

HOUSING AUTHORITY OF BERGEN COUNTY

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED MARCH 31, 2015

HOUSING AUTHORITY OF BERGEN COUNTY
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YEAR ENDED MARCH 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of Bergen County:

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of Bergen County ("the Authority") as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents.

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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 entity'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 entity'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.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Bergen County as of March 31, 2015, and the respective changes in financial position and cash flows 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 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of Bergen County's basic financial statements. The Schedule of Expenditures of Federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the financial statements and are presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The Schedule of Expenditures of Federal Awards and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2015 on our consideration of the Housing Authority of Bergen County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Housing Authority of Bergen County's internal control over financial reporting and compliance.

Fallon & Larsen LLP

October 19, 2015
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOUSING AUTHORITY OF BERGEN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2015**

As management of the Housing Authority of the Bergen County ("the Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2015. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Contacting The Authority - This 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 information should be addressed to: Kevin McCann, Director of Finance, Housing Authority of Bergen County, One Bergen County Plaza, Floor 2, Hackensack, New Jersey 07601.

Special Conditions and Economic Factors - Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

Overview of the Financial Statements

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity. The following information is included:

The Statement of Net Position

This statement reports all financial and capital resources for the Authority. The statement is presented in the format where assets minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

Net Investment in Capital Assets

This component of Net Position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position:

This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position:

Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

Statement of Revenue, Expenses, and Changes in Net Position

Reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.

This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense.

Statement of Cash Flows

Presents information on the effects changes in assets and liabilities have on cash during the course of the fiscal year.

Notes to the Financial Statements

Provides additional information that is essential to a full understanding of the data provided in the financial statements.

**HOUSING AUTHORITY OF BERGEN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2015**

Our overall analysis of the Authority as a whole begins on the following pages. The most important question asked about the Authority's finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of net position, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned or incurred regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in it. One can think of the Authority's net position as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net position analysis will assist the reader with measuring the health or financial position of the Authority. Over time, significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating.

To fully assess the financial health of any Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

To fully understand the financial statements of the Authority, one must start with an understanding of what the Authority actually does. The following is a brief description of the programs and services that the Authority provides for the residents of Bergen County:

Low Income Public Housing (LIPH)

The Authority has 499 units in its Public Housing inventory. The Authority is responsible for the management, maintenance, and utilities costs for all units. The units must be maintained in accordance with HUD established housing quality standards. An annual inspection of each unit must be performed by the Authority to assure that it meets or exceeds these standards. Each of the Authority's public housing buildings, and the units that comprise those buildings, are subject to random third party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income.

On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Fund Subsidy is that the Authority has a Project Expense Level (PEL). The PEL reflects estimated allowable operating expenditures and is calculated by HUD in accordance with the results of the Harvard Cost Study which was performed for HUD. HUD funds the difference between these allowable costs incurred for all units leased and the actual tenant revenue generated. Tenant rent is based on 30% of their adjusted household income. Actual funding received from HUD is made by the results of this formula calculation, subject to pro-ration in accordance with total funds actually appropriated by Congress.

Section 8 Housing Choice Vouchers (HCV)

HUD has contracted with the Authority to provide support for the Housing Choice Voucher Program. The Authority pays Housing Assistance Payments to Landlords for Low Income tenants. The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay based on 30% of their respective adjusted income.

**HOUSING AUTHORITY OF BERGEN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2015**

Section 8 Housing Choice Vouchers (HCV)(continued)

In 2015, there were 40,588 unit months of voucher payments, compared to 39,552 in 2014. The average voucher payment in 2015 was \$893, compared to \$887 in 2014. Total HUD HAP and Administrative contributions of \$36,664,199 in 2015 was \$1,118,835 less than the amount received in 2014.

For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Housing Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program. However, they are responsible for annually inspecting the units to assure that they meet or exceed HUD established housing quality standards.

Capital Fund Program

Tenant Revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day to day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non-routine maintenance. The purpose of Capital Fund grants is to give funds to the Authority for improvement of the sites, to complete non-routine maintenance, and to assist with the improvement of the management of the Authority. This grant program is awarded by HUD, by formula allocation, on an annual basis.

Shelter Plus Care Program.

This program provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS), and related diseases. Rental assistance must be matched by an equal value in cash or in-kind provided by the grantee from federal or private sources to be used for supportive services. Funds are awarded by a nationwide competition. Program participants must be homeless with disabilities. The Authority maintains a budget authority of 115 vouchers for the Shelter Plus Care program.

Community Development Block Grant

The primary objective of the Community Development Block Grants (CDBG)/Entitlement Grants program (large cities and urban counties) is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

Housing Opportunities for Persons with Aids

The Housing Opportunities for Persons with AIDS (HOPWA) program is designed to provide States and localities with resources and incentives to devise long-term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families.

Business Activities

Business activities include operations of Garden House, a two family dwelling located in East Rutherford, New Jersey owned by the Authority and operated as low income housing; funds remaining under the Authority's internal Community Development Fund and Affordable Housing Fund; the HOPWA program administered on behalf of the City of Paterson Department of Human Services; the Health and Human Services Shelter administered on behalf of Bergen County and the Martin Luther King building which includes 4 units of senior citizen housing and a community center for senior citizens.

**HOUSING AUTHORITY OF BERGEN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2015**

Analysis of Net Position (Statements of Net Position)

Total Net Position for FY 2015 was \$19,619,250 and for FY 2014 the amount was \$22,705,568. This represents an overall net decrease of \$3,086,318 or 13.6%.

Cash and Investments (not including restricted cash) increased to \$5,745,573 in FY 2015 from \$4,595,771 in FY 2014, or by \$1,149,802 or 25%. The change in the authority's cash balance is primarily due to the Authority generating cash from operations from the LRP, COCC and HCV programs.

Restricted Cash decreased to \$34,315 in FY 2015 from \$2,717,942 in FY 2014 or by \$2,683,627 or 98.7%. The decrease was primarily due to HUD requiring the Authority to utilize its Housing Assistance Payment reserves to pay tenant rents in the Housing Choice Voucher Program.

Capital Assets, net decreased from \$15,530,869 in FY 2014 to \$14,680,369 in FY 2015, or by \$850,500 or 5.5%. This decrease is primarily due to annual depreciation expense of \$1,381,070 exceeded capital acquisitions of \$530,570.

Current Liabilities increased from \$1,167,055 in FY 2014 to \$1,712,156 in FY 2015, or by \$545,101, or 46.7%. This change was primarily a result of the Authority making their annual pension contribution after year end. In years past the contribution was made prior to year-end.

Restricted Net Position decreased to \$0 in 2015 from \$2,669,026 in 2014. As previously stated HUD required the Authority to utilize all of its restricted reserves in the Housing Choice Voucher program to pay tenant rents.

