

HOUSING AUTHORITY OF THE CITY OF VINELAND

REPORT OF AUDIT

FOR THE YEARS ENDED

SEPTEMBER 30, 2013 AND 2012



75 YEARS OF SERVICE

1939-2014

VINELAND HOUSING AUTHORITYTable of ContentsSeptember 30, 2013 and 2012

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HOUSING AUTHORITY OF THE CITY OF VINELAND

PART I - FINANCIAL SECTION

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Vineland

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Vineland (the "Authority"), a component unit of the City of Vineland, and its blended component unit, Vineland Housing Development Corporation as of and for the years ended September 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing Authority of the City of Vineland, and its blended component unit, Vineland Housing Development Corporation as of September 30, 2013 and 2012, and the changes in its financial position and its cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide and assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Financial Data Schedule and other supplementary information as required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Financial Data Schedule as required by the U.S. Department of Housing and Urban Development are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

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America. In our opinion, the Schedule of Expenditures of Federal Awards and the Financial Data Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2014 on our consideration of the Housing Authority of the City of Vineland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Vineland internal control over financial reporting and compliance.

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

Woodbury, New Jersey
June 19, 2014

INDEPENDENT AUDITORS' 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, 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 Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Housing Authority of the City of Vineland, a component unit of the City of Vineland, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 19, 2014. 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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Housing Authority of the City of Vineland's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Woodbury, New Jersey
June 19, 2014

Housing Authority of the City of Vineland

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

September 30, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which includes its blended component unit, Vineland Housing Development Corporation.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities as of September 30, 2013 by \$22,219,612 (net position).
- The Authority received federal awards of \$4,966,078 for the year ended September 30, 2013.

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:

- Statements of Net Position - reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statements of Revenue, Expenses and Changes in Net Position - reports the Authority's operating and nonoperating revenue, by major sources, along with operating and nonoperating expenses and capital contributions.
- Statements 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 increased by \$32,095 in 2013 primarily due to an increase in management fees from other authorities and decreased by \$40,495 in 2012 primarily due to the decrease in cash from reduced HUD funding.

Non-current restricted assets decreased in 2013 by \$55,048 and by \$387,124 in 2012 primarily due to HUD's recapture of Section 8 reserves.

Property and Equipment, net, decreased in 2013 from 2012 by \$786,131 due to capital improvements and equipment purchases of \$670,597 which is offset by depreciation of \$1,456,728 and decreased by \$689,806 in 2012 from 2011 due to capital improvements and equipment purchases of \$789,318 which is offset by depreciation of \$1,473,166 and net asset removals of \$5,958 for fully depreciated items or retired assets.

Current liabilities increased in 2013 from 2012 by \$30,681 primarily due to an increase in accrued liabilities and tenant on deposit offset by a decrease in accounts and contracts payable. Current liabilities decreased in 2012 from 2011 by \$22,350 also primarily due to a decrease in accounts and contracts payable.

Long-term liabilities decreased in 2013 from 2012 by \$188,582 primarily due to the bond payment of \$210,000 and decreased in 2012 from 2011 by \$188,153 also primarily due to the bond payment of \$200,000.

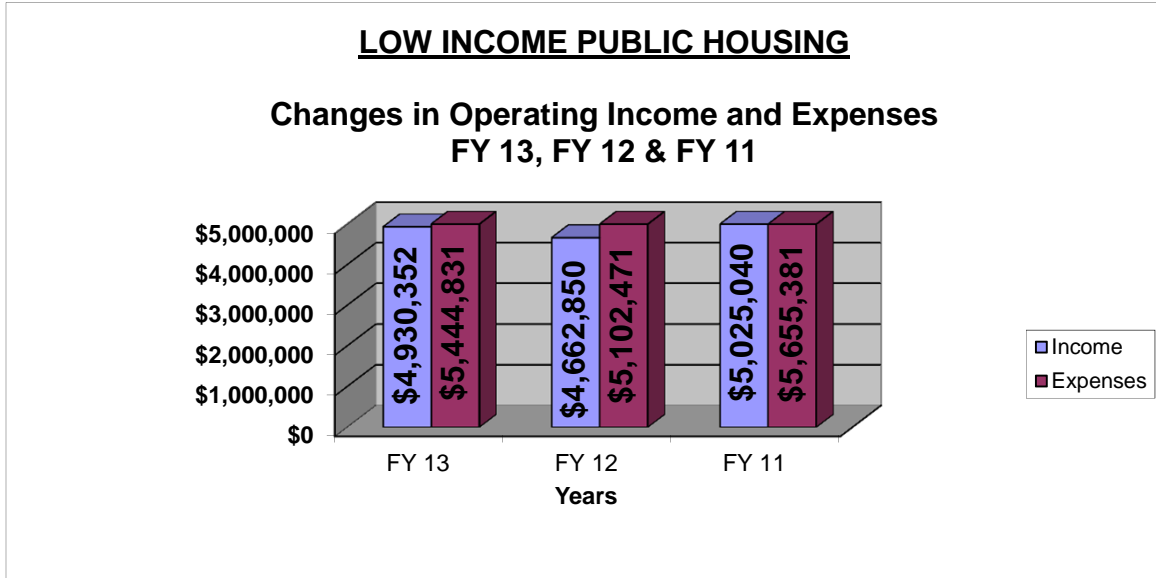
Housing Authority of the City of Vineland

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

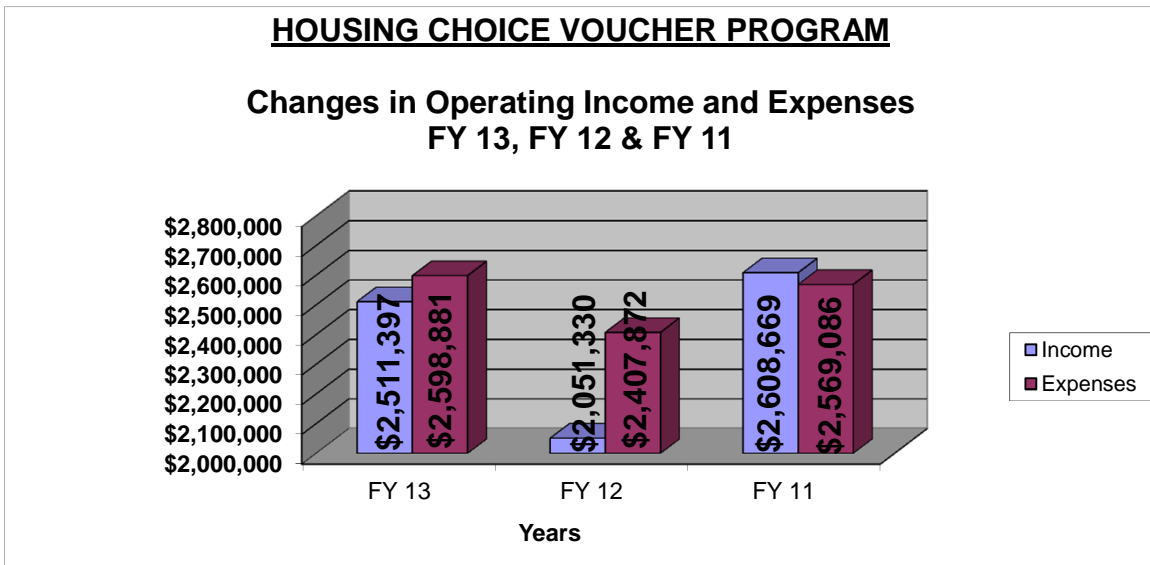
September 30, 2013

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE) - CONTINUED

The following chart illustrates the **operating** income and expenses for the Low-Income Public Housing Program:



