

HOUSING AUTHORITY OF THE CITY OF VINELAND

REPORT OF AUDIT

FOR THE YEARS ENDED

SEPTEMBER 30, 2009 AND 2008



VINELAND HOUSING AUTHORITYTable of ContentsSeptember 30, 2009 and 2008

	Page Number
<u>PART I - FINANCIAL SECTION</u>	
Independent Auditors' Report	2
Independent Auditors' Report on Internal Control Over Financial Reporting and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4
Management's Discussion and Analysis	6
Basic Financial Statements	
Statements of Net Assets	12
Statements of Revenue, Expenses, and Changes in Net Assets	13
Statements of Cash Flows	14
Notes to Financial Statements	15
Supplementary Information	
Financial Data Schedule	33
Statement and Certification of Actual Capital Fund Program Costs	41
<u>PART II - SINGLE AUDIT SECTION</u>	
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	43
Schedule of Expenditures of Federal Awards	45
Notes to Schedule of Expenditures of Federal Awards	46
<u>PART III – SCHEDULE OF FINDINGS & QUESTIONED COSTS</u>	
Schedule of Findings and Questioned Costs	47
APPRECIATION	51

HOUSING AUTHORITY OF THE CITY OF VINELAND

PART I - FINANCIAL SECTION

FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008

INDEPENDENT AUDITORS' REPORT

Board of Commissioners

Housing Authority of the City of Vineland

We have audited the accompanying statement of net assets of the Housing Authority of the City of Vineland (the "Authority"), and its blended component unit, Vineland Housing Development Corporation as of September 30, 2009, and the related statement of revenue, expenses, and changes in net assets, and cash flows, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Housing Authority of the City of Vineland as of September 30, 2008, were audited by other auditors whose report dated September 14, 2009, expressed an unqualified opinion on those statements.

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 in compliance with audit requirements as prescribed by the Local Finance Board, 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 of material misstatement. The financial statements of Vineland Housing Development Corporation were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2009, and the respective changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 29, 2010 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

37900

The accompanying management's discussion and analysis, as referenced in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying Financial Data Schedule and other supplementary information were prepared for the purpose of additional analysis and are not a required part of the financial statements but are required by the U.S. Department of Housing and Urban Development. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bowman & Company LLP
BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
July 29, 2010

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

Board of Commissioners

Housing Authority of the City of Vineland

We have audited the financial statements of Housing Authority of the City of Vineland, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated July 29, 2010. We conducted our audit 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 in compliance with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. The component unit, Vineland Housing Development Corporation, issues its own audited financial statements which are not audited in accordance with Government Auditing Standards. Accordingly, this report does not extend to the blended component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's control over financial reporting.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We consider the deficiency noted at Finding No. 2009-1 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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

37900

instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey.

We also noted certain matters that we reported to management of Housing Authority of the City of Vineland in a separate letter dated July 29, 2010.

This report is intended solely for the information and use of the audit committee and management of the Housing Authority of the City of Vineland, New Jersey; the U.S. Department of Housing and Urban Development; the Local Finance Board, Department of Community Affairs, State of New Jersey, and other government agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Bowman & Company LLP
BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
July 29, 2010

Housing Authority of the City of Vineland

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

September 30, 2009

As management of the Vineland Housing Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activity of the Authority for the year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities as of September 30, 2009 by \$23,499,599 (net assets).
- The Authority had intergovernmental revenues of \$4,674,078 in operating grants and \$1,207,618 of capital grants for the year ended September 30, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Balance sheet - reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- State of Revenue, Expenses and Changes in Net Assets - reports the Authority's operating and nonoperating revenue, by major sources, along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows - reports the Authority's net cash from operating, investing, and capital and related financial activities.

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE)

Current assets decreased by \$792,646 primarily due to increased maintenance expense to improve properties for marketability purposes, increase in employee health benefits and investment income reduced earnings.

Restricted assets decreased from the prior year in the amount of \$140,624 primarily due to fss security deposits closed and section 8 hap expense increases.

Property and Equipment increased by \$302,394 due to capital improvements and equipment purchases of \$1,814,050 and was offset by depreciation of \$1,507,449.

Current liabilities increased by \$174,460 due to an increase in accounts payable of \$101,598, an increase in accrued expenses and other liabilities of \$128,356 and a decrease in FSS security deposits of \$55,492.

Noncurrent liabilities increase by \$170,419 due to the accrual for post retirement benefits of \$366,355 which was offset by a bond payment of \$170,000, the decrease in long-term accrued compensated absences of \$15,936.

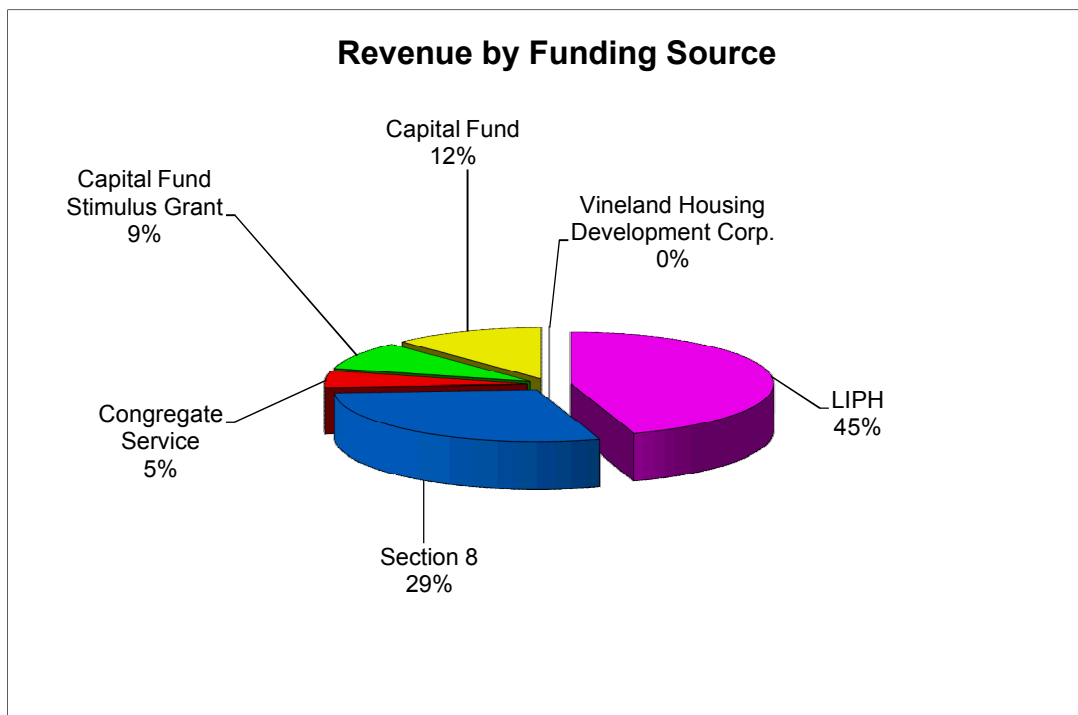
Housing Authority of the City of Vineland

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

September 30, 2009

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current Assets	6,621,364	7,414,010	3,386,854
Restricted Assets	654,815	795,439	4,686,872
Property and equipment, net	21,834,762	21,532,368	22,231,695
TOTAL ASSETS	29,110,941	29,741,817	30,305,421
Current Liabilities	1,136,219	961,759	750,808
Noncurrent Liabilities	4,475,123	4,304,704	4,614,663
TOTAL LIABILITIES	5,611,342	5,266,463	5,365,471
Invested in Capital Assets, Net of Debt	17,669,762	17,197,368	17,726,695
Restricted Net Assets	485,560	583,296	4,539,530
Unrestricted Net Assets	5,344,277	6,694,690	2,673,725
TOTAL NET ASSETS	23,499,599	24,475,354	24,939,950

Comparatively, FYE 2009 revenue exceeded FYE 2008 revenue by \$539,392 or 6.64 percent. HUD capital grant revenue increased from \$416,016 in 2008 to \$1,207,618 in 2009, resulting in a 190.28% increase. The revenue for the specific programs is as follows:



Housing Authority of the City of Vineland

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

September 30, 2009

The following table summarizes the changes in operating income between FYE 2009 and 2008 for the Authority as a whole:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
REVENUES:			
Federal grant awards	5,881,698	5,151,877	4,280,986
State and local grant awards	87,307	108,502	122,180
Tenant charges	2,209,881	2,171,614	2,125,726
Management contract fees	197,114	180,286	-
Investment income	79,806	281,296	439,654
Other income	203,295	226,134	127,848
TOTAL REVENUES	8,659,101	8,119,709	7,096,394
EXPENSES:			
Administrative	2,182,187	1,692,547	1,339,226
Tenant services	245,857	266,861	309,847
Utilities	1,192,755	1,180,083	1,180,486
Housing assistance payments	2,365,818	2,219,941	2,073,486
Ordinary maintenance and operation	1,525,635	1,058,463	1,018,393
Protective services	66,992	66,378	70,652
General expenses	170,163	124,156	117,525
Depreciation expense	1,507,449	1,580,544	1,367,113
Insurance	196,256	208,781	206,936
Interest	181,744	186,551	190,919
TOTAL EXPENSES	9,634,856	8,584,305	7,874,583
EXCESS OF REVENUES OVER EXPENSES	(975,755)	(464,596)	(778,189)

The capital grants increased from the prior year in the amount of \$859,467, due primarily to the Capital Fund Stimulus Grant of \$794,448 which was utilized to renovation bathrooms at Tarkiln Acres.

Other Government Grants decrease by \$21,195 due to the reclassification of income into other revenue.

Tenant revenue increased from the prior year in the amount of \$38,267 as a result of an increase in tenant earned income which is utilized to calculate the tenant's rent.

Investment income decreased from the prior year in the amount of \$201,490, due primarily to a less favorable interest rate than in the past.

Other Revenues decreased in the amount of \$22,839 due to the reclassification of income and additional revenue from contracted services.

Housing Authority of the City of Vineland

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

September 30, 2009

Administrative expenses increased from the prior year in the amount of \$489,640 primarily as a result of increases in employee benefit costs of \$87,030 and the provision for post retirement benefits of \$366,355.

Tenant services decreased from the prior year by \$21,004 due to a change in employees from full-time with benefits to part-time employees with no benefits.

Utilities increased from the prior year in the amount of \$12,672, due primarily to an increase in cost for utilities.