	<u>2015</u>	<u>2014</u>	<u>Net Change</u>	<u>Percent Variance</u>
Cash & Investments	\$ 5,745,573	\$ 4,595,771	\$ 1,149,802	25.0%
Receivables (net)	983,867	1,109,458	(125,591)	-11.3%
Prepaid expenses	283,546	331,916	(48,370)	-14.6%
Restricted Cash	34,315	2,717,942	(2,683,627)	-98.7%
Capital Assets	14,680,369	15,530,869	(850,500)	-5.5%
Total Assets	\$ 21,727,670	\$ 24,285,956	\$ (2,558,286)	-10.5%
Current Liabilities	1,712,156	1,167,055	545,101	46.7%
Non Current Liabilities	396,264	413,333	(17,069)	-4.1%
Total Liabilities	2,108,420	1,580,388	528,032	33.4%
Net Investment in Capital Assets	14,680,369	15,530,869	(850,500)	-5.5%
Restricted Net Position	-	2,669,026	(2,669,026)	100.0%
Unrestricted Net Position	4,938,881	4,505,673	433,208	9.6%
Total Net Position	19,619,250	22,705,568	(3,086,318)	-13.6%
Total Liabilities and Net Position	\$ 21,727,670	\$ 24,285,956	\$ (2,558,286)	-10.5%

**HOUSING AUTHORITY OF BERGEN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2015**

Analysis of Program Revenues

The Authority administers the following programs and the total revenue generated from these programs during FY 2015 was, as follows:

Program	Revenues Generated
Low Income Public Housing (LIPH)	\$ 3,342,372
Public Housing Capital Fund Program (CFP)	204,949
Housing Choice Vouchers (HCV)	36,746,836
Shelter Plus Care (SPC)	1,041,660
Community Development Block Grant / Entitlement (CDBG)	196,636
Housing Opportunities for People with Aids (HOPWA)	343,582
Central Office Cost Center (COCC)	553,524
Business Activities (BA)	1,135,242
Total Revenue	\$ 43,564,801

Total revenues for Fiscal Year 2015 were \$43,564,801 as compared to \$46,894,402 of total revenues for Fiscal Year 2014. Comparatively, FY 2014 revenues exceeded FY 2015 revenues by \$3,329,601 or by 7.1%.

	2015	2014	Net Change	Pct. Change
Total Tenant Revenue	\$ 1,676,261	\$ 1,666,315	\$ 9,946	0.6%
HUD Grants	40,838,087	42,128,623	(1,290,536)	-3.1%
Other Revenue	1,050,453	3,099,464	(2,049,011)	-66.1%
Total Revenue	\$ 43,564,801	\$ 46,894,402	\$ (3,329,601)	-7.1%

The primary reason for this change was decreased HUD grants and other revenue due to the following:

- HUD requiring the Authority to utilize restricted reserves in the Housing Choice Voucher program in lieu of receiving subsidy.
- A one-time non-cash contribution in FY 2014 of the Martin Luther King Center building totaled \$1,881,478.

**HOUSING AUTHORITY OF BERGEN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2015**

Analysis of Entity Wide Expenditures

Total Operating Expenses for FY 2014 were \$44,934,730 as compared to the \$46,651,119 of total operating expenses for FY 2015. This represents an overall increase of \$1,716,389, or 3.82%.

Administrative Expenses increased from \$4,733,317 in FY 2014 to \$5,029,469 in FY 2015 or \$296,152 or 6.26%. This increase is primarily due to increases in salaries and employee benefits (\$222,983) and other administrative expenses (\$70,567).

Utilities expenditures for FY 2014 were \$704,996 as compared to \$662,738 in FY 2015. This represents a decrease of \$42,258 or 5.99%. Specifically, gas charges were down \$40,620, water charges were down \$6,530 and electricity charges were up \$4,892 from 2014 to 2015.

Maintenance expenditures for FY 2014 were \$1,596,565 as compared to \$1,834,387 in FY 2015. This represents an increase of \$237,822 or 14.9%. An increase in contract costs was the primary reason for the increase from 2014 to 2015.

Housing Assistance Payments for FY 2014 were \$36,002,181 as compared to \$37,277,036 for FY 2015. This represents an increase of \$1,274,855 or 3.54%. In 2015 the Authority had 1,036 more unit months under lease and the payment standard increased an average of \$6 per unit month leased.

The table below illustrates our analysis:

	<u>2015</u>	<u>2014</u>	<u>Net Change</u>	<u>Pct. Change</u>
Administrative	\$ 5,029,469	\$ 4,733,317	\$ 296,152	6.26%
Tenant Services	4,263	\$ 5,370	(1,107)	-20.61%
Utilities	662,738	704,996	(42,258)	-5.99%
Maintenance	1,834,387	1,596,565	237,822	14.90%
Protective Services	1,769	2,120	(351)	-16.56%
Insurance and General	460,387	410,167	50,220	12.24%
Housing Assistance Payments	37,277,036	36,002,181	1,274,855	3.54%
Depreciation	1,381,070	1,480,014	(98,944)	-6.69%
Total Operating Expenses	<u>\$ 46,651,119</u>	<u>\$ 44,934,730</u>	<u>\$ 1,716,389</u>	3.82%

**HOUSING AUTHORITY OF BERGEN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2015**

ANALYSIS OF CAPITAL ASSET ACTIVITY AND LONG-TERM DEBT

The table below illustrates the changes in Capital Assets through out the fiscal year:

	<u>2015</u>	<u>2014</u>	<u>Net Change</u>	<u>Percent Variance</u>
Land	\$ 1,060,630	\$ 1,060,630	\$ -	0.0%
Buildings	36,339,072	36,325,560	13,512	0.0%
Furniture, Equipment & Machinery	2,513,306	2,418,187	95,119	3.9%
Construction in Process	1,829,359	1,427,774	401,585	28.1%
Total Capital Assets	<u>41,742,367</u>	<u>41,232,151</u>	510,216	1.2%
Accumulated Depreciation	<u>27,061,998</u>	<u>25,701,282</u>	1,360,716	5.3%
Net Capital Assets	<u><u>\$ 14,680,369</u></u>	<u><u>\$ 15,530,869</u></u>	<u><u>\$ (850,500)</u></u>	-5.5%

Fixed asset additions in the amount of \$530,570 was offset by depreciation expense of \$1,381,070 and fully depreciated dispositions of \$20,354 for the year, resulting in an overall net decrease in fixed assets of \$850,500, or 5.5%.

Work completed under the Capital Fund Grant program is temporarily charged to construction in process. When all of the funds allocated to a specific grant have been fully expended, approved by HUD, and audited, the work items are moved from construction in process and placed into the Capital Assets. Depreciation begins at this point.

Long-term Debt

The Authority has no interest bearing long-term debt.

ECONOMIC FACTORS AND NEXT YEARS' BUDGET AND RATES

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. However, local economic conditions affect the ability of Section 8 Housing Chose Voucher clients to find suitable housing that meet program guidelines. Therefore, funding of programs could be significantly affected by cuts to federal budgets.

