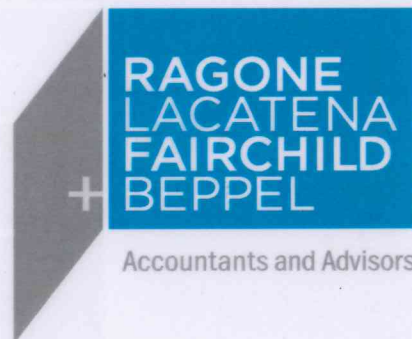


**SAINT JOSEPH'S CARPENTER
SOCIETY AND ITS
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED DECEMBER
31, 2021**

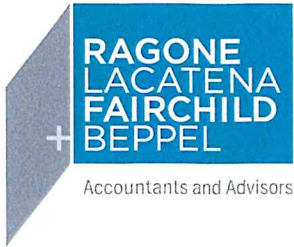
**(WITH COMPARATIVE TOTALS FOR
2020)**



SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Saint Joseph's Carpenter Society and its Subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Saint Joseph's Carpenter Society and its Subsidiaries** (a nonprofit organization) which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **Saint Joseph's Carpenter Society and its Subsidiaries** as of December 31, 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of **Saint Joseph's Carpenter Society and its Subsidiaries** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

76 E. Euclid Avenue, Suite 200
Haddonfield, NJ 08033
856.795.9650 P
856.795.7975 F

admin@rlfbcpa.com
www.rlfbcpa.com

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Saint Joseph's Carpenter Society and its Subsidiaries'** ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists: The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of **Saint Joseph's Carpenter Society and its Subsidiaries'** internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Saint Joseph's Carpenter Society and its Subsidiaries'** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited **Saint Joseph's Carpenter Society and its Subsidiaries'** 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 6, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state 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*, and the other information such as the consolidated schedule of real estate development activities, consolidated schedule of rental activities, consolidated schedule of Community Building and Engagement, and consolidated schedule of Homeownership Preservation Services are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2022 on our consideration of **Saint Joseph's Carpenter Society and its Subsidiaries'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Saint Joseph's Carpenter Society and its Subsidiaries'** 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 **Saint Joseph's Carpenter Society and its Subsidiaries'** internal control over financial reporting and compliance.

Respectfully submitted,


Ragone, LaCatena, Fairchild & Beppe, P.C.
Certified Public Accountants

Haddonfield, NJ
April 5, 2022

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>		<u>2020</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,911,104	\$	2,611,293
Investment in Marketable Securities	1,333,917		1,090,041
Residential Mortgages Receivable	8,880		14,400
Grant Contracts Receivable	785,774		422,612
Other Receivables	49,902		32,752
Prepaid Expenses	23,024		23,478
Construction in Progress	3,740,404		1,647,578
Total Current assets	8,853,005		5,842,154
Restricted Cash Reserves (note 4)			
Tenant security deposits	51,253		49,982
Cash reserves	351,430		346,882
Total restricted cash reserves	402,683		396,864
Property and Equipment, net (note 2)	4,016,759		4,149,728
Non-Current Assets			
Construction in Progress, net of current portion	829,482		1,029,708
Residential Mortgages Receivable, net of current portion	116,390		236,443
Total Non-Current Assets	945,872		1,266,151
TOTAL ASSETS	\$ 14,218,319	\$	11,654,897
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	\$ 679,613	\$	335,653
Loans and Mortgages Payable (note 3)	12,000		85,450
Deferred Income	3,290,366		1,475,214
Total Current Liabilities	3,981,979		1,896,317
Tenant Security Deposits	51,133		49,982
Long-Term Liabilities			
Mortgages Payable, net of current portion (note 3)	2,163,128		2,175,128
Deferred Income	100,000		30,000
Accrued Interest	981,375		907,488
Total Long-Term Liabilities	3,244,503		3,112,616
TOTAL LIABILITIES	\$ 7,277,615	\$	5,058,915
Net Assets			
Without Donor Restrictions	\$ 6,940,704	\$	6,595,982
With Donor Restrictions	-		-
Total Net Assets	6,940,704		6,595,982
TOTAL LIABILITIES AND NET ASSETS	\$ 14,218,319	\$	11,654,897

