

**HOUSING AUTHORITY OF THE
CITY OF VINELAND**

REPORT OF AUDIT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2015**

HOUSING AUTHORITY OF THE CITY OF VINELAND

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September 30, 2015

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HOUSING AUTHORITY OF THE CITY OF VINELAND

PART I - FINANCIAL SECTION

FOR THE YEAR ENDED SEPTEMBER 30, 2015

INDEPENDENT AUDITOR'S 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 year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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.

Opinion

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, 2015, and the changes in its financial position and its cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 2 to the financial statements, during the year ended September 30, 2015, the Authority adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide an 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 financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the 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 presented for purposes of additional analysis and are not a required part of the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Financial Data Schedule are fairly stated, in all material respects, in relation to the 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 20, 2016 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's internal control over financial reporting and compliance.

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
June 20, 2016

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

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, 2015, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated June 20, 2016. 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 opinion 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness, Finding No. 2015-001.

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.

Housing Authority of the City of Vineland's Response to Finding

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
Certified Public Accountants
& Consultants

Woodbury, New Jersey
June 20, 2016

Housing Authority of the City of Vineland
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
September 30, 2015

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, 2015. 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, 2015 by \$16,992,733 (net position).
- The Authority received federal awards of \$6,196,689 for the year ended September 30, 2015.

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 decreased by \$180,570 in 2015 primarily due to the receipt of loans to other entities of \$378,125, the receipt of other government receivable of \$50,014, the increase in the allowance for doubtful accounts of \$21,037, the reclassifications of loans of \$215,000 to Melrose Court Homes, LP to Other Assets, offset by increases in tenant receivables of \$8,952, increases in HUD receivables of \$48,546, increases in insurance claims receivable of \$167,907, increases in other receivables of \$70,759, increases in prepaid expenses of \$6,505 and increases in cash of \$180,938.

Non-current restricted assets decreased in 2015 by \$5,912 primarily due to a decrease in escrows.

Capital assets, net, decreased in 2015 from 2014 by \$1,842,047 due to capital improvements and equipment purchases of \$286,688 which is offset by depreciation of \$1,221,658 and reductions of \$907,078 consisting of losses on disposal of fixed assets of \$470,865, reimbursements of construction in progress of \$408,851 for the Melrose project and \$27,364 from an impairment loss on the 1091 S. Mill Road property.

Current liabilities increased in 2015 from 2014 by \$67,488 primarily due to an increase in accounts payable of \$147,371 due to the pension accrual, an increase in due to other governments of \$4,272, an increase in unearned revenue of \$4,601 and an increase in the current portion of long-term debt of \$10,000, offset by a decrease in the current portion of accrued compensated absences of \$8,918, a decrease in interest payable of \$3,711 and a decrease in tenant funds on deposit of \$86,127.

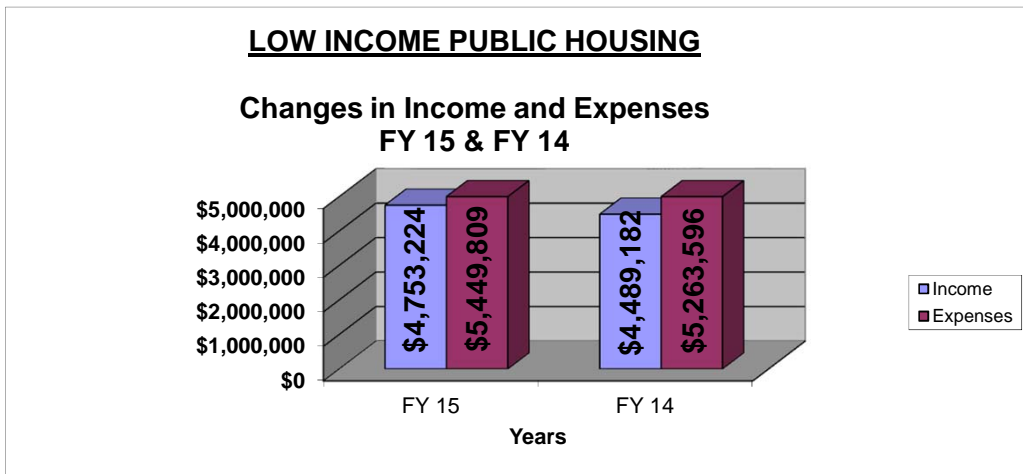
Housing Authority of the City of Vineland
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
September 30, 2015

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

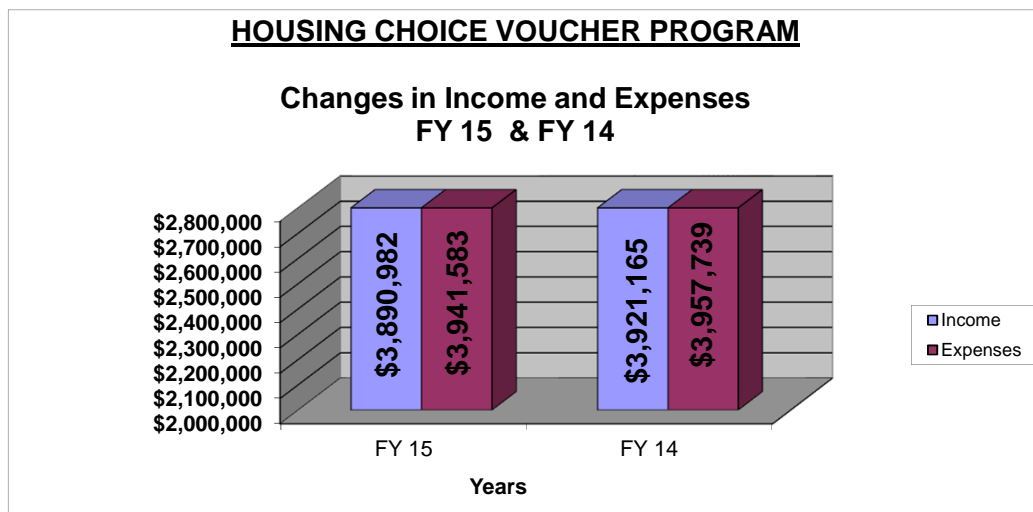
Long-term liabilities increased in 2015 from 2014 by \$4,030,465 primarily due to the required GASB 68 pension liability accrual of \$4,182,747 and an increase in tenant funds on deposit of \$99,470 offset by a decrease in long-term debt of \$225,000 and a decrease in accrued compensated absences of \$26,752.

New for 2015 is the adjustment required by Government Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions as required by Generally Accepted Accounting Principles for government entities. Under the provisions of GASB 68, the Authority must include its proportionate share of the net pension liability of the Public Employees' Retirement System (PERS). The Authority was required to report \$762,040 of deferred outflows of resources, \$74,544 of deferred inflows of resources and the pension liability of \$4,182,747 for the current year. A prior period adjustment of \$3,496,150 was made to net unrestricted position per GASB 68.

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



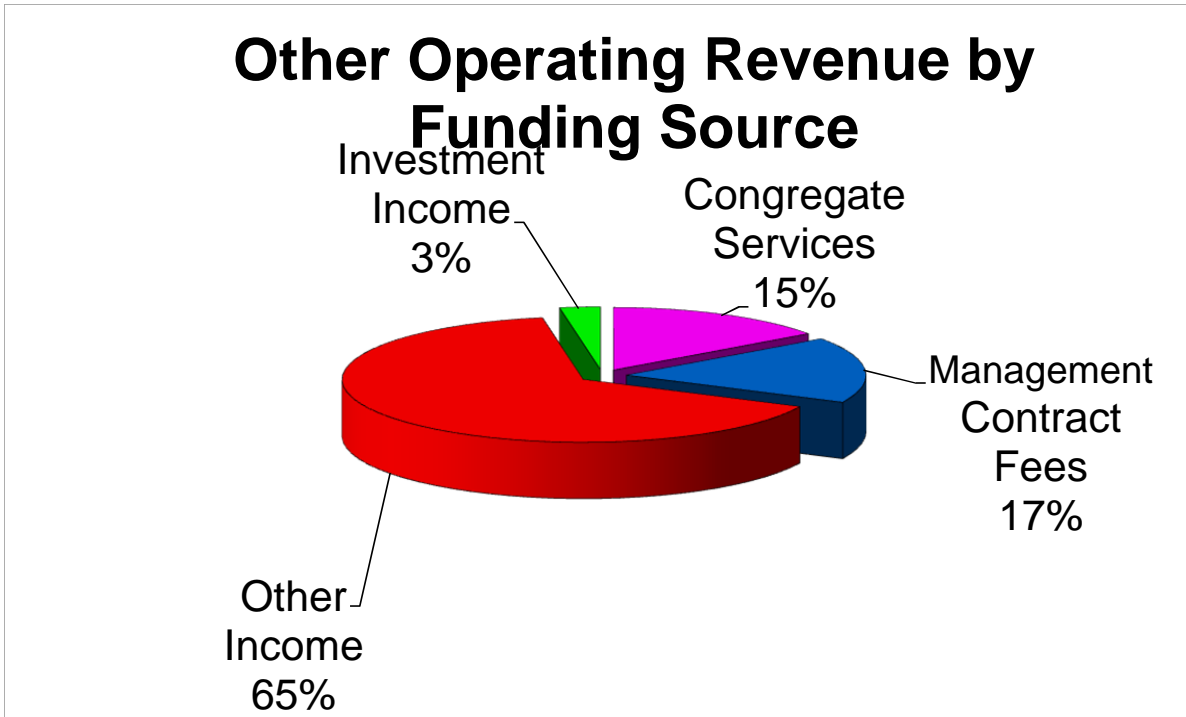
The following chart illustrates the income and expenses for the Housing Choice Voucher Program.



