

**HOUSING AUTHORITY OF PLEASANTVILLE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED MARCH 31, 2017**

**WITH  
REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF PLEASANTVILLE  
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FOR THE YEAR ENDED MARCH 31, 2017**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners  
Housing Authority of Pleasantville:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Housing Authority of Pleasantville (the "Authority") as of and for the year ended March 31, 2017, and the related notes to the 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.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Authority'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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the the Authority, as of March 31, 2017, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purpose of additional analysis by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards and financial data schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Authority's internal control over financial reporting and compliance.

October 18, 2017  
Toms River, New Jersey

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

As management of the Housing Authority of Pleasantville (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2017.

We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

**Special Conditions and Economic Factors**

Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

**Contacting 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 Executive Director, Housing Authority of Pleasantville, 168 North Main Street, Pleasantville, NJ 08232.

**Overview of the Financial Statements**

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

**Statement of Net Position**

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

- **Net Investment in Capital Assets:**

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

- **Restricted Net Position:**

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

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

**Overview of the Financial Statements (continued)**

Statements of Net Position (continued)

- Unrestricted Net Position:

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

Statement of Revenue, Expenses, and Change in Net Position

Reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions. This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense.

Statement of Cash Flows

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

Notes to the Financial Statements

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

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

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

Our analysis also presents the Authority's net position and changes in them. One can think of the Authority's net position as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net position analysis will assist the reader with measuring the health or financial position of the Authority.

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

**Overview of the Financial Statements (continued)**

Notes to the Financial Statements (continued)

Over time, significant changes in the Authority's net position is an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Housing Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

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

**Public and Indian Housing (PH)**

The Authority has 207 units in its public housing inventory. The Authority is responsible for the management, maintenance, and utility costs for all units. The units must be maintained in accordance with HUD established housing quality standards.

An annual inspection of each unit must be performed by the Authority to assure that it meets or exceeds these standards. Each public housing building, and the units that comprise those buildings, are subject to random third party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income. On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy.

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

**Section 8 Housing Choice Vouchers (HCV)**

HUD has contracted with the Authority to provide support for the Housing Choice Voucher Program. The Authority pays a housing assistance payment to landlords for low income tenants. The housing assistance payment matches the difference between the total rent that the landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay based on 30% of their respective adjusted income.

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

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

**Overview of the Financial Statements (continued)**

**Public Housing Capital Fund (CFP)**

Tenant revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day-to-day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non-routine maintenance. The purpose of the Public Housing Capital Fund Program is to give funds to the Authority for improvement of the sites, to complete non-routine maintenance, and to assist with the improvement of the management of the Authority.

This grant program is awarded by HUD, by formula allocation, on an annual basis. As formal contracts are awarded from this program, funds are requisitioned from HUD to pay periodic requests from the contractors. Work completed under this grant program is temporarily charged to construction in process. When all of the funds allocated to a specific grant have been fully expended, approved by HUD, and audited, the work items are moved from construction in progress and placed into the capital assets. Depreciation begins at this point.

**Community Development Block Grant (CDBG) State Program**

The primary objective of the Community Development Block Grant (CDBG) State Program (State-Administered Small Cities Program) is the development of viable communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low- and moderate-income. This objective can be achieved in two ways. First, funds can only be used to assist eligible activities that fulfill one or more of three national objectives. Second, the grantee must spend at least 70 percent of its funds over a period of up to three years, as specified by the grantee in its certification, for activities that address the national objective of benefiting low- and moderate-income persons.

**Resident Opportunities and Supportive Services – Service Coordinators (ROSS)**

The purpose of the Resident Opportunities and Supportive Services Program is to programmatically address the needs of public housing residents by providing supportive services, resident empowerment activities and/or assisting residents in becoming economically self-sufficient. The primary focus of the program is on a spectrum of services for families leading to homeownership.

**\*\*\*Financial Highlights\*\*\***

**Analysis of Net Position (Statement of Net Position)**

**Total Net Position** as of March 31, 2016 was \$17,829,100 and as of March 31, 2017 the amount was \$17,365,917. This represents an overall net decrease of \$463,183 or 2.6%.

**Deferred Outflows of Resources** increased to \$576,606 in FY 2017 from \$300,744 in FY 2016, or by \$275,862, or 91.7%. The change in the Authority's balance is primarily due to changes in assumptions and experience regarding the actuarial study of the Authority's pension plan.

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

**\*\*\*Financial Highlights\*\*\***

**Capital Assets, net** decreased from \$15,988,265 in FY 2016 to \$15,321,097 in FY 2017, or by \$667,168, or 4.2%. The change in capital assets is presented in the section of this analysis entitled Analysis of Capital Assets.

**Noncurrent Liabilities** increased from \$1,830,311 in FY 2016 to \$2,153,022 in FY 2017, or by \$322,711, or 17.6%. This change was primarily due to an increase in the Authority's accrued pension liability.

**Restricted Net Position** decreased to \$1,250,413 in FY 2017 from \$1,334,939 in FY 2016, or by \$84,526, or 6.3%. This change was primarily a result of an increase in CDBG Revolving Homeownership program reserves of \$173,255, which was offset by a decrease in housing assistance payment reserves of \$88,728.

***Analysis of Net Position***

	2017	2016	Increase (Decrease)	Percent Variance
<b>Assets:</b>				
Cash & other current assets	\$ 2,820,268	\$ 2,514,957	\$ 305,311	12.1%
Restricted cash	1,185,680	1,192,340	(6,660)	-0.6%
Capital assets, net	15,321,097	15,988,265	(667,168)	-4.2%
Deferred outflows of resources	576,606	300,744	275,862	91.7%
Total assets and deferred outflows of resources	<u>19,903,651</u>	<u>19,996,306</u>	<u>(92,655)</u>	-0.5%
<b>Liabilities:</b>