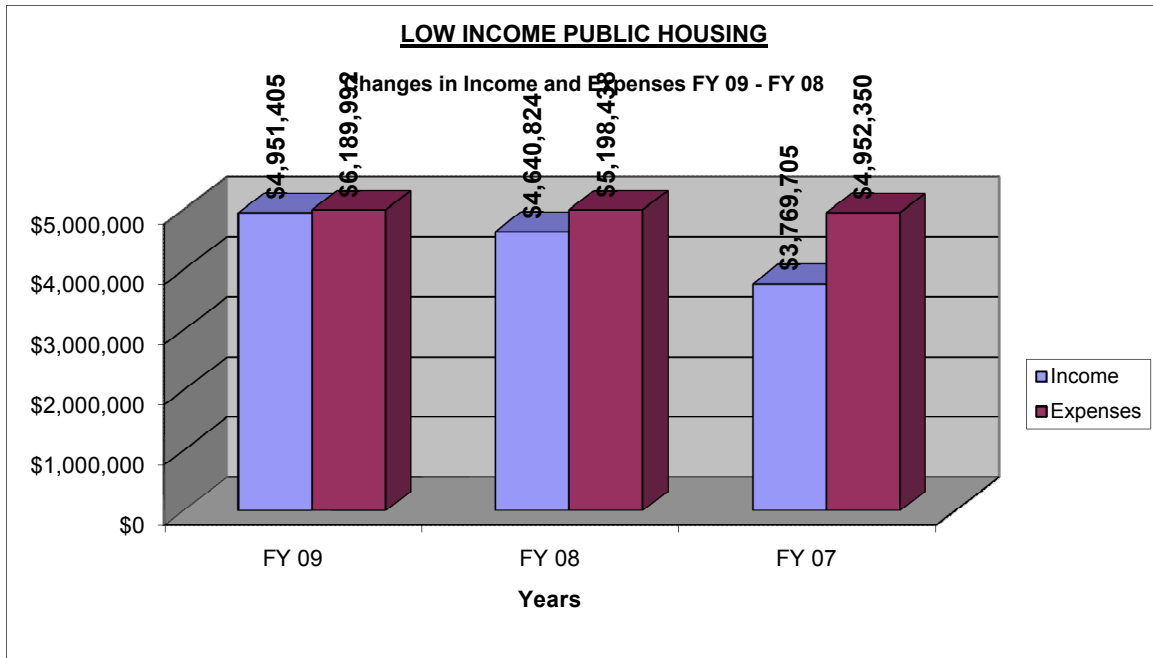
Ordinary maintenance and operation expenses increased from the prior year in the amount of \$467,172 due primarily to deferred maintenance that was performed on the scattered sites and other projects.

General expenses increased from the prior year in the amount of \$46,007 primarily due to the increase in inventory allowance of \$29,867 and bond administrative fees of \$8,901.

Housing assistance payments increased from the prior year in the amount of \$145,877 as a result of more units being leased under the Section 8 Program.

Depreciation expense decreased from the prior year in the amount of \$73,095 as a result of more capital assets being fully depreciated in prior years.

The following chart illustrates the income and expenses for the Low-Income Public Housing Program. The increase in income and expenses from FYE 2009 to FYE 2008 was due primarily to the lower cost of services provided in 2009 as it relates to program objectives.

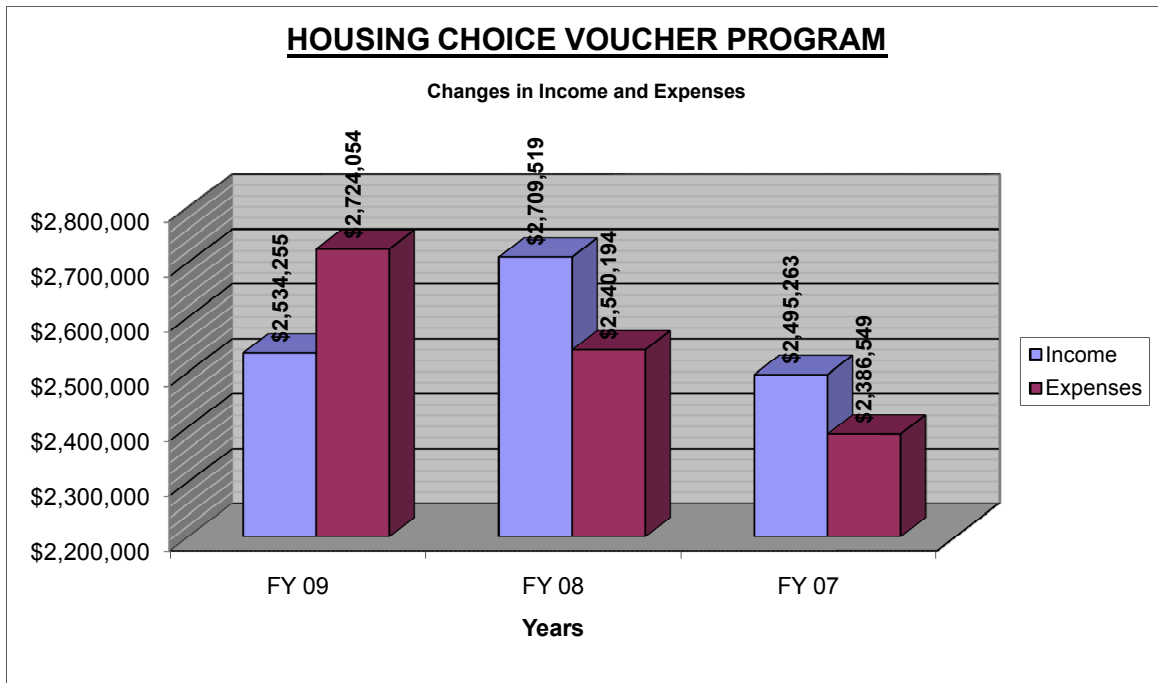


Housing Authority of the City of Vineland

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

September 30, 2009

The following chart illustrates the income and expenses for the Housing Choice Voucher Program.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Land	3,597,705	3,597,705	3,601,022
Building	40,558,857	38,608,604	33,284,223
Leasehold Improvements	-	4,880	4,880
Equipment	2,791,096	3,035,050	2,933,150
Construction-in-progress	241,772	237,622	4,779,369
Total	47,189,430	45,483,861	44,602,644
Accumulated Depreciation	25,354,668	23,951,493	22,370,949
Net Capital Assets	21,834,762	21,532,368	22,231,695

Housing Authority of the City of Vineland

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

September 30, 2009

Significant capital asset events in the current year are related to capital fund improvements at the Authority sites based on the Authority spending the proceeds from the capital leveraging program revenue bonds Series 2004A.

Debt:

As of September 30, 2009, the Authority had \$4,165,000 in outstanding bond debt from the capital leveraging program.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the Authority's budget for the fiscal year ending September 30, 2009.

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wages rates;
- Local inflationary, recession and employment trends, which can affect resident incomes and, therefore, the amount of rental income
- Inflationary pressure on utility rates, supplies, interest rates and other costs;

CONTRACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Vineland Housing Authority, 191 W. Chestnut Avenue, Vineland, NJ 08360-5499, 856-691-4099.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Statements of Net Assets
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,823,935	\$ 1,978,625
Investments	-	4,899,196
Accounts receivable, net of allowance for doubtful accounts of \$276 in 2009 and \$170 in 2008	73,136	28,500
Accrued interest receivable	-	44,394
Due from HUD	617,281	327,691
Due from other governments	12,791	15,837
Prepaid expenses	62,445	57,797
Inventory	31,776	61,970
Total current assets	<u>6,621,364</u>	<u>7,414,010</u>
Restricted assets		
Cash and cash equivalents	<u>654,815</u>	<u>795,439</u>
Property and equipment, net		
	<u>21,834,762</u>	<u>21,532,368</u>
	<u>\$ 29,110,941</u>	<u>\$ 29,741,817</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 551,041	\$ 347,219
Current portion of liability for compensated absences	41,520	46,866
Tenant funds on deposit	169,185	212,143
Due to other governments	101,963	98,232
Deferred revenue	17,496	10,213
Current portion of long-term debt	180,000	170,000
Accrued interest payable	75,014	77,086
Total current liabilities	<u>1,136,219</u>	<u>961,759</u>
Long-term liabilities		
Long-term debt, net of current portion	3,985,000	4,165,000
Liability for compensated absences, net of current portion	123,768	139,704
Other post-retirement benefits	366,355	-
Total long-term liabilities	<u>4,475,123</u>	<u>4,304,704</u>
Total liabilities	<u>5,611,342</u>	<u>5,266,463</u>
Net assets		
Invested in capital assets, net of related debt	17,669,762	17,197,368
Restricted	485,560	583,296
Unrestricted	5,344,277	6,694,690
Total net assets	<u>23,499,599</u>	<u>24,475,354</u>
	<u>\$ 29,110,941</u>	<u>\$ 29,741,817</u>

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

37900

HOUSING AUTHORITY OF THE CITY OF VINELAND
Statements of Revenue, Expenses, and Changes in Net Assets
For the Year Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenue		
Federal grant awards	\$ 5,881,698	\$ 5,151,877
State and local grant awards	87,307	108,502
Tenant charges	2,209,881	2,171,614
Management contract fees	197,114	180,286
Other income	203,295	226,134
	<u>8,579,295</u>	<u>7,838,413</u>
Total operating revenue		
Operating expenses		
Administration	2,182,187	1,692,547
Tenant services	245,857	266,861
Utilities	1,192,755	1,180,083
Housing assistance payments	2,365,818	2,219,941
Ordinary maintenance and operation	1,525,635	1,058,463
Protective services	66,992	66,378
General expenses	170,163	124,156
Depreciation expense	1,507,449	1,580,544
Insurance	196,256	208,781
	<u>9,453,112</u>	<u>8,397,754</u>
Total operating expenses		
Operating loss	<u>(873,817)</u>	<u>(559,341)</u>
Non-operating revenue (expenses):		
Investment income	79,806	281,296
Interest expense	(181,744)	(186,551)
	<u>(101,938)</u>	<u>94,745</u>
Total non-operating revenue (expenses)		
Decrease in net assets	<u>(975,755)</u>	<u>(464,596)</u>
Net assets at the beginning of the year	<u>24,475,354</u>	<u>24,939,950</u>
Net assets at the end of the year	<u>\$ 23,499,599</u>	<u>\$ 24,475,354</u>