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

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
SUPPORT AND REVENUE				
Contributions and Gifts	\$ 723,026	\$ -	\$ 723,026	\$ 570,704
Government Grants	2,092,944	-	2,092,944	1,672,514
Sale of Homes	434,500	-	434,500	496,500
Rental and Other Income	1,031,304	-	1,031,304	831,366
Special Event Revenues	55,423	-	55,423	32,700
Interest Income	6,488	-	6,488	7,018
Net Investment Return	(5,123)	-	(5,123)	41,347
Net Assets Released from Restrictions	-	-	-	-
TOTAL SUPPORT AND REVENUE	4,338,562	-	4,338,562	3,652,149
EXPENSES:				
Program Services	3,834,926	-	3,834,926	3,184,766
General and Administrative	117,797	-	117,797	133,641
Fundraising	41,117	-	41,117	17,181
Total Expenses	3,993,840	-	3,993,840	3,335,588
Change in Net Assets	344,722	-	344,722	316,561
Net Assets, Beginning of Year	6,595,982	-	6,595,982	6,279,421
Net Assets, End of Year	\$ 6,940,704	\$ -	\$ 6,940,704	\$ 6,595,982

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

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Program Services	General and Administrative	Fundraising	2021 Total	2020 Total
Advertising and Promotion	\$ 4,293	-	-	\$ 4,293	\$ 6,274
Cost of Homes Sold	744,424	-	-	744,424	851,423
Cost of Contract Services Provided	1,004,488	-	-	1,004,488	545,607
Depreciation and Amortization	245,774	-	-	245,774	259,323
Direct Fundraising Costs	-	-	16,855	16,855	490
Educational Programs	3,892	-	-	3,892	5,409
Insurance	99,737	-	-	99,737	81,315
Interest Expense	73,886	-	-	73,886	70,814
Maintenance and Repairs	183,992	2,149	-	186,141	112,719
Occupancy	312,688	27,110	1,427	341,225	288,282
Office Expenses	10,671	15,314	1,178	27,163	26,848
Other Expenses	2,857	-	-	2,857	6,079
Pension Expense	21,273	7,598	1,520	30,391	25,936
Personnel	1,075,280	43,800	20,137	1,139,217	953,815
Professional Services	34,927	17,855	-	52,782	83,056
Staff Development	10,956	2,651	-	13,607	9,611
Telecommunications	5,788	1,320	-	7,108	8,587
	\$ 3,834,926	\$ 117,797	\$ 41,117	\$ 3,993,840	\$ 3,335,588

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

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 344,722	\$ 316,561
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and Amortization	245,774	259,323
(Gain) Loss on Investment	5,123	(41,347)
Proceeds from Donation of Security	(248,999)	(2,148)
Change in Operating Assets and Liabilities:		
Construction in Progress	(1,892,600)	(266,601)
Grants and Other Receivables	(380,312)	(47,169)
Residential Mortgage Receivable	125,573	(108,881)
Prepaid Expenses	454	13,654
Accounts Payable and Accrued Expenses	343,840	117,458
Accrued Interest	73,887	70,813
Deferred Income	1,891,152	(53,560)
Net Cash Provided by (Used in) Operating Activities	508,614	258,103
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Purchase of Property and Equipment	(112,805)	(60,379)
Investment in Marketable Securities	-	(1,000,000)
Net Cash Provided by (Used in) Investing Activities	(112,805)	(1,060,379)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	73,450
Principal Payments on Long-Term Debt	(91,450)	(33,875)
Addition to/(Release) of Cash Reserves	(4,548)	(64,438)
Net Cash Provided by (Used in) Financing Activities	(95,998)	(24,863)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	299,811	(827,139)
Cash and Cash Equivalents at Beginning of Year	2,611,293	3,438,432
Cash and Cash Equivalents at End of Year	\$ 2,911,104	\$ 2,611,293
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ -	\$ -

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

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: GENERAL

Saint Joseph's Carpenter Society was incorporated under the nonprofit corporation laws of the State of New Jersey and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Saint Joseph's Carpenter Society strives to improve the quality of life of the people of the City of Camden and its surrounding communities by promoting affordable housing and neighborhood development. Through our initiatives, we encourage people to take charge of their lives and become active community members.