FINANCIAL STATEMENTS

**HOUSING AUTHORITY OF BERGEN COUNTY
STATEMENT OF NET POSITION
AS OF MARCH 2015**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 5,745,573
Accounts receivable, net	983,867
Prepaid expenses	<u>283,546</u>
Total current assets	<u>7,012,986</u>
Non-current assets:	
Restricted cash	34,315
Capital assets, net	<u>14,680,369</u>
Total non-current assets	<u>14,714,684</u>
Total assets	<u>21,727,670</u>

LIABILITIES

Current liabilities:	
Accounts payable	318,705
Accrued expenses	504,409
Accrued compensated absences, current	29,826
Tenant security deposits	176,258
Unearned revenues	86,530
Other current liabilities	<u>596,428</u>
Total current liabilities	<u>1,712,156</u>
Non-current liabilities:	
Accrued compensated absences, non-current	<u>396,264</u>
Total liabilities	<u>2,108,420</u>

NET POSITION

Net position:	
Net investment in capital assets	14,680,369
Unrestricted	<u>4,938,881</u>
Total net position	<u>\$ 19,619,250</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF BERGEN COUNTY
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2015**

Operating revenues:	
Tenant revenue	\$ 1,676,261
HUD operating grants	39,673,724
Other government grants	762,778
Other revenues	<u>1,027,832</u>
Total operating revenue	<u>43,140,595</u>
Operating expenses:	
Administrative	4,985,569
Tenant services	4,263
Utilities	662,738
Ordinary repairs and maintenance	1,834,387
Protective services	1,769
Insurance and general expenses	504,287
Housing assistance payments	37,277,036
Depreciation	<u>1,381,070</u>
Total operating expenses	<u>46,651,119</u>
Operating loss	<u>(3,510,524)</u>
Non-operating revenues:	
Investment income	<u>22,621</u>
Loss before capital grants	(3,487,903)
Capital grants	<u>401,585</u>
Change in net position	(3,086,318)
Total net position, beginning of year	<u>22,705,568</u>
Total net position, end of year	<u>\$ 19,619,250</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF BERGEN COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015**

Cash Flows from Operating Activities:	
Cash received from grantors	\$ 40,646,555
Cash received from tenants and other activities	2,560,643
Cash paid to suppliers	(40,923,788)
Cash paid to employees	<u>(3,710,871)</u>
Net cash flows used by operating activities	<u>(1,427,461)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	(530,570)
Capital grants	<u>401,585</u>
Net cash flows used in capital and related financing activities	<u>(128,985)</u>
Cash Flows from Investing Activities:	
Investment income	<u>22,621</u>
Net cash flows provided by investing activities	<u>22,621</u>
Net decrease in cash	(1,533,825)
Cash and cash equivalents, beginning of year	<u>7,313,713</u>
Cash and cash equivalents, end of year	<u>\$ 5,779,888</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position:	
Cash and cash equivalents	\$ 5,745,573
Restricted cash	<u>34,315</u>
Cash and cash equivalents, end of year	<u>\$ 5,779,888</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF BERGEN COUNTY
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED MARCH 31, 2015

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (3,510,524)
Items which did not use cash:	
Depreciation	1,381,070
Bad debts	7,878
Changes in operating assets and liabilities:	
Accounts receivable	117,711
Prepaid expenses	48,370
Accounts payable	104,593
Accrued expenses	416,136
Tenant security deposits	8,056
Accrued compensated absences	(18,596)
Unearned revenue	(63,234)
Other liabilities	<u>81,079</u>
Net cash used by operating activities	<u>\$ (1,427,461)</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of Bergen County or ("the Authority") is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J.S.A. 4A: 12A-1, et. Seq., 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 Bergen County, New Jersey ("the County"). The Authority is responsible for operating certain low-rent housing programs in the County under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous but is responsible to HUD 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.

B. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Low Rent Public Housing Program

The public housing program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Housing Assistance Payments Program - Section 8

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Programs (continued)

Community Development Block Grant

The primary objective of the Community Development Block Grants (CDBG)/Entitlement Grants program (large cities and urban counties) is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

Shelter Plus Care

The Authority administers a Shelter Plus Care Program. The purpose of this program is to provide rental assistance for homeless individuals with disabilities who are moving from homelessness to permanent housing. The funding for this program comes from HUD.

Housing Opportunities for Persons with Aids

The Housing Opportunities for Persons with AIDS (HOPWA) program is designed to provide States and localities with resources and incentives to devise long-term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families.

Business Activities

Business activities include operations of Garden House, a two family dwelling located in East Rutherford, New Jersey owned by the Authority and operated as low income housing; funds remaining under the Authority's internal Community Development Fund and Affordable Housing Fund; the HOPWA program administered on behalf of the City of Paterson Department of Human Services; the Health and Human Services Shelter administered on behalf of Bergen County and the Martin Luther King building which includes 4 units of senior citizen housing and a community center for senior citizens.

C. Reporting Entity

In accordance with Statement No. 61 of the Government Accounting Standards Board ("GASB"), the Authority's basic financial statements include those of the Housing Authority of Bergen County and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes all programs and activities operated by the Authority. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria.

D. Basis of Accounting

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The Authority maintains the following type of proprietary fund:

Enterprise Fund – The Authority's operations are presented as a single enterprise fund. The transactions for each of the programs of the Authority are accounted for in separate funds for internal purposes and grant requirements and combined into one enterprise fund on the Statement of Net Position and all inter-company transactions are eliminated.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal on going operations.

The principal operating revenues of the Authority's funds are rent and maintenance charges to residents, operating grants and subsidies from HUD, and administration fees earned.

Operating expenses for proprietary funds include the administrative costs of providing services to residents and the housing assistance payments to residents.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34") as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplemental Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, 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.

In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority incorporates FASB and AICPA guidance into GASB authoritative literature.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net assets (position), with the associated cash and investments also being reported on the Statement of Net Position and HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the FDS as unrestricted.

Both administrative fees and HAP revenue continue to be recognized under the guidelines set forth in GASB Statement No. 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Voucher program is no longer a cost reimbursement grant, therefore the Authority recognizes unspent administrative fees and HAP revenue in the reporting period as revenue for financial statement reporting.

Any investment income earned on these funds is reflected in the net position account on which the investment income was earned. Investment income earned on HAP cash balances is credited to the HAP restricted net position account and investment income earned on administrative fee cash balances is credited to the unrestricted net position account.

HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash, Cash Equivalents and Investments

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.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, when the funds are secured in accordance with the act.

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 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.

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 the time of purchase. Investments are carried at cost plus accrued interest which approximates market value. Income from investments is recognized on the accrual basis.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

F. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed, but not received and for amounts unbilled, but earned as of year-end.

G. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Fixed assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | |
|-------------------------------------|------------|
| • Buildings | 40 Years |
| • Site Improvements | 15 Years |
| • Furniture, Fixtures and Equipment | 5-10 Years |

The Authority has established a capitalization threshold of \$2,500.