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

HOUSING AUTHORITY OF THE CITY OF VINELAND
Statements of Cash Flows
For the Year Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Cash received from federal and state assistance programs	\$ 5,682,460	\$ 4,923,475
Cash received from tenants	2,166,758	2,157,720
Cash received from management contracts	182,850	166,253
Other operating cash receipts	203,296	285,034
Payments for goods and services	(3,494,481)	(3,181,248)
Payments to employees	(1,530,116)	(1,354,160)
Payments to landlords for rent	(2,365,818)	(2,219,941)
	<u>844,949</u>	<u>777,133</u>
Net cash provided by operating activities		
Cash flows from capital and related financing activities		
Purchase of capital assets	(1,814,050)	(881,217)
Principal payments on long-term debt	(170,000)	(170,000)
Interest payments on long-term debt	(183,816)	(188,428)
	<u>(2,167,866)</u>	<u>(1,239,645)</u>
Net cash used in capital and related financing activities		
Cash flows from investing activities		
Purchase of investments	-	(4,899,196)
Proceeds from sale of investments	4,903,402	4,727,224
Interest income received	124,201	310,690
	<u>5,027,603</u>	<u>138,718</u>
Net cash provided by investing activities		
Increase (decrease) in cash and cash equivalents	3,704,686	(323,794)
Cash and cash equivalents, beginning of year	<u>2,774,064</u>	<u>3,097,858</u>
Cash and cash equivalents, end of year	<u>\$ 6,478,750</u>	<u>\$ 2,774,064</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (873,817)	\$ (559,341)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	1,507,449	1,580,544
(Increase) decrease in assets		
Receivables	(44,636)	23,099
Due from HUD	(289,590)	(322,085)
Due from other governments	3,046	(8,808)
Prepaid expenses	(4,648)	(7,099)
Inventory	30,194	(2,045)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	203,822	160,624
Deferred revenue	7,283	(8,992)
Due to other governments	3,731	8,420
Other post-retirement benefits	366,355	-
Liability for compensated absences	(21,282)	8,546
Tenant funds on deposit	(42,958)	(95,730)
	<u>844,949</u>	<u>777,133</u>
Net cash provided by operating activities		
Reconciliation of cash and cash equivalents to the statement of net assets		
Cash and cash equivalents - unrestricted	\$ 5,823,935	\$ 1,978,625
Cash and cash equivalents - restricted	654,815	795,439
	<u>\$ 6,478,750</u>	<u>\$ 2,774,064</u>

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

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements

Note 1: **ORGANIZATION AND ACTIVITY**

The Housing Authority of the City of Vineland (the "Authority") was created through a resolution of the Council of the City of Vineland in 1965. Organized as a public housing authority ("PHA") as defined by state statute (N.J.S.A. 40A:12A-1, et seq., the "Housing Authority Act") the Authority functions under the supervision of the U.S. Department of Housing and Urban Development and the New Jersey State Department of Community Affairs. The Board of Commissioners of the Authority is a seven-member board with five members appointed by the Council of the City of Vineland, one member appointed by the Mayor of the City of Vineland, and one member appointed by the Commissioner of the New Jersey State Department of Community Affairs.

Based upon the criteria described in GASB No. 14, as amended by GASB No. 39, the Authority considers Vineland Housing Development Corporation (VHDC) to be a component unit. VHDC is a separate entity from the Housing Authority of the City of Vineland but is related by common management. VHDC is a blended component unit which is included in the financial statements of the Authority. VHDC is a nonprofit entity incorporated June 8, 1999 and works in conjunction with the Housing Authority of the City of Vineland and the City of Vineland in an effort to create and increase affordable housing units within the city limits of Vineland, New Jersey. VHDC has a management agreement with the Housing Authority of the City of Vineland to manage the construction of several homeownership units. The component units fiscal year covers the period June 30, 2009 and 2008. The financial statements of the individual component unit may be obtained by writing to the Authority's Executive Director at 191 W. Chestnut Avenue, Vineland, NJ 08360-5499. The purpose of VHDC is to provide affordable housing to the needy and for other charitable purposes permitted by N.J.S.A. 15A:2-(1) and the Internal Revenue Code Section 501 (c)(3).

As of September 30, 2009, the activities of the Authority included the ownership and/or management or oversight management of the following housing projects in Vineland, New Jersey:

The Housing Assistance Payments Programs includes the Housing Choice Voucher program. This program provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for extremely low and very low income families as defined by the Housing Act of 1998, at rents that they can afford. The U.S. Department of Housing and Urban Development ("HUD") provides assistance for approximately 347 housing units to the Authority.

The Public Housing Program consists of 600 rental units constructed or purchased and operated by the Authority. The purpose of this program is to provide decent, safe, and sanitary housing to eligible low-income families and the elderly at rents they can afford. HUD provides assistance to the Authority in the form of operating subsidies.

The Congregate Services Program is a federal and state-funded program that provides nutrition, housekeeping, and certain other services to tenants residing in the Authority's owned or managed housing projects for the elderly and disabled.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

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

The financial statements of the Housing Authority of the City of Vineland have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority and its component unit apply authoritative U.S. accounting and reporting standards for nongovernmental entities issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently. The more significant of the Authority's accounting policies are described below.

Reporting entity

As required by generally accepted accounting principles, the financial statements present the Authority (the primary government) and its component unit. The primary government includes the accounts of all Authority operations. The component unit is included in the Authority's reporting entity because of the significance of their operational or financial relationships with the Authority.

The Authority is a component unit of the City of Vineland. The Council of the City of Vineland appoints six out of seven commissioners.

Basis of accounting

The financial statements of the Authority have been prepared under the accrual basis of accounting in order to recognize the flow of economic resources. Revenue is recognized when earned and expenses are recognized when a liability is incurred. The activities of the Authority are accounted for in an enterprise fund, used to account for governmental operations that are financed and operated in a manner similar to provide business enterprises. Enterprise fund accounting is used when the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate.

Revenue

The major sources of revenue are various subsidies from the U.S. Department of Housing and Urban Development, state financial assistance, management contract revenue, charges to tenants, and other miscellaneous revenue as discussed below.

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

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

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

Federal and state grant revenue - Operating subsidies, Section 8 housing assistance payments, and Capital Fund/Comprehensive Grant program revenue received from the U.S. Department of Housing and Urban Development are susceptible to accrual and are recognized during the fiscal year earned in accordance with applicable HUD program guidelines. The Authority is generally entitled to receive monies under an established payment schedule or, for the Capital Fund program, as expenditures are made. Advance payments received for the subsequent fiscal year are recorded as deferred revenue.

State financial assistance applicable to the Congregate Services Program is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Management contract fees - The Authority provides property management and administrative services to certain outside parties providing affordable housing. Management fees for these services are determined as prescribed in the individual management contracts. Revenue from these contracts is recognized on an accrual basis.

Tenant charges - Tenant charges consist of rental income and fees for nutrition, housekeeping, and certain other services. Charges are determined and billed monthly and are recognized as revenues when assessed because they are measurable and are collectible within the current period. Amounts not received by year-end are considered to be accounts receivable, and amounts paid for the subsequent fiscal year are recorded as deferred revenue.

Miscellaneous income - Miscellaneous income is composed primarily of miscellaneous service fees. This revenue is recorded as earned since it is measurable and available.

Budgets and budgetary control

The Authority prepares an annual budget as required by N.J.S.A. 40A:5A-10. The Authority's budget includes all operations of the Authority, exclusive of its component unit. Planned Capital Fund expenditures are included in a capital budget, which is part of the annual budget. The original budget and budget amendments must be approved by Board resolution. Budget amendments during the years ended September 30, 2009 and 2008 were not significant.

Annual budgets are prepared on the modified accrual basis of accounting. This basis differs in certain respects from the full accrual basis of accounting that the Authority utilizes for financial reporting.

Non-appropriated capital budgets are prepared for the Capital Fund Program. Expenditures for these funds are controlled on the basis of applicable separate annual grant awards from HUD and are carried forward each year until the projects are completed or the grant award has been expended.

The Authority's annual budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by function and nature. The total amount of appropriations constitutes the legal level of control. Expenditures may not exceed appropriations at this level without approval of the State of New Jersey Department of Community Affairs.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

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

Cash and cash equivalents and investments

Cash and cash equivalents include petty cash, cash in banks, and all highly liquid investments with an original maturity of three months or less at time of purchase.

Cash and cash equivalents are reported at fair value, which approximates cost. Investments are generally reported at fair value, which is determined using selected bases.

HUD authorizes public housing authorities to invest in U.S. obligations, U.S. agencies, money market funds limited to U.S. obligations, certificates of deposit, savings accounts, and repurchase agreements fully collateralized by U.S. obligations (with certain restrictions).

New Jersey local units are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 40A:5-15.1 provides a list of permissible investments that may be purchased which include, but are not limited to bonds or other obligations of, or guaranteed by, the United States of America, government market mutual funds, bonds or other obligations of the local unit, and deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281.

The Authority has adopted a cash management plan that requires it to deposit public 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 and requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the N.J.S.A. 17:9-41 et seq.

Public depositories include banks (both state and national banks), and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to ten percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Restricted assets

Certain cash of the Authority is restricted by HUD for use to fund future housing assistance payment, for tenant security deposits, Family Self-Sufficiency deposits, Housing Assistance Payments, Homeownership Funds, or for other specified purposes.

Property and equipment

Land, buildings, furniture and equipment, and leasehold improvements are carried substantially at cost. All additions and betterments are charged to the property and equipment accounts. The Authority has no infrastructure fixed assets.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Interest has been capitalized during the construction period on buildings and equipment.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

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

Property and equipment (continued)

Assets capitalized generally have an original cost of \$2,000 or more and a useful life in excess of three years. Dwelling equipment (ranges and refrigerators) is capitalized irrespective of cost. Depreciation has been provided on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 years
Building improvements	15 years
Furniture and equipment	3 to 7 years

Compensated absences

Employees earn vacation and sick leave in varying amounts based upon length of service. Vacation may be accrued up to an amount equal to two years annual vacation. This amount will be fully reimbursed upon retirement. Sick leave may be accrued up to an unlimited amount; however, upon retirement, the employee will be reimbursed a half day's pay for each full day of accrued sick leave up to a maximum dollar amount of \$17,500.

Amounts accrued are charged to expense with a corresponding liability. The component unit has no employees and therefore no liability for compensated absences.

Net assets

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

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation, and unamortized debt acquisition costs, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in the same net assets component as the unspent proceeds.