Saint Joseph's Carpenter Society was founded in 1985 to help families improve their quality of life and create safe neighborhoods through homeownership. SJCS has fostered homeownership, believing that homeownership leads to a higher quality of life by encouraging stability, fostering personal pride, promoting the development of community ties, allowing families to build wealth, and attracting private capital to under-invested areas. To promote successful homeownership, SJCS performs three interrelated functions: housing development, homeowner education, and community organizing. SJCS's primary work involves targeting abandoned homes for acquisition, rehabilitation, and sale to neighborhood families. This work has been focused in East Camden, however, SJCS now works in other neighborhoods in the City of Camden as well as other municipalities within southern New Jersey.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Society have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Principles of Consolidation

The consolidated financial statements include the accounts of Saint Joseph's Carpenter Society, as well as Saint Joseph's Housing Corporation, Carpenter's Square, LLC, SJCS Rehab, LLC, Community Links IV, LLC, West Wynne/Church Street, L.P. ("West Wynne"), and 32nd Street Urban Renewal Limited Partnership ("32nd Street"), wholly-owned subsidiaries of the Society. All significant intercompany transactions and balances have been eliminated in consolidation.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Financial Statement Presentation

The Society is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

- Without Donor Restrictions – These resources are available for use in general operations and are not subject to donor-imposed restrictions. The Board of Directors has discretionary control over these resources. Board Designated amounts, if any, represent those net assets that the board has set aside for a particular purpose.
- With Donor Restrictions – These resources are subject to donor-imposed restrictions that will be satisfied by action of the Society or by the passage of time.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

Contributions

Contributions from donors are required to be reported as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. The Society reports donations as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Society qualifies as a tax exempt 501(c)(3) organization under existing provisions of the Internal Revenue Code, and accordingly, no provision has been recorded for Federal or State income taxes. There is no tax provision or benefit for Carpenter's Square, LLC, SJCS Rehab, LLC or Community Links IV, LLC included in these financial statements since these entities are owned 100% by the Society and are considered disregarded entities for tax purposes. West Wynne/Church Street, L.P. and 32nd Street Urban Renewal Limited Partnership are wholly owned subsidiaries of the Society. Saint Joseph's Housing Corporation was organized as a New Jersey for-profit corporation. It has no income tax liability as of December 31, 2021.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

General operating costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The general operating costs have been allocated to programs or general & administrative based on management's estimate of the percentage of personnel time spent on programs vs. general support functions. Direct expenses are charged to their respective programs based on specific identification.

Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification 820 "Fair Value Measurements and Disclosures (ASC 820)" establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy under ASC 820 are described below:

Basis of Fair Value Measurement:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for identical assets in markets that are not active, quoted prices for similar assets in active markets, inputs other than quoted market prices, and inputs derived principally from observable market data.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 202

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement (continued)

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of December 31, 2020.

	<u>Assets at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds	516,356	-	-	\$ 516,356
Mutual Funds	507,855			507,855
Deposit Funds	309,706	-	-	<u>309,706</u>
Total Portfolio Investments at fair value				<u>\$1,333,917</u>

Property and Equipment

Property and equipment are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are: building – 25 and 27.5 years; equipment and fixtures – 5 to 10 years. The Society follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500.

	<u>12/31/21</u>
Land and Building	\$ 9,005,454
Equipment and Furniture	329,617
Vehicles	<u>24,097</u>
	9,359,168
Accumulated Depreciation	<u>(5,342,409)</u>
Net Property and Equipment	<u>\$ 4,016,759</u>

Revenue and Cost Recognition

Grant and other revenues attributable to home building are recognized upon closing of the sale. Direct acquisition and construction costs, as well as indirect costs such as real estate taxes and construction period interest are capitalized as construction in progress. Those costs are charged to earnings when the related revenue is recognized. Marketing, selling and administrative expenses are charged to earnings as incurred.

Cash Equivalents

For the purposes of the statement of cash flows, the organization considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Other Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Management considers all receivables as of December 31, 2021 to be fully collectible, and accordingly, no allowance for doubtful accounts is provided.

Intangible Assets

Intangible assets subject to amortization include loan closing costs and state monitoring fees. These costs are being amortized on a straight-line basis over their respective lives.

NOTE 3: FINANCING

<u>Entity</u>	<u>Lender</u>	<u>Rate</u>	<u>Security</u>	<u>Date Due</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
<u>Mortgages Payable:</u>						
West Wynne	NJDCA	N/A	West Wynne Prop.	2021*	\$ -	\$ 595,307
32 nd Street	NJDCA	1%	32 nd Street Prop.	2032	-	1,061,823
32 nd Street	City of Camden	5.05%	32 nd Street Prop.	2032	-	499,998
Total Mortgages Payable					<u>\$ -</u>	<u>\$ 2,157,128</u>
<u>Loans Payable:</u>						
Carpenter Square	A Better Camden Corp.	N/A	Several Properties	Various	12,000	6,000
Total Loans Payable					<u>\$ 12,000</u>	<u>\$ 6,000</u>