I. Compensated Absences

Compensated absences represent amounts to which employees are entitled to based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary. New employees accrue 6 vacation days after satisfactory completion of the new hire period. Such employees will continue to earn one day per month until the completion of 12 full months of employment. From the beginning of the second year of employment, 1 1/4 days are earned per month for a maximum of 15 days per year, and from the beginning of the sixth year of employment, 1 2/3 days per month are earned for a total of 20 days per year. Employees' sick leave accumulates and employees may be compensated for sick leave at retirement at a rate of 50%, but no payment shall exceed \$16,000.

J. Unearned Revenues

The Authority's unearned revenues consists of advanced payments applicable to future periods and the prepayment of tenant rents.

K. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB Statement No. 34, inter-program receivables and payables are eliminated for financial statement purposes, however they are reflected in the accompanying Financial Data Schedule as required by HUD.

HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Taxes

The Authority is a unit of local government under New Jersey law and is exempt from real estate, sales and income taxes.

M. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided, as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues as non-operating.

N. Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses, compensated absences and other liabilities, depreciable lives of properties and equipment and contingencies. Actual results could differ significantly from these estimates.

O. Equity Classifications

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

Pursuant to N.J.S.A. 40A:5A-10 and N.J.A.C. 5:31 the Authority is also required to submit an authority wide budget for each fiscal year to the Director of the Division of Local Government Services 60 days prior to the end of the fiscal year.

NOTE 2. CASH AND CASH EQUIVALENTS

At March 31, 2015, the Authority had funds on deposit in checking and money market accounts.

For the fiscal year ended March 31, 2015, the carrying amount of the Authority's cash (including restricted cash) was \$5,779,888, and the bank balance was \$6,105,305. Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>Amount</u>
Operating	\$ 5,569,315
Restricted cash	34,315
Tenant security deposits	<u>176,258</u>
	<u>\$ 5,779,888</u>

Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$5,855,305 was collateralized with the pledging financial institution for the fiscal year ended March 31, 2015.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of March 31, 2015, the Authority's bank balance was not exposed to custodial credit risk.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 3. ACCOUNTS RECEIVABLE, NET

As of March 31, 2015, accounts receivable consisted of the following:

<u>Category</u>	<u>Amount</u>
Accounts receivable - HUD	\$ 592,472
Accounts receivable - other government	133,976
Accounts receivable - miscellaneous	241,449
Accounts receivable - tenants, net	<u>15,970</u>
	<u>\$ 983,867</u>

A. Accounts receivable - HUD

HUD program receivables represent amounts due to the Authority for operating and capital grants. The Authority considers these amounts fully collectible and accordingly, has made no allowance for doubtful accounts. As of March 31, 2015, Accounts receivable - HUD consisted of the following:

<u>Program</u>	<u>Amount</u>
Low Rent Public Housing Program	\$ 384,989
Public Housing Capital Fund	117,880
Housing Choice Voucher Program	69,760
Shelter Plus Care Program	<u>19,843</u>
	<u>\$ 592,472</u>

B. Accounts receivable - other government

Accounts receivable - other government consist of amounts due from other Public Housing Authorities for portable tenants, as well as from state and local governments for reimbursements of grant expenditures. The Authority considers these amounts fully collectible and accordingly, has made no allowance for doubtful accounts.

C. Accounts receivable - miscellaneous

Accounts receivable - miscellaneous consist primarily of amounts due from managed properties for operating subsidies and for contract fees owed. As of March 31, 2015, these amounts totaled \$241,449. The Authority considers this amount to be fully collectible and accordingly, has made no allowance for doubtful accounts.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)

D. Accounts Receivable - Tenants, net

As of March 31, 2015 tenant receivables consist of rental money due to the Authority for providing housing, and are shown net of an allowance for doubtful accounts of \$1,796.

NOTE 4. RESTRICTED CASH

As of March 31, 2015, restricted cash consists of Family Self Sufficiency ("FSS") program escrows which are restricted for use in the Housing Choice Voucher program by FSS program participants.

NOTE 5. CAPITAL ASSETS, NET

A summary of the changes in capital assets during the year ended March 31, 2015 were as follows:

Description	March 31, 2014	Additions	Dispositions and Impairments	Transfers	March 31, 2015
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,060,630	\$ -	\$ -	\$ -	\$ 1,060,630
Construction in progress	<u>1,427,774</u>	<u>401,585</u>	<u>-</u>	<u>-</u>	<u>1,829,359</u>
Total	<u>2,488,404</u>	<u>401,585</u>	<u>-</u>	<u>-</u>	<u>2,889,989</u>
<u>Depreciable capital assets:</u>					
Buildings	36,325,560	13,512	-	-	36,339,072
Furniture and equipment	<u>2,418,187</u>	<u>115,473</u>	<u>(20,354)</u>	<u>-</u>	<u>2,513,306</u>
Total	<u>38,743,747</u>	<u>128,985</u>	<u>(20,354)</u>	<u>-</u>	<u>38,852,378</u>
Less: accumulated depreciation	<u>(25,701,282)</u>	<u>(1,381,070)</u>	<u>20,354</u>	<u>-</u>	<u>(27,061,998)</u>
Net capital assets	<u>\$ 15,530,869</u>	<u>\$ (850,500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,680,369</u>

Depreciation expense for the year ended March 31, 2015 totaled \$1,381,070.

NOTE 6. ACCRUED COMPENSATED ABSENCES

The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued at the Statement of Net Position date for which payment is probable. As of March 31, 2015, the Authority had accrued \$426,090, of which \$29,826 is estimated to be currently due.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 6. ACCRUED COMPENSATED ABSENCES (continued)

As of March 31, 2015, accrued compensated absences activity consisted of the following:

Description	March 31, 2014	Additions	Payments	March 31, 2015	Amounts due within one Year
Compensated absences	\$ <u>444,686</u>	\$ <u>33,613</u>	\$ <u>(52,209)</u>	\$ <u>426,090</u>	\$ <u>29,826</u>

NOTE 7. PENSION PLAN

A. Description of Plans

All required employees of the Authority are covered by the Public Employees' Retirement System which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

B. Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. Medical benefits are now provided by the State Health Benefits Program.

C. Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. Members are always fully vested for their own contributions and, after three years of service credit, become vested for related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 7. PENSION PLAN (continued)

D. Contribution Requirements – PERS

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for the PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
March 31, 2013	\$ <u>368,326</u>	\$ <u>100</u>	\$ <u>-</u>
March 31, 2014	\$ <u>372,445</u>	<u>100</u>	\$ <u>-</u>
March 31, 2015	\$ <u>457,132</u>	<u>100</u>	\$ <u>-</u>

NOTE 8. COMMITMENTS

The Authority leases its facilities under a five year operating lease agreement with the County of Bergen. Under that agreement the Authority must prepay the following years rent in December of the preceding year. The lease commenced on March 1, 2013 and yearly rent is \$186,000 in each year of the five year agreement. The lease has an option for a five year renewal with a cost of living increase.

NOTE 9. ECONOMIC DEPENDENCY

The Section 8 and the Low Rent Public Housing programs are economically dependent on annual grants from HUD.

HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 10. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of March 31, 2015, the Authority estimates that no material liabilities will result from such audits other than what has been disclosed herein.

