,292			$165,335	$175,945		$175,945
126 Accounts Receivable - Tenants	$68,335						$68,335		$68,335
126.1 Allowance for Doubtful Accounts -Tenants	-$60,548						-$60,548		-$60,548
126.2 Allowance for Doubtful Accounts - Other	$0		$0			$0	$0		$0
127 Notes, Loans, & Mortgages Receivable - Current									
128 Fraud Recovery									
128.1 Allowance for Doubtful Accounts - Fraud									
129 Accrued Interest Receivable									
120 Total Receivables, Net of Allowances for Doubtful Accounts	$12,105	$0	$6,292	$0	$0	$165,335	$183,732		$183,732
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current									
142 Prepaid Expenses and Other Assets	$63,923		$2,603	$2,554		$1,395	$70,475		$70,475
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From									
145 Assets Held for Sale									
150 Total Current Assets	$1,568,652	$0	$89,959	$141,798	$12,709	$536,163	$2,349,281		$2,349,281
161 Land	$517,188						$517,188		$517,188
162 Buildings	$30,818,530		$438,476			$21,512	$31,278,518		$31,278,518
163 Furniture, Equipment & Machinery - Dwellings	$3,309,704						$3,309,704		$3,309,704
164 Furniture, Equipment & Machinery - Administration	$2,649,319		$117,467	$13,733		$1,902	$2,782,421		$2,782,421
165 Leasehold Improvements	$2,310,730		$13,333			$115,871	$2,439,934		$2,439,934
166 Accumulated Depreciation	-$31,819,215		-$200,862	-$8,282		-$126,333	-$32,154,692		-$32,154,692
167 Construction in Progress	$1,534,575						$1,534,575		$1,534,575
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	$9,320,831	$0	$368,414	$5,451	$0	$12,952	$9,707,648		$9,707,648
171 Notes, Loans and Mortgages Receivable - Non-Current									

Millville Housing Authority (NJ061)
MILLVILLE, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.PHC Public Housing CARES Act	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173 Grants Receivable - Non Current									
174 Other Assets									
176 Investments in Joint Ventures									
180 Total Non-Current Assets	$9,320,831	$0	$368,414	$5,451	$0	$12,952	$9,707,648		$9,707,648
200 Deferred Outflow of Resources	$126,982			$15,032		$109,440	$251,454		$251,454
290 Total Assets and Deferred Outflow of Resources	$11,016,465	$0	$458,373	$162,281	$12,709	$658,555	$12,308,383		$12,308,383
311 Bank Overdraft									
312 Accounts Payable <= 90 Days	$200,268		$9,735	$1,743		$17,406	$229,152		$229,152
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable	$9,686		$4,530	$1,560		$10,281	$26,057		$26,057
322 Accrued Compensated Absences - Current Portion	$2,339		$4,953	$1,858		$5,100	$14,250		$14,250
324 Accrued Contingency Liability									
325 Accrued Interest Payable	$18,408		$37				$18,445		$18,445
331 Accounts Payable - HUD PHA Programs									
332 Account Payable - PHA Projects									
333 Accounts Payable - Other Government	$178,971						$178,971		$178,971
341 Tenant Security Deposits	$11,043						$11,043		$11,043
342 Unearned Revenue	$14,872		$6,424		$12,709		$34,005		$34,005
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$229,225		$5,583				$234,808		$234,808
344 Current Portion of Long-term Debt - Operating Borrowings									
345 Other Current Liabilities			$161,604				$161,604		$161,604
346 Accrued Liabilities - Other									
347 Inter Program - Due To									
348 Loan Liability - Current									
310 Total Current Liabilities	$664,812	$0	$192,866	$5,161	$12,709	$32,787	$908,335		$908,335
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$605,001						$605,001		$605,001
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Non-current Liabilities - Other									
354 Accrued Compensated Absences - Non Current	$21,052		$11,668	$16,726		$45,896	$95,342		$95,342
355 Loan Liability - Non Current									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities	$1,088,559			$128,204		$998,111	$2,214,874		$2,214,874
350 Total Non-Current Liabilities	$1,714,612	$0	$11,668	$144,930	$0	$1,044,007	$2,915,217		$2,915,217
300 Total Liabilities	$2,379,424	$0	$204,534	$150,091	$12,709	$1,076,794	$3,823,552		$3,823,552