*Management is currently in discussions with the New Jersey Division of Community Affairs (DCA) and it appears that the DCA is willing to assign this debt to Saint Joseph's Carpenter Society. Subject to final assignment Saint Joseph's Carpenter Society intends to extend the terms of this loan.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3: FINANCING (continued)

Maturities of loans and mortgages payable over the next five years are as follows:

2021	12,000
2022	6,000
2023	-
2024	-
2025	-
Thereafter	2,157,128

32nd Street has a mortgage with the New Jersey Department of Community Affairs which is accruing interest at a rate of 1%, compounded annually, beginning in 2002. Accrued interest on this mortgage as of December 31, 2021 was \$205,385. 32nd Street also has a mortgage with the City of Camden which is accruing interest at a rate of 5.05%, compounded annually, beginning in 2002. Accrued interest on this mortgage as of December 31, 2021 was \$775,990.

NOTE 4: RESTRICTED CASH RESERVES

Restricted cash reserves represent tenant security deposits of \$51,253 and other cash reserves consisting of cash restricted for rental property activities of \$294,163, letter of credit security of \$49,351 and homebuyer deposits of \$7,916.

NOTE 5: CONCENTRATION OF CREDIT RISK

Governmental Grants

The Society is a nonprofit organization, whose operations are heavily funded by governmental agency grant programs. In accordance with the grant programs, the Society is limited to what it can charge homeowners on sales of homes. The sales prices do not cover the costs of acquiring and rehabbing the homes, therefore the Society relies on grant funds to cover the shortfall. During the construction phase, the grant programs allow for the Society to draw on both construction lines of credit (which are paid back with the sales proceeds of the homes) and from grant funds, as needed. The grant fund draws are recognized as deferred income in the accompanying statement of financial position, and are subsequently recognized as revenue when the homes are sold. A significant reduction in the level of this grant funding, if this were to occur, could have an effect on the Society's programs and activities.

Cash

The Society maintains cash accounts, which, at times, may exceed federally insured limits. The Society has not experienced any losses from maintaining these cash accounts. Management believes that it is not exposed to any significant credit risk on its cash accounts.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6: INVESTMENT IN MARKETABLE SECURITIES

Investments in marketable securities consist of securities traded on the national stock exchange and are carried on the statement of financial position at marketable value. Interest, dividends and gain and losses, both realized and unrealized, are reflected in the accompanying statement of activities as net investment return.

NOTE 7: RETIREMENT PLAN

The Society has a 401(k) Profit Sharing Plan and Trust covering substantially all employees. Individual employee benefits under the plan are based upon the amount accumulated for each eligible employee from the Society's contributions, subject to annual board of director's discretion, and any voluntary contribution made by the employee. The Society contributed \$30,253 to the plan in 2021.

NOTE 8: OPERATING LEASES

The Organization leases office equipment under an operating lease. Fixed minimum annual lease payments are as follows:

2022	4,080
2023	4,080
2024	2,720

NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021, there are no net assets with donor restrictions.

NOTE 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Society monitors its liquidity on a regular basis so that it is able to meet its operating needs and other contractual commitments.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 2,911,104
Investment in Marketable Securities	1,333,917
Grant Contracts Receivable	785,774
Other Receivables	<u>49,902</u>
 Total Financial Assets	 <u>\$ 5,080,697</u>

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 5, 2022, the date the financial statements were available to be issued.

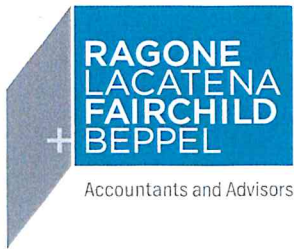
As a result of the COVID-19 outbreak, economic uncertainties may arise which may negatively impact the operating results of the Organization. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the related financial impact and duration cannot be reasonably estimated.

NOTE 12: CONTINGENCY

In April 2020, the Organization received a loan in the amount of \$190,900 from Republic Bank under the Small Business Administration's (SBA) Paycheck Protection Program (PPP). Under this program the SBA will forgive all, or a portion of, the loan if certain employee retention criteria are met and the funds are used for eligible expenses. On January 7, 2021, the Organization received a determination from the SBA that the PPP Loan was forgiven 100%. The Organization had recognized the entire \$190,900 as a government grant in 2020.

In March 2021, the Organization received a 2nd PPP loan in the amount of \$218,717. On October 5, 2021, the Organization received a determination from the SBA that the PPP loan was forgiven 100%. The Organization has recognized the entire \$218,717 as a government grant this year.