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

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

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

Income Taxes

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

Use of Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets, liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

Note 3: **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's formal policy regarding custodial credit risk is the same as described in Note 1, N.J.S.A. 17:9-41 et seq. and included in its cash management plan. The Authority shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. As of September 30, 2009, the bank balances of \$6,544,261 and \$2,827,585 of the Authority and the component unit, respectively, were insured or collateralized as follows:

	<u>Authority</u>	<u>Component Unit</u>
Insured	\$ 1,010,659	\$ 6,053
Collateralized under GUDPA	5,527,549	-
Uninsured or uncollateralized	-	-
	<u>\$ 6,538,208</u>	<u>\$ 6,053</u>

Investments

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All investments are held in the Authority's name.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Authority does have investment policies that are governed by HUD and N.J.S.A.40A which limits the risks associated with investing as listed above. See note 2 for detail of these policies.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 3: **CASH AND CASH EQUIVALENTS (continued)**

Concentration of credit risk – Concentration of credit risk is the risk that there is no limit on the amount that may be invested in any one issuer. The Authority's investments were in certificates of deposit as of September 30, 2008. There were no investments as of September 30, 2009.

Note 4: **RESTRICTED ASSETS**

The Authority established restricted cash accounts as required by HUD to report the associated cash associated with unused Housing Assistance Payments, and to hold tenant security deposits. The Authority established a restricted cash account to hold money the Authority has set aside for tenants participating in the Family Self-Sufficiency Program. The purpose of the program is to reduce dependency on housing assistance. Participants can withdraw monies from their account to pay for certain expenditures, including the purchase of a home.

The Authority's restricted cash is as follows:

	<u>September 30,</u>	
	2009	2008
Housing Assistance Payments	\$ 475,001	\$ 580,204
Tenant security deposits	162,035	156,651
Family Self-Sufficiency deposits	7,150	55,492
Capital leveraging	10,559	3,092
	\$ 654,745	\$ 795,439

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 5: PROPERTY AND EQUIPMENT

The Authority's property and equipment activity for the years ended September 30, 2009 and 2008 was as follows:

	Balance September 30, 2008	Additions	Reductions	Balance September 30, 2009
Land	\$ 3,597,705			\$ 3,597,705
Buildings	38,608,604	\$ 1,950,253		40,558,857
Furniture, equipment & machinery – dwelling	970,598	80,734	\$ 16,794	1,034,538
Furniture, equipment & machinery - administration	2,064,452	14,048	321,943	1,756,557
Construction in progress	237,622	4,151		241,773
Leasehold improvements	4,880		4,880	-
	<u>45,483,861</u>	<u>2,049,186</u>	<u>343,617</u>	<u>47,189,430</u>
Less accumulated depreciation	<u>23,951,493</u>	<u>1,507,449</u>	<u>104,274</u>	<u>25,354,668</u>
Net property and equipment	<u>\$ 21,532,368</u>	<u>\$ 541,737</u>	<u>\$ 239,343</u>	<u>\$ 21,834,762</u>
	Balance September 30, 2007	Additions	Reductions	Balance September 30, 2008
Land	\$ 3,601,022		\$ 3,317	\$ 3,597,705
Buildings	33,284,223	\$ 5,324,381		38,608,604
Furniture, equipment & machinery - dwelling	896,807	153,762	79,971	970,598
Furniture, equipment & machinery – administration	2,036,343	94,692	66,583	2,064,452
Construction in progress	4,779,369	16,266	4,558,013	237,622
Leasehold improvements	4,880			4,880
	<u>44,602,644</u>	<u>5,589,101</u>	<u>4,704,567</u>	<u>45,483,861</u>
Less accumulated depreciation	<u>22,370,949</u>	<u>1,580,544</u>	<u>-</u>	<u>23,951,493</u>
Net property and equipment	<u>\$ 22,231,695</u>	<u>\$ 4,008,557</u>	<u>\$4,704,567</u>	<u>\$ 21,532,368</u>

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 6: **PENSION PLAN**

Public Employees' Retirement System

The Authority contributes to the State of New Jersey Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the New Jersey Division of Pensions and Benefits. PERS provides retirement, death, disability and medical benefits to certain qualified plan members and beneficiaries. PERS was established in January 1955 under the provisions of N.J.S.A 43:15A. Membership in PERS 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. The Board of Trustees of PERS is primarily responsible for the administration of PERS.

According to the State of New Jersey administrative code, all obligations of PERS will be assumed by the State of New Jersey should PERS terminate.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly-available financial reports that include the financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. N.J.S.A. 43:15A-24 authorizes the reduction in member rates based on the existence of surplus pension assets in the retirement system.

The Authority is billed annually for its normal contribution plus any accrued liability. Public Law 2009, c. 19 (S-21) was enacted on March 17, 2009 and allowed the Division of Pension and Benefits to provide non-state government pensions system employers the option of paying the full amount, or an amount that reflect a 50 percent reduction of the normal and accrued liability component of the PERS obligations. The Authority elected to pay the full amount of the employer normal and accrued liability portion of the PERS obligation. The Authority's total contributions to the plan, equal to the required contribution for each year were \$100,166, \$78,979, and \$50,070 for the years ended September 30, 2009, 2008, and 2007, respectively.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 7: **OTHER POST-RETIREMENT BENEFITS**

Beginning in 2009, the Authority adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, on a prospective basis.

Plan Description – The Authority administers a single-employer defined benefit healthcare benefits plan which allows its retiring employees who have completed 25 years of participation in the Public Employees Retirement System (PERS) of which at least 10 years have been with the Housing Authority of the City of Vineland and have attained age 55 or 15 years participation in the PERS of which at least 10 years have been with Housing Authority of the City of Vineland and attained an age of 62, to receive fully paid medical, prescription drug, and dental benefits for both the retiree and their spouses. Once the retiree attains Medicare age 50% of the cost of supplemental insurance is paid by the retiree. The plan does not issue a separate financial report.

Funding Policy – The contribution requirements of the Authority are based on the medical, prescription, and dental premiums applicable for current retirees and payments are made on a pay-as-you-go basis. Except as disclosed above for retirees who have attained Medicare age, the Authority contributes 100 percent of the cost of current-year premiums for eligible retired plan members and their spouses. For fiscal year 2009, the Authority contributed \$121,436 to the plan.

Annual OPEB Cost and Net OPEB Obligation - The Authority's annual other postemployment benefit (OPEB) cost (expense) for this plan is calculated based on the annual required contribution of the employer (ARC). The Authority has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to the Plan:

Normal cost	\$ 248,978
Unfunded actuarial liability	<u>238,813</u>
Annual required contribution (expense)	487,791
Contributions made	<u>(121,436)</u>
Increase in net OPEB obligation	366,355
Net OPEB obligation - beginning of year	<u>-</u>
Net OPEB obligation - end of year	<u><u>\$ 366,355</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ended September 30, 2009 is as follows:

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 7: **OTHER POST-RETIREMENT BENEFITS (continued)**

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$ 487,791	24.9%	\$ 366,355

Funded Status and Funding Progress - As of September 30, 2009, the actuarial accrued liability for benefits was \$3,854,696, all of which was unfunded. The covered payroll for fiscal year 2009 (annual payroll of active employees covered by the plan) was \$1,505,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 256.1 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees—Based on the historical average retirement age for the covered group, active plan members were assumed to retire no earlier than age 55, or at the first subsequent year in which the member would qualify for benefits. Furthermore, we have assumed that participants who are not eligible at age 65 will not become eligible for benefits.

Marital status—Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality—Life expectancies were based on the 1994 distinct Group Annuity Mortality tables.

Turnover—Terminations of employment other than for death or retirement will occur in the future in accordance with the U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employees Retirement System.

Health care cost inflation—The expected rate of increase in health care costs is assumed to be at an annual rate of 7.0% for Pre-Medicare and 5% for Post-Medicare medical benefits.

A rate of 5 percent was used to discount future costs. The unfunded actuarial accrued liability is being amortized ratably over thirty years. The remaining amortization period at September 30, 2009, was thirty years.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 7: **OTHER POST-RETIREMENT BENEFITS (continued)**

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for the Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
9/30/2009	\$ -	\$ 3,854,696	\$ 3,854,696	0.0%	\$ 1,505,000	256.1%

Note 8: **LONG-TERM DEBT**

The following summarizes the note payable and compensated absences at year end:

	September 30,	
	2009	2008
	Compensated Absences	Compensated Absences
Beginning balance	\$ 186,570	\$ 178,024
Increase	21,972	46,862
Decrease	43,254	38,316
Ending balance	165,288	186,570
Current portion	\$ 41,520	\$ 46,866

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 8: LONG-TERM DEBT (continued)

On December 12, 2004, the Authority issued Capital Fund Program Revenue Bonds, Series 2004A in the amount of \$4,760,000. These bonds bear interest at 4.378 percent and require semi-annual payments of principal and interest on May 1 and November 1 through November 1, 2025.

The following is a summary of bonds payable for the year ended September 30, 2009 and 2008:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts due within the year
9/30/2009	\$ 4,335,000	\$ -	\$ (170,000)	\$ 4,165,000	\$ 180,000
9/30/2008	\$ 4,505,000	\$ -	\$ (170,000)	\$ 4,335,000	\$ 170,000

As of September 30, principal and interest payments are as follows:

Year Ending September 30,	Principal	Interest	Total
2010	\$ 180,000	\$ 178,639	\$ 358,639
2011	185,000	172,766	357,766
2012	190,000	166,247	356,247
2013	200,000	159,244	359,244
2014	210,000	151,649	361,649
2015-2019	1,185,000	618,848	1,803,848
2020-2024	1,490,000	322,553	1,812,553
2025-2026	525,000	24,910	549,910
	<u>\$ 4,165,000</u>	<u>\$ 1,794,856</u>	<u>\$ 5,959,856</u>

Note 9: COMMITMENTS

As of September 30, 2009, the Authority had commitments to expend approximately \$843,226 for various capital improvements and related costs for the 2009, 2008, and 2007 Capital Fund Programs. The 2009 capital improvements were funded by Capital Fund Stimulus Recovery Act.

Note 10: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered through a joint insurance pool as described below. Settled claims from these risk have not exceeded coverage for the past several years.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 10: **RISK MANAGEMENT (continued)**

The Authority is a member of the New Jersey Public Housing Authority Joint Insurance Fund. The Fund provides its members with the following coverage:

Property and Physical Damage
General and Automobile Liability
Workers' Compensation
Public Official Liability/Employment Practices Liability

Contributions to the Fund are payable in an annual premium and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment to the Fund's obligation.

The Fund publishes its own financial report which can be obtained from:

New Jersey Public Housing Authorities Joint Insurance Fund
Park 80 West, Plaza One
Saddle Brook, New Jersey 07663

Note 11: **OTHER MATTERS**

Certain claims have been filed against the organizations. In the opinion of management, all matters are adequately covered by insurance or are without merit.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 12: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Housing Authority of the City of Vineland has an outstanding loan due from Vineland Housing Development Corporation dated August 1, 2000. The purpose of the loan is to enable Vineland Housing Development Corporation to purchase and/or construct single family residences within the City of Vineland for sale to qualified buyers. The loan, with original principal of \$200,000 is an interest free loan, maturing August 1, 2010. Payments on the loan will be made in monthly payments of \$833, with a balloon payment of \$101,667 due August 1, 2010. The balance outstanding at June 30, 2009 was \$124,167.