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



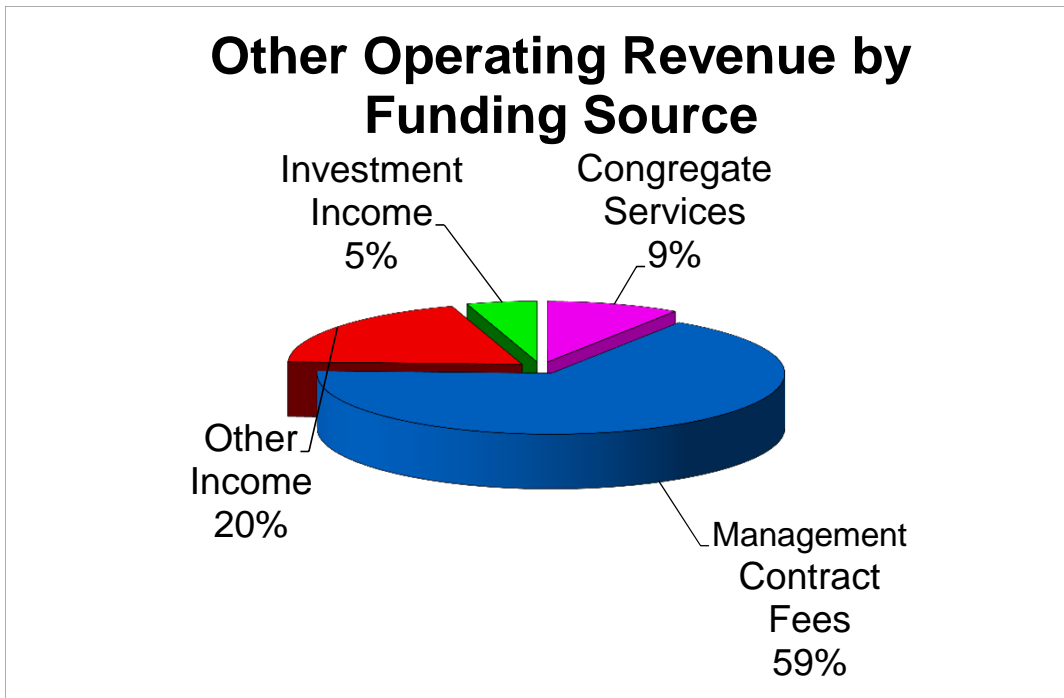
Housing Authority of the City of Vineland

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

September 30, 2013

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE) - CONTINUED

The following chart illustrates the income and expenses for other operating revenue sources:



The federal grants increased in 2013 from 2012 in the amount of \$625,995 primarily due to an increase in HAP funding. HUD had finished the recapture of Section 8 reserves during the year and funding resumed at normal levels. The federal grants decreased in 2012 from 2011 in the amount of \$1,460,205 primarily due to the completion of capital improvement projects provided by CFRG-ARRA and CFRC-Comp Grants.

Other Government Grants increased in 2013 by \$1,003 and decreased by \$1,156 in 2012 due to funding by the State of NJ Congregate service program.

Tenant revenue increased in 2013 from the prior year in the amount of \$57,477 and by \$24,325 in 2012 as a result of an increase in tenant earned income which is utilized to calculate the tenant's rent.

Management contract fees increased in 2013 by \$32,767 primarily due to increase in contract services of \$18,494 on existing contracts and a new contract to provide services for \$14,273. Management contract fees increased in 2012 by \$122,685 due to additional contracts to provide services to third parties.

Investment income decreased in 2013 from 2012 by \$9,002 and decreased in 2012 from 2011 by \$4,287, due primarily to a less favorable interest rate than in the past and a reduction in the amount invested.

Other income decreased in 2013 from 2012 by \$22,156 primarily due to a decrease in fraud recovery and miscellaneous income. Other income decreased in 2012 from 2011 by \$900,051 due to 2011 having a gain on change in OPEB plan of \$732,710 and insurance recovery, net of impairment loss of \$113,430 which was not repeated in 2012, a decrease in fraud recovery of \$18,144 and changes in miscellaneous revenues, such as late fees and sale of assets.

Housing Authority of the City of Vineland

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

September 30, 2013

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE) - CONTINUED

Administrative expenses increased in 2013 from 2012 by \$186,875 primarily due to salary increases/additional positions and cost of benefits increases, additional legal fees due to union negotiations, and an increase in computer expenses. Administrative expenses increased in 2012 from 2011 by \$76,413 primarily due to salary increases and cost of benefits increases.

Tenant services increased in 2013 from 2012 by \$6,770 primarily due to an increase in salaries and benefits. Tenant services decreased in 2012 from the prior year in the amount of \$70,152 primarily due to the discontinuance of the after school program.

Utilities decreased in 2013 from 2012 by \$3,122 and decreased in 2012 from 2011 by \$131,821 primarily due to a mild winter.

Housing assistance payments increased in 2013 from 2012 by \$93,646 due to additional residents under contract due to increased funding and decreased in 2012 from 2011 by \$87,405 as a result of fewer residents under contract due to funding cuts.

Ordinary maintenance and operation expenses increased in 2013 from 2012 by \$139,482 and decreased in 2012 from 2011 by \$107,518 primarily due to maintenance performed on the scattered sites.

Protective services decreased in 2013 from 2012 by \$7,659 due to the cut back of contracted services for D'Orazio Terrace, Tarkiln Acres and Kidston Towers. The contracts ended in October 2012; therefore, one month of expense was incurred during year end 2012 and none in 2013. Protective services decreased in 2012 from 2011 by \$86,398 due to the severe cut back of contracted protective services for D'Orazio Terrace, Tarkiln Acres and Kidston Towers.

General expenses increased in 2013 from 2012 by \$22,038 primarily due to an increase in accrued compensated absences and decreased in 2012 from 2011 by \$21,870 primarily due to the decrease in bad debts of \$58,883, the decrease in other general expenses and an increase in PILOT of \$17,476.

Depreciation expense decreased in 2013 from 2012 by \$16,438 and decreased from 2012 to 2011 by \$15,661 primarily as a result of more capital assets being fully depreciated.

Insurance expense increased in 2013 from 2012 by \$16,011 primarily due to an increase premiums due to fire claims. Insurance expense did not increase from 2011 to 2012.

Interest expense decreased in 2013 from 2012 by \$7,258 and decreased in 2012 from 2011 by \$6,727 due to the repayment of the capital leveraging bond. As the bond is repaid the interest expense incurred decreases.

Housing Authority of the City of Vineland

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

September 30, 2013

STATEMENTS OF NET POSITION

	2013	2012	2011
Current Assets	\$ 5,858,919	\$ 5,826,824	\$ 5,867,319
Non-current Restricted Assets	295,857	350,905	738,029
Property and Equipment, net	20,342,178	21,128,309	21,818,115
TOTAL ASSETS	26,496,954	27,306,038	28,423,463
Current Liabilities	905,653	874,972	897,322
Long-term Liabilities	3,371,689	3,560,271	3,748,424
TOTAL LIABILITIES	4,277,342	4,435,243	4,645,746
Net Investment in Capital Assets	16,736,252	17,518,309	18,018,115
Restricted Net Position	64,408	159,198	554,423
Unrestricted Net Position	5,418,952	5,193,288	5,205,179
NET POSITION	\$ 22,219,612	\$ 22,870,795	\$ 23,777,717

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	2013	2012	2011
REVENUES:			
Federal grant awards	\$ 4,966,078	\$ 4,340,083	\$ 5,800,288
State and local grant awards	69,075	68,072	69,228
Tenant charges	2,489,423	2,431,946	2,407,621
Management contract fees	496,534	463,767	341,082
Investment income	36,147	45,149	49,436
Other income	132,406	154,562	1,054,613
TOTAL REVENUES	8,189,663	7,503,579	9,722,268
EXPENSES:			
Administrative	1,983,190	1,796,315	1,719,902
Tenant services	104,034	97,264	167,416
Utilities	1,001,371	1,004,493	1,136,314
Housing assistance payments	2,323,674	2,230,028	2,317,433
Ordinary maintenance and operation	1,406,179	1,266,697	1,374,215
Protective services	1,200	8,859	95,257
General expenses	212,497	190,459	224,591
Depreciation expense	1,456,728	1,473,166	1,488,827
Insurance	195,833	179,822	179,810
Interest	156,140	163,398	170,125
TOTAL EXPENSES	8,840,846	8,410,501	8,873,890
CHANGES IN NET POSITION	(651,183)	(906,922)	848,378
NET POSITION, BEGINNING	22,870,795	23,777,717	22,929,339
NET POSITION, ENDING	\$ 22,219,612	\$ 22,870,795	\$ 23,777,717

Housing Authority of the City of Vineland

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

September 30, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2013, 2012 and 2011:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land	\$ 3,597,705	\$ 3,597,705	\$ 3,597,705
Building	44,358,017	43,949,900	43,309,691
Leasehold Improvements	-	-	-
Equipment	1,858,502	1,828,737	1,903,095
Construction-in-progress	470,855	282,826	258,239
Total	50,285,079	49,659,168	49,068,730
Accumulated Depreciation	29,942,901	28,530,859	27,250,615
Net Capital Assets	<u>\$ 20,342,178</u>	<u>\$ 21,128,309</u>	<u>\$ 21,818,115</u>

Debt:

As of September 30, 2013, the Authority had \$3,410,000 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, 2013.