Millville Housing Authority (NJ061)
MILLVILLE, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.PHC Public Housing CARES Act	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
400 Deferred Inflow of Resources	$658,398			$77,855		$575,406	$1,311,659		$1,311,659
508.4 Net Investment in Capital Assets	$8,486,605	$0	$362,831	$5,451	$0	$12,952	$8,867,839		$8,867,839
511.4 Restricted Net Position	$2,132	$0		$37,996	$0		$40,128		$40,128
512.4 Unrestricted Net Position	-$510,094	$0	-$108,992	-$109,112	$0	-$1,006,597	-$1,734,795		-$1,734,795
513 Total Equity - Net Assets / Position	$7,978,643	$0	$253,839	-$65,665	$0	-$993,645	$7,173,172		$7,173,172
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$11,016,465	$0	$458,373	$162,281	$12,709	$658,555	$12,308,383		$12,308,383

Millville Housing Authority (NJ061)
MILLVILLE, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.PHC Public Housing CARES Act	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$1,775,182						$1,775,182		$1,775,182
70400 Tenant Revenue - Other	$40,440						$40,440		$40,440
70500 Total Tenant Revenue	$1,815,622	$0	$0	$0	$0	$0	$1,815,622	$0	$1,815,622
70600 HUD PHA Operating Grants	$2,298,878	$1,585		$1,675,963	$112,361		$4,088,787		$4,088,787
70610 Capital Grants	$834,551	$34,745					$869,296		$869,296
70710 Management Fee						$548,030	$548,030	-$548,030	$0
70720 Asset Management Fee						$53,760	$53,760	-$53,760	$0
70730 Book Keeping Fee						$58,216	$58,216	-$58,216	$0
70740 Front Line Service Fee						$16,857	$16,857	-$16,857	$0
70750 Other Fees						$133,264	$133,264		$133,264
70700 Total Fee Revenue						$810,127	$810,127	-$676,863	$133,264
70800 Other Government Grants									
71100 Investment Income - Unrestricted	$613		$31			$123	$767		$767
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery				$2,708			$2,708		$2,708
71500 Other Revenue	$217,510		$560,316	$79,217		$25,156	$882,199	-$10,800	$871,399
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted	$54			$30			$84		$84
70000 Total Revenue	$5,167,228	$36,330	$560,347	$1,757,918	$112,361	$835,406	$8,469,590	-$687,663	$7,781,927
91100 Administrative Salaries	$249,650		$23,386	$63,324	$21,108	$292,672	$650,140		$650,140
91200 Auditing Fees	$8,984		$4,515	$4,000		$360	$17,859		$17,859
91300 Management Fee	$514,956			$33,074			$548,030	-$548,030	$0
91310 Book-keeping Fee	$42,481			$15,735			$58,216	-$58,216	$0
91400 Advertising and Marketing			$1,196				$1,196		$1,196
91500 Employee Benefit contributions - Administrative	$188,767		$2,312	$71,190	$6,433	$92,615	$361,317		$361,317
91600 Office Expenses	$210,984		$20,548	$12,688		$58,446	$302,666	-$27,657	$275,009
91700 Legal Expense	$2,785		$670	$1,535		$53,381	$58,371		$58,371
91800 Travel						$5,970	$5,970		$5,970
91810 Allocated Overhead									
91900 Other	$5,986	$547	$6,476	$5,088	$12,105	$81,836	$112,038		$112,038
91000 Total Operating - Administrative	$1,224,593	$547	$59,103	$206,634	$39,646	$585,280	$2,115,803	-$633,903	$1,481,900
92000 Asset Management Fee	$53,760						$53,760	-$53,760	$0
92100 Tenant Services - Salaries			$236,277				$236,277		$236,277
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services			$23,356				$23,356		$23,356
92400 Tenant Services - Other	$2,739		$38,862				$41,601		$41,601