NOTE 11. RISK MANAGEMENT

The Authority is exposed to various risks related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. Significant losses are covered by commercial insurance for all major programs, there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 12. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through October 19, 2015 (the date the financial statements were available to be issued) 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.



**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 Commissioners
Housing Authority of Bergen County:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of Bergen County ("the Authority") as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of Bergen County's basic financial statements, and have issued our report thereon dated October 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of Bergen County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Bergen County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Bergen County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 (continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Bergen County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Fallon & Larsen LLP

October 19, 2015
Toms River, New Jersey



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY OMB CIRCULAR 04-04**

To the Board of Commissioners
Housing Authority of Bergen County:

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of Bergen County's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the State of New Jersey OMB Circular 04-04 that could have a direct and material effect on each of the Housing Authority of Bergen County's major federal programs for the year ended March 31, 2015. The Housing Authority of Bergen County's 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of Bergen County's 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State of New Jersey OMB Circular 04-04. Those standards, OMB Circular A-133 and New Jersey Circular 04-04 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 the Housing Authority of Bergen County's compliance with those requirements and performing such other procedures as we considered 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 the Housing Authority of Bergen County's compliance.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (continued)**

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of Bergen County 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 programs for the year ended March 31, 2015.

Report on Internal Control Over Compliance

Management of the Housing Authority of Bergen County 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 the Housing Authority of Bergen County'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 OMB Circular A-133, 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 the Housing Authority of Bergen County's 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

October 19, 2015
Toms River, New Jersey

Fallon & Larsen LLP

**HOUSING AUTHORITY OF BERGEN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2015**

Federal Grantor/Program Title	Federal CFDA Number	State Pass-through Number	Grant Period From / To		Grant Award	Fiscal Year Cash Receipts	Fiscal Year Expenditures	Cumulative Expenditures
U.S. Department of Housing and Urban Development								
Low Rent Public Housing:								
NJ067-00000114D	14.850	N/A	1/1/14	12/31/14	\$ 438,488	\$ 328,218	\$ 328,218	\$ 438,488
NJ067-00000115D	14.850	N/A	1/1/15	13/31/15	298,598	111,187	111,187	111,187
NJ067-00000214D	14.850	N/A	1/1/14	13/31/14	334,323	250,248	250,248	334,323
NJ067-00000215D	14.850	N/A	1/1/15	13/31/15	219,159	81,524	81,524	81,524
NJ067-00000314D	14.850	N/A	1/1/14	13/31/14	235,893	176,571	176,571	235,893
NJ067-00000315D	14.850	N/A	1/1/15	13/31/15	172,895	63,040	63,040	63,040
NJ067-00000414D	14.850	N/A	1/1/14	13/31/14	225,991	169,159	169,159	225,991
NJ067-00000415D	14.850	N/A	1/1/15	13/31/15	166,688	60,302	60,302	60,302
NJ067-00000514D	14.850	N/A	1/1/14	13/31/14	422,160	315,996	315,996	422,160
NJ067-00000515D	14.850	N/A	1/1/15	13/31/15	<u>187,636</u>	<u>68,936</u>	<u>68,936</u>	<u>69,936</u>
Grant subtotal					<u>2,701,831</u>	<u>1,625,181</u>	<u>1,625,181</u>	<u>2,042,844</u>
Section 8 Housing Choice Voucher Program:								
NJ067-2FPH-2014	14.871	N/A	4/1/14	3/31/15	<u>36,664,199</u>	<u>36,664,199</u>	<u>39,248,251</u>	<u>39,248,251</u>
Public Housing Capital Fund Program:								
NJ39P067501-11	14.872	N/A	11/16/11	11/15/15	607,330	19,133	-	607,330
NJ39P067501-12	14.872	N/A	3/12/12	3/11/16	558,380	193,485	78,935	558,380
NJ39P067501-13	14.872	N/A	9/9/13	9/8/17	<u>498,911</u>	<u>93,383</u>	<u>126,014</u>	<u>126,014</u>
Grant subtotal					<u>1,664,621</u>	<u>306,001</u>	<u>204,949</u>	<u>1,291,724</u>
Shelter Plus Care Program:								
NJ0006C2F010800	14.238	N/A	1/21/10	1/20/20	534,720	62,266	62,266	62,266
NJ0007C2F010800	14.238	N/A	5/10/10	5/9/20	267,360	45,557	45,557	216,931
NJ0213C2F010900	14.238	N/A	3/3/11	3/2/21	2,072,460	281,060	281,060	457,756
NJ0214C2F010900	14.238	N/A	3/3/11	3/2/21	590,400	88,326	88,326	232,044
NJ0276C2F011000	14.238	N/A	3/27/12	3/26/22	2,150,940	112,677	112,677	105,849
NJ0277C2F011000	14.238	N/A	3/29/12	3/28/22	588,060	88,808	88,808	88,808
NJ0192L2F011204	14.238	N/A	4/1/14	3/31/24	104,570	44,859	44,859	44,859
NJ0192L2F011305	14.238	N/A	9/1/14	8/31/25	101,126	29,395	29,395	29,359
NJ0378L2F011201	14.238	N/A	9/1/13	8/31/23	80,523	32,857	32,857	80,523
NJ0378L2F011302	14.238	N/A	11/1/14	10/31/24	105,597	30,730	30,730	23,623
NJ0379L2F011201	14.238	N/A	9/1/13	8/31/23	274,455	137,943	137,943	274,455
NJ0379L2F011302	14.238	N/A	10/1/14	9/30/24	<u>314,208</u>	<u>118,711</u>	<u>118,711</u>	<u>118,711</u>
Grant subtotal					<u>7,184,419</u>	<u>1,073,189</u>	<u>1,073,189</u>	<u>1,735,184</u>
Community Development Block Grant:	14.218	N/A	3/31/13	3/31/16	<u>209,820</u>	<u>196,636</u>	<u>196,636</u>	<u>196,636</u>
Housing Opportunities for Persons with AIDS	14.241	N/A	4/1/14	3/31/15	<u>343,134</u>	<u>343,134</u>	<u>343,134</u>	<u>343,134</u>
					<u>\$ 48,768,024</u>	<u>\$ 40,208,340</u>	<u>\$ 42,691,340</u>	<u>\$ 44,857,773</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of Bergen County under programs of the federal government for the year ended March 31, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Housing Authority of Bergen County, it is not intended to and does not present the financial position, changes in net position or cash flows of the Housing Authority of Bergen County.

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 principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribes, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3. SUBRECIPIENTS

The Authority did not pass through any federal awards to subrecipients

NOTE 4. NON-CASH FEDERAL ASSISTANCE

The Authority did not receive any non-cash Federal assistance for the year ended March 31, 2015.

HOUSING AUTHORITY OF BERGEN COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 5. SCHEDULE OF CAPITAL FUND COSTS AND ADVANCES

The total amount of Capital Fund Program Costs and Advances incurred and earned by the Housing Authority of Bergen County as of and for the year ended March 31, 2015 are provided herein.