The SBA retains the right to audit the Organization for six years to substantiate that all forgiveness criteria has been met. Management believes the Organization has fulfilled all loan criteria and spending requirements to sustain 100% loan forgiveness.



INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Saint Joseph's Carpenter Society and its Subsidiaries

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 consolidated financial statements of **Saint Joseph's Carpenter Society and its Subsidiaries** (a nonprofit organization) which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 5, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered **Saint Joseph's Carpenter Society and its Subsidiaries'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Saint Joseph's Carpenter Society and its Subsidiaries'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Saint Joseph's Carpenter Society and its Subsidiaries'** 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 consolidated 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.

76 E. Euclid Avenue, Suite 200
Haddonfield, NJ 08033
856.795.9650 P
856.795.7975 F

admin@rllbcpa.com
www.rllbcpa.com

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Saint Joseph's Carpenter Society and its Subsidiaries'** consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

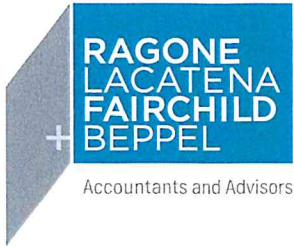
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Ragone, Lacatena, Fairchild & Beppel, P.C.
Certified Public Accountants

Haddonfield, NJ
April 5, 2022



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

To the Board of Directors of
Saint Joseph's Carpenter Society and its Subsidiaries

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited **Saint Joseph's Carpenter Society and its Subsidiaries'** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Saint Joseph's Carpenter Society and its Subsidiaries'** major state programs for the year ended December 31, 2021. **Saint Joseph's Carpenter Society and its Subsidiaries'** major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Saint Joseph's Carpenter Society and its Subsidiaries'** 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 state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

76 E. Euclid Avenue, Suite 200
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856.795.7975 F

admin@rllbcpa.com
www.rllbcpa.com

We are required to be independent of **Saint Joseph's Carpenter Society and its Subsidiaries'** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of **Saint Joseph's Carpenter Society and its Subsidiaries'** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **Saint Joseph's Carpenter Society and its Subsidiaries'** state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Saint Joseph's Carpenter Society and its Subsidiaries'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Saint Joseph's Carpenter Society and its Subsidiaries'** compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Saint Joseph's Carpenter Society and its Subsidiaries'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of **Saint Joseph's Carpenter Society and its Subsidiaries'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Saint Joseph's Carpenter Society and its Subsidiaries'** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 state 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 state 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Ragone, Lacatena, Fairchild & Beppel, P.C.
Certified Public Accountants

Haddonfield, NJ
April 5, 2022

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Type of auditor's Report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Were significant deficiency(ies) identified that are not considered to be material weakness? yes X none reported

Noncompliance material to financial statements noted? yes X no

State Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) that are not considered to be material weakness(es)? yes X none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster</u>
1. N/A	N.J. Department of Community Affairs – Neighborhood Revitalization Tax Credit Project

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2021

Section II – Financial Statements Findings

None

Section III – State Award Findings

None

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Grant Program/Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Federal Awards		
U.S. Department of Treasury – NeighborWorks America	21.000	\$ 319,000
U.S. Department of Treasury – NeighborWorks America Passed through the Housing and Community Development Network of New Jersey	21.000	50,002
U.S. Department of Housing and Urban Development Passed through the Housing and Community Development Network of New Jersey	14.000	25,363
U.S. Department of Housing and Urban Development Passed through the Housing Authority of the City of Camden	14.000	34,996
U.S. Department of Environmental Protection Passed through the Camden Community Partnership	66.000	15,783
Federal Home Loan Bank of New York Affordable Housing Program	N/A	111,520
Federal Home Loan Bank of Pittsburg Affordable Housing Program	N/A	<u>38,300</u>
Total Federal Expenditures		<u>594,964</u>
State Awards		
New Jersey Department of Community Affairs Neighborhood Revitalization Tax Credit Project	N/A	768,554
New Jersey Department of Community Affairs Passed through the Cooper Health System Neighborhood Revitalization Tax Credit Project	N/A	63,000
New Jersey Department of Community Affairs Passed through the Cooper's Ferry Partnership, Inc. Neighborhood Revitalization Tax Credit Project	N/A	100,000
New Jersey Department of Community Affairs Lead-Safe Home Remediation Pilot Program	N/A	<u>448,835</u>
Total State Expenditures		<u>1,380,389</u>
Total Federal and State Expenditures		<u>\$ 1,975,353</u>