Housing Authority of the City of Vineland entered into a loan agreement with Vineland Housing Development Corporation dated June 1, 2005, in the amount of \$379,660 which was intended to refinance the remaining balance of the original note plus the remaining amount of additional funds at the time that the new note was formalized in writing. Although this new note was prepared, no formal board resolution was ever passed refinancing the balance on the remaining balance on the original note. The purpose of this new note is to enable Vineland Housing Development Corporation to purchase land located on Chestnut Avenue in Vineland, New Jersey in order to construct single family residential homes for sale to qualified buyers. The note provides for payment on demand and a yearly interest rate of five percent. The balance outstanding of the additional funds included in the new note at June 30, 2009 was \$250,000. In April 2008, the Board of the Housing Authority of the City of Vineland passed a resolution temporarily suspending any requirement for payments to be made on the notes for a maximum of one year.

In addition to the loans, Housing Authority of the City of Vineland has advanced amounts to Vineland Housing Development Corporation for operating purposes. In April 2008, the Board of the Housing Authority of the City of Vineland passed a resolution authorizing advances of up to \$50,000 in the near future and suspended any requirements for payments to be made on any remaining balance of other advances up to that date for a maximum of one year. During the year ending June 30, 2009, the Housing Authority of the City of Vineland advanced Vineland Housing Development Corporation \$10,000. The amount of outstanding advances from Housing Authority of the City of Vineland at September 30, 2009 and 2008 were \$26,974 and \$16,974, respectively.

The following schedule reports receivables and payables at fiscal year-end. Receivables and payables within the Authority have been eliminated in the aggregation of financial data in the accompanying financial statements.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 12: **RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY (continued)**

<u>Within the Authority</u>		
Due to Other Programs	Due from Other Programs	
Homeownership Program	PHA Owned Housing Program	\$ 531,097
Homeownership Program	Congregate	6,715
Housing Choice Voucher	Congregate	12,827
Housing Choice Voucher	PHA Owned Housing Program	39,356
Congregate	PHA Owned Housing Program	58,579
		\$ 648,574

<u>Between the Authority and Component Units</u>		
Due to (from) Authority	Due to (from) Component Units	
PHA Owned Housing Program	VHDC	\$ (374,167)
Homeownership Program	VHDC	(26,973)
		\$ (401,140)

The balances above resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 13: **RECLASSIFICATIONS**

Certain reclassifications have been made to the financial statements for the year ended September 30, 2008 to conform to the presentation of the current year.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Financial Statements (continued)

Note 14: **PRIOR PERIOD ADJUSTMENT**

During 2009, the Authority determined that its Primary Government's previously reported unrestricted current assets were understated and restricted assets were overstated due to an error in classification of asset of one of its programs. Set forth below is a condensed comparison of the previously reported and restated Statement of Net Assets and the effect of the restatement of assets as of and for the year ended September 30, 2008:

	Previously Reported	Restated	Prior Period Adjustment
Total Current Assets	\$ 3,440,520	\$ 7,414,010	\$ 3,973,490
Total Restricted Assets	4,768,929	795,439	(3,973,490)
Property and Equipment, Net	21,532,368	21,532,368	-
Total Liabilities	(5,266,463)	(5,266,463)	-
Invested in Capital			
Assets, Net of Related Debt	(17,197,368)	(17,197,368)	-
Restricted Net Assets	(4,556,786)	(583,296)	3,973,490
Unrestricted Net Assets	(2,721,200)	(6,694,690)	(3,973,490)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOUSING AUTHORITY OF THE CITY OF VINELAND

SUPPLEMENTARY INFORMATION

**(AS REQUIRED BY U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT)**

SEPTEMBER 30, 2009

VINELAND HOUSING AUTHORITYFinancial Data ScheduleProgram FinancialsYear Ended September 30, 2009

	<u>TOTAL</u>	<u>STATE</u>	<u>SEC 8</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>FORMULA ARRA</u>
111 Cash-Unrestricted	5,503,019		461,430	5,035,611	5,978	
112 Cash-Restricted-Modernization and Development	-					
113 Cash-Other Restricted	492,710	10,559	482,151			
114 Cash-Tenant Security Deposits	-					
115 Cash-Restricted for Payment of Current Liabilities	-					
100 Total Cash	5,995,729	10,559	943,581	5,035,611	5,978	-
121 A/R-PHA Projects	-					
122 A/R-HUD Other Projects	-					
124 A/R-Other Government	12,791	12,791				
125 A/R-Miscellaneous	-					
126 A/R-Tenants	-					
126.1 Allowance for Doubtful Accounts-Tenants	-					
126.2 Allowance for Doubtful Accounts-Other	-					
127 Notes, Loans & Mortgages Receivable-Current	10,000			10,000		
128 Fraud Recovery	4,746		4,746			
128.1 Allowance for Doubtful Accounts-Fraud	-					
129 Accrued Interest Receivable	-					
120 Total Receivables, Net of Allowances	27,537	12,791	4,746	10,000	-	-
131 Investments-Unrestricted	-	-				
132 Investments-Restricted	-					
135 Investments-Restricted for Payment of Current Liability	-					
142 Prepaid Expenses and Other Assets	-					
143 Inventories	-					
143.1 Allowance for Obsolete Inventories	-					
144 Inter Program Due From	19,542	19,542				
145 Assets Held for Sale	-					
150 Total Current Assets	6,042,808	42,892	948,327	5,045,611	5,978	-
161 Land	251,748				251,748	
162 Buildings	-					
163 Furniture, Equip & Mach-Dwelling	-					
164 Furniture, Equip & Mach-Admin	75,225		75,225			
165 Leasehold Improvements	-					
166 Accumulated Depreciation	(64,771)		(64,771)			
167 Construction in Progress	241,773				241,773	
168 Infrastructure	-					
160 Total Capital Assets, Net of Accumulated Depreciation	503,975	-	10,454	-	493,521	-
171 Notes, Loans and Mortgages Receivable-Non-current	364,167			364,167		
172 Notes, Loans and Mort. Rec.-Non-current-Past Due	-					
173 Grants Receivable-Non Current	-					
174 Other Assets	-					
176 Investments in Joint Ventures	-					
180 Total Non-Current Assets	364,167	-	-	364,167	-	-
190 Total Assets	6,910,950	42,892	958,781	5,409,778	499,499	-
311 Bank Overdraft	-					
312 Accounts Payable<=90 Days	5,409	4,413	996			
313 Accounts Payable>90 Days Past Due	-					
321 Accrued Wages/Payroll Taxes Payable	15,161	4,831	10,330			
322 Accrued Compensation Absences-current portion	6,144	541	5,603			
324 Accrued Contingency Liability	-					
325 Accrued Interest Payable	-					
331 Accounts Payable-HUD PHA Programs	-					
332 Accounts Payable-PHA Projects	-					
333 Accounts Payable-Other Government	-					
341 Tenant Security Deposits	-					

VINELAND HOUSING AUTHORITYFinancial Data ScheduleProgram FinancialsYear Ended September 30, 2009

	<u>TOTAL</u>	<u>STATE</u>	<u>SEC 8</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>FORMULA ARRA</u>
342 Deferred Revenues	95		95			
343 Current Portion of LT-Capital Projects/Mtg Rev. Bonds	-					
344 Current Portion of LT-Operating Borrowings	10,000				10,000	
345 Other Current Liabilities	34,124		7,150		26,974	
346 Accrued Liabilities-Other	-					
347 Inter Program -Due To	653,715	58,579	52,183	542,953		
348 Loan Liability-Current	-					
310 Total Current Liabilities	<u>724,648</u>	<u>68,364</u>	<u>76,357</u>	<u>542,953</u>	<u>36,974</u>	<u>-</u>
351 LT Debt, Net of Current -Capital Projects/Mtg Rev.	-	-				
352 LT Debt, Net of Current -Operating Borrowings	364,167	-			364,167	
353 Non-current Liabilities-Other	-					
354 Accrued Compensated Absences-Non current	18,315	1,614	16,701			
355 Loan Liability - Non current	-					
356 FASB 5 Liabilities	-					
357 Accrued Pension and OPEB Liabilities	65,905	21,469	44,436			
350 Total Non-Current Liabilities	<u>448,387</u>	<u>23,083</u>	<u>61,137</u>	<u>-</u>	<u>364,167</u>	<u>-</u>
300 Total Liabilities	<u>1,173,035</u>	<u>91,447</u>	<u>137,494</u>	<u>542,953</u>	<u>401,141</u>	<u>-</u>
508.1 Invested in Capital Assets, Net of Related Debt	503,975	-	10,454	-	493,521	-
509.2 Fund Balance Reserved	-					
511.2 Unreserved, Designated Fund Balance	-					
511.1 Restricted Net Assets	485,560	10,559	475,001	-		
512.1 Unrestricted Net Assets	4,748,380	(59,114)	335,832	4,866,825	(395,163)	-
512.2 Unreserved, Undesignated Fund Balance	-					
513 Total Equity/Net Assets	<u>5,737,915</u>	<u>(48,555)</u>	<u>821,287</u>	<u>4,866,825</u>	<u>98,358</u>	<u>-</u>
600 Total Liabilities and Equity/Net Assets	<u>6,910,950</u>	<u>42,892</u>	<u>958,781</u>	<u>5,409,778</u>	<u>499,499</u>	<u>-</u>
70300 Net Tenant Rental Revenue	-					
70400 Tenant Revenue-Other	34,425	34,425	-			
70500 Total Tenant Revenue	<u>34,425</u>	<u>34,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
70600 HUD PHA Operating Grants	2,350,844		2,350,844			
70610 Capital Grants	794,448					794,448
70710 Management Fee	-					
70720 Asset Management Fee	-					
70730 Bookkeeping Fee	-					
70740 Front Line Service Fee	-					
70750 Other Fees	-					
70700 Total Fee Revenue	<u>3,145,292</u>	<u>-</u>	<u>2,350,844</u>	<u>-</u>	<u>-</u>	<u>794,448</u>
70800 Other Government Grants	87,307	87,307				
71100 Investment Income-Unrestricted	74,464	50	520	73,894		
71200 Mortgage Interest Income	-					
71300 Proceeds from Disposition of Assets Held for Sales	-					
71310 Cost of Sale of Assets	-					
71400 Fraud Recovery	8,762		8,762			
71500 Other Revenue	173,928	-	173,928			
71600 Gain or Loss on Sale of Capital Assets	-					
72000 Investment Income-Restricted	201		201			
70000 Total Revenue	<u>3,524,379</u>	<u>121,782</u>	<u>2,534,255</u>	<u>73,894</u>	<u>-</u>	<u>794,448</u>
91100 Administrative Salaries	118,476		118,476			
91200 Auditing Fees	13,798		8,823		4,975	
91300 Management Fees	120,100		41,064	79,036		
91310 Bookkeeping Fees	25,665		25,665			
91400 Advertising and Marketing	119	105	14			
91500 Employee Benefits-Admin.	107,914	21,469	86,445			