Millville Housing Authority (NJ061)
MILLVILLE, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.PHC Public Housing CARES Act	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
92500 Total Tenant Services	$2,739	$0	$298,495	$0	$0	$0	$301,234	$0	$301,234
93100 Water	$327,209						$327,209		$327,209
93200 Electricity	$296,355		$48,981				$345,336		$345,336
93300 Gas	$220,672		$811				$221,483		$221,483
93400 Fuel									
93500 Labor									
93600 Sewer									
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	$844,236	$0	$49,792	$0	$0	$0	$894,028	$0	$894,028
94100 Ordinary Maintenance and Operations - Labor	$253,234		$15,752				$268,986		$268,986
94200 Ordinary Maintenance and Operations - Materials and Other	$249,393	$1,038	$3,877			$506	$254,814		$254,814
94300 Ordinary Maintenance and Operations Contracts	$700,223		$10,448			$3,432	$714,103		$714,103
94500 Employee Benefit Contributions - Ordinary Maintenance	$190,853		$1,557				$192,410		$192,410
94000 Total Maintenance	$1,393,703	$1,038	$31,634	$0	$0	$3,938	$1,430,313	$0	$1,430,313
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs									
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0
96110 Property Insurance									
96120 Liability Insurance									
96130 Workmen's Compensation				$4,943			$4,943		$4,943
96140 All Other Insurance	$238,137		$16,764			$4,943	$259,844		$259,844
96100 Total insurance Premiums	$238,137	$0	$16,764	$4,943	$0	$4,943	$264,787	$0	$264,787
96200 Other General Expenses	$1,821					$73,357	$75,178		$75,178
96210 Compensated Absences	$10,902		$3,073	$4,634		$36,373	$54,982		$54,982
96300 Payments in Lieu of Taxes	$97,099						$97,099		$97,099
96400 Bad debt - Tenant Rents	$60,182						$60,182		$60,182
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	$170,004	$0	$3,073	$4,634	$0	$109,730	$287,441	$0	$287,441
96710 Interest of Mortgage (or Bonds) Payable	$41,944						$41,944		$41,944
96720 Interest on Notes Payable (Short and Long Term)			$651				$651		$651

Millville Housing Authority (NJ061)
MILLVILLE, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.PHC Public Housing CARES Act	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	$41,944	$0	$651	$0	$0	$0	$42,595	$0	$42,595
96900 Total Operating Expenses	$3,969,116	$1,585	$459,512	$216,211	$39,646	$703,891	$5,389,961	-$687,663	$4,702,298
97000 Excess of Operating Revenue over Operating Expenses	$1,198,112	$34,745	$100,835	$1,541,707	$72,715	$131,515	$3,079,629	$0	$3,079,629
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments				$1,478,021	$66,355		$1,544,376		$1,544,376
97350 HAP Portability-In									
97400 Depreciation Expense	$749,122		$42,962	$909		$5,651	$798,644		$798,644
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	$4,718,238	$1,585	$502,474	$1,695,141	$106,001	$709,542	$7,732,981	-$687,663	$7,045,318
10010 Operating Transfer In	$235,102						$235,102		$235,102
10020 Operating transfer Out	-$235,102						-$235,102		-$235,102
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)	$44,677					$312,785	$357,462		$357,462
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	$44,677	$0	$0	$0	$0	$312,785	$357,462	$0	$357,462
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$493,667	$34,745	$57,873	$62,777	$6,360	$438,649	$1,094,071	$0	$1,094,071
11020 Required Annual Debt Principal Payments	$215,459	$0	$0	$0	$0	$0	$215,459		$215,459
11030 Beginning Equity	$7,450,231	$0	$195,966	-$134,802	$0	-$1,432,294	$6,079,101		$6,079,101
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$34,745	-$34,745		$6,360	-$6,360		$0		$0
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition									

Millville Housing Authority (NJ061)
MILLVILLE, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.PHC Public Housing CARES Act	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity				-$103,661			-$103,661		-$103,661
11180 Housing Assistance Payments Equity				$37,996			$37,996		$37,996
11190 Unit Months Available	5868		0	2282	0		8150		8150
11210 Number of Unit Months Leased	5664		0	2140	0		7804		7804
11270 Excess Cash	$518,066						$518,066		$518,066
11610 Land Purchases	$0					$0	$0		$0
11620 Building Purchases	$349,393					$0	$349,393		$349,393
11630 Furniture & Equipment - Dwelling Purchases	$345,158					$0	$345,158		$345,158
11640 Furniture & Equipment - Administrative Purchases	$0					$0	$0		$0
11650 Leasehold Improvements Purchases	$0					$0	$0		$0
11660 Infrastructure Purchases	$0					$0	$0		$0
13510 CFFP Debt Service Payments	$140,000					$0	$140,000		$140,000
13901 Replacement Housing Factor Funds	$0					$0	$0		$0