	<u>501-11</u>	<u>501-12</u>	<u>501-13</u>	<u>Totals</u>
Budget	\$ <u>607,330</u>	\$ <u>558,380</u>	\$ <u>498,911</u>	\$ <u>1,664,621</u>
<u>Advances:</u>				
Cumulative through 3/31/14	\$ 588,197	\$ 279,646	\$ -	\$ 867,843
Current Year	<u>19,133</u>	<u>193,485</u>	<u>93,383</u>	<u>306,001</u>
Cumulative through 3/31/15	<u>607,330</u>	<u>473,131</u>	<u>93,383</u>	<u>1,173,844</u>
<u>Costs:</u>				
Cumulative through 3/31/14	607,330	479,445	-	1,086,775
Current Year	<u>-</u>	<u>78,935</u>	<u>126,014</u>	<u>204,949</u>
Cumulative through 3/31/15	<u>607,330</u>	<u>558,380</u>	<u>126,014</u>	<u>1,291,724</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>(85,249)</u>	\$ <u>(32,631)</u>	\$ <u>(117,880)</u>

**HOUSING AUTHORITY OF BERGEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2015**

I. Summary of Auditor's Results

Financial Statement Section

- | | | |
|----|---------------------------------------------------------------------------------------|------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material Weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------------|-------------|
| 1. | Dollar threshold used to distinguish between type A and type B programs: | \$1,280,740 |
| 2. | Auditee qualified as low-risk Auditee? | Yes |
| 3. | Type of auditor's report on compliance for major programs: | Unmodified |
| 4. | Internal Control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| | c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) ? | No |
| 5. | Identification of major programs: | |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.870	Housing Choice Voucher Program
14.243	Youthbuild
93.778	Medicaid

**HOUSING AUTHORITY OF BERGEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2015**

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

IV. Schedule of Prior Year Federal Audit Findings

None.

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #		Account Description	PROJECTS	HOUSING CHOICE VOUCHERS	SHELTER PLUS CARE	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS
ASSETS:						
CURRENT ASSETS:						
Cash:						
111		Cash - unrestricted	\$ 880,093	\$ 1,308,601	\$ 177,497	\$ -
112		Cash - restricted - modernization and development	-	-	-	-
113		Cash - other restricted	-	34,315	-	-
114		Cash - tenant security deposits	170,496	-	-	-
115		Cash - restricted for payment of current liabilities	-	-	-	-
100		Total cash	1,050,589	1,342,916	177,497	-
Accounts and notes receivables:						
121		Accounts receivable - PHA projects	-	-	-	-
122		Accounts receivable - HUD other projects	502,869	69,760	19,843	-
124		Accounts receivable - other government	-	-	-	66,982
125		Accounts receivable - miscellaneous	3	12,447	-	-
126		Accounts receivable- tenants	12,434	-	234	-
126.1		Allowance for doubtful accounts - tenants	(1,796)	-	-	-
126.2		Allowance for doubtful accounts - other	-	-	-	-
127		Notes and mortgages receivable- current	1,972	-	-	-
128		Fraud recovery	-	-	-	-
128.1		Allowance for doubtful accounts - fraud	-	-	-	-
129		Accrued interest receivable	-	-	-	-
120		Total receivables, net of allowances for doubtful accounts	515,482	82,207	20,077	66,982
Current investments						
131		Investments - unrestricted	-	-	-	-
132		Investments - restricted	-	-	-	-
135		Investments - restricted for payment of current liability	-	-	-	-
142		Prepaid expenses and other assets	61,783	149,917	-	-
143		Inventories	-	-	-	-
143.1		Allowance for obsolete inventories	-	-	-	-
144		Interprogram - due from	66,982	-	145,293	-
145		Assets held for sale	-	-	-	-
150		TOTAL CURRENT ASSETS	1,694,836	1,575,040	342,867	66,982
NONCURRENT ASSETS:						
Fixed assets:						
161		Land	970,630	-	-	-
162		Buildings	33,747,998	-	-	-
163		Furniture, equipment & machinery - dwellings	2,150,692	-	-	-
164		Furniture, equipment & machinery - administration	-	118,537	-	-
165		Leasehold improvements	-	-	-	-
166		Accumulated depreciation	(26,574,158)	(90,529)	-	-
167		Construction in Progress	1,829,359	-	-	-
168		Infrastructure	-	-	-	-
160		Total fixed assets, net of accumulated depreciation	12,124,521	28,008	-	-
Other non-current assets:						
171		Notes and mortgages receivable - non-current	-	-	-	-
172		Notes and mortgages receivable-non-current - past due	-	-	-	-
174		Other assets	-	-	-	-
175		Undistributed debits	-	-	-	-
176		Investment in joint ventures	-	-	-	-
180		TOTAL NONCURRENT ASSETS	12,124,521	28,008	-	-
190		TOTAL ASSETS	\$ 13,819,357	\$ 1,603,048	\$ 342,867	\$ 66,982

Housing Authority of Bergen County								
NJ067								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #			Account Description	PROJECTS	HOUSING CHOICE VOUCHERS	SHELTER PLUS CARE	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	
LIABILITIES AND EQUITY:								
Liabilities:								
Current Liabilities:								
311			Bank overdraft	\$ -	\$ -		\$ -	
312			Accounts payable ≤ 90 days	14,997	88,376	66,448	-	
313			Accounts payable > 90 days past due	-	-		-	
321			Accrued wage/payroll taxes payable	18,284	26,948	658	-	
322			Accrued compensated absences - current portion	7,014	7,430	-	-	
324			Accrued contingency liability	-	-		-	
325			Accrued interest payable	-	-		-	
331			Accounts payable - HUD PHA programs	-	7,438		-	
332			Accounts payable - PHA projects	-	-		-	
333			Accounts payable - other government	101,362	-		-	
341			Tenant security deposits	170,496	-		-	
342			Unearned revenue	3,349	-		-	
343			Current portion of L-T debt - capital projects	-	-		-	
344			Current portion of L-T debt - operating borrowings	-	-		-	
345			Other current liabilities	7,871	-		-	
346			Accrued liabilities - other	61,317	34,315	-	-	
347			Interprogram - due to	12,669	-	256,424	66,982	
310			TOTAL CURRENT LIABILITIES	397,359	164,507	323,530	66,982	
NONCURRENT LIABILITIES:								
351			Long-term debt, net of current - capital projects	-	-	-	-	
352			Long-term debt, net of current - operating borrowings	-	-	-	-	
353			Non-current liabilities- other	-	-	-	-	
354			Accrued compensated absences - noncurrent	93,194	98,708	-	-	
355			Loan Liability - Non Current	-	-	-	-	
356			FASB 5 Liabilities	-	-	-	-	
357			Accrued pension and OPEB liabilities	-	-	-	-	
350			TOTAL NONCURRENT LIABILITIES	93,194	98,708	-	-	
300			TOTAL LIABILITIES	490,553	263,215	323,530	66,982	
EQUITY:								
508.1			Invested in Capital Assets, Net of Related Debt	12,124,521	28,008	-	-	
511.1			Restricted Net Assets		-		-	
512.1			Unrestricted Net Assets	1,204,283	1,311,825	19,337	-	
513			TOTAL EQUITY	13,328,804	1,339,833	19,337	-	
600			TOTAL LIABILITIES AND EQUITY	\$ 13,819,357	\$ 1,603,048	\$ 342,867	\$ 66,982	
			Proof of concept	-	-	-	-	