See accompanying notes to schedule of expenditures of federal and state awards.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2021

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of **SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES** and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED SCHEDULE OF REAL ESTATE DEVELOPMENT ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUE

Government Grants – NRTC	\$ 440,000	
Sales of Homes	<u>434,500</u>	
Total Revenue		\$ 874,500

EXPENSES

Costs of Homes Sold	<u>744,424</u>	
Total Expenses		<u>744,424</u>
Net Income		<u>\$ 130,076</u>

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED SCHEDULE RENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>SJCS Rental</u>	<u>SJHC</u>	<u>WW/CHST</u>	<u>32nd St</u>	<u>Total</u>
REVENUE					
Rental Income	57,213	97,500	168,156	383,677	706,546
Less: Vacancies	<u>(1,805)</u>	<u>(2,489)</u>	<u>(658)</u>	<u>(2,112)</u>	<u>(7,064)</u>
Net Rental Income	55,408	95,011	167,498	381,565	699,482
OTHER INCOME	<u>-</u>	<u>594</u>	<u>50</u>	<u>1,712</u>	<u>2,356</u>
Total Revenue	\$ 55,408	\$ 95,605	\$ 167,548	\$ 383,277	\$ 701,838
EXPENSES					
Leasing & Marketing					-
Property & Liability Insurance	4,652	4,793	10,774	28,401	48,620
Maintenance & Repairs	7,847	22,606	48,394	105,145	183,992
Janitorial	-	3,460	4,703	-	8,163
Security & Inspection	2,240	3,947	10,928	8,349	25,464
Utility	5,485	13,047	20,072	93,687	132,291
Real Estate Taxes	12,791	10,058	25,007	57,492	105,348
Office Expenses	123	-	-	3,479	3,602
Salaries	7,968	15,937	26,561	84,174	134,640
Payroll Tax	753	1,506	2,510	5,998	10,767
EE Benefits	1,215	2,450	4,083	10,005	17,753
Professional Services	88	1,697	7,077	8,210	17,072
Staff Development	-	-	-	354	354
Telecommunication	-	-	-	507	507
Management Fee	2,952	5,904	9,840	24,108	42,804
Bad Debt	<u>87</u>	<u>-</u>	<u>1,390</u>	<u>-</u>	<u>1,477</u>
Total Expenses	\$ 46,201	\$ 85,405	\$ 171,339	\$ 429,909	\$ 732,854
INCOME FROM OPERATIONS BEFORE INTEREST, FEES AND RESERVES DEPRECIATION AND AMORTIZATION	9,207	10,200	(3,791)	(46,632)	(31,016)
INTEREST, FEES AND RESERVES					
Interest Expense	-	-	111,007	94,886	205,893
Partnership Management Fee	-	-	5,000	-	5,000
Interest Income	<u>-</u>	<u>-</u>	<u>(401)</u>	<u>(647)</u>	<u>(1,048)</u>
Total Interest, Fees and Reserves	-	-	115,606	94,239	209,845
INCOME/(LOSS) BEFORE DEPRECIATION AND AMORTIZATION	9,207	10,200	(119,397)	(140,871)	(240,861)
Depreciation and Amortization	<u>14,529</u>	<u>14,363</u>	<u>16,358</u>	<u>170,865</u>	<u>216,115</u>
NET INCOME/(LOSS)	\$ <u>(5,322)</u>	\$ <u>(4,163)</u>	\$ <u>(135,755)</u>	\$ <u>(311,736)</u>	\$ <u>(456,976)</u>

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED SCHEDULE OF COMMUNITY BUILDING & ENGAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUE

HACC Choice Neighborhood	\$ 34,996
Holman Automotive Group	15,000
NRTC-Leading with Lead	15,783
NRTC	189,732
NWA	64,000
SSJ	8,750
Wells Fargo Regional Foundation	<u>50,000</u>

Total Revenue \$ 378,261

EXPENSES

\$ 198,526

Net Income \$ 179,735

SAINT JOSEPH'S CARPENTER SOCIETY AND ITS SUBSIDIARIES
CONSOLIDATED SCHEDULE OF HOMEOWNERSHIP PRESERVATION SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUE

NRTC – Cooper Plaza MyHOME	\$ 63,000
NRTC – East Camden MyHOME	125,822
FHLB – MyHOME	149,820
W.W. Smith – MyHOME	20,000
Lead Safe	<u>448,835</u>

Total Revenue \$ 807,477

EXPENSES

Costs of Contract	<u>596,789</u>
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Net Income \$ 210,688