- 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 Position
September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,484,082	\$ 5,411,426
Accounts receivable, net of allowance for doubtful accounts of \$4,636 in 2013 and \$9,717 in 2012	14,984	9,717
Due from HUD	155,622	139,909
Due from other governments	64,541	142,228
Due from Vineland Housing Solutions LLC, net of allowance of \$61,383 in 2013 and \$63,882 in 2012	61,383	58,883
Other receivables	19,749	5,700
Prepaid expenses	58,558	58,961
Total current assets	<u>5,858,919</u>	<u>5,826,824</u>
Non-current restricted assets		
Cash and cash equivalents	<u>295,857</u>	<u>350,905</u>
Property and equipment, net	<u>20,342,178</u>	<u>21,128,309</u>
	<u>\$ 26,496,954</u>	<u>\$ 27,306,038</u>
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$ 170,831	\$ 205,675
Current portion of liability for compensated absences	57,230	50,090
Tenant funds on deposit	231,449	191,708
Due to other governments	149,207	144,401
Unearned revenue	22,918	15,976
Current portion of long-term debt	210,000	200,000
Accrued interest payable	64,018	67,122
Total current liabilities	<u>905,653</u>	<u>874,972</u>
Long-term liabilities		
Long-term debt, net of current portion	3,200,000	3,410,000
Liability for compensated absences, net of current portion	<u>171,689</u>	<u>150,271</u>
Total long-term liabilities	<u>3,371,689</u>	<u>3,560,271</u>
Total liabilities	<u>4,277,342</u>	<u>4,435,243</u>
Net position		
Net investment in capital assets	16,736,252	17,518,309
Restricted	64,408	159,198
Unrestricted	<u>5,418,952</u>	<u>5,193,288</u>
Total net position	<u>22,219,612</u>	<u>22,870,795</u>
	<u>\$ 26,496,954</u>	<u>\$ 27,306,038</u>

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

HOUSING AUTHORITY OF THE CITY OF VINELAND
Statements of Revenue, Expenses, and Changes in Net Position
For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenue		
Federal grant awards	\$ 4,521,819	\$ 4,231,900
State and local grant awards	69,075	68,072
Tenant charges	2,489,423	2,431,946
Management contract fees	496,534	463,767
Other income	21,660	40,713
	<hr/>	<hr/>
Total operating revenue	7,598,511	7,236,398
Operating expenses		
Administration	1,983,190	1,796,315
Tenant services	104,034	97,264
Utilities	1,001,371	1,004,493
Housing assistance payments	2,323,674	2,230,028
Ordinary maintenance and operation	1,406,179	1,266,697
Protective services	1,200	8,859
General expenses	212,497	190,459
Depreciation expense	1,456,728	1,473,166
Insurance	195,833	179,822
	<hr/>	<hr/>
Total operating expenses	8,684,706	8,247,103
Operating loss	<hr/> (1,086,195)	<hr/> (1,010,705)
Non-operating revenue (expenses):		
Tower rental income	110,746	113,849
Capital grants	444,259	108,183
Investment income	36,147	45,149
Interest expense	<hr/> (156,140)	<hr/> (163,398)
Net non-operating revenue	<hr/> 435,012	<hr/> 103,783
Decrease in net position	<hr/> (651,183)	<hr/> (906,922)
Net position at the beginning of the year	<hr/> 22,870,795	<hr/> 23,777,717
Net position at the end of the year	<hr/> <hr/> \$ 22,219,612	<hr/> <hr/> \$ 22,870,795

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

HOUSING AUTHORITY OF THE CITY OF VINELAND
Statements of Cash Flows
For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Cash received from federal and state assistance programs	\$ 4,633,445	\$ 4,253,714
Cash received from tenants	2,530,839	2,444,885
Cash received from management contracts	515,957	440,291
Other operating cash receipts	21,660	46,671
Payments for goods and services	(3,485,245)	(3,203,034)
Payments to employees and for benefits	(1,436,685)	(1,348,753)
Payments to landlords for rent	<u>(2,323,674)</u>	<u>(2,230,028)</u>
Net cash provided by operating activities	<u>456,297</u>	<u>403,746</u>
Cash flows from non-capital financing activities		
Tower rental income	<u>110,746</u>	<u>113,849</u>
Net cash provided by non-capital financing activities	<u>110,746</u>	<u>113,849</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(670,597)	(789,318)
Capital grants received	444,259	108,183
Principal payments on long-term debt	(200,000)	(190,000)
Interest payments on long-term debt	<u>(159,244)</u>	<u>(166,248)</u>
Net cash used in capital and related financing activities	<u>(585,582)</u>	<u>(1,037,383)</u>
Cash flows from investing activities		
Interest income received	<u>36,147</u>	<u>45,149</u>
Net cash provided by investing activities	<u>36,147</u>	<u>45,149</u>
Increase (decrease) in cash and cash equivalents	17,608	(474,639)
Cash and cash equivalents, beginning of year	<u>5,762,331</u>	<u>6,236,970</u>
Cash and cash equivalents, end of year	<u>\$ 5,779,939</u>	<u>\$ 5,762,331</u>

HOUSING AUTHORITY OF THE CITY OF VINELAND
Statements of Cash Flows (continued)
For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (1,086,195)	\$ (1,010,705)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	1,456,728	1,473,166
Loss on disposal of fixed assets		5,958
(Increase) decrease in assets		
Accounts receivable, net of allowance for doubtful accounts	(5,267)	11,012
Due from HUD	(15,713)	6,168
Due from other governments	77,687	(75,902)
Due from Vineland Housing Solutions LLC, net of allowance	(2,500)	2,500
Other receivables	(14,049)	10,346
Prepaid expenses	403	(4,008)
Inventory		2,864
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(34,844)	(52,851)
Unearned revenue	6,942	(6,174)
Due to other governments	4,806	17,475
Liability for compensated absences	28,558	15,796
Tenant funds on deposit	39,741	8,101
	<u>\$ 456,297</u>	<u>\$ 403,746</u>
Net cash provided by operating activities		
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents - unrestricted	\$ 5,484,082	\$ 5,411,426
Cash and cash equivalents - restricted	295,857	350,905
	<u>\$ 5,779,939</u>	<u>\$ 5,762,331</u>

Noncash capital and related financing activities:

Vineland Housing Authority obtained capital assets and other noncash benefits from Gateway Community Action Partnership totaling \$138,032 which was funded by the Weatherization grant for the year ended September 30, 2012.

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.

Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented, whether discretely presented, blended, or included in the fiduciary fund financial statements.

The Authority is a component unit of the City of Vineland. The Council of the City of Vineland appoints six out of seven commissioners. These financial statements would be either blended or discreetly presented as a part of the City's financial statements if the City reported using generally accepted accounting principles applicable to governmental

As of September 30, 2013, the Authority considers Vineland Housing Development Corporation (VHDC) to be a component unit because of the significance of their operational or financial relationships with the Authority. 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 unit's fiscal year covers the periods ending June 30, 2013 and 2012. 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, 2013, the activities of the Authority included the ownership and/or management or oversight management of the following housing projects in Vineland, New Jersey:

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

Note 1: **ORGANIZATION AND ACTIVITY (continued)**

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.

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

Basis of presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Tenant charges are recognized as revenue when services are provided.

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

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

Basis of accounting (continued)

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

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

Budgets and budgetary control

The Authority prepares an annual budget as required by N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year. 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, 2013 and 2012 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 five 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, or for other specified purposes.

Property and equipment

Land, buildings, and 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 \$1,000 or more and a useful life in excess of three years. 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. Employees having a balance of at least 30 sick days have the option to convert the sick days to a contribution to a Section 457(b) deferred compensation plan established for the employee.

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

Net position

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

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, 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 net investment in capital assets. Rather that portion of the debt is included in the same net position component as the unspent proceeds.

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

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

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.

Operating and non-operating revenues and expenses

Federal and state grant revenue - Operating subsidies, Section 8 housing assistance payments, and Capital Fund 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. Housing Choice Voucher Program income is recognized based on amounts reported per HUD's Voucher Management System (VMS), with subsequent adjustments computed by HUD in accordance with current regulations. Adjustments made by HUD in periods subsequent to the fiscal year end are reflected in the financial statements when they become known and are not anticipated to be material in amount. Advance payments received for the subsequent fiscal year are recorded as unearned 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 unearned revenue.

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

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.

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

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

New accounting standards adopted

During the year ended September 30, 2013, the Authority adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB). Implementation of these statements had no material impact on the Authority's 2013 financial statements.

Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

Issued in November 2010, the objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- Financial Accounting Standards Board (FASB) Statements and Interpretations
- Accounting Principles Board Opinions
- Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements."

This Statement also supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

Issued in June 2011, this Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

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

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

New accounting standards adopted (continued)

Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34

Issued in November 2010, the objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined in paragraph 8a) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset.