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	BUSINESS ACTIVITES	CENTRAL OFFICE COST CENTER	ELIM	TOTAL
ASSETS:						
CURRENT ASSETS:						
Cash:						
111	Cash - unrestricted	\$ 118,657	\$ 580,311	\$ 2,504,156	\$ -	\$ 5,569,315
112	Cash - restricted - modernization and development	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	34,315
114	Cash - tenant security deposits	-	5,762	-	-	176,258
115	Cash - restricted for payment of current liabilities	-	-	-	-	-
100	Total cash	118,657	586,073	2,504,156	-	5,779,888
Accounts and notes receivables:						
121	Accounts receivable - PHA projects	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	592,472
124	Accounts receivable - other government	-	66,994	-	-	133,976
125	Accounts receivable - miscellaneous	-	22,929	204,098	-	239,477
126	Accounts receivable- tenants	-	5,098	-	-	17,766
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	(1,796)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	1,972
128	Fraud recovery	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	-	95,021	204,098	-	983,867
Current investments						
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-
142	Prepaid expenses and other assets	709	7,860	63,277	-	283,546
143	Inventories	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-
144	Interprogram - due from	-	-	124,803	(337,078)	-
145	Assets held for sale	-	-	-	-	-
150	TOTAL CURRENT ASSETS	119,366	688,954	2,896,334	(337,078)	7,047,301
NONCURRENT ASSETS:						
Fixed assets:						
161	Land	-	90,000	-	-	1,060,630
162	Buildings	-	2,591,074	-	-	36,339,072
163	Furniture, equipment & machinery - dwellings	-	-	-	-	2,150,692
164	Furniture, equipment & machinery - administration	-	-	244,077	-	362,614
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	-	(252,251)	(145,060)	-	(27,061,998)
167	Construction in Progress	-	-	-	-	1,829,359
168	Infrastructure	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	2,428,823	99,017	-	14,680,369
Other non-current assets:						
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
174	Other assets	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	2,428,823	99,017	-	14,680,369
190	TOTAL ASSETS	\$ 119,366	\$ 3,117,777	\$ 2,995,351	\$ (337,078)	\$ 21,727,670

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	BUSINESS ACTIVITES	CENTRAL OFFICE COST CENTER	ELIM	TOTAL
LIABILITIES AND EQUITY:						
Liabilities:						
Current Liabilities:						
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	2,001	36,429	1,654	-	209,905
313	Accounts payable > 90 days past due	-	-	-	-	-
321	Accrued wage/payroll taxes payable	248	11,244	447,027	-	504,409
322	Accrued compensated absences - current portion	-	-	15,382	-	29,826
324	Accrued contingency liability	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	7,438
332	Accounts payable - PHA projects	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	101,362
341	Tenant security deposits	-	5,762	-	-	176,258
342	Unearned revenue	-	83,181	-	-	86,530
343	Current portion of L-T debt - capital projects	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	-	458,337	-	466,208
346	Accrued liabilities - other	27,511	5,267	1,810	-	130,220
347	Interprogram - due to	-	1,003	-	(337,078)	-
310	TOTAL CURRENT LIABILITIES	29,760	142,886	924,210	(337,078)	1,712,156
NONCURRENT LIABILITIES:						
351	Long-term debt, net of current - capital projects	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
354	Accrued compensated absences - noncurrent	-	-	204,362	-	396,264
355	Loan Liability - Non Current	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	-	-	204,362	-	396,264
300	TOTAL LIABILITIES	29,760	142,886	1,128,572	(337,078)	2,108,420
EQUITY:						
508.1	Invested in Capital Assets, Net of Related Debt	-	2,428,823	99,017	-	14,680,369
511.1	Restricted Net Assets	-	-	-	-	-
512.1	Unrestricted Net Assets	89,606	546,068	1,767,762	-	4,938,881
513	TOTAL EQUITY	89,606	2,974,891	1,866,779	-	19,619,250
600	TOTAL LIABILITIES AND EQUITY	\$ 119,366	\$ 3,117,777	\$ 2,995,351	\$ (337,078)	\$ 21,727,670
Proof of concept						
		-	-	-	-	-

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	SHELTER PLUS CARE	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS
REVENUE:						
70300	Net tenant rental revenue	\$ 1,651,705	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	-	-
70500	Total tenant revenue	1,651,705	-	-	-	-
70600	HUD PHA grants	1,625,181	-	36,664,199	1,041,210	-
70610	Capital grants	-	204,949	-	-	196,636
70710	Management fee	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-
70750	Other fees	-	-	-	-	-
70800	Other government grants	-	-	-	-	-
71100	Investment income - unrestricted	6,002	-	7,826	450	-
71200	Mortgage interest income	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-
71400	Fraud recovery	-	-	15,898	-	-
71500	Other revenue	59,484	-	58,913	-	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	TOTAL REVENUE	3,342,372	204,949	36,746,836	1,041,660	196,636
EXPENSES:						
Administrative						
91100	Administrative salaries	291,630	-	962,001	28,459	-
91200	Auditing fees	3,130	-	11,925	-	-
91300	Outside management fees	402,581	-	622,580	2,973	-
91310	Book-keeping fee	44,857	-	304,410	-	-
91400	Advertising and marketing	-	-	559	-	-
91500	Employee benefit contributions- administrative	159,562	-	571,683	22,496	-
91600	Office expenses	67,875	-	268,382	1,410	-
91700	Legal expenses	231	-	44,844	-	-
91800	Travel	5,203	-	10,639	-	-
91810	Allocated overhead	-	-	-	-	-
91900	Other	1,000	-	51,195	-	-
92000	Asset Management Fee	60,360	-	-	-	-
Tenant services						
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-
92400	Tenant services - other	4,263	-	-	-	-

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	SHELTER PLUS CARE	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS
	Utilities					
93100	Water	209,900		-		-
93200	Electricity	347,945		-		-
93300	Gas	88,496		-		-
93400	Fuel					-
93500	Labor					-
93600	Sewer	-				-
93700	Employee benefit contributions- utilities					-
93800	Other utilities expense	-				-
	Ordinary maintenance & operation					
94100	Ordinary maintenance and operations - labor	350,028				-
94200	Ordinary maintenance and operations - materials & other	150,590		-		-
94300	Ordinary maintenance and operations - contract costs	547,390				-
94500	Employee benefit contributions- ordinary maintenance	251,246				-
	Protective services					
95100	Protective services - labor	1,769				-
95200	Protective services- other contract costs	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-
	General expenses					
96110	Property Insurance	68,088				
96120	Liability Insurance			7,193		-
96130	Workmen's compensation	12,529		14,911	-	-
96140	All other insurance					
96200	Other general expenses	11,157		84,611		
96210	Compensated absences	20,473		13,140	-	-
96300	Payments in lieu of taxes	101,362				-
96400	Bad debt - tenant rents	7,708				
96500	Bad debt- mortgages					
96600	Bad debt - other					
96700	Interest expense					
96710	Interest of mortgage (or bonds) payable					-
96720	Interest on notes payable (short and long term)					
96800	Severance expense	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	3,209,373	-	2,968,073	55,338	-
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	132,999	204,949	33,778,763	986,322	196,636
97100	Extraordinary maintenance	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	36,228,263	992,907	-
97350	HAP Portability - in	-	-	55,866	-	-
97400	Depreciation expense	1,283,346	-	7,479	-	-
97500	Fraud losses	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-
90000	TOTAL EXPENSES	4,492,719	-	39,259,681	1,048,245	-