GIAMPAOLO
& ASSOCIATES

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Lincroft, NJ 07738
Tel: 732-842-4550

**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 *GOVERNMENTAL AUDITING STANDARDS***

Board of Commissioners
Millville Housing Authority
122 East Main Street
Millville, New Jersey 08332

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, the financial statements of the Millville Housing Authority as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Millville Housing Authority basic financial statements, and have issued our report thereon dated May 27, 2022.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Millville Housing Authority internal control over financial reporting (internal control) to determine the 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 Millville Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Millville Housing Authority 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Millville Housing Authority 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 determination of financial statement amounts. 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.*

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Giampaolo & Associates

Lincroft, New Jersey
Date: May 27, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Millville Housing Authority
122 East Main Street
Millville, New Jersey 08332

Report on Compliance for Each Major Federal Program
We have audited Millville Housing Authority compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Millville Housing Authority major federal program for the year ended September 30, 2021. Millville Housing Authority major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of Millville Housing Authority major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Millville Housing Authority compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Millville Housing Authority compliance.

Opinion on Each Major Federal Program

In our opinion, Millville Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of Millville Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Millville Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Millville Housing Authority 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. However, material weaknesses may exist that have not been identified.

Purpose of This Report
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.

Giampaolo & Associates
Lincroft, New Jersey
Date: May 27, 2022

MILLVILLE HOUSING AUTHORITY
Schedule of Findings, Questioned Costs, and Recommendations
Year Ended September 30, 2021

Prior Audit Findings
None reported

Summary of Auditor's Results
Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control over Financial Reporting:

Material Weakness (es) Identified? _____ yes __X__ no

Significant Deficiency(ies) identified that are considered to be material weakness(es)? _____ yes __X__ none reported

Noncompliance Material to Financial Statements Noted? _____ yes __X__ no

Federal Awards

Internal Control over Major Programs:

Material Weakness (es) Identified? _____ yes __X__ no

Significant Deficiency(ies) identified that are considered to be material weakness(es)? _____ yes __X__ none reported

Type of audit report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, _____ yes __X__ no

Identification of Major Programs

CFDA#	Name of Federal Program	Amount
14.850	Public and Indian Housing Program	$ 1,967,664

Dollar threshold used to Distinguish between Type A and Type B Programs $ 750,000

Auditee qualified as a low-risk auditee __X__ yes ____ no

FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAM AUDIT
None reported

FINDINGS – FINANCIAL STATEMENT AUDIT
None reported

GIAMPAOLO
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Millville Housing Authority
122 East Main Street
Millville, New Jersey 08332

We have performed the procedures enumerated below on whether the electronic submission of certain information agrees with the hard copy documents within the reporting package for the year ended September 30, 2021. The U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) is responsible for the Uniform Financial Reporting Standards (UFRS) procedures.

Millville Housing Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the REAC's UFRS requirements for the submission of the PHA financial data for the year ended September 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

Procedure	UFRS Rule Information	Hardcopy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense (Data lines 111 to 13901)	Financial Data Schedule of all CFDAs, If Applicable	Yes	
2	Footnotes (data element G5000-010)	Footnotes to the audited basic financial statements	Yes	
3	Type of Opinion on FDS (data element G3100-040)	Auditors Report on Supplemental Data	Yes	
4	Audit findings narrative (date element G5200-010)	Schedule of Findings and Questioned Costs	Yes	

Procedure	UFRS Rule Information	Hardcopy Documents	Agrees	Does Not Agree
5	General Information (data element series G2000, G2100, G2200, G9000, G9100	OMB Data Collection Form	Yes	
6	Financial Statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Yes	
7	Federal program report information (data element G4000-020 to G4000-040	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Yes	
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Yes	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Yes	

We were engaged by Millville Housing Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on UFRS Rule Information. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of REAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Millville Housing Authority and REAC, and is not intended to be, and should not be, used by anyone other than these specified parties.

Giampaolo & Associates
Lincroft, New Jersey
May 27, 2022