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

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

New accounting standards to be implemented in the future

Statement No. 65, Items Previously Reported as Assets and Liabilities

Issued in March 2012, this Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, Elements of Financial Statements, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

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

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

New accounting standards to be implemented in the future (continued)

Statement No. 66, Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62

Issued in March 2012, The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments.

This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

Statement No. 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25

Issued in June 2012, the objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

Statement No. 68, Accounting and Financial Reporting for Pensions, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans.

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

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

New accounting standards to be implemented in the future (continued)

Statement No. 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25 (continued)

This Statement and Statement 68 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The scope of this Statement addresses accounting and financial reporting for the activities of pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. Distinctions are made regarding the particular requirements depending upon the type of pension plan administered, as follows:

- Single-employer pension plans—those in which pensions are provided to the employees of only one employer (as defined in this Statement)
- Agent multiple-employer pension plans (agent pension plans)—those in which plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees
- Cost-sharing multiple-employer pension plans (cost-sharing pension plans) those in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

This Statement also details the note disclosure requirements for defined contribution pension plans administered through trusts that meet the identified criteria

This Statement is effective for financial statements for fiscal years beginning after June 15, 2013.

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

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

New accounting standards to be implemented in the future (continued)

Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27

Issued in June 2012, the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

Statement No. 67, Financial Reporting for Pension Plans, revises existing standards of financial reporting for most pension plans. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

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

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

New accounting standards to be implemented in the future (continued)

Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (continued)

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan.

This Statement is effective for fiscal years beginning after June 15, 2014.

Statement No. 69, Government Combinations and Disposals of Government Operations

Issued in January 2013, This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.

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

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

New accounting standards to be implemented in the future (continued)

Statement No. 69, Government Combinations and Disposals of Government Operations (continued)

A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold.

This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees

Issued in April 2013, the objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor.

This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

This Statement is effective for periods beginning after June 15, 2013.

Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date

Issued in November 2013, the objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

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

New accounting standards to be implemented in the future (continued)

Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

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, 2013, the bank balances of \$5,951,487 and \$29,130 of the Authority and the component unit, respectively, were insured or collateralized as follows:

	<u>Authority</u>	<u>Component Unit</u>
Insured	\$ 812,518	\$ 29,130
Collateralized under GUDPA	5,138,969	-
Uninsured or uncollateralized	-	-
	<u>\$ 5,951,487</u>	<u>\$ 29,130</u>

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

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

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.

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. There were no investments as of September 30, 2013 and 2012.

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's restricted cash is as follows:

	<u>September 30,</u>	
	<u>2013</u>	<u>2012</u>
Housing Assistance Payments	\$ 63,694	\$ 158,572
Tenant security deposits	189,771	184,236
Family Self-Sufficiency deposits	41,678	7,471
Capital leveraging	714	626
	<u>\$ 295,857</u>	<u>\$ 350,905</u>

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, 2013 and 2012 was as follows:

	Balance September 30, 2012	Additions	Reductions	Balance September 30, 2013
Land	\$ 3,597,705			\$ 3,597,705
Buildings	43,949,900	\$ 408,117		44,358,017
Furniture, equipment & machinery - dwelling	349,686	44,082		393,768
Furniture, equipment & machinery – administration	1,479,051	30,369	\$ 44,686	1,464,734
Construction in progress	282,826	188,029		470,855
	49,659,168	670,597	44,686	50,285,079
Less accumulated depreciation	28,530,859	1,456,728	44,686	29,942,901
Net property and equipment	<u>\$ 21,128,309</u>	<u>\$ (786,131)</u>	<u>\$ 0</u>	<u>\$ 20,342,178</u>
	Balance September 30, 2011	Additions	Reductions	Balance September 30, 2012
Land	\$ 3,597,705			\$ 3,597,705
Buildings	43,318,742	\$ 631,158		43,949,900
Furniture, equipment & machinery – dwelling	495,940	4,905	\$ 151,159	349,686
Furniture, equipment & machinery - administration	1,398,104	128,668	47,721	1,479,051
Construction in progress	258,239	24,587		282,826
	49,068,730	789,318	198,880	49,659,168
Less accumulated depreciation	27,250,615	1,473,166	192,922	28,530,859
Net property and equipment	<u>\$ 21,818,115</u>	<u>\$ (683,848)</u>	<u>\$ 5,958</u>	<u>\$ 21,128,309</u>

During 2012, the Authority removed from its general ledger certain fully depreciated capital assets. Some of these assets were removed because they were no longer in use, and some were below the Authority's current capitalization threshold.

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 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members enrolled in the Public Employees' Retirement System are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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 \$128,740, \$127,735, and \$144,601 for the years ended September 30, 2013, 2012, and 2011, respectively.

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

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

State Health Benefits Program

Plan Description - The Authority contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2010, the Authority authorized participation in the SHBP's post-retirement benefit program through resolution number 2010-82. Eligibility to participate in the SHBP's post-retirement benefit program begins after 25 years of credited service with the Authority or if the employee retires on disability pensions based on fewer years of services credited in the retirement system. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/qasb-43-sept2009.pdf>

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Authority on a monthly basis. Payments made by plan members or beneficiaries receiving benefits at September 30, 2013, 2012, and 2011 totaled \$15,936, \$11,138, and \$8,430, respectively.

The Authority began contributions for post-retirement health benefits to the SHBP in the year ended September 30, 2011. The Authority contributions to the SHBP for post-retirement benefits for the year ended September 30, 2013, 2012, and 2011 was \$144,710, \$147,734, and \$112,851, respectively, which equaled the required contributions for that year. There were approximately 20 retired participants eligible at September 30, 2013, 2012, and 2011.

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

Note 8: LONG-TERM DEBT

The following summarizes compensated absences at year end:

	September 30,	
	2013	2012
	Compensated Absences	Compensated Absences
Beginning balance	\$ 200,361	\$ 184,565
Increase	142,737	123,071
Decrease	(114,179)	(107,275)
Ending balance	228,919	200,361
Current portion	\$ 57,230	\$ 50,090

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 4.466 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, 2013 and 2012:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts due within the year
9/30/2013	\$ 3,610,000	\$ -	\$ (200,000)	\$ 3,410,000	\$ 210,000
9/30/2012	\$ 3,800,000	\$ -	\$ (190,000)	\$ 3,610,000	\$ 200,000

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

Year Ending September 30,	Principal	Interest	Total
2014	\$ 210,000	\$ 151,649	\$ 361,649
2015	215,000	143,564	358,564
2016	225,000	134,297	359,297
2017	235,000	124,344	359,344
2018	250,000	113,844	363,844
2019-2023	1,425,000	389,161	1,814,161
2024-2026	850,000	61,100	911,100
	\$ 3,410,000	\$ 1,117,959	\$ 4,527,959

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

Note 9: **COMMITMENTS**

As of September 30, 2013, the Authority had commitments to expend approximately \$261,122 for various capital improvements and related costs for the 2012, 2011, 2010 Capital Fund grants as well as the Capital Fund Stimulus Formula grant funded by the 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 risks have not exceeded coverage for the past several years.

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
250 Phele Avenue, Suite 701
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. This loan was refinanced and included in the loan described below in 2005.

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 described above 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. Despite the agreement's provision to charge a six percent interest on the unpaid principal balance, no interest has been accrued or paid on the loan. The note provides for payment on demand and is included as a current liability in the accompanying Statement of Net Position. The balance outstanding of the note, including the amount of the original note and additional funds advanced, at both September 30, 2013 and 2012 is \$374,167. As of the date of the preparation of the financial statements, no payments were made to the Authority on this loan.

In conjunction with the development of this project, the debt secured by mortgages discussed above was discharged in November 2012.

In July 2012, the development discussed above was formally named Melrose Court. Melrose Court will be a 17-unit low-income residential housing project in Vineland, NJ. Management of Vineland Housing Development Corporation is moving forward with applying for financing and is seeking to obtain low-income housing credits pursuant to Internal Revenue Code Section 42. Capital Bank will be the tax credit investor on this project.

To begin construction on the Melrose Court project, Housing Authority of the City of Vineland agreed to a predevelopment loan with Vineland Housing Development Corporation of up to \$312,500 at 0% interest in August 2012. This loan is payable at the earlier of the closing date of the financing for this project or August 31, 2013 (extended to December 31, 2014). Vineland Housing Development Corporation has the option to transfer the project and any outstanding contracts to the Housing Authority of the City of Vineland to satisfy their obligation. The first draw on this loan occurred in September 2012. The balance on this loan at September 30, 2013 is \$195,927.

In March 2012, the Authority approved a resolution to provide a construction loan and permanent financing of up to a \$2.1M. This loan will be treated as a second mortgage and will be paid for out of cash flow. The only draws on this obligation as of September 30, 2013 were related to the predevelopment loan.