Housing Authority of the City of Vineland
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
September 30, 2015

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 2015 from 2014 in the amount of \$205,940 primarily due to an increase in capital funding of \$172,955, an increase in operating subsidy of \$10,185 and an increase in HAP of \$22,800.

Other Government Grants increased in 2015 from 2014 in the amount of \$16,158 due to an increase in funding by the State of New Jersey Congregate Service Program.

Tenant revenue increased in 2015 from 2014 in the amount of \$56,821 as a result of an increase in tenant earned income.

Management contract fees decreased in 2015 from 2014 in the amount of \$379,601 as a result of the termination of services provided to the Glassboro Housing Authority.

Investment income decreased in 2015 from 2014 by \$2,750 due primarily to a less favorable interest rate than in the past and a reduction in the amount invested.

Other income increased in 2015 from 2014 by \$46,019 primarily due to an increase in fraud recovery of \$18,215 and an increase in other miscellaneous income of \$21,749.

Housing Authority of the City of Vineland
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
September 30, 2015

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

Administrative expenses decreased in 2015 from 2014 by \$11,770 primarily due to an increase in employee benefits of \$114,965 due to increased pension costs offset by a decrease in salaries of \$103,670.

Tenant services increased in 2015 from 2014 by \$28,938 primarily due to an increase in meal costs of \$7,777 and an increase in Shelter Plus Care program expenses of \$25,790 offset by a decrease in FSS escrows of \$4,308.

Utilities decreased in 2015 from 2014 by \$2,780 primarily due to a mild winter.

Housing assistance payments decreased in 2015 from 2014 by \$32,971 primarily due to fewer residents under contract.

Ordinary maintenance and operation expenses decreased in 2015 from 2014 by \$49,047 due to a decrease in material costs of \$63,459, a decrease in contract costs of \$24,126, a decrease in salaries of \$30,203 offset by an increase in employee benefits of \$68,741 due to increased pensions costs.

There were no changes in protective services from 2014 to 2015.

General expenses increased in 2015 from 2014 by \$458,222 primarily due to the expensing of construction in progress costs of \$470,865 which were not going to be recovered and therefore written off. These costs were incurred on property owed by the VHDC.

Depreciation expense decreased in 2015 from 2014 by \$111,456 primarily as a result of more capital assets being fully depreciated.

Insurance expense increased in 2015 from 2014 by \$10,934 due to yearly premium increases.

Interest expense decreased in 2015 from 2014 by \$8,450 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, 2015

STATEMENTS OF NET POSITION

	<u>2015</u>	<u>2014</u>
Current Assets	\$ 5,742,445	\$ 5,923,015
Non-current Restricted Assets	302,225	308,137
Property and Equipment, net	17,666,614	19,508,661
Other Assets	896,185	-
Total Assets	<u>24,607,469</u>	<u>25,739,813</u>
Deferred Outflows of Resources	<u>762,040</u>	<u>-</u>
Current Liabilities	1,099,209	1,031,721
Long-term Liabilities	7,203,023	3,172,558
Total Liabilities	<u>8,302,232</u>	<u>4,204,279</u>
Deferred Inflows of Resources	<u>74,544</u>	<u>-</u>
Net Investment in Capital Assets	14,681,614	15,907,940
Restricted Net Position	14,024	33,659
Unrestricted Net Position	<u>2,297,095</u>	<u>5,593,935</u>
NET POSITION	<u>\$ 16,992,733</u>	<u>\$ 21,535,534</u>

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	<u>2015</u>	<u>2014</u>
REVENUES:		
Federal grant awards	\$ 6,196,689	\$ 5,990,749
State and local grant awards	101,734	85,576
Tenant charges	2,522,309	2,465,488
Management contract fees	114,447	494,048
Investment income	18,245	20,995
Other income	<u>363,650</u>	<u>317,631</u>
TOTAL REVENUES	9,317,074	9,374,487
EXPENSES:		
Administrative	2,022,127	2,010,357
Tenant services	150,754	121,816
Utilities	1,070,460	1,073,240
Housing assistance payments	3,587,717	3,620,688
Ordinary maintenance and operation	1,281,226	1,330,273
Protective services	1,200	1,200
General expenses	679,817	221,595
Depreciation expense	1,221,658	1,333,114
Insurance	208,914	197,980
Interest	<u>139,852</u>	<u>148,302</u>
TOTAL EXPENSES	<u>10,363,725</u>	<u>10,058,565</u>
CHANGES IN NET POSITION	(1,046,651)	(684,078)
NET POSITION, BEGINNING	21,535,534	22,219,612
PRIOR PERIOD ADJUSTMENT	(3,496,150)	-
NET POSITION, ENDING	<u>\$ 16,992,733</u>	<u>\$ 21,535,534</u>

Housing Authority of the City of Vineland
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
September 30, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 3,398,069	\$ 3,597,705
Building	44,869,305	44,629,905
Equipment	1,841,842	1,875,279
Construction-in-progress	<u>-</u>	<u>680,078</u>
Total	50,109,216	50,782,967
Accumulated Depreciation	<u>32,442,602</u>	<u>31,274,306</u>
Net Capital Assets	<u>\$ 17,666,614</u>	<u>\$ 19,508,661</u>

Debt:

As of September 30, 2015, the Authority had \$2,985,000 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 year ending September 30, 2015.

- 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.

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HOUSING AUTHORITY OF THE CITY OF VINELAND
Statement of Net Position
September 30, 2015

ASSETS

Current assets

Cash and cash equivalents	\$ 5,244,743
Accounts receivable, net of allowance for doubtful accounts of \$7,009 in 2015	21,026
Due from HUD	133,362
Due from other governments	15,602
Due from insurance company	167,907
Due from Vineland Housing Solutions LLC, net of allowance of \$103,290 in 2015	19,475
Other receivables	70,759
Prepaid expenses	<u>69,571</u>

Total current assets 5,742,445

Non-current restricted assets

Cash and cash equivalents	<u>302,225</u>
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Capital assets, net 17,666,614

Due from Melrose Court Homes, LP 896,185

Total assets \$ 24,607,469

DEFERRED OUTFLOWS OF RESOURCES

Related to pensions	<u>\$ 762,040</u>
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(continued)

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HOUSING AUTHORITY OF THE CITY OF VINELAND
Statement of Net Position (continued)
September 30, 2015

LIABILITIES

Current liabilities

Accounts payable and accrued expenses	\$ 375,882
Current portion of liability for compensated absences	53,602
Tenant funds on deposit	188,351
Due to other governments	145,109
Unearned revenue	54,305
Current portion of long-term debt	225,000
Accrued interest payable	56,960

Total current liabilities 1,099,209

Long-term liabilities

Pension liability	4,182,747
Long-term debt, net of current portion	2,760,000
Liability for compensated absences, net of current portion	160,806
Tenant funds on deposit	99,470

Total long-term liabilities 7,203,023

Total liabilities \$ 8,302,232

DEFERRED INFLOWS OF RESOURCES

Related to pensions	<u>\$ 74,544</u>
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NET POSITION

Net investment in capital assets	\$ 14,681,614
Restricted	14,024
Unrestricted	2,297,095

Total net position \$ 16,992,733

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

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HOUSING AUTHORITY OF THE CITY OF VINELAND
Statement of Revenue, Expenses, and Changes in Net Position
For the Year Ended September 30, 2015

Operating revenue	
Federal grant awards	\$ 5,927,663
State and local grant awards	101,734
Tenant charges	2,522,309
Management contract fees	114,447
Development fee	78,269
Other income	36,035
	<hr/>
Total operating revenue	8,780,457
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Operating expenses	
Administration	2,022,127
Tenant services	150,754
Utilities	1,070,460
Housing assistance payments	3,587,717
Ordinary maintenance and operation	1,281,226
Protective services	1,200
General expenses	679,817
Depreciation expense	1,221,658
Insurance	208,914
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Total operating expenses	10,223,873
	<hr/>
Operating loss	(1,443,416)
	<hr/>
Non-operating revenue (expenses):	
Tower rental income	104,883
Capital grants	269,026
Investment income	18,245
Interest expense	(139,852)
Insurance recovery on capital assets, net of impairment loss	144,463
	<hr/>
Net non-operating revenue	396,765
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Decrease in net position	(1,046,651)
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Net position at the beginning of the year, as originally stated	21,535,534
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Restatement of net position	(3,496,150)
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Net position at the beginning of the year, as restated	18,039,384
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Net position at the end of the year	\$ 16,992,733
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The accompanying notes are an integral part of the financial statements.