VINELAND HOUSING AUTHORITYFinancial Data ScheduleProgram FinancialsYear Ended September 30, 2009

	<u>TOTAL</u>	<u>STATE</u>	<u>SEC 8</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>FORMULA ARRA</u>
91600 Office Expense	602		602			
91700 Legal Expense	1,117		1,042		75	
91800 Travel	1,281		1,281			
91810 Allocated Overhead	-					
91900 Other	31,526	2,637	26,535		2,354	
91000 Total Operating-Admin	420,598	24,211	309,947	79,036	7,404	-
92000 Asset Management Fee	-					
92100 Tenant Services-Salaries	88,206	88,206				
92200 Relocation Costs	-					
92300 Employee Benefits	30,245	30,245				
92400 Tenant Services-Other	34,708	34,708				
92500 Total Tenant Services	153,159	153,159	-	-	-	-
93100 Water	-					
93200 Electricity	-					
93300 Gas	-					
93400 Fuel	-					
93500 Labor	-					
93600 Sewer	-					
93700 Employee Benefits	-					
93800 Other Utilities	-					
93000 Total Utilities	-	-	-	-	-	-
94100 Ordinary Maint & Operations-Labor	-					
94200 Ordinary Maint. & Operations-Materials	1,806	649	1,157			
94300 Ordinary Maint. & Operations Contracts	4,803	1,313	1,440		2,050	
94500 Employee Benefits	-					
94000 Total Maintenance	6,609	1,962	2,597	-	2,050	-
95100 Protective Services-Labor	-					
95200 Protective Services-Other Contract Costs	-					
95300 Protective Services-Other	-					
95500 Employee Benefits	-					
95000 Total Protective Services	-	-	-	-	-	-
96110 Property Insurance	-					
96120 Liability Insurance	-					
96130 Workmen's Compensation	-					
96140 All Other Insurance	-					
96100 Total Insurance Premiums	-	-	-	-	-	-
96200 Other General Expenses	-					
96210 Compensated Absences	94	(273)	367			
96300 Payments in Lieu of Taxes	-					
96400 Bad debts-Tenant Rents	-					
96500 Bad debts-Mortgages	-					
96600 Bad debts-Other	-					
96800 Severance Expense	-					
96000 Total Other General Expenses	94	(273)	367	-	-	-
96710 Interest of Mortgage (or Bonds) Payable	-					
96720 Interest on Notes Payable (Short and Long Term)	-					
96730 Amortization of Bond Issue Costs	-					
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	-
96900 Total Operating Expenses	580,460	179,059	312,911	79,036	9,454	-
97000 Excess of Operating Revenue over Operating Expenses	2,943,919	(57,277)	2,221,344	(5,142)	(9,454)	794,448
97100 Extraordinary Maintenance	-					

VINELAND HOUSING AUTHORITY
Financial Data Schedule
Program Financials
Year Ended September 30, 2009

	<u>TOTAL</u>	<u>STATE</u>	<u>SEC 8</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>FORMULA</u> <u>ARRA</u>
97200 Casualty Losses	-					
97300 Housing Assistance Payments	2,286,079		2,286,079			
97350 HAP Portability-In	122,004		122,004			
97400 Depreciation Expense	3,060		3,060			
97500 Fraud Losses	-					
97600 Capital Outlays-Governmental Funds	-					
97700 Debt Principal Payment-Governmental Funds	-					
97800 Dwelling Units Rent Expense	-					
90000 Total Expenses	<u>2,991,603</u>	<u>179,059</u>	<u>2,724,054</u>	<u>79,036</u>	<u>9,454</u>	<u>-</u>
10010 Operating Transfer In	-					
10020 Operating Transfer Out	-					
10030 Operating Transfers from/to Primary Government	-					
10040 Operating Transfers from/to Component Unit	-					
10050 Proceeds from Notes, Loans and Bonds	-					
10060 Proceeds from Property Sales	-					
10070 Extraordinary Items, Net Gain/Loss	-					
10080 Special Items (Net Gain/Loss)	-					
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	<u>(465,598)</u>			<u>(465,598)</u>		
10100 Total Other financing Sources (Uses)	<u>(465,598)</u>	<u>-</u>	<u>-</u>	<u>(465,598)</u>	<u>-</u>	<u>-</u>
10000 Excess (Deficiency) of Total Revenue Over (under) Total Expenses	<u>67,178</u>	<u>(57,277)</u>	<u>(189,799)</u>	<u>(470,740)</u>	<u>(9,454)</u>	<u>794,448</u>
11020 Required Annual Debt Principal Payments	-					
11030 Beginning Equity	9,556,010	8,722	998,510	8,436,759	112,019	
11040 Prior Period Adj., Equity Transfers and Correction of Errors	(3,885,273)		12,576	(3,099,194)	(4,207)	(794,448)
11050 Changes in Compensated Absence Balance	-					
11060 Changes in Contingent Liability Balance	-					
11070 Changes in Unrecognized Pension Transition Liability	-					
11080 Changes in Special Term/Severance Benefits Liability	-					
11090 Changes in Allow. For Doubtful Accts-Dwelling Rents	-					
11100 Changes in Allow. For Doubtful Accts-Other	-					
11170 Administrative Fee Equity	346,286		346,286			
11180 Housing Assistance Payments Equity	475,001		475,001			
11190 Unit Months Available	4,164		4,164			
11210 Number of Unit Months Leased	3,422		3,422			
11270 Excess Cash	-					
11610 Land Purchases	-					
11620 Building Purchases	-					
11630 Furniture & Equipment-Dwelling Purchases	-					
11640 Furniture & Equipment-Admin. Purchases	-					
11650 Leasehold Improvements Purchases	-					
11660 Infrastructure Purchases	-					
13510 CFFP Debt Service Payments	-					
13901 Replacement Housing Factor Funds	-					
Beginning Equity	9,556,010	8,722	998,510	8,436,759	112,019	-
Profit (Loss)	67,178	(57,277)	(189,799)	(470,740)	(9,454)	794,448
Prior Period Adj. and Equity Transfers	<u>(3,885,273)</u>		<u>12,576</u>	<u>(3,099,194)</u>	<u>(4,207)</u>	<u>(794,448)</u>
Total	<u>5,737,915</u>	<u>(48,555)</u>	<u>821,287</u>	<u>4,866,825</u>	<u>98,358</u>	<u>-</u>
Equity (line 513)	<u>5,737,915</u>	<u>(48,555)</u>	<u>821,287</u>	<u>4,866,825</u>	<u>98,358</u>	<u>-</u>
Difference	-	-	-	-	-	-

VINELAND HOUSING AUTHORITY
Financial Data Schedule
Central Office and Project Balance Sheet
Year Ended September 30, 2009

	<u>TOTAL</u>	<u>PH ONLY</u>	<u>AMP1</u>	<u>AMP2</u>	<u>AMP3</u>	<u>AMP4</u>	<u>COCC</u>	<u>PROGRAMS</u>
111 Cash-Unrestricted	5,824,004	72,179	23,648	-	43,129	5,402	248,806	5,503,019
112 Cash-Restricted-Modernization and Development	-	-	-	-	-	-	-	-
113 Cash-Other Restricted	492,710	-	-	-	-	-	-	492,710
114 Cash-Tenant Security Deposits	162,035	162,035	28,805	46,363	57,257	29,610	-	-
115 Cash-Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100 Total Cash	<u>6,478,749</u>	<u>234,214</u>	<u>52,453</u>	<u>46,363</u>	<u>100,386</u>	<u>35,012</u>	<u>248,806</u>	<u>5,995,729</u>
121 A/R-PHA Projects	-	-	-	-	-	-	-	-
122 A/R-HUD Other Projects	617,281	550,236	120,877	46,819	365,474	17,066	67,045	-
124 A/R-Other Government	41,088	-	-	-	-	-	28,297	12,791
125 A/R-Miscellaneous	31,161	31,161	-	31,161	-	-	-	-
126 A/R-Tenants	9,208	9,208	1,128	744	2,280	5,056	-	-
126.1 Allowance for Doubtful Accounts-Tenants	(276)	(276)	(34)	(22)	(68)	(152)	-	-
126.2 Allowance for Doubtful Accounts-Other	-	-	-	-	-	-	-	-
127 Notes, Loans & Mortgages Receivable-Current	10,000	-	-	-	-	-	-	10,000
128 Fraud Recovery	4,746	-	-	-	-	-	-	4,746
128.1 Allowance for Doubtful Accounts-Fraud	-	-	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances	<u>713,208</u>	<u>590,329</u>	<u>121,971</u>	<u>78,702</u>	<u>367,686</u>	<u>21,970</u>	<u>95,342</u>	<u>27,537</u>
131 Investments-Unrestricted	-	-	-	-	-	-	-	-
132 Investments-Restricted	-	-	-	-	-	-	-	-
135 Investments-Restricted for Payment of Current Liabil	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	62,445	47,209	8,275	14,808	13,067	11,059	15,236	-
143 Inventories	63,550	22,379	3,546	18,833	-	-	41,171	-
143.1 Allowance for Obsolete Inventories	(31,774)	(11,189)	(1,773)	(9,416)	-	-	(20,585)	-
144 Inter Program Due From	830,539	701,001	3,000	165,000	270,403	262,598	109,996	19,542
145 Assets Held for Sale	-	-	-	-	-	-	-	-
150 Total Current Assets	<u>8,116,717</u>	<u>1,583,943</u>	<u>187,472</u>	<u>314,290</u>	<u>751,542</u>	<u>330,639</u>	<u>489,966</u>	<u>6,042,808</u>
161 Land	3,597,705	2,963,199	81,593	270,405	206,110	2,405,091	382,758	251,748
162 Buildings	40,558,858	37,059,691	6,275,399	12,360,458	15,530,026	2,893,808	3,499,167	-
163 Furniture, Equip & Mach-Dwelling	1,034,538	1,034,538	235,355	437,457	278,150	83,576	-	-
164 Furniture, Equip & Mach-Admin	1,756,557	847,353	395,264	23,329	411,170	17,590	833,979	75,225
165 Leasehold Improvements	-	-	-	-	-	-	-	-
166 Accumulated Depreciation	(25,354,668)	(22,982,893)	(5,319,821)	(7,976,181)	(7,838,484)	(1,848,407)	(2,307,004)	(64,771)
167 Construction in Progress	241,773	-	-	-	-	-	-	241,773
168 Infrastructure	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	<u>21,834,763</u>	<u>18,921,888</u>	<u>1,667,790</u>	<u>5,115,468</u>	<u>8,586,972</u>	<u>3,551,658</u>	<u>2,408,900</u>	<u>503,975</u>
171 Notes, Loans and Mortgages Receivable-Non-current	391,140	-	-	-	-	-	26,973	364,167
172 Notes, Loans and Mort. Rec.-Non-current-Past Due	-	-	-	-	-	-	-	-
173 Grants Receivable-Non Current	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	<u>391,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,973</u>	<u>364,167</u>
190 Total Assets	<u>30,342,620</u>	<u>20,505,831</u>	<u>1,855,262</u>	<u>5,429,758</u>	<u>9,338,514</u>	<u>3,882,297</u>	<u>2,925,839</u>	<u>6,910,950</u>
311 Bank Overdraft	-	-	-	-	-	-	-	-
312 Accounts Payable<=90 Days	341,228	273,290	28,759	40,003	200,114	4,414	62,529	5,409
313 Accounts Payable>90 Days Past Due	-	-	-	-	-	-	-	-
321 Accrued Wages/Payroll Taxes Payable	146,266	41,352	6,846	13,527	13,040	7,939	89,753	15,161
322 Accrued Compensation Absences-current portion	41,520	16,931	2,532	4,342	6,188	3,869	18,445	6,144
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	75,014	75,014	-	3,991	71,023	-	-	-
331 Accounts Payable-HUD PHA Programs	-	-	-	-	-	-	-	-
332 Accounts Payable-PHA Projects	-	-	-	-	-	-	-	-
333 Accounts Payable-Other Government	101,963	101,963	8,346	33,774	25,939	33,904	-	-
341 Tenant Security Deposits	162,035	162,035	28,805	46,363	57,257	29,610	-	-
342 Deferred Revenues	17,497	17,402	3,412	4,533	8,505	952	-	95
343 Current Portion of LT-Capital Projects/Mtg Rev. Bonds	180,000	180,000	-	9,578	170,422	-	-	-
344 Current Portion of LT-Operating Borrowings	10,000	-	-	-	-	-	-	10,000
345 Other Current Liabilities	34,124	-	-	-	-	-	-	34,124
346 Accrued Liabilities-Other	63,548	61,066	13,369	20,217	27,089	391	2,482	-