For the Melrose Court project, there are several organizations which have been formed for the purposes of executing the project. Melrose Court Homes, LP (the "LP") is the fee owner of the development, formed July 29, 2013. Melrose Court GP, LLC (the "LLC") is a General Partner with a .01% ownership interest in the LP, formed in July 29, 2013. They will be the developer and guarantor. The LLC is owned 49% by the Authority and 51% by VHDC. The remaining ownership interest in the LP of 99.99% is held by an investor limited partner, VHDC, which will transfer its interest to Capital Bank at the closing of project financing.

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

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

In addition to the loans described above, the Housing Authority of the City of Vineland has advanced amounts to Vineland Housing Development Corporation for operating purposes, without interest. In April 2008, the Board of the Housing Authority of the City of Vineland passed a resolution authorizing cash advances of up to \$50,000 with no set payment terms. During the years ending September 30, 2013 and 2012, the Housing Authority of the City of Vineland advanced Vineland Housing Development Corporation \$2,000 and \$15,000, respectively. Additionally, from time to time the Authority has paid expenses attributable to the Corporation. The amount of outstanding advances and payments made for expenditures on behalf of the Corporation by the Housing Authority of the City of Vineland at September 30, 2013 and 2012 totaled \$72,170 and \$62,806, respectively. As of the date of the preparation of the financial statements, no payments were made to the Authority on these amounts due.

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.

<u>Within the Authority</u>		
<u>Due to Other Programs</u>	<u>Due from Other Programs</u>	
Housing Choice Voucher	PHA Owned Housing Program	\$ 147,399
ROSS Program	PHA Owned Housing Program	61,774
Homeownership	PHA Owned Housing Program	27,095
PHA Owned Housing Program	Congregate	<u>1,415</u>
		<u>\$ 237,683</u>
 <u>Between the Authority and Component Units</u>		
<u>Due to (from)</u> <u>Authority</u>	<u>Due to (from)</u> <u>Component Units</u>	
Homeownership Program	VHDC	\$ (607,094)
PHA Owned Housing Program	VHDC	<u>(35,169)</u>
		<u>\$ (642,263)</u>

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.

HOUSING AUTHORITY OF THE CITY OF VINELAND

SUPPLEMENTARY INFORMATION

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

SEPTEMBER 30, 2013

VINELAND HOUSING AUTHORITY

Financial Data Schedule

Program Financials

Year Ended September 30, 2013

		<u>TOTAL</u>	<u>STATE</u>	<u>SEC 8 & S8FSS</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>ROSS</u>	<u>FSSS</u>
111	Cash-Unrestricted	3,813,801	17,111	188,946	3,605,630	27	2,087	
112	Cash-Restricted-Modernization and Development	-						
113	Cash-Other Restricted	77,666	714	76,952				
114	Cash-Tenant Security Deposits	-						
115	Cash-Restricted for Payment of Current Liabilities	-						
100	Total Cash	3,891,467	17,825	265,898	3,605,630	27	2,087	-
121	A/R-PHA Projects	-						
122	A/R-HUD Other Projects	50,338					41,692	8,646
124	A/R-Other Government	12,325	12,325	-				
125	A/R-Miscellaneous	18,257		-	18,257			
126	A/R-Tenants	1,640		1,640				
126.1	Allowance for Doubtful Accounts-Tenants	(410)		(410)				
126.2	Allowance for Doubtful Accounts-Other	-						
127	Notes, Loans & Mortgages Receivable-Current	607,094			607,094			
128	Fraud Recovery	-		-				
128.1	Allowance for Doubtful Accounts-Fraud	-		-				
129	Accrued Interest Receivable	-						
120	Total Receivables, Net of Allowances	689,244	12,325	1,230	625,351	-	41,692	8,646
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	-						
145	Assets Held for Sale	-						
150	Total Current Assets	4,580,711	30,150	267,128	4,230,981	27	43,779	8,646
161	Land	251,748				251,748		
162	Buildings	-						
163	Furniture, Equip & Mach-Dwelling	-						
164	Furniture, Equip & Mach-Admin	71,829		71,829				
165	Leasehold Improvements	-						
166	Accumulated Depreciation	(71,829)		(71,829)				
167	Construction in Progress	470,855				470,855		
160	Total Capital Assets, Net of Accumulated Depreciation	722,603	-	-	-	722,603	-	-
171	Notes, Loans and Mortgages Receivable-Non-current	-			-			
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	-	-	-	-	-	-	-
190	Total Assets	5,303,314	30,150	267,128	4,230,981	722,630	43,779	8,646
200	Deferred Outflow of Resources	0	0	0	0	0	0	0
290	Total Assets and Deferred Outflow of Resources	5,303,314	30,150	267,128	4,230,981	722,630	43,779	8,646
311	Bank Overdraft	-						
312	Accounts Payable<=90 Days	7,093	2,973	421	-	3,699	-	
313	Accounts Payable>90 Days Past Due	-						
321	Accrued Wages/Payroll Taxes Payable	8,895	2,035	3,083			2,222	1,555
322	Accrued Compensation Absences-current portion	2,372	-	2,372				
324	Accrued Contingency Liability	-						
325	Accrued Interest Payable	-						

VINELAND HOUSING AUTHORITY

Financial Data Schedule

Program Financials

Year Ended September 30, 2013

		TOTAL	STATE	SEC 8 & S8FSS	NEWHOP	VHDC	ROSS	FSSS
331	Accounts Payable-HUD PHA Programs	-						
332	Accounts Payable-PHA Projects	-						
333	Accounts Payable-Other Government	-						
341	Tenant Security Deposits	-						
342	Unearned Revenues	7,697	6,725	972				
343	Current Portion of LT-Capital Projects/Mtg Rev. Bonds	195,927				195,927		
344	Current Portion of LT-Operating Borrowings	374,167				374,167		
345	Other Current Liabilities	85,428		13,258		72,170		
346	Accrued Liabilities-Other	-						
347	Inter Program -Due To	223,142	-	147,399	27,095		41,557	7,091
348	Loan Liability-Current	-					-	
310	Total Current Liabilities	904,721	11,733	167,505	27,095	645,963	43,779	8,646
351	LT Debt, Net of Current -Capital Projects/Mtg Rev.	-	-			-		
352	LT Debt, Net of Current -Operating Borrowings	-	-			-		
353	Non-current Liabilities-Other	-				-		
354	Accrued Compensated Absences-Non current	7,116	-	7,116				
355	Loan Liability - Non current	-						
356	FASB 5 Liabilities	-						
357	Accrued Pension and OPEB Liabilities	-	-	-				
350	Total Non-Current Liabilities	7,116	-	7,116	-	-	-	-
300	Total Liabilities	911,837	11,733	174,621	27,095	645,963	43,779	8,646
400	Deferred Inflow of Resources	0	0	0	0	0	0	0
	Net Position							
508.1	Net Investment in Capital Assets	526,676	-	-	-	526,676		-
511.1	Restricted Net Position	64,408	713	63,695	-			
512.1	Unrestricted Net Position	3,800,393	17,704	28,812	4,203,886	(450,009)	-	-
513	Total Net Position	4,391,477	18,417	92,507	4,203,886	76,667	-	-
600	Total Liab., Deferred Inflow of Resources and Net Position	5,303,314	30,150	267,128	4,230,981	722,630	43,779	8,646
		-	-	-	-	-	-	-
70300	Net Tenant Rental Revenue	-						
70400	Tenant Revenue-Other	150	-	150				
70500	Total Tenant Revenue	150	-	150	-	-	-	-
70600	HUD PHA Operating Grants	2,615,069		2,495,843			82,236	36,990
70610	Capital Grants	-						-
70710	Management Fee	-						
70720	Asset Management Fee	-						
70730	Bookkeeping Fee	-						
70740	Front Line Service Fee	-						
70750	Other Fees	-						
70700	Total Fee Revenue	2,615,069	-	2,495,843	-	-	82,236	36,990
70800	Other Government Grants	69,075	69,075	-				
71100	Investment Income-Unrestricted	27,782	-	687	27,095			
71200	Mortgage Interest Income	-						
71300	Proceeds from Disposition of Assets Held for Sales	-						
71310	Cost of Sale of Assets	-						
71400	Fraud Recovery	3,370		3,370				
71500	Other Revenue	32,509	22,442	10,067				
71600	Gain or Loss on Sale of Capital Assets	-						
72000	Investment Income-Restricted	1,282	2	1,280				
70000	Total Revenue	2,749,237	91,519	2,511,397	27,095	-	82,236	36,990
91100	Administrative Salaries	181,070		104,478			52,727	23,865