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	SHELTER PLUS CARE	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,150,347)	204,949	(2,512,845)	(6,585)	196,636
MEMO ACCOUNT INFORMATION:						
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning equity	14,077,566	-	3,852,678	25,922	-
11040	Prior period adjustments and equity transfers	196,636	-	-	-	(196,636)
11170	Administrative fee equity	-	-	1,339,833	-	-
11180	Housing assistance payments equity	-	-	-	-	-
		-	-	1,339,833	-	-
11190	Unit months available	5,988	-	43,032	1,380	-
11210	Number of unit months leased	5,933	-	40,588	881	-
Equity Roll Forward Test:						
	Calculation from R/E Statement	\$ 13,328,804	\$ -	\$ 1,339,833	\$ 19,337	\$ -
	B/S Line 513	\$ 13,328,804		\$ 1,339,833	\$ 19,337	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	BUSINESS ACTIVITES	CENTRAL OFFICE COST CENTER	ELIM	TOTAL
REVENUE:						
70300	Net tenant rental revenue	\$ -	\$ 19,767	\$ -	\$ -	\$ 1,671,472
70400	Tenant revenue - other	-	4,789	-	-	4,789
70500	Total tenant revenue	-	24,556	-	-	1,676,261
70600	HUD PHA grants	343,134	-	-	-	39,673,724
70610	Capital grants	-	-	-	-	401,585
70710	Management fee	-	-	1,032,993	(1,032,993)	-
70720	Asset management fee	-	-	60,360	(60,360)	-
70730	Book keeping fee	-	-	349,807	(349,807)	-
70740	Front line service fee	-	-	72,670	(72,670)	-
70750	Other fees	-	-	-	-	-
70800	Other government grants	-	762,778	-	-	762,778
71100	Investment income - unrestricted	448	2,130	5,765	-	22,621
71200	Mortgage interest income	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	15,898
71500	Other revenue	-	345,778	547,759	-	1,011,934
71600	Gain or loss on sale of fixed assets	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	TOTAL REVENUE	343,582	1,135,242	2,069,354	(1,515,830)	43,564,801
EXPENSES:						
Administrative						
91100	Administrative salaries	9,207	372,077	857,140	-	2,520,514
91200	Auditing fees	-	60	477	-	15,592
91300	Outside management fees	-	4,859	-	(1,032,993)	-
91310	Book-keeping fee	-	540	-	(349,807)	-
91400	Advertising and marketing	-	-	-	-	559
91500	Employee benefit contributions- administrative	8,522	152,190	469,423	-	1,383,876
91600	Office expenses	604	38,917	175,070	-	552,258
91700	Legal expenses	-	-	8,124	-	53,199
91800	Travel	-	5,324	3,573	-	24,739
91810	Allocated overhead	-	-	-	-	-
91900	Other	320,679	61,933	25	-	434,832
92000	Asset Management Fee	-	-	-	(60,360)	-
Tenant services						
92100	Tenant services - salaries	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	4,263

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	BUSINESS ACTIVITES	CENTRAL OFFICE COST CENTER	ELIM	TOTAL
	Utilities					
93100	Water	-	4,163	-	-	214,063
93200	Electricity	-	7,732	-	-	355,677
93300	Gas	-	4,502	-	-	92,998
93400	Fuel	-	-	-	-	-
93500	Labor	-	-	-	-	-
93600	Sewer	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-
	Ordinary maintenance & operation					
94100	Ordinary maintenance and operations - labor	-	2,071	162,278	-	514,377
94200	Ordinary maintenance and operations - materials & other	-	34,435	4,822	-	189,847
94300	Ordinary maintenance and operations - contract costs	-	342,956	8,409	(72,670)	826,085
94500	Employee benefit contributions- ordinary maintenance	-	1,453	51,379	-	304,078
	Protective services					
95100	Protective services - labor	-	-	-	-	1,769
95200	Protective services- other contract costs	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-
	General expenses					
96110	Property Insurance	-	17,261	-	-	85,349
96120	Liability Insurance	145	-	8,811	-	16,149
96130	Workmen's compensation	320	7,619	19,219	-	54,598
96140	All other insurance	-	-	-	-	-
96200	Other general expenses	-	62,249	-	-	158,017
96210	Compensated absences	-	-	43,900	-	77,513
96300	Payments in lieu of taxes	-	3,421	-	-	104,783
96400	Bad debt - tenant rents	-	170	-	-	7,878
96500	Bad debt- mortgages	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-
96700	Interest expense	-	-	-	-	-
96710	Interest of mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96800	Severance expense	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	339,477	1,123,932	1,812,650	(1,515,830)	7,993,013
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	4,105	11,310	256,704	-	35,571,788
97100	Extraordinary maintenance	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	37,221,170
97350	HAP Portability - in	-	-	-	-	55,866
97400	Depreciation expense	-	64,548	25,697	-	1,381,070
97500	Fraud losses	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-
90000	TOTAL EXPENSES	339,477	1,188,480	1,838,347	(1,515,830)	46,651,119

Housing Authority of Bergen County						
NJ067						
Financial Data Schedule (FDS)						
March 31, 2015						
Line Item #	Account Description	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	BUSINESS ACTIVITES	CENTRAL OFFICE COST CENTER	ELIM	TOTAL
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-
10030	Operating transfers from/to primary government			-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-
10094	Transfers between program and project out	-	-		-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	4,105	(53,238)	231,007	-	(3,086,318)
MEMO ACCOUNT INFORMATION:						
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning equity	85,501	3,028,129	1,635,772	-	22,705,568
11040	Prior period adjustments and equity transfers	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	1,339,833
11180	Housing assistance payments equity	-	-	-	-	-
		-	-	-	-	1,339,833
11190	Unit months available	-	-	-	-	50,400
11210	Number of unit months leased	-	-	-	-	47,402
Equity Roll Forward Test:						
	Calculation from R/E Statement	\$ 89,606	\$ 2,974,891	\$ 1,866,779	\$ -	\$ 19,619,250
	B/S Line 513	\$ 89,606	\$ 2,974,891	\$ 1,866,779	\$ -	\$ 19,619,250
		\$ -	\$ -	\$ -	\$ -	\$ -