VINELAND HOUSING AUTHORITY
Financial Data Schedule
Central Office and Project Balance Sheet
Year Ended September 30, 2009

	TOTAL	PH ONLY	AMP1	AMP2	AMP3	AMP4	COCC	PROGRAMS
347 Inter Program -Due To	830,539	176,824	10,000	3,824	-	163,000	-	653,715
348 Loan Liability-Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	2,003,734	1,105,877	102,069	180,152	579,577	244,079	173,209	724,648
351 LT Debt, Net of Current -Capital Projects/Mtg Rev.	3,985,000	3,985,000	-	212,050	3,772,950	-	-	-
352 LT Debt, Net of Current -Operating Borrowings	364,167	-	-	-	-	-	-	364,167
353 Non-current Liabilities-Other	-	-	-	-	-	-	-	-
354 Accrued Compensated Absences-Non current	123,768	50,472	7,549	12,943	18,447	11,533	54,981	18,315
355 Loan Liability - Non current	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	366,355	187,930	28,256	52,253	71,175	36,246	112,520	65,905
350 Total Non-Current Liabilities	4,839,290	4,223,402	35,805	277,246	3,862,572	47,779	167,501	448,387
300 Total Liabilities	6,843,024	5,329,279	137,874	457,398	4,442,149	291,858	340,710	1,173,035
508.1 Invested in Capita Assets, Net of Related Debt	17,669,763	14,756,888	1,667,790	4,893,840	4,643,600	3,551,658	2,408,900	503,975
509.2 Fund Balance Reserved	-	-	-	-	-	-	-	-
511.2 Unreserved, Designated Fund Balance	-	-	-	-	-	-	-	-
511.1 Restricted Net Assets	485,560	-	-	-	-	-	-	485,560
512.1 Unrestricted Net Assets	5,344,273	419,664	49,598	78,520	252,765	38,781	176,229	4,748,380
512.2 Unreserved, Undesignated Fund Balance	-	-	-	-	-	-	-	-
513 Total Equity/Net Assets	23,499,596	15,176,552	1,717,388	4,972,360	4,896,365	3,590,439	2,585,129	5,737,915
600 Total Liabilities and Equity/Net Assets	30,342,620	20,505,831	1,855,262	5,429,758	9,338,514	3,882,297	2,925,839	6,910,950
70300 Net Tenant Rental Revenue	2,135,554	2,135,554	401,899	639,550	728,486	365,619	-	-
70400 Tenant Revenue-Other	64,850	30,425	3,684	13,410	7,866	5,465	-	34,425
70500 Total Tenant Revenue	2,200,404	2,165,979	405,583	652,960	736,352	371,084	-	34,425
70600 HUD PHA Operating Grants	4,683,751	2,265,863	426,418	508,260	1,200,351	130,834	67,044	2,350,844
70610 Capital Grants	1,197,945	398,686	64,827	143,804	96,991	93,064	4,811	794,448
70710 Management Fee	567,947	-	-	-	-	-	567,947	-
70720 Asset Management Fee	72,000	-	-	-	-	-	72,000	-
70730 Bookkeeping Fee	79,665	-	-	-	-	-	79,665	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	6,601,308	2,664,549	491,245	652,064	1,297,342	223,898	791,467	3,145,292
70800 Other Government Grants	87,307	-	-	-	-	-	-	87,307
71100 Investment Income-Unrestricted	79,606	-	-	-	-	-	5,142	74,464
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sales	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-
71400 Fraud Recovery	8,762	-	-	-	-	-	-	8,762
71500 Other Revenue	512,430	67,623	2,012	43,716	21,895	-	270,879	173,928
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-
72000 Investment Income-Restricted	201	-	-	-	-	-	-	201
70000 Total Revenue	9,490,018	4,898,151	898,840	1,348,740	2,055,589	594,982	1,067,488	3,524,379
91100 Administrative Salaries	911,955	303,656	50,072	117,234	89,821	46,529	489,823	118,476
91200 Auditing Fees	30,337	16,232	3,843	6,241	6,148	-	307	13,798
91300 Management Fees	567,947	447,847	91,376	151,752	152,532	52,187	-	120,100
91310 Bookkeeping Fees	79,665	54,000	11,250	18,270	18,000	6,480	-	25,665
91400 Advertising and Marketing	1,047	501	-	307	-	194	427	119
91500 Employee Benefits-Admin.	929,000	461,982	76,854	154,240	155,031	75,857	359,104	107,914
91600 Office Expense	11,526	1,238	66	111	1,061	-	9,686	602
91700 Legal Expense	33,058	16,908	3,227	5,680	5,259	2,742	15,033	1,117
91800 Travel	14,169	1,849	386	627	614	222	11,039	1,281
91810 Allocated Overhead	-	-	-	-	-	-	-	-
91900 Other	275,168	105,197	19,646	36,245	36,316	12,990	138,445	31,526
91000 Total Operating-Admin	2,853,872	1,409,410	256,720	490,707	464,782	197,201	1,023,864	420,598
92000 Asset Management Fee	72,000	72,000	15,000	24,360	24,000	8,640	-	-
92100 Tenant Services-Salaries	155,823	67,617	-	-	67,617	-	-	88,206
92200 Relocation Costs	-	-	-	-	-	-	-	-

VINELAND HOUSING AUTHORITY
Financial Data Schedule
Central Office and Project Balance Sheet
Year Ended September 30, 2009

	<u>TOTAL</u>	<u>PH ONLY</u>	<u>AMP1</u>	<u>AMP2</u>	<u>AMP3</u>	<u>AMP4</u>	<u>COCC</u>	<u>PROGRAMS</u>
92300 Employee Benefits	35,756	5,511	-	-	5,511	-	-	30,245
92400 Tenant Services-Other	54,278	19,262	59	1,557	17,646	-	308	34,708
92500 Total Tenant Services	317,857	164,390	15,059	25,917	114,774	8,640	308	153,159
93100 Water	54,661	53,544	10,387	14,360	17,805	10,992	1,117	-
93200 Electricity	761,670	727,188	267,841	120,935	337,262	1,150	34,482	-
93300 Gas	199,290	190,220	5,547	118,426	60,481	5,766	9,070	-
93400 Fuel	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-
93600 Sewer	177,134	175,394	38,344	61,500	61,414	14,136	1,740	-
93700 Employee Benefits	-	-	-	-	-	-	-	-
93800 Other Utilities	-	-	-	-	-	-	-	-
93000 Total Utilities	1,192,755	1,146,346	322,119	315,221	476,962	32,044	46,409	-
94100 Ordinary Maint & Operations-Labor	411,192	390,116	66,017	86,735	134,980	102,384	21,076	-
94200 Ordinary Maint. & Operations-Materials	243,604	237,585	27,763	45,081	75,854	88,887	4,213	1,806
94300 Ordinary Maint. & Operations Contracts	651,144	615,509	100,006	161,842	175,690	177,971	30,832	4,803
94500 Employee Benefits	264,691	252,629	41,084	61,170	85,504	64,871	12,062	-
94000 Total Maintenance	1,570,631	1,495,839	234,870	354,828	472,028	434,113	68,183	6,609
95100 Protective Services-Labor	31,023	31,023	31,023	-	-	-	-	-
95200 Protective Services-Other Contract Costs	35,969	35,969	-	2,623	33,346	-	-	-
95300 Protective Services-Other	-	-	-	-	-	-	-	-
95500 Employee Benefits	-	-	-	-	-	-	-	-
95000 Total Protective Services	66,992	66,992	31,023	2,623	33,346	-	-	-
96110 Property Insurance	66,529	65,377	11,459	20,507	18,096	15,315	1,152	-
96120 Liability Insurance	53,604	52,669	9,232	16,521	14,578	12,338	935	-
96130 Workmen's Compensation	65,518	64,393	11,287	20,198	17,823	15,085	1,125	-
96140 All Other Insurance	10,607	10,415	1,825	3,267	2,883	2,440	192	-
96100 Total Insurance Premiums	196,258	192,854	33,803	60,493	53,380	45,178	3,404	-
96200 Other General Expenses	39,616	20,266	1,667	9,324	9,275	-	19,350	-
96210 Compensated Absences	17,419	6,749	1,084	837	3,269	1,559	10,576	94
96300 Payments in Lieu of Taxes	101,963	101,963	8,346	33,774	25,939	33,904	-	-
96400 Bad debts-Tenant Rents	6,928	6,928	272	4,097	891	1,668	-	-
96500 Bad debts-Mortgages	-	-	-	-	-	-	-	-
96600 Bad debts-Other	-	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	165,926	135,906	11,369	48,032	39,374	37,131	29,926	94
96710 Interest of Mortgage (or Bonds) Payable	181,744	181,744	-	9,669	172,075	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	181,744	181,744	-	9,669	172,075	-	-	-
96900 Total Operating Expenses	6,546,036	4,793,482	904,963	1,307,491	1,826,721	754,307	1,172,094	580,460
97000 Excess of Operating Revenue over Operating Expens	2,943,982	104,669	(6,123)	41,249	228,868	(159,325)	(104,606)	2,943,919
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-
97200 Casualty Losses	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	2,286,079	-	-	-	-	-	-	2,286,079
97350 HAP Portability-In	122,004	-	-	-	-	-	-	122,004
97400 Depreciation Expense	1,507,450	1,317,474	216,230	384,114	604,281	112,849	186,916	3,060
97500 Fraud Losses	-	-	-	-	-	-	-	-
97600 Capital Outlays-Governmental Funds	-	-	-	-	-	-	-	-
97700 Debt Principal Payment-Governmental Funds	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-
90000 Total Expenses	10,461,569	6,110,956	1,121,193	1,691,605	2,431,002	867,156	1,359,010	2,991,603
10010 Operating Transfer In	403,499	398,688	64,827	143,804	96,992	93,065	4,811	-
10020 Operating Transfer Out	(403,499)	(398,688)	(64,827)	(143,804)	(96,992)	(93,065)	(4,811)	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-