37900									
VINELAND HOUSING AUTHORITY									
Financial Data Schedule									
Program Financials									
Year Ended September 30, 2013									
			TOTAL	STATE	SEC 8 & S8FSS	NEWHOP	VHDC	ROSS	FSSS
91200	Auditing Fees		14,912		14,912		-		
91300	Management Fees		78,339		41,244	27,095		10,000	
91310	Bookkeeping Fees		25,777		25,777				
91400	Advertising and Marketing		-		-				
91500	Employee Benefits-Admin.		92,133		63,735			15,273	13,125
91600	Office Expense		426		426				
91700	Legal Expense		1,188		1,140		48		
91800	Travel		10	10	-				
91810	Allocated Overhead		-		-				
91900	Other		17,208	1,413	9,249	-	2,310	4,236	
91000	Total Operating-Admin		411,063	1,423	260,961	27,095	2,358	82,236	36,990
92000	Asset Management Fee		-		-				
92100	Tenant Services-Salaries		50,866	50,866					
92200	Relocation Costs		-		-				
92300	Employee Benefits		4,196	4,196					
92400	Tenant Services-Other		25,624	25,624	-				
92500	Total Tenant Services		80,686	80,686	-	-	-	-	-
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		4,237	2,277	1,960				
94300	Ordinary Maint. & Operations Contracts		4,571	1,496	-		3,075		
94500	Employee Benefits		-		-				
94000	Total Maintenance		8,808	3,773	1,960	-	3,075	-	-
95100	Protective Services-Labor		-		-				
95200	Protective Services-Other Contract Costs		-		-				
95300	Protective Services-Other		-		-				
95500	Employee Benefits		-		-				
95000	Total Protective Services		-	-	-	-	-	-	-
96110	Property Insurance		525				525		
96120	Liability Insurance		-		-		-		
96130	Workmen's Compensation		-		-		-		
96140	All Other Insurance		11,408		10,601		807		
96100	Total Insurance Premiums		11,933	-	10,601	-	1,332	-	-
96200	Other General Expenses		30				30		
96210	Compensated Absences		-	-	-				
96300	Payments in Lieu of Taxes		-		-				
96400	Bad debts-Tenant Rents		410		410				
96500	Bad debts-Mortgages		-		-				
96600	Bad debts-Other		-		-				
96800	Severance Expense		-		-				
96000	Total Other General Expenses		440	-	410	-	30	-	-
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		-	-	-	-	-	-	-

VINELAND HOUSING AUTHORITY

Financial Data Schedule

Program Financials

Year Ended September 30, 2013

		<u>TOTAL</u>	<u>STATE</u>	<u>SEC 8 & S8FSS</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>ROSS</u>	<u>FSSS</u>	
96900	Total Operating Expenses	512,930	85,882	273,932	27,095	6,795	82,236	36,990	
97000	Excess of Operating Revenue over Operating Expenses	2,236,307	5,637	2,237,465	-	(6,795)	-	-	
97100	Extraordinary Maintenance	-							
97200	Casualty Losses	-							
97300	Housing Assistance Payments	2,314,262		2,314,262					
97350	HAP Portability-In	9,412		9,412					
97400	Depreciation Expense	1,275		1,275					
97500	Fraud Losses	-							
97600	Capital Outlays-Governmental Funds	-							
97700	Debt Principal Payment-Governmental Funds	-							
97800	Dwelling Units Rent Expense	-							
90000	Total Expenses	2,837,879	85,882	2,598,881	27,095	6,795	82,236	36,990	
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	-		-	-				
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-	-	
10000	Excess (Deficiency) of Total Revenue Over (under)								
	Total Expenses	(88,642)	5,637	(87,484)	-	(6,795)	-	-	
11020	Required Annual Debt Principal Payments	-							
11030	Beginning Net Position	4,480,119	12,780	179,991	4,203,886	83,462	-	-	
11040	Prior Period Adj., Equity Transfers and Correction of Error	-		-	-	-			
11190	Unit Months Available	4,164		4,164					
11210	Number of Unit Months Leased	3,437		3,437					
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	Replacement Housing Factor Funds	-							
13901	Replacement Housing Factor Funds	-							
	Beginning Net Position	4,480,119	12,780	179,991	4,203,886	83,462	-	-	
	Profit (Loss)	(88,642)	5,637	(87,484)	-	(6,795)	-	-	
	Prior Period Adj. and Equity Transfers	-		-	-	-	-	-	
	Total	4,391,477	18,417	92,507	4,203,886	76,667	-	-	
	Net Position (line 513)	4,391,477	18,417	92,507	4,203,886	76,667	-	-	
	Difference	-	-	-	-	-	-	-	

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VINELAND HOUSING AUTHORITY											
Financial Data Schedule											
Consolidated											
Year Ended September 30, 2013											
		Per FS	Eliminations	TOTAL	PH ONLY	AMP1	AMP2	AMP3	AMP4	COCC	PROGRAMS
111	Cash-Unrestricted	5,484,082		5,484,082	1,581,157	333,740	372,216	648,916	226,285	89,124	3,813,801
112	Cash-Restricted-Modernization and Development	-		-	-	-	-	-	-	-	-
113	Cash-Other Restricted	106,086		106,086	28,420	4,575	-	16,404	7,441	-	77,666
114	Cash-Tenant Security Deposits	189,771		189,771	189,771	32,967	53,371	64,779	38,654	-	-
115	Cash-Restricted for Payment of Current Liabilities	-		-	-	-	-	-	-	-	-
100	Total Cash	5,779,939	0	5,779,939	1,799,348	371,282	425,587	730,099	272,380	89,124	3,891,467
121	A/R-PHA Projects	-	0	-	-	-	-	-	-	-	-
122	A/R-HUD Other Projects	155,622		155,622	105,284	10,198	23,065	54,282	17,739	-	50,338
124	A/R-Other Government	64,540		64,540	-	-	-	-	-	52,215	12,325
125	A/R-Miscellaneous	142,514	0	142,514	-	-	-	-	-	124,257	18,257
126	A/R-Tenants	19,621		19,621	17,981	224	3,711	7,314	6,732	-	1,640
126.1	Allowance for Doubtful Accounts-Tenants	(4,636)		(4,636)	(4,226)	(56)	(658)	(1,829)	(1,683)	-	(410)
126.2	Allowance for Doubtful Accounts-Other	(61,383)		(61,383)	-	-	-	-	-	(61,383)	-
127	Notes, Loans & Mortgages Receivable-Current	-	642,264	642,264	-	-	-	-	-	35,170	607,094
128	Fraud Recovery	-		-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts-Fraud	-		-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-		-	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances	316,278	642,264	958,542	119,039	10,366	26,118	59,767	22,788	150,259	689,244
131	Investments-Unrestricted	-		-	-	-	-	-	-	-	-
132	Investments-Restricted	-		-	-	-	-	-	-	-	-
135	Investments-Restricted for Payment of Current Liabilities	-		-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	58,558		58,558	47,378	8,308	14,858	13,116	11,096	11,180	-
143	Inventories	-		-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-		-	-	-	-	-	-	-	-
144	Inter Program Due From	-	260,531	260,531	76,062	27,414	-	48,648	-	184,469	-
145	Assets Held for Sale	-		-	-	-	-	-	-	-	-
150	Total Current Assets	6,154,775	902,795	7,057,570	2,041,827	417,370	466,563	851,630	306,264	435,032	4,580,711
161	Land	3,597,705		3,597,705	2,963,199	81,593	270,405	206,110	2,405,091	382,758	251,748
162	Buildings	44,358,014		44,358,014	40,731,335	8,083,965	13,194,541	16,183,612	3,269,217	3,626,679	-
163	Furniture, Equip & Mach-Dwelling	393,777		393,777	393,777	5,940	189,085	174,086	24,666	-	-
164	Furniture, Equip & Mach-Admin	1,464,729		1,464,729	713,330	285,376	10,717	400,647	16,590	679,570	71,829
165	Leasehold Improvements	-		-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(29,942,901)		(29,942,901)	(27,251,697)	(6,004,979)	(9,282,457)	(9,761,428)	(2,202,833)	(2,619,375)	(71,829)
167	Construction in Progress	470,855		470,855	-	-	-	-	-	-	470,855
160	Total Capital Assets, Net of Accumulated Depreciation	20,342,179	0	20,342,179	17,549,944	2,451,895	4,382,291	7,203,027	3,512,731	2,069,632	722,603
171	Notes, Loans and Mortgages Receivable-Non-current	-	0	-	-	-	-	-	-	-	-
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	-	0	-	-	-	-	-	-	-	-
190	Total Assets	26,496,954	902,795	27,399,749	19,591,771	2,869,265	4,848,854	8,054,657	3,818,995	2,504,664	5,303,314
200	Deferred Outflow of Resources	0	0	0	0	0	0	0	0	0	0
290	Total Assets and Deferred Outflow of Resources	26,496,954	902,795	27,399,749	19,591,771	2,869,265	4,848,854	8,054,657	3,818,995	2,504,664	5,303,314
311	Bank Overdraft	-		-	-	-	-	-	-	-	-
312	Accounts Payable<=90 Days	98,589	0	98,589	45,488	14,787	6,053	13,799	10,849	46,008	7,093
313	Accounts Payable>90 Days Past Due	-		-	-	-	-	-	-	-	-
321	Accrued Wages/Payroll Taxes Payable	72,242		72,242	30,299	5,560	12,364	10,928	1,447	33,048	8,895
322	Accrued Compensation Absences-current portion	57,230		57,230	27,019	4,614	10,235	10,520	1,650	27,839	2,372
324	Accrued Contingency Liability	-		-	-	-	-	-	-	-	-
325	Accrued Interest Payable	64,018		64,018	64,018	-	3,406	60,612	-	-	-
331	Accounts Payable-HUD PHA Programs	-		-	-	-	-	-	-	-	-
332	Accounts Payable-PHA Projects	-		-	-	-	-	-	-	-	-
333	Accounts Payable-Other Government	149,207		149,207	149,207	20,233	40,578	44,505	43,891	-	-
341	Tenant Security Deposits	189,771		189,771	189,771	32,967	53,371	64,779	38,654	-	-
342	Unearned Revenues	22,918		22,918	15,221	4,471	4,384	5,404	962	-	7,697
343	Current Portion of LT-Capital Projects/Mtg Rev. Bonds	210,000	195,927	405,927	210,000	-	11,172	198,828	-	-	195,927
344	Current Portion of LT-Operating Borrowings	-	374,167	374,167	-	-	-	-	-	-	374,167
345	Other Current Liabilities	41,678	72,170	113,848	28,420	4,575	-	16,404	7,441	-	85,428
346	Accrued Liabilities-Other	-		-	-	-	-	-	-	-	-
347	Inter Program - Due To	-	260,531	260,531	37,389	31,249	-	6,140	-	-	223,142
348	Loan Liability-Current	-		-	-	-	-	-	-	-	-
310	Total Current Liabilities	905,653	902,795	1,808,448	796,832	118,456	141,563	431,919	104,894	106,895	904,721

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VINELAND HOUSING AUTHORITY											
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Year Ended September 30, 2013											
		Per FS	Eliminations	TOTAL	PH ONLY	AMP1	AMP2	AMP3	AMP4	COCC	PROGRAMS
351	LT Debt, Net of Current -Capital Projects/Mtg Rev.	3,200,000		3,200,000	3,200,000	-	170,288	3,029,712	-	-	-
352	LT Debt, Net of Current -Operating Borrowings	-	0	-	-	-	-	-	-	-	-
353	Non-current Liabilities-Other	-	0	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences-Non current	171,689		171,689	81,056	13,842	30,704	31,559	4,951	83,517	7,116
355	Loan Liability - Non current	-		-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-		-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-		-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	3,371,689	-	3,371,689	3,281,056	13,842	200,992	3,061,271	4,951	83,517	7,116
300	Total Liabilities	4,277,342	902,795	5,180,137	4,077,888	132,298	342,555	3,493,190	109,845	190,412	911,837
400	Deferred Inflow of Resources	0	0	-	-	-	-	-	-	-	-
	Net Position	-		-	-	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	16,736,252		16,736,252	14,139,944	2,451,895	4,200,831	3,974,487	3,512,731	2,069,632	526,676
511.4	Restricted Net Position	64,408		64,408	-	-	-	-	-	-	64,408
512.4	Unrestricted Net Position	5,418,952		5,418,952	1,373,939	285,072	305,468	586,980	196,419	244,620	3,800,393
513	Total Net Position	22,219,612	-	22,219,612	15,513,883	2,736,967	4,506,299	4,561,467	3,709,150	2,314,252	4,391,477
600	Total Liab., Deferred Inflow of Resources and Net Po	26,496,954	902,795	27,399,749	19,591,771	2,869,265	4,848,854	8,054,657	3,818,995	2,504,664	5,303,314
70300	Net Tenant Rental Revenue	2,410,477		2,410,477	2,410,477	427,742	689,962	814,245	478,528	-	-
70400	Tenant Revenue-Other	47,569		47,569	47,419	6,023	17,758	14,950	8,688	-	150
70500	Total Tenant Revenue	2,458,046	-	2,458,046	2,457,896	433,765	707,720	829,195	487,216	-	150
70600	HUD PHA Operating Grants	4,521,820		4,521,820	1,906,751	361,548	459,370	925,239	160,594	-	2,615,069
70610	Capital Grants	444,260		444,260	444,260	7,950	271,279	48,332	116,699	-	-
70710	Management Fee	-	629,501	629,501	-	-	-	-	-	629,501	-
70720	Asset Management Fee	-	72,000	72,000	-	-	-	-	-	72,000	-
70730	Bookkeeping Fee	-	79,777	79,777	-	-	-	-	-	79,777	-
70740	Front Line Service Fee	-		-	-	-	-	-	-	-	-
70750	Other Fees	-		-	-	-	-	-	-	-	-
70700	Total Fee Revenue	4,966,080	781,278	5,747,358	2,351,011	369,498	730,649	973,571	277,293	781,278	2,615,069
70800	Other Government Grants	69,075		69,075	-	-	-	-	-	-	69,075
71100	Investment Income-Unrestricted	34,865		34,865	-	-	-	-	-	7,083	27,782
71200	Mortgage Interest Income	-		-	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sales	-		-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-		-	-	-	-	-	-	-	-
71400	Fraud Recovery	8,935		8,935	5,565	278	557	4,730	-	-	3,370
71500	Other Revenue	650,880	72,000	722,880	115,380	877	112,630	1,269	604	574,991	32,509
71600	Gain or Loss on Sale of Capital Assets	500		500	500	-	-	500	-	-	-
72000	Investment Income-Restricted	1,282		1,282	-	-	-	-	-	-	1,282
70000	Total Revenue	8,189,663	853,278	9,042,941	4,930,352	804,418	1,551,556	1,809,265	765,113	1,363,352	2,749,237
91100	Administrative Salaries	1,035,373		1,035,373	233,308	59,657	68,823	65,843	38,985	620,995	181,070
91200	Auditing Fees	46,600		46,600	31,222	6,524	10,485	10,485	3,728	466	14,912
91300	Management Fees	-	629,501	629,501	551,162	109,829	171,575	206,489	63,269	-	78,339
91310	Bookkeeping Fees	-	79,777	79,777	54,000	11,250	18,270	18,000	6,480	-	25,777
91400	Advertising and Marketing	-		-	-	-	-	-	-	-	-
91500	Employee Benefits-Admin.	551,767		551,767	144,464	36,720	42,721	40,830	24,193	315,170	92,133
91600	Office Expense	13,893		13,893	38	-	38	-	-	13,429	426
91700	Legal Expense	37,322		37,322	5,189	2,349	795	930	1,115	30,945	1,188
91800	Travel	4,866		4,866	172	-	-	172	-	4,684	10
91810	Allocated Overhead	-		-	-	-	-	-	-	-	-
91900	Other	293,369	27,000	320,369	93,330	18,367	33,078	29,378	12,507	209,831	17,208
91000	Total Operating-Admin	1,983,190	736,278	2,719,468	1,112,885	244,696	345,785	372,127	150,277	1,195,520	411,063
92000	Asset Management Fee	-	72,000	72,000	72,000	15,000	24,360	24,000	8,640	-	-
92100	Tenant Services-Salaries	51,088		51,088	222	-	-	222	-	-	50,866
92200	Relocation Costs	-		-	-	-	-	-	-	-	-
92300	Employee Benefits	4,214		4,214	18	-	-	18	-	-	4,196
92400	Tenant Services-Other	48,732		48,732	23,108	1,729	642	12,206	8,531	-	25,624
92500	Total Tenant Services	104,034	72,000	176,034	95,348	16,729	25,002	36,446	17,171	-	80,686
93100	Water	70,981		70,981	69,871	14,889	20,041	21,938	13,003	1,110	-
93200	Electricity	559,121		559,121	532,459	151,747	127,506	251,520	1,686	26,662	-
93300	Gas	164,364		164,364	158,465	23,166	87,974	44,362	2,963	5,899	-
93400	Fuel	-		-	-	-	-	-	-	-	-
93500	Labor	-		-	-	-	-	-	-	-	-
93600	Sewer	191,851		191,851	189,979	41,635	66,420	66,322	15,602	1,872	-
93700	Employee Benefits	-		-	-	-	-	-	-	-	-
93800	Other Utilities	15,054		15,054	15,054	-	-	-	15,054	-	-
93000	Total Utilities	1,001,371	-	1,001,371	965,828	231,437	301,941	384,142	48,308	35,543	-
94100	Ordinary Maint & Operations-Labor	429,422		429,422	427,965	72,164	149,399	122,283	84,119	1,457	-
94200	Ordinary Maint. & Operations-Materials	192,461		192,461	180,374	21,478	34,049	75,126	49,721	7,850	4,237
94300	Ordinary Maint. & Operations Contracts	518,429	45,000	563,429	525,316	63,144	177,166	144,389	140,617	33,542	4,571
94500	Employee Benefits	265,867		265,867	264,913	45,134	90,984	76,100	52,695	954	-
94000	Total Maintenance	1,406,179	45,000	1,451,179	1,398,568	201,920	451,598	417,898	327,152	43,803	8,808

37900											
VINELAND HOUSING AUTHORITY											
Financial Data Schedule											
Consolidated											
Year Ended September 30, 2013											
		Per FS	Eliminations	TOTAL	PH ONLY	AMP1	AMP2	AMP3	AMP4	COCC	PROGRAMS
95100	Protective Services-Labor	-	-	-	-	-	-	-	-	-	-
95200	Protective Services-Other Contract Costs	1,200	-	1,200	1,200	-	1,200	-	-	-	-
95300	Protective Services-Other	-	-	-	-	-	-	-	-	-	-
95500	Employee Benefits	-	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	1,200	-	1,200	1,200	-	1,200	-	-	-	-
96110	Property Insurance	65,796	-	65,796	63,541	11,142	19,927	17,590	14,882	1,730	525
96120	Liability Insurance	52,582	-	52,582	51,189	8,976	16,053	14,171	11,989	1,393	-
96130	Workmen's Compensation	55,649	-	55,649	54,205	9,506	16,949	14,993	12,757	1,444	-
96140	All Other Insurance	21,806	-	21,806	10,122	1,775	3,174	2,802	2,371	276	11,408
96100	Total Insurance Premiums	195,833	-	195,833	179,057	31,399	56,103	49,556	41,999	4,843	11,933
96200	Other General Expenses	7,307	-	7,307	7,277	-	387	6,890	-	-	30
96210	Compensated Absences	51,014	-	51,014	46,903	3,837	22,593	20,158	315	4,111	-
96300	Payments in Lieu of Taxes	149,208	-	149,208	149,208	20,233	40,578	44,506	43,891	-	-
96400	Bad debts-Tenant Rents	4,968	-	4,968	4,558	-	-	843	3,715	-	410
96500	Bad debts-Mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad debts-Other	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	212,497	-	212,497	207,946	24,070	63,558	72,397	47,921	4,111	440
96710	Interest of Mortgage (or Bonds) Payable	156,140	-	156,140	156,140	-	8,307	147,833	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	156,140	-	156,140	156,140	-	8,307	147,833	-	-	-
96900	Total Operating Expenses	5,060,444	853,278	5,913,722	4,116,972	750,251	1,253,494	1,480,399	632,828	1,283,820	512,930
97000	Excess of Operating Revenue over Operating Expense	3,129,219	-	3,129,219	813,380	54,167	298,062	328,866	132,285	79,532	2,236,307
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses	-	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	2,314,262	-	2,314,262	-	-	-	-	-	-	2,314,262
97350	HAP Portability-In	9,412	-	9,412	-	-	-	-	-	-	9,412
97400	Depreciation Expense	1,456,728	-	1,456,728	1,327,860	323,629	413,787	495,665	94,779	127,593	1,275
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-
97600	Capital Outlays-Governmental Funds	-	-	-	-	-	-	-	-	-	-
97700	Debt Principal Payment-Governmental Funds	-	-	-	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	8,840,846	853,278	9,694,124	5,444,832	1,073,880	1,667,281	1,976,064	727,607	1,411,413	2,837,879
10010	Operating Transfer In	-	586,326	586,326	586,326	7,963	76,546	374,488	127,329	-	-
10020	Operating Transfer Out	-	(586,326)	(586,326)	(586,326)	(7,963)	(76,546)	(374,488)	(127,329)	-	-
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	-	-	-	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (under)										
	Total Expenses	(651,183)	-	(651,183)	(514,480)	(269,462)	(115,725)	(166,799)	37,506	(48,061)	(88,642)
11020	Required Annual Debt Principal Payments	366,608	-	366,608	366,608	-	19,504	347,104	-	-	-
11030	Beginning Net Position	22,870,795	-	22,870,795	16,028,363	3,006,429	4,622,024	4,728,266	3,671,644	2,362,313	4,480,119
11040	Prior Period Adj., Equity Transfers and Correction of	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	11,364	-	11,364	7,200	1,500	2,436	2,400	864	-	4,164
11210	Number of Unit Months Leased	10,563	-	10,563	7,126	1,496	2,406	2,384	840	-	3,437
11270	Excess Cash	832,235	-	832,235	832,235	224,305	206,540	270,713	130,677	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	415,642	-	415,642	415,642	7,950	254,504	38,169	115,019	-	-
11630	Furniture & Equipment-Dwelling Purchases	28,618	-	28,618	28,618	-	16,775	10,163	1,680	-	-
11640	Furniture & Equipment-Admin. Purchases	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-
13510	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-
	Beginning Net Position	22,870,795	-	22,870,795	16,028,363	3,006,429	4,622,024	4,728,266	3,671,644	2,362,313	4,480,119
	Profit (Loss)	(651,183)	-	(651,183)	(514,480)	(269,462)	(115,725)	(166,799)	37,506	(48,061)	(88,642)
	Prior Period Adj. and Equity Transfers	-	-	-	-	-	-	-	-	-	-
	Total	22,219,612	0	22,219,612	15,513,883	2,736,967	4,506,299	4,561,467	3,709,150	2,314,252	4,391,477
	Net Position (line 513)	22,219,612	0	22,219,612	15,513,883	2,736,967	4,506,299	4,561,467	3,709,150	2,314,252	4,391,477
	Difference	-	0	0	0	0	0	0	0	0	0

HOUSING AUTHORITY OF THE CITY OF VINELAND

PART II - SINGLE AUDIT SECTION

SEPTEMBER 30, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Commissioners
Housing Authority of the City of Vineland

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Housing Authority of the City of Vineland with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013. The Authority's federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Housing Authority of the City of Vineland's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, 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 Housing Authority of the City of Vineland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Vineland complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Vineland is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses to significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Woodbury, New Jersey
June 19, 2014

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HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2013

<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>2,495,843</u>
Public and Indian Housing Program	14.850a	<u>1,246,997</u>
Resident Opportunity and Supportive Services - Service Coordinators	14.870	<u>82,236</u>
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.877	<u>36,990</u>
Public Housing - Capital Fund Program	14.872	<u>1,104,012</u>
Total expenditures of federal awards		<u>\$ <u>4,966,078</u></u>

See accompanying notes to schedule of expenditures 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 of 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 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) of \$1,733 for fiscal year 2012 and an adjustment for calendar year 2012 for housing assistance payments for calendar year 2012 totaling \$45,321. 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 \$69,075 under the State of New Jersey, Department of Community Affairs Congregate Housing Services Program, which is not subject to a State Single Audit.

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

Note 5: **PHA'S STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS**
Fund Program Costs - NJ39P06350109 (FFY 2009)
Annual Contributions Contract NY-1115

Contract #	<u>NJ39P06350109</u>
Funds approved	\$ 968,385
Funds expended	<u>968,385</u>
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 968,385
Funds expended	<u>968,385</u>
Excess of funds advanced	<u>\$ -</u>

2. The distribution of costs by project shown on the Final Performance and Evaluation Reports dated October 7, 2013 (NJ39P06350109) accompanying the Actual Capital Cost Certificates submitted to HUD for approval are in agreement with the PHA's records.

3. All Capital Fund Program Costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013

Section 1 – Summary of Auditor's Results

Financial Statement Section

A. Type of auditors' report issued:	Unmodified
B. Internal control over financial reporting:	
1. Material weaknesses	None noted
2. Other significant control deficiencies	None noted
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:	Unmodified
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
14.850a	Public and Indian Housing Program
14.871	Section 8 Housing Choice Voucher Program

**HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013**

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 Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

NONE

**HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013**

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

**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

NONE

FEDERAL AWARDS

NONE

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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