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HOUSING AUTHORITY OF THE CITY OF VINELAND
Statement of Cash Flows
For the Year Ended September 30, 2015

Cash flows from operating activities	
Cash received from federal and state assistance programs	\$ 5,988,562
Cash received from tenants	2,527,758
Cash received from management contracts	160,293
Other operating cash receipts	114,304
Payments for goods and services	(3,626,528)
Payments to employees and for benefits	(1,208,536)
Payments to landlords for rent	(3,587,717)
Cash received from/(paid to) related organizations	<u>(352,781)</u>
Net cash provided by operating activities	<u>15,355</u>
Cash flows from non-capital financing activities	
Tower rental income	<u>104,883</u>
Net cash provided by non-capital financing activities	<u>104,883</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	(287,034)
Capital grants received	269,026
Principal payments on long-term debt	(225,000)
Interest payments on long-term debt	(134,298)
Transfer of capital assets to related party	408,849
Insurance recovery on capital assets	<u>5,000</u>
Net cash provided by capital and related financing activities	<u>36,543</u>
Cash flows from investing activities	
Interest income received	<u>18,245</u>
Net cash provided by investing activities	<u>18,245</u>
Increase in cash and cash equivalents	175,026
Cash and cash equivalents, beginning of year	<u>5,371,942</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,546,968</u></u>

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HOUSING AUTHORITY OF THE CITY OF VINELAND
Statement of Cash Flows (continued)
For the Year Ended September 30, 2015

Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (1,443,416)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	1,221,658
Loss on disposal of fixed assets	470,865
(Increase) decrease in assets	
Accounts receivable, net of allowance for doubtful accounts	(8,952)
Due from HUD	(48,546)
Due from other governments	50,014
Due from Vineland Housing Solutions LLC, net of allowance	21,038
Due from Vineland Housing Development Corporation	377,125
Due from Melrose Court Homes, LP	(681,185)
Due from Melrose Court GP, LLC	1,000
Other receivables	(70,759)
Prepaid expenses	(6,505)
Deferred outflows related to pension	(762,040)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	147,371
Liability for compensated absences	(35,670)
Tenant funds on deposit	13,343
Due to other governments	4,272
Unearned revenue	4,601
Pension liability	686,597
Deferred inflows related to pension	74,544
Net cash provided by operating activities	<u><u>\$ 15,355</u></u>

Reconciliation of cash and cash equivalents to the statement of net position	
Cash and cash equivalents - unrestricted	\$ 5,244,743
Cash and cash equivalents - restricted	<u>302,225</u>
	<u><u>\$ 5,546,968</u></u>

Noncash capital and related financing activities:

The Housing Authority obtained capital assets related to loss restoration totaling \$172,907. There was an impairment loss associated with this restoration totaling \$28,444.

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.

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority is a component unit of the City of Vineland. The Council and Mayor of the City of Vineland appoint six out of seven commissioners. These financial statements would be either blended or discretely presented as a part of the City's financial statements if the City reported using generally accepted accounting principles applicable to governmental entities.

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

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

As of September 30, 2015, based upon the application of these criteria, 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 rental units. The component unit's fiscal year covers the period ending June 30, 2015. 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, 2015, the activities of the Authority included the ownership and/or management or oversight management of the following programs in Vineland, New Jersey:

The Housing Assistance Payments Programs includes the Housing Choice Voucher program. This program provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for extremely low and very low income families as defined by the Housing Act of 1998, at rents that they can afford. The U.S. Department of Housing and Urban Development ("HUD") provides assistance for approximately 466 housing units to the Authority. This includes 347 units of tenant based rental assistance and 119 units of project based vouchers. Project based vouchers are currently available only to tenants of Oakview Apartments in Millville, New Jersey.

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 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.

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

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

Basis of presentation (continued)

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.

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 year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 - 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 year and to adopt not later than the beginning of the Authority's 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 year ended September 30, 2015 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.

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

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

Budgets and budgetary control (continued)

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.

Cash and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value, as applicable.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services, Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Additionally, the Authority has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

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

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

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.

Capital assets

Land, buildings, and furniture and equipment are carried substantially at cost. All additions and betterments are charged to the capital asset 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 capital assets 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.

Assets capitalized generally have an original cost of \$2,000 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

Deferred outflows and deferred inflows of resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan: the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date. See note 6 for more information regarding the pension plan.

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

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

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position

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

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

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), 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."

Income taxes

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

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

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

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 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 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 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 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, 2015, 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 2015 financial statements, except for Statement No. 68 and No. 71 which will be illustrated in Notes 6 and 14.

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.

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

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:

- 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 periods 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.

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. 69, Government Combinations and Disposals of Government Operations (continued)

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.

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. 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.

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.

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

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

New accounting pronouncements to be implemented in the future

The Authority plans to implement the following pronouncements by the required implementation dates or earlier, when deemed feasible:

Statement No. 72, Fair Value Measurement and Application

Issued February 2015, this Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

This Statement is effective for periods beginning after June 15, 2015.

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

Issued June 2015, this Statement's objective is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement also establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions.

This statement also clarifies the application of certain provisions of Statements No. 67 and 68.

Components of this Statement are effective for periods beginning after June 15, 2015 and 2016.

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

Issued June 2015, this Statement's objective is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local government OPEB plans for making decisions and assessing accountability.

This Statement is effective for periods beginning after June 15, 2016.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Issued June 2015, this Statement's objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities.

This Statement is effective for periods beginning after June 15, 2017.

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. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

Issued June 2015, this Statement identifies, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement is effective for periods beginning after June 15, 2015.

Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans

Issued December 2015, this Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

This Statement is effective for periods beginning after December 15, 2015.

Statement No. 82, Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73

Issued March 2016, this Statement addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standards of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

This Statement is effective for periods beginning after June 15, 2016.

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

Note 3: CASH AND CASH EQUIVALENTSCash 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, 2015, the bank balances of \$5,572,011 and \$6,177 of the Authority and the component unit, respectively, were insured or collateralized as follows:

	Authority	Component Unit
Insured	\$ 572,327	\$ 6,177
Collateralized under GUDPA	4,999,684	-
Uninsured or uncollateralized	-	-
	\$ 5,572,011	\$ 6,177

Note 4: RESTRICTED ASSETS

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

The Authority's restricted cash is as follows for the year ended September 30, 2015:

Housing Assistance Payments	\$ 14,024
Tenant security deposits	188,351
Family Self-Sufficiency deposits	99,470
Capital leveraging	380
	\$ 302,225

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

Note 5: **CAPITAL ASSETS**

The Authority's capital asset activity for the year ended September 30, 2015 was as follows:

	Balance September 30, 2014	Additions	Reductions	Balance September 30, 2015
Land	\$ 3,597,705		\$ 199,636	\$ 3,398,069
Buildings	44,629,905	\$ 243,761	4,361	44,869,305
Furniture, equipment & machinery - dwelling	393,154	12,523		405,677
Furniture, equipment & machinery – administration	1,482,125	3,040	49,000	1,436,165
Construction in progress	680,078		680,078	-
	50,782,967	259,324	933,075	50,109,216
Less accumulated depreciation	31,274,306	1,221,658	53,361	32,442,602
Capital assets, net	\$ 19,508,661	\$ (962,334)	\$ 879,714	\$ 17,666,614

During the year, there was various damage to Authority assets. Restoration work completed during 2015 totaled \$5,000 (net of insurance deductible) for damage resulting from a vehicle colliding with the building at D'Orazio Terrace. The impairment loss was \$1,080 resulting in a gain from insurance recovery of \$3,920.

Restoration work completed subsequent to year end totaled \$167,907 (net of insurance deductible) for fire damage at a Public Housing Scattered Site home which is a receivable as of September 30, 2015. Impairment loss was \$27,364 resulting in a gain from insurance recovery of \$140,543.

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

Note 6: PENSION PLANPublic Employees' Retirement System

A substantial number of the Authority's employees participate in the Public Employees' Retirement System ("PERS"), which is administered by the New Jersey Division of Pensions and Benefits. The plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.state.nj.us/treasury/pensions>

General Information about the Pension Plan**Plan Descriptions**

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designed purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not a member of another state-administered retirement system or the other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. Employers' contributions are based on an actuarially determined amount which included the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the year ended September 30, 2015 was 13.48% of the Authority's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Authority contractually required contribution to the pension plan for the year ended September 30, 2015 is \$158,675, and is payable by April 1, 2016. Based on the PERS measurement date of June 30, 2014, the Authority's contractually required contribution to the pension plan for the year ended September 30, 2014 was \$152,563, which was paid on April 1, 2015. Employee contributions to the plan during the year ended September 30, 2015 were \$82,438.

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

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the Authority's proportionate share of the PERS net pension liability was \$4,143,078. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Authority's proportion was 0.0184563371%, which was a decrease of 0.0049930400% from its proportion measured as of June 30, 2014.

At September 30, 2015, the Authority's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$310,331. As previously mentioned, for the year ended September 30, 2015, the Authority's contributions to PERS was \$152,563 and was paid on April 1, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources

At September 30, 2015, the Authority had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 98,839	
Change of assumptions	444,933	
Net difference between projected and actual earnings on pension plan investments		\$ 66,613
Changes in proportion and differences between Authority contributions and proportionate share of contributions	178,599	7,931
Authority contributions subsequent to the measurement date	<u>39,669</u>	
	<u>\$ 762,040</u>	<u>\$ 74,544</u>

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

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

\$762,040 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending September 30, 2016. This amount was based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Authority's year end of September 30, 2015.

The Authority will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of pension plan deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of assumptions		
Year of pension plan deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net difference between projected and actual earnings on pension plan investments		
Year of pension plan deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in proportion and differences between Authority contributions and proportionate share of contributions		
Year of pension plan deferral:		
June 30, 2014	6.44	
June 30, 2015	5.72	5.72

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

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Plan Year Ended June 30,</u>	<u>PERS</u>
2016	\$ 125,432
2017	125,432
2018	125,432
2019	177,051
2020	<u>94,480</u>
	<u>\$ 647,827</u>

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

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS
Inflation	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% Based on age
Thereafter	3.15% - 5.40% Based on age
Investment rate of return	7.90%
Mortality rate table	RP-2000
Period of actuarial experience study upon with actuarial assumptions were based	July 1, 2008 – June 30, 2011

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

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

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Actuarial Assumptions (continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment grade credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High yield bonds	2.00%	4.03%
Inflation-indexed bonds	1.50%	3.25%
Broad US equities	27.25%	8.52%
Developed foreign equities	12.00%	6.88%
Emerging market equities	6.40%	10.00%
Private equity	9.25%	12.41%
Hedge funds/absolute return	12.00%	4.72%
Real estate (property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

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

Note 6: **PENSION PLAN (continued)**

Public Employees' Retirement System (continued)

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2015 was 4.90%. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability at June 30, 2015, the plan's measurement date, calculated using a discount rate of 4.90%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Authority's proportionate share of the net pension liability	<u>\$ 5,149,339</u>	<u>\$ 4,143,078</u>	<u>\$ 3,299,436</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

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. In accordance with, resolution number 2015-25 dated June 18, 2015, this plan was terminated for employees hired after that date. 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>.

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, 2015, 2014, and 2013 totaled \$19,061, \$17,781, and \$15,936, 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, 2015, 2014, and 2013 was \$164,681, \$143,918, and \$144,710, respectively, which equaled the required contributions for that year. There were approximately 23 retired participants eligible at September 30, 2015, and approximately 20 at September 30, 2014 and 2013.

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

Note 8: LONG-TERM DEBT

The following summarizes compensated absences at September 30, 2015:

Beginning balance	\$ 250,078
Increase	86,926
Decrease	<u>(122,596)</u>
Ending balance	<u>\$ 214,408</u>
Current portion	<u>\$ 53,602</u>

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, 2015:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts due within the year</u>
\$ 3,200,000	\$ -	\$ (215,000)	\$ 2,985,000	\$ 225,000

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 225,000	\$ 134,298	\$ 359,298
2017	235,000	124,344	359,344
2018	250,000	113,844	363,844
2019	260,000	102,798	362,798
2020	270,000	91,313	361,313
2021-2025	1,565,000	251,920	1,816,920
2026	<u>180,000</u>	<u>4,230</u>	<u>184,230</u>
	<u>\$ 2,985,000</u>	<u>\$ 822,747</u>	<u>\$ 3,807,747</u>

Note 9: COMMITMENTS

As of September 30, 2015, the Authority had commitments to expend approximately \$204,416 for various capital improvements and related costs for the 2014 and 2012 Capital Fund grants.

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

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
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054-4412

Note 11: RELATED PARTY TRANSACTIONSVineland Housing Development Corporation

Housing Authority of the City of Vineland has an outstanding loan due from Vineland Housing Development Corporation ("VHDC") 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 balance outstanding of the note, including the amount of the original note and additional funds advanced, at September 30, 2015 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 mortgages which secured this debt discussed above were discharged in November 2012.

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

Note 11: **RELATED PARTY TRANSACTIONS (continued)**

Vineland Housing Development Corporation (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. No amounts have been advanced for this purpose for the year ending September 30, 2015. Additionally, from time to time the Authority has paid expenses attributable to VHDC. The amount of outstanding advances and payments made for expenditures on behalf of VHDC by the Housing Authority of the City of Vineland at September 30, 2015 totaled \$81,845. As of the date of the preparation of the financial statements, no payments were made to the Authority on these amounts due.

There are amounts due from Vineland Housing Development Corporation which represent financial transactions which occurred between July 1 and September 30 of the Authority's year ends. This is the period after Vineland Housing Development Corporation's year-end. These amounts remain after Vineland Housing Development Corporation's financials were blended with the Authority's financials. At September 30, 2015, amounts are due from Vineland Housing Development Corporation totaling \$84. This represent amounts loaned to Vineland Housing Development Corporation for operating purposes. The amount was repaid within a month after the Authority's year-end.

Melrose Court Homes, LP

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 has obtained low-income housing credits pursuant to Internal Revenue Code Section 42.

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, 2013 and extended again to December 31, 2014 in June 2014). Vineland Housing Development Corporation has the option to transfer the project and any outstanding contracts to 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, 2014 was \$292,124. During 2015, the loan, including the last draw made during 2015 of \$9,679, was transferred to Melrose Court Homes, LP and no longer includes VHDC.

In March 2012 and updated again in October 2013, the Authority approved a resolution to provide a construction loan and permanent financing of up to a \$2.1M to Melrose Court Homes, LP. This loan will be treated as a second mortgage and will be paid for out of cash flow. Interest is accrued at a rate of 1% using the simple interest method. Draws commenced on this obligation during 2014. The balance on this loan at September 30, 2015 is \$896,185.

In September 2013, the Authority approved the allocation of 17 project-based vouchers for the Melrose Court project.

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

Note 11: **RELATED PARTY TRANSACTIONS (continued)**

Melrose Court Homes, LP (continued)

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. The LLC is owned 49% by the Authority and 51% by VHDC. The remaining ownership interest in the LP of 99.99% was held by an investor limited partner, Vineland Housing Development Corporation until October 1, 2014 when the Amended and Restated Partnership Agreement was executed.

Development costs that did not transfer to Melrose Court Homes, LP, as per the Amended and Restated Partnership Agreement were written off on the books of Vineland Housing Development Corporation, in the amount of \$470,865 for the year ended September 30, 2015.

The Authority has advanced amounts to Vineland Housing Development Corporation to pay fees directly to the New Jersey Housing Mortgage Finance Agency ("NJHMFA") for the Melrose Court project. During the year ending September 30, 2014, the Authority advanced \$108,597 for this project. As of October 1, 2014 this obligation had transferred to Melrose Court Homes, LP.

On October 1, 2014, the LP closed or settled on the loans with the NJHMFA to begin construction of the Melrose Court project and an Amended and Restated Partnership Agreement was executed. This process included, but was not limited to, finalizing construction and permanent loans and mortgages with the NJHMFA and the Authority, assignment of the predevelopment loan and construction to the LP from Vineland Housing Development Corporation, and execution of management and developer's agreements. Vineland Housing Development Corporation is named as developer, and the Authority is named as the managing agent. The ownership interest previously held by Vineland Housing Development Corporation was transferred to Capital Bank on this date. The Authority and Vineland Housing Development Corporation joint and severably, unconditionally and irrevocably guarantee all obligations.

As the developer for the construction of the Melrose Court Project, Vineland Housing Development Corporation has earned a development fee of \$78,269. This amount was earned upon the October 1, 2014 first closing. During 2015, \$7,594 was paid to Vineland Housing Development Corporation, leaving \$70,675 in development fee receivable.

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

Note 12: **RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY**

The following schedule reports receivables and payables at 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>	
ROSS Program	PHA Owned Housing Program	\$ 78,745
Homeownership	PHA Owned Housing Program	10,640
Congregate	PHA Owned Housing Program	<u>1,074</u>
		<u>\$ 90,459</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>	
PH Owned Housing Program	VHDC	\$ (44,845)
Homeownership Program	VHDC	<u>(411,167)</u>
		<u>\$ (456,012)</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
Notes to Financial Statements (continued)

Note 13: COMPONENT UNIT CONSOLIDATION

The following schedule details the blending of the primary government and its component unit, including eliminations in the Statement of Net Position.

	<u>PG</u>	<u>CU</u>	<u>Eliminations</u>	<u>Consolidated 2015</u>
Assets				
Current assets	\$ 5,665,593	\$ 76,852		\$ 5,742,445
Non-current assets	1,654,422		(456,012)	1,198,410
Capital assets, net	<u>17,614,502</u>	<u>52,112</u>		<u>17,666,614</u>
Total assets	24,934,517	128,964	(456,012)	24,607,469
Deferred outflows of resources	762,040			762,040
Liabilities				
Current liabilities	1,196,896	1,783		1,198,679
Long term liabilities	<u>7,103,553</u>	<u>456,012</u>	<u>(456,012)</u>	<u>7,103,553</u>
Total liabilities	8,300,449	457,795	(456,012)	8,302,232
Deferred inflows of resources	74,544			74,544
Net position				
Net investment in capital assets	14,629,502	52,112		14,681,614
Restricted	14,024			14,024
Unrestricted	<u>2,678,038</u>	<u>(380,943)</u>		<u>2,297,095</u>
Total net position	<u>\$ 17,321,564</u>	<u>\$ (328,831)</u>	<u>\$ -</u>	<u>\$ 16,992,733</u>

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

Note 13: COMPONENT UNIT CONSOLIDATION (continued)

The following schedule details the blending of the primary government and its component unit, including eliminations in the Statement of Revenue, Expenses, and Changes in Net Position.

	<u>PG</u>	<u>CU</u>	<u>Eliminations</u>	<u>Consolidated 2015</u>
Operating revenue	\$ 8,702,188	\$ 78,269	-	\$ 8,780,457
Operating expenses	8,525,298	476,917	-	9,002,215
Depreciation	<u>1,221,658</u>	<u>-</u>	<u>-</u>	<u>1,221,658</u>
Operating loss	(1,044,768)	(398,648)	-	(1,443,416)
Non-operating revenue	536,617	-	-	536,617
Non-operating expense	<u>(139,852)</u>	<u>-</u>	<u>-</u>	<u>(139,852)</u>
Decrease in net position	<u>(648,003)</u>	<u>(398,648)</u>	<u>-</u>	<u>(1,046,651)</u>
Net positions at the beginning of the year, as originally stated	<u>21,465,717</u>	<u>69,817</u>	<u>-</u>	<u>21,535,534</u>
Prior period adjustment	<u>(3,496,150)</u>	<u>-</u>	<u>-</u>	<u>(3,496,150)</u>
Net position at the beginning of the year, as restated	<u>17,969,567</u>	<u>69,817</u>	<u>-</u>	<u>18,039,384</u>
Net position at the end of the year	<u>\$ 17,321,564</u>	<u>\$ (328,831)</u>	<u>-</u>	<u>\$ 16,992,733</u>

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

Note 14: **RESTATEMENT OF NET POSITION**

As indicated in Note 2 to the financial statements, in 2015, the Authority adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of implementing these new GASB statements, it was necessary to adjust unrestricted (deficit) net position in the financial statements, for the Authority's proportionate share of the Public Employees' Retirement System (PERS) net pension liability. The cumulative effect on the financial statements as reported for September 30, 2014 is as follows:

As reported – September 30, 2014 Net Position, as originally stated	\$ 21,535,534
Effects of accounting for adoption of GASB Statements No. 68 and 71:	
Net Pension Liability as of the June 30, 2014 measurement date	(3,464,879)
Deferred outflows as of the June 30, 2014 measurement date	327,780
Deferred outflows related to contributions made after the 2014 measurement date	39,669
Short-term payable related to contributions made after the 2014 measurement date	(152,563)
Long-term payable related to contributions made after the 2014 measurement date	(39,669)
Deferred inflows as of the June 30, 2014 measurement date	<u>(206,488)</u>
Restatement of net position	<u>(3,496,150)</u>
Restated – September 30, 2014 Net Position, as restated	<u>\$ 18,039,384</u>

HOUSING AUTHORITY OF THE CITY OF VINELAND

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2015

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HOUSING AUTHORITY OF THE CITY OF VINELAND
Other Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
September 30, 2015

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's proportion of the net pension liability	0.0184563371%	0.0185062675%	0.0171508299%
Authority's proportionate share of the net pension liability	\$ 4,143,078	\$ 3,464,879	\$ 3,277,864
Authority's covered-employee payroll	\$ 1,274,948	\$ 1,279,812	\$ -
Authority's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	324.96%	270.73%	
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

HOUSING AUTHORITY OF THE CITY OF VINELAND
Other Required Supplementary Information
Schedule of the Authority's Contributions
Public Employees' Retirement System (PERS)
September 30, 2015

	<u>Year Ended Spetember 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 158,675	\$ 152,563	\$ 129,228
Contributions in relation to the contractually required contribution	<u>(158,675)</u>	<u>(152,563)</u>	<u>(129,228)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered employee payroll	\$ 1,177,257	\$ 1,257,149	\$ 1,254,517
Contributions as a percentage of Authority's covered-employee payroll	13.48%	12.14%	10.30%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

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**HOUSING AUTHORITY OF THE CITY OF VINELAND
Note to Other Required Supplementary Information
For the Year Ended September 30, 2015**

Note to Required Supplementary Information

Changes in benefit terms - None

Changes in assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

HOUSING AUTHORITY OF THE CITY OF VINELAND

SUPPLEMENTARY INFORMATION

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

SEPTEMBER 30, 2015

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VINELAND HOUSING AUTHORITY									
Financial Data Schedule									
Program Financials									
Year Ended September 30, 2015									
				<u>SEC 8</u>					
		<u>TOTAL</u>	<u>STATE</u>	<u>& S&FSS</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>SPC</u>	<u>ROSS</u>	<u>FSS</u>
111	Cash-Unrestricted	3,029,353	40,734	36,603	2,897,170	6,177	1,233	-	47,436
112	Cash-Restricted-Modernization and Development	-							
113	Cash-Other Restricted	46,467	-	46,467					
114	Cash-Tenant Security Deposits	-							
115	Cash-Restricted for Payment of Current Liabilities	-							
100	Total Cash	3,075,820	40,734	83,070	2,897,170	6,177	1,233	-	47,436
121	A/R-PHA Projects	-							
122	A/R-HUD Other Projects	123,196		6,743			36,911	79,542	
124	A/R-Other Government	14,724	13,456	1,268					
125	A/R-Miscellaneous	70,675		-	-	70,675			
126	A/R-Tenants	7,372		7,372					
126.1	Allowance for Doubtful Accounts-Tenants	(1,843)		(1,843)					
126.2	Allowance for Doubtful Accounts-Other	-		-					
127	Notes, Loans & Mortgages Receivable-Current	1,307,352			1,307,352				
128	Fraud Recovery	-		-					
128.1	Allowance for Doubtful Accounts-Fraud	-		-					
129	Accrued Interest Receivable	-							
120	Total Receivables, Net of Allowances	1,521,476	13,456	13,540	1,307,352	70,675	36,911	79,542	-
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	4,597,296	54,190	96,610	4,204,522	76,852	38,144	79,542	47,436
161	Land	52,112				52,112			
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	-				-			
160	Total Capital Assets, Net of Accumulated Depreciation	52,112	-	-	-	52,112	-	-	-
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	52,112	-	-	-	52,112	-	-	-
190	Total Assets	4,649,408	54,190	96,610	4,204,522	128,964	38,144	79,542	47,436
200	Deferred Outflow of Resources	97,378	0	97,378	0	0	0	0	0
290	Total Assets and Deferred Outflow of Resources	4,746,786	54,190	193,988	4,204,522	128,964	38,144	79,542	47,436
311	Bank Overdraft	-							
312	Accounts Payable<=90 Days	45,727	4,487	5	-	1,783	38,144	1,308	
313	Accounts Payable>90 Days Past Due	-				-			
321	Accrued Wages/Payroll Taxes Payable	18,307	3,210	9,215				2,639	3,243
322	Accrued Compensation Absences-current portion	7,363	-	7,363					
324	Accrued Contingency Liability	-							
325	Accrued Interest Payable	-							
331	Accounts Payable-HUD PHA Programs	-							
332	Accounts Payable-PHA Projects	-							
333	Accounts Payable-Other Government	-							
341	Tenant Security Deposits	-							
342	Unearned Revenues	41,043	-	-					41,043
343	Current Portion of LT-Capital Projects/Mtg Rev. Bonds	-				-			
344	Current Portion of LT-Operating Borrowings	374,167				374,167			

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VINELAND HOUSING AUTHORITY										
Financial Data Schedule										
Program Financials										
Year Ended September 30, 2015										
				SEC 8						
			TOTAL	STATE	& S&FSS	NEWHOP	VHDC	SPC	ROSS	FSS
345	Other Current Liabilities	81,845					81,845			
346	Accrued Liabilities-Other	20,276			20,276					
347	Inter Program -Due To	90,459	1,074	-	10,640				75,595	3,150
348	Loan Liability-Current	-							-	
310	Total Current Liabilities	679,187	8,771	36,859	10,640	457,795	38,144	79,542	47,436	
351	LT Debt, Net of Current -Capital Projects/Mtg Rev.	-	-							
352	LT Debt, Net of Current -Operating Borrowings	-	-							
353	Non-current Liabilities-Other	32,443		32,443						
354	Accrued Compensated Absences-Non current	22,090	-	22,090						
355	Loan Liability - Non current	-								
356	FASB 5 Liabilities	-								
357	Accrued Pension and OPEB Liabilities	534,493	-	534,493						
350	Total Non-Current Liabilities	589,026	-	589,026	-	-	-	-	-	-
300	Total Liabilities	1,268,213	8,771	625,885	10,640	457,795	38,144	79,542	47,436	
400	Deferred Inflow of Resources	9,527	0	9,527	0	0	0	0	0	0
	Net Position									
508.1	Invested in Capital Assets, Net of Related Debt	52,112	-	-	-	52,112				
511.1	Restricted Net Assets	14,024	-	14,024	-					
512.1	Unrestricted Net Assets	3,402,910	45,419	(455,448)	4,193,882	(380,943)	-	-	-	
513	Total Equity/Net Assets	3,469,046	45,419	(441,424)	4,193,882	(328,831)	-	-	-	
600	Total Liab., Deferred Inflow of Resources and Net Position	4,746,786	54,190	193,988	4,204,522	128,964	38,144	79,542	47,436	
		-	-	-	-	-	-	-	-	
70300	Net Tenant Rental Revenue	-								
70400	Tenant Revenue-Other	-	-	-						
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	
70600	HUD PHA Operating Grants	4,073,393		3,871,984			31,967	76,245	93,197	
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	4,073,393	-	3,871,984	-	-	31,967	76,245	93,197	
70800	Other Government Grants	101,734	101,734	-						
71100	Investment Income-Unrestricted	10,943		303	10,640					
71200	Mortgage Interest Income	-								
71300	Proceeds from Disposition of Assets Held for Sales	-								
71310	Cost of Sale of Assets	-								
71400	Fraud Recovery	12,759		12,759						
71500	Other Revenue	104,407	20,455	5,683		78,269				
71600	Gain or Loss on Sale of Capital Assets	-								
72000	Investment Income-Restricted	253		253						
70000	Total Revenue	4,303,489	122,189	3,890,982	10,640	78,269	31,967	76,245	93,197	
91100	Administrative Salaries	266,499		153,633					52,739	60,127
91200	Auditing Fees	14,912		14,912						
91300	Management Fees	38,339		27,699	10,640					
91310	Bookkeeping Fees	14,220		14,220						
91400	Advertising and Marketing	491		491						
91500	Employee Benefits-Admin.	153,448		103,238					17,140	33,070
91600	Office Expense	4,605	68	4,537						
91700	Legal Expense	3,128		2,998		130				
91800	Travel	-		-						
91810	Allocated Overhead	-								
91900	Other	18,964	1,796	7,917	-	2,885		6,366		
91000	Total Operating-Admin	514,606	1,864	329,645	10,640	3,015	-	76,245	93,197	
92000	Asset Management Fee	-								

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VINELAND HOUSING AUTHORITY										
Financial Data Schedule										
Program Financials										
Year Ended September 30, 2015										
				<u>SEC 8</u>						
			<u>TOTAL</u>	<u>STATE</u>	<u>& S8FSS</u>	<u>NEWHOP</u>	<u>VHDC</u>	<u>SPC</u>	<u>ROSS</u>	<u>FSS</u>
92100	Tenant Services-Salaries		48,433	48,433						
92200	Relocation Costs		-							
92300	Employee Benefits		4,127	4,127						
92400	Tenant Services-Other		73,436	41,469	-			31,967		
92500	Total Tenant Services		125,996	94,029	-	-	-	31,967	-	-
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		2,844	1,895	675		274			
94300	Ordinary Maint. & Operations Contracts		3,479	658	996		1,825			
94500	Employee Benefits		-							
94000	Total Maintenance		6,323	2,553	1,671	-	2,099	-	-	-
95100	Protective Services-Labor		-							
95200	Protective Services-Other Contract Costs		-							
95300	Protective Services-Other		-							
95500	Employee Benefits		-							
95000	Total Protective Services		-	-	-	-	-	-	-	-
96110	Property Insurance		28				28			
96120	Liability Insurance		-				-			
96130	Workmen's Compensation		-							
96140	All Other Insurance		880		-		880			
96100	Total Insurance Premiums		908	-	-	-	908	-	-	-
96200	Other General Expenses		470,895		-		470,895			
96210	Compensated Absences		21,116	-	21,116					
96300	Payments in Lieu of Taxes		-							
96400	Bad debts-Tenant Rents		1,433		1,433					
96500	Bad debts-Mortgages		-							
96600	Bad debts-Other		-							
96800	Severance Expense		-							
96000	Total Other General Expenses		493,444	-	22,549	-	470,895	-	-	-
96710	Interest of Mortgage (or Bonds) Payable		-							
96720	Interest on Notes Payable (Short and Long Term)		-							
96730	Amortization of Bond Issue Costs		-							
96700	Total Interest Expense and Amortization Cost		-	-	-	-	-	-	-	-
96900	Total Operating Expenses		1,141,277	98,446	353,865	10,640	476,917	31,967	76,245	93,197
97000	Excess of Operating Revenue over Operating Expenses		3,162,212	23,743	3,537,117	-	(398,648)	-	-	-
97100	Extraordinary Maintenance		-							
97200	Casualty Losses		-							
97300	Housing Assistance Payments		3,582,364		3,582,364					
97350	HAP Portability-In		5,353		5,353					
97400	Depreciation Expense		-		-					
97500	Fraud Losses		-							
97600	Capital Outlays-Governmental Funds		-							
97700	Debt Principal Payment-Governmental Funds		-							
97800	Dwelling Units Rent Expense		-							
90000	Total Expenses		4,728,994	98,446	3,941,582	10,640	476,917	31,967	76,245	93,197
10010	Operating Transfer In		-							
10020	Operating Transfer Out		-	-						

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VINELAND HOUSING AUTHORITY											
Financial Data Schedule											
Consolidated											
Year Ended September 30, 2015											
		Per FS	Eliminations	TOTAL	PH ONLY	AMP1	AMP2	AMP3	AMP4	COCC	PROGRAMS
111	Cash-Unrestricted	5,244,743		5,244,743	1,850,159	352,911	527,777	742,859	226,612	365,231	3,029,353
112	Cash-Restricted-Modernization and Development	-		-	-	-	-	-	-	-	-
113	Cash-Other Restricted	113,874		113,874	67,407	12,585	20	38,418	16,384	-	46,467
114	Cash-Tenant Security Deposits	188,351		188,351	188,351	33,621	54,191	61,640	38,899	-	-
115	Cash-Restricted for Payment of Current Liabilities	-		-	-	-	-	-	-	-	-
100	Total Cash	5,546,968	0	5,546,968	2,105,917	399,117	581,988	842,917	281,895	365,231	3,075,820
121	A/R-PHA Projects	-	0	-	-	-	-	-	-	-	-
122	A/R-HUD Other Projects	133,362		133,362	10,166	3,300	974	5,892	-	-	123,196
124	A/R-Other Government	15,602		15,602	-	-	-	-	-	878	14,724
125	A/R-Miscellaneous	361,431	0	361,431	167,907	-	-	-	167,907	122,849	70,675
126	A/R-Tenants	28,035		28,035	20,663	8,112	751	4,350	7,450	-	7,372
126.1	Allowance for Doubtful Accounts-Tenants	(7,009)		(7,009)	(5,166)	(2,028)	(188)	(1,088)	(1,862)	-	(1,843)
126.2	Allowance for Doubtful Accounts-Other	(103,290)		(103,290)	-	-	-	-	-	(103,290)	-
127	Notes, Loans & Mortgages Receivable-Current	896,185	456,012	1,352,197	-	-	-	-	-	44,845	1,307,352
128	Fraud Recovery	-		-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts-Fraud	-		-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-		-	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances	1,324,316	456,012	1,780,328	193,570	9,384	1,537	9,154	173,495	65,282	1,521,476
131	Investments-Unrestricted	-		-	-	-	-	-	-	-	-
132	Investments-Restricted	-		-	-	-	-	-	-	-	-
135	Investments-Restricted for Payment of Current Liabilities	-		-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	69,571		69,571	54,629	9,575	17,136	15,121	12,797	14,942	-
143	Inventories	-		-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-		-	-	-	-	-	-	-	-
144	Inter Program Due From	-	160,496	160,496	80,181	-	-	75,983	4,198	80,315	-
145	Assets Held for Sale	-		-	-	-	-	-	-	-	-
150	Total Current Assets	6,940,855	616,508	7,557,363	2,434,297	418,076	600,661	943,175	472,385	525,770	4,597,296
161	Land	3,398,069		3,398,069	2,963,199	81,593	270,405	206,110	2,405,091	382,758	52,112
162	Buildings	44,869,304		44,869,304	41,235,164	8,109,258	13,660,898	16,210,463	3,254,545	3,634,140	-
163	Furniture, Equip & Mach-Dwelling	405,678		405,678	405,678	4,386	187,531	178,387	35,374	-	-
164	Furniture, Equip & Mach-Admin	1,436,165		1,436,165	713,821	286,731	14,152	394,911	18,027	650,515	71,829
165	Leasehold Improvements	-		-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(32,442,602)		(32,442,602)	(29,569,554)	(6,528,927)	(10,035,524)	(10,603,464)	(2,401,639)	(2,801,219)	(71,829)
167	Construction in Progress	-		-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	17,666,614	0	17,666,614	15,748,308	1,953,041	4,097,462	6,386,407	3,311,398	1,866,194	52,112
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	17,666,614	-	17,666,614	15,748,308	1,953,041	4,097,462	6,386,407	3,311,398	1,866,194	52,112
190	Total Assets	24,607,469	616,508	25,223,977	18,182,605	2,371,117	4,698,123	7,329,582	3,783,783	2,391,964	4,649,408
200	Deferred Outflow of Resources	762,040	0	762,040	438,307	101,214	126,618	136,312	74,163	226,355	97,378
290	Total Assets and Deferred Outflow of Resources	25,369,509	616,508	25,986,017	18,620,912	2,472,331	4,824,741	7,465,894	3,857,946	2,618,319	4,746,786
311	Bank Overdraft	-		-	-	-	-	-	-	-	-
312	Accounts Payable<=90 Days	136,688	0	136,688	63,897	9,234	17,197	21,389	16,077	27,064	45,727
313	Accounts Payable>90 Days Past Due	-		-	-	-	-	-	-	-	-
321	Accrued Wages/Payroll Taxes Payable	80,519		80,519	28,278	5,237	7,469	7,969	7,603	33,934	18,307
322	Accrued Compensation Absences-current portion	53,602		53,602	24,080	4,756	5,489	7,091	6,744	22,159	7,363
324	Accrued Contingency Liability	-		-	-	-	-	-	-	-	-
325	Accrued Interest Payable	56,960		56,960	56,960	-	3,030	53,930	-	-	-
331	Accounts Payable-HUD PHA Programs	-		-	-	-	-	-	-	-	-
332	Accounts Payable-PHA Projects	-		-	-	-	-	-	-	-	-
333	Accounts Payable-Other Government	145,109		145,109	145,109	20,325	38,352	42,064	44,368	-	-
341	Tenant Security Deposits	188,351		188,351	188,351	33,621	54,191	61,640	38,899	-	-
342	Unearned Revenues	54,305		54,305	13,262	2,605	5,660	3,453	1,544	-	41,043
343	Current Portion of LT-Capital Projects/Mtg Rev. Bonds	225,000		225,000	225,000	-	11,970	213,030	-	-	-
344	Current Portion of LT-Operating Borrowings	-	374,167	374,167	-	-	-	-	-	-	374,167
345	Other Current Liabilities	-	81,845	81,845	-	-	-	-	-	-	81,845
346	Accrued Liabilities-Other	158,675		158,675	91,265	21,076	26,364	28,383	15,442	47,134	20,276
347	Inter Program -Due To	-	160,496	160,496	70,037	6,889	25,690	37,426	32	-	90,459
348	Loan Liability-Current	-		-	-	-	-	-	-	-	-
310	Total Current Liabilities	1,099,209	616,508	1,715,717	906,239	103,743	195,412	476,375	130,709	130,291	679,187
351	LT Debt, Net of Current -Capital Projects/Mtg Rev.	2,760,000		2,760,000	2,760,000	-	146,880	2,613,120	-	-	-
352	LT Debt, Net of Current -Operating Borrowings	-		-	-	-	-	-	-	-	-
353	Non-current Liabilities-Other	99,470		99,470	67,027	12,585	-	38,058	16,384	-	32,443

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VINELAND HOUSING AUTHORITY											
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Year Ended September 30, 2015											
		Per FS	Eliminations	TOTAL	PH ONLY	AMP1	AMP2	AMP3	AMP4	COCC	PROGRAMS
354	Accrued Compensated Absences-Non current	160,806		160,806	72,237	14,269	16,467	21,269	20,232	66,479	22,090
355	Loan Liability - Non current	-		-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-		-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	4,182,747		4,182,747	2,405,819	555,554	694,987	748,205	407,073	1,242,435	534,493
350	Total Non-Current Liabilities	7,203,023	-	7,203,023	5,305,083	582,408	858,334	3,420,652	443,689	1,308,914	589,026
300	Total Liabilities	8,302,232	616,508	8,918,740	6,211,322	686,151	1,053,746	3,897,027	574,398	1,439,205	1,268,213
400	Deferred Inflow of Resources	74,544	0	74,544	42,875	9,899	12,387	13,333	7,256	22,142	9,527
	Net Position	-		-	-	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	14,681,614		14,681,614	12,763,308	1,953,041	3,938,612	3,560,257	3,311,398	1,866,194	52,112
511.4	Restricted Net Position	14,024		14,024	-	-	-	-	-	-	14,024
512.4	Unrestricted Net Position	2,297,095		2,297,095	(396,593)	(176,760)	(180,004)	(4,723)	(35,106)	(709,222)	3,402,910
513	Total Net Position	16,992,733	-	16,992,733	12,366,715	1,776,281	3,758,608	3,555,534	3,276,292	1,156,972	3,469,046
600	Total Liab., Deferred Inflow of Resources and Net Pos	25,369,509	616,508	25,986,017	18,620,912	2,472,331	4,824,741	7,465,894	3,857,946	2,618,319	4,746,786
		-		-	-	-	-	-	-	-	-
70300	Net Tenant Rental Revenue	2,431,858		2,431,858	2,431,858	449,475	698,522	801,532	482,329	-	-
70400	Tenant Revenue-Other	49,571		49,571	49,571	6,433	14,160	22,417	6,561	-	-
70500	Total Tenant Revenue	2,481,429	-	2,481,429	2,481,429	455,908	712,682	823,949	488,890	-	-
		-		-	-	-	-	-	-	-	-
70600	HUD PHA Operating Grants	5,927,663		5,927,663	1,854,270	374,876	494,799	943,780	40,815	-	4,073,393
70610	Capital Grants	269,026		269,026	269,026	-	246,340	12,552	10,134	-	-
70710	Management Fee	-	583,059	583,059	-	-	-	-	-	583,059	-
70720	Asset Management Fee	-	72,000	72,000	-	-	-	-	-	72,000	-
70730	Bookkeeping Fee	-	68,220	68,220	-	-	-	-	-	68,220	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	6,196,689	723,279	6,919,968	2,123,296	374,876	741,139	956,332	50,949	723,279	4,073,393
		-		-	-	-	-	-	-	-	-
70800	Other Government Grants	101,734		101,734	-	-	-	-	-	-	101,734
71100	Investment Income-Unrestricted	17,992		17,992	6,162	1,288	2,089	2,046	739	887	10,943
71200	Mortgage Interest Income	-		-	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sales	-		-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-		-	-	-	-	-	-	-	-
71400	Fraud Recovery	21,021		21,021	8,262	6,694	225	1,343	-	-	12,759
71500	Other Revenue	353,493	72,000	425,493	134,075	480	105,862	27,670	63	187,011	104,407
71600	Gain or Loss on Sale of Capital Assets	-		-	-	-	-	-	-	-	-
72000	Investment Income-Restricted	253		253	-	-	-	-	-	-	253
70000	Total Revenue	9,172,611	795,279	9,967,890	4,753,224	839,246	1,561,997	1,811,340	540,641	911,177	4,303,489
		-		-	-	-	-	-	-	-	-
91100	Administrative Salaries	949,495		949,495	322,907	96,275	54,567	109,750	62,315	360,089	266,499
91200	Auditing Fees	46,600		46,600	31,222	6,524	10,485	10,485	3,728	466	14,912
91300	Management Fees	-	583,059	583,059	544,720	103,461	179,595	203,438	58,226	-	38,339
91310	Bookkeeping Fees	-	68,220	68,220	54,000	11,250	18,270	18,000	6,480	-	14,220
91400	Advertising and Marketing	1,677		1,677	-	-	-	-	-	1,186	491
91500	Employee Benefits-Admin.	696,865		661,362	269,561	84,457	34,161	96,277	54,666	238,353	153,448
91600	Office Expense	17,306		17,306	6,208	1,280	2,143	2,048	737	6,493	4,605
91700	Legal Expense	40,687		40,687	35,758	8,231	6,557	11,522	9,448	1,801	3,128
91800	Travel	3,456		3,456	-	-	-	-	-	3,456	-
91810	Allocated Overhead	-		-	-	-	-	-	-	-	-
91900	Other	266,041	27,000	293,041	108,581	21,501	37,057	31,388	18,635	165,496	18,964
91000	Total Operating-Admin	2,022,127	678,279	2,664,903	1,372,957	332,979	342,835	482,908	214,235	777,340	514,606
		-		-	-	-	-	-	-	-	-
92000	Asset Management Fee	-	72,000	72,000	72,000	15,000	24,360	24,000	8,640	-	-
92100	Tenant Services-Salaries	48,433		48,433	-	-	-	-	-	-	48,433
92200	Relocation Costs	-		-	-	-	-	-	-	-	-
92300	Employee Benefits	4,127		4,127	-	-	-	-	-	-	4,127
92400	Tenant Services-Other	98,194		98,194	24,758	5,302	1,005	12,961	5,490	-	73,436
92500	Total Tenant Services	150,754	72,000	222,754	96,758	20,302	25,365	36,961	14,130	-	125,996
		-		-	-	-	-	-	-	-	-
93100	Water	76,526		76,526	75,501	15,864	20,121	26,359	13,157	1,025	-
93200	Electricity	574,914		574,914	545,023	166,575	122,847	255,438	163	29,891	-
93300	Gas	200,917		200,917	193,690	26,504	115,579	51,491	116	7,227	-
93400	Fuel	511		511	511	-	511	-	-	-	-
93500	Labor	-		-	-	-	-	-	-	-	-
93600	Sewer	202,238		202,238	200,258	43,712	70,110	70,010	16,426	1,980	-
93700	Employee Benefits	-		-	-	-	-	-	-	-	-
93800	Other Utilities	15,354		15,354	15,354	-	-	-	15,354	-	-
93000	Total Utilities	1,070,460	-	1,070,460	1,030,337	252,655	329,168	403,298	45,216	40,123	-
		-		-	-	-	-	-	-	-	-
94100	Ordinary Maint & Operations-Labor	367,621		367,621	367,621	62,816	145,098	105,015	54,692	-	-
94200	Ordinary Maint. & Operations-Materials	168,420		168,420	160,776	22,038	43,973	64,518	30,247	4,800	2,844

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VINELAND HOUSING AUTHORITY											
Financial Data Schedule											
Consolidated											
Year Ended September 30, 2015											
		Per FS	Eliminations	TOTAL	PH ONLY	AMP1	AMP2	AMP3	AMP4	COCC	PROGRAMS
94300	Ordinary Maint. & Operations Contracts	421,819	45,000	466,819	432,581	60,292	147,336	139,711	85,242	30,759	3,479
94500	Employee Benefits	323,366		323,366	323,366	55,627	127,375	92,384	47,980	-	-
94000	Total Maintenance	1,281,226	45,000	1,326,226	1,284,344	200,773	463,782	401,628	218,161	35,559	6,323
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	75,186		75,186	73,166	12,829	22,946	20,255	17,136	1,992	28
96120	Liability Insurance	60,547		60,547	58,942	10,335	18,485	16,317	13,805	1,605	-
96130	Workmen's Compensation	60,328		60,328	58,730	10,299	18,418	16,259	13,754	1,598	-
96140	All Other Insurance	12,853		12,853	11,656	2,044	3,655	3,227	2,730	317	880
96100	Total Insurance Premiums	208,914	-	208,914	202,494	35,507	63,504	56,058	47,425	5,512	908
96200	Other General Expenses	478,239		478,239	7,344	-	383	6,961	-	-	470,895
96210	Compensated Absences	23,208		23,208	37,595	4,519	-	12,264	20,812	-	21,116
96300	Payments in Lieu of Taxes	145,109		145,109	145,109	20,325	38,351	42,065	44,368	-	-
96400	Bad debts-Tenant Rents	12,223		12,223	10,790	4,063	404	6,005	318	-	1,433
96500	Bad debts-Mortgages	-		-	-	-	-	-	-	-	-
96600	Bad debts-Other	21,038		21,038	-	-	-	-	-	21,038	-
96800	Severance Expense	-		-	-	-	-	-	-	-	-
96000	Total Other General Expenses	679,817	-	715,320	200,838	28,907	39,138	67,295	65,498	21,038	493,444
96710	Interest of Mortgage (or Bonds) Payable	139,852		139,852	139,852	-	7,440	132,412	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-		-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-		-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	139,852	-	139,852	139,852	-	7,440	132,412	-	-	-
96900	Total Operating Expenses	5,554,350	795,279	6,349,629	4,328,780	871,123	1,272,432	1,580,560	604,665	879,572	1,141,277
97000	Excess of Operating Revenue over Operating Expens	3,618,261	-	3,618,261	424,444	(31,877)	289,565	230,780	(64,024)	31,605	3,162,212
97100	Extraordinary Maintenance	-		-	-	-	-	-	-	-	-
97200	Casualty Losses	-		-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	3,582,364		3,582,364	-	-	-	-	-	-	3,582,364
97350	HAP Portability-In	5,353		5,353	-	-	-	-	-	-	5,353
97400	Depreciation Expense	1,221,658		1,221,658	1,121,029	258,458	386,421	376,476	99,674	100,629	-
97500	Fraud Losses	-		-	-	-	-	-	-	-	-
97600	Capital Outlays-Governmental Funds	-		-	-	-	-	-	-	-	-
97700	Debt Principal Payment-Governmental Funds	-		-	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-		-	-	-	-	-	-	-	-
90000	Total Expenses	10,363,725	795,279	11,159,004	5,449,809	1,129,581	1,658,853	1,957,036	704,339	980,201	4,728,994
10010	Operating Transfer In	-	543,527	543,527	543,527	30,813	72,584	403,710	36,420	-	-
10020	Operating Transfer Out	-	(543,527)	(543,527)	(543,527)	(30,813)	(72,584)	(403,710)	(36,420)	-	-
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)	144,463		144,463	144,463	3,920	-	-	140,543	-	-
10091	Inter Project Excess Cash Transfer In	-	0	-	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	0	-	-	-	-	-	-	-	-
10093	Transfers between Program and Project-In	-	0	-	-	-	-	-	-	-	-
10094	Transfers between Program and Project-Out	-	0	-	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	144,463	-	144,463	144,463	3,920	-	-	140,543	-	-
10000	Excess (Deficiency) of Total Revenue Over (under)	(1,046,651)	-	(1,046,651)	(552,122)	(286,415)	(218,669)	(145,696)	(23,155)	(69,024)	(425,505)
11020	Required Annual Debt Principal Payments	365,105		365,105	365,105	-	19,424	345,681	-	-	-
11030	Beginning Net Position	21,535,534		21,535,534	14,929,740	2,527,056	4,436,368	4,326,617	3,639,699	2,264,486	4,341,308
11040	Prior Period Adj., Equity Transfers and Correction of E	(3,496,150)		(3,496,150)	(2,010,903)	(464,360)	(580,904)	(625,387)	(340,252)	(1,038,490)	(446,757)
11190	Unit Months Available	12,792		12,792	7,200	1,500	2,436	2,400	864	-	5,592
11210	Number of Unit Months Leased	11,698		11,698	7,118	1,490	2,403	2,378	847	-	4,580
11270	Excess Cash	1,050,758		1,050,758	1,050,758	219,844	283,544	285,162	282,208	-	-
11610	Land Purchases	-		-	-	-	-	-	-	-	-
11620	Building Purchases	264,724		264,724	264,724	-	246,340	8,250	10,134	-	-
11630	Furniture & Equipment-Dwelling Purchases	4,302		4,302	4,302	-	-	4,302	-	-	-
11640	Furniture & Equipment-Admin. Purchases	-		-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-		-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-		-	-	-	-	-	-	-	-
13510	Replacement Housing Factor Funds	-		-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF VINELAND

PART II - SINGLE AUDIT SECTION

SEPTEMBER 30, 2015

INDEPENDENT AUDITOR'S 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* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015. 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, 2015.

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 of compliance, 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 20, 2016

37900

HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development Direct Programs				
Section 8 Housing Choice Voucher Program	14.871	N/A		<u>\$ 3,871,984</u>
Public and Indian Housing Program	14.850a	N/A		<u>1,245,133</u>
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A		<u>76,246</u>
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.877	N/A		<u>93,197</u>
Public Housing - Capital Fund Program	14.872	N/A		<u>878,162</u>
Shelter Plus Care	14.238	N/A		<u>31,967</u>
Total expenditures of federal awards				<u>\$ 6,196,689</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: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Housing Authority of the City of Vineland (the "Authority") under programs of the federal government for the year ended September 30, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Expenditures reported on this Schedule is reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 for prior year's administrative fees received from the United States Department of Housing and Urban Development (HUD) of \$906 for 2014 and no amounts for 2014 for housing assistance payments were included. 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 \$101,734 under the State of New Jersey, Department of Community Affairs Congregate Housing Services Program, which is not subject to a State Single Audit.

Note 5: PHA'S STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS

There were no Modernization Cost Certificates filed by the Housing Authority in 2015.

HOUSING AUTHORITY OF THE CITY OF VINELAND

PART III – SCHEDULE OF FINDINGS & QUESTIONED COSTS

SEPTEMBER 30, 2015

HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

Section 1 – Summary of Auditor's Results

Financial Statement Section

A. Type of auditor's report issued:	Unmodified
B. Internal control over financial reporting:	
1. Material weaknesses	Yes
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?	Yes
F. Type of auditor's 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, 2015

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.

Finding No. 2015-001

Criteria

Management is responsible for establishing and maintaining internal controls in the financial reporting system to facilitate timely and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles (GAAP).

Condition

During the course of the audit it was determined that material adjusting journal entries in Vineland Housing Development Corporation (VHDC), a blended component unit which is included in the financial statements of the Authority, which were necessary in order to achieve proper presentation of the financial statements.

Effect

Without a properly maintained general ledger system, the immediate and current identification of assets, liabilities, revenues, expenses, and net position cannot be achieved.

Cause

The adjustments in question related to amounts which were not eligible costs and therefore not transferred from VHDC to the tax credit project. The required adjustments were simply overlooked in the activity surrounding the completion of the tax credit project.

Recommendation

We recommend that the general ledger be accurately and completely maintained in accordance with GAAP in order to ensure adequate control over the preparation of financial statements.

View of the Responsible Official and Planned Corrective Action

In response to the recommendation made during the 2015 audit, should management engagement in new project development activities in the future, we will take more care to ensure that all related activity is properly accounted for in accordance with generally accepted accounting principles.

**HOUSING AUTHORITY OF THE CITY OF VINELAND
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015**

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None noted.

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

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

FINANCIAL STATEMENT FINDINGS

None noted.

FEDERAL AWARDS

None noted.

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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