VINELAND HOUSING AUTHORITY
Financial Data Schedule
Central Office and Project Balance Sheet
Year Ended September 30, 2009

	<u>TOTAL</u>	<u>PH ONLY</u>	<u>AMP1</u>	<u>AMP2</u>	<u>AMP3</u>	<u>AMP4</u>	<u>COCC</u>	<u>PROGRAMS</u>
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	173,000	173,000	-	41,000	132,000	-	-	-
10092 Inter Project Excess Cash Transfer Out	(173,000)	(173,000)	(10,000)	-	-	(163,000)	-	-
10093 Transfers between Program and Project-In	465,598	465,598	3,000	124,000	76,000	262,598	-	-
10094 Transfers between Program and Project-Out	(465,598)	-	-	-	-	-	-	(465,598)
10100 Total Other financing Sources (Uses)	-	465,598	(7,000)	165,000	208,000	99,598	-	(465,598)
10000 Excess (Deficiency) of Total Revenue Over (under)								
Total Expenses	(971,551)	(747,207)	(229,353)	(177,865)	(167,413)	(172,576)	(291,522)	67,178
11020 Required Annual Debt Principal Payments	362,716	362,716	-	19,296	343,420	-	-	-
11030 Beginning Equity	24,475,354	14,455,245	1,910,012	5,143,044	3,649,869	3,752,320	464,099	9,556,010
11040 Prior Period Adj., Equity Transfers and Correction of E	(4,207)	1,468,514	36,729	7,181	1,413,909	10,695	2,412,552	(3,885,273)
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-	-	-	-
11090 Changes in Allow. For Doubtful Accts-Dwelling Rents	-	-	-	-	-	-	-	-
11100 Changes in Allow. For Doubtful Accts-Other	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	346,286	-	-	-	-	-	-	346,286
11180 Housing Assistance Payments Equity	475,001	-	-	-	-	-	-	475,001
11190 Unit Months Available	11,364	7,200	1,500	2,436	2,400	864	-	4,164
11210 Number of Unit Months Leased	10,313	6,891	1,408	2,335	2,347	801	-	3,422
11270 Excess Cash	27,215	27,215	1,032	1,214	9,671	15,298	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-
11620 Building Purchases	920,668	884,378	67,698	74,854	629,366	112,460	36,290	-
11630 Furniture & Equipment-Dwelling Purchases	84,051	84,051	-	84,051	-	-	-	-
11640 Furniture & Equipment-Admin. Purchases	10,731	5,903	1,891	-	4,012	-	4,828	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-
Beginning Equity	24,475,354	14,455,245	1,910,012	5,143,044	3,649,869	3,752,320	464,099	9,556,010
Profit (Loss)	(971,551)	(747,207)	(229,353)	(177,865)	(167,413)	(172,576)	(291,522)	67,178
Prior Period Adj. and Equity Transfers	(4,207)	1,468,514	36,729	7,181	1,413,909	10,695	2,412,552	(3,885,273)
Total	23,499,596	15,176,552	1,717,388	4,972,360	4,896,365	3,590,439	2,585,129	5,737,915
Equity (line 513)	23,499,596	15,176,552	1,717,388	4,972,360	4,896,365	3,590,439	2,585,129	5,737,915

37900

VINELAND HOUSING AUTHORITY
PHA'S Statement and Certification of Actual Capital
Fund Program Costs

There were no Modernization Cost Certificates filed by the Housing Authority in 2009.

HOUSING AUTHORITY OF THE CITY OF VINELAND

PART II - SINGLE AUDIT SECTION

SEPTEMBER 30, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners

Housing Authority of the City of Vineland

Compliance

We have audited the compliance of the Housing Authority of the City of Vineland, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2009. The Authority's federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Housing Authority of the City of Vineland's compliance based on our audit.

The Authority's blended component unit, Vineland Housing Development Corporation is not subject to Single Audit requirements and is not covered by this report.

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; audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Authority'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. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, Housing Authority of the City of Vineland complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the Housing Authority of the City of Vineland is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Authority's internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in an entity's internal control over compliance 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 a noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above

Housing Authority of the City of Vineland's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Housing Authority of the City of Vineland's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee and management of the Housing Authority of the City of Vineland, New Jersey; the U.S. Department of Housing and Urban Development; the Local Finance Board, Department of Community Affairs, State of New Jersey, and other government agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Bowman & Company LLP
BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
July 29, 2010

37900

HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2009

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development Direct Programs		
Section 8 Housing Choice Voucher Program	14.871	<u>\$ 2,350,844</u>
Public and Indian Housing Program	14.850a	<u>1,742,990</u>
Capital Fund Program Cluster		
Public Housing - Capital Fund Program	14.872	993,415
ARRA - Public Housing Capital Fund Stimulus (Formula) Recovery Act Funded	14.885	<u>794,448</u>
Subtotal Capital Fund Program Cluster		<u>1,787,863</u>
Total expenditures of federal awards		<u><u>\$ 5,881,697</u></u>

See accompanying notes to schedule of federal awards.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Notes to Schedule of Expenditures of Federal Awards

Note 1: **GENERAL**

The accompanying Schedule of Expenditures Federal Awards presents the activity of all federal programs of the Vineland Housing Authority. The Authority's component unit, Vineland Housing Development Corporation, is not subject to a Single Audit.

Note 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

Note 3: **RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the Authority's financial statements.

Note 4: **RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Included in the amount reported in the reported as Federal expenditures in the accompanying schedule for CFDA number 14.871 are settlements prior year's administrative fees received from the United States Department of Housing and Urban Development (HUD) in the amounts of \$2,000 and \$1,074 for the years 2006 to 2008. All other amounts in the accompanying schedule agree with, in all material respects, the amounts reported in the related federal financial reports. Additionally, there were expenditures of \$87,307 under the State of New Jersey, Department of Community Affairs Congregate Housing Services Program, which is not subject to a State Single Audit.

During the fiscal year, the Authority was awarded amounts for the Public Housing Capital Fund Program, grant year 2009 (CFDA #14.872), and the ARRA Capital Fund Stimulus (Competitive) Recovery Act Funded (CFDA #14.884). These grants are not included in the Schedule of Expenditures of Federal Awards as there were no amounts expended for either grant during the fiscal year.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2009

Section 1 – Summary of Auditor’s Results

Financial Statement Section

A. Type of auditors' report issued:	Unqualified
B. Internal control over financial reporting:	
1. Material weaknesses	None noted
2. Other significant control deficiencies	Yes
C. Noncompliance material to financial statements:	None noted

Federal Awards Section

D. Dollar threshold used to determine Type A programs:	\$ 300,000
E. Auditee qualifies as low-risk auditee?	No
F. Type of auditors' report on compliance for major programs:	Unqualified
G. Internal control over compliance:	
1. Material weaknesses	None noted
2. Other significant control deficiencies	None noted
H. Audit findings required to be reported in accordance with OMB Circular A-133 (Section .510(a)):	None noted
I. Identification of major federal programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.872	Public Housing – Capital Fund Program
14.885	ARRA – Public Housing Capital Fund Stimulus (Formula) Recovery Act Funded
14.850a	Public and Indian Housing Program

HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2009

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2009-1

Condition

Significant audit adjustments were required to certain general ledger accounts to achieve proper presentation in the financial statements. Additionally, certain financial statement reclassifications were required.

Criteria

In order to ensure adequate control over the preparation of financial statements including related footnotes, all general ledger accounts should be properly supported and consideration should be given to correct classifications of amounts in financial statements.

Effect

The Authority's unaudited general ledger did not facilitate the preparation of financial statements, particularly in the areas of restricted and unrestricted cash, post-retirement benefits, capital assets, debt, and inventory valuation.

Cause

The full implementation of project-based accounting added complexities and time demands which detracted from the fee accountant's ability to carefully review all information provided by Authority staff.

Recommendation

It is recommended that proper support of all significant general ledger accounts be prepared on a periodic basis, and that comparisons be made to recorded balances with adjustments recorded as necessary. Additionally, the Authority should take steps to ensure that the controls over the preparation of financial statements and related footnotes are emphasized in the future.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2009**

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None Noted

**HOUSING AUTHORITY OF THE CITY OF VINELAND
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management**

This section identifies the status of prior year findings related to the financial statements and Federal Awards that are required to be reported in accordance with Government Auditing Standards, and OMB Circular A-133.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

37900

APPRECIATION

We express our appreciation for the courtesies extended and assistance rendered to us during the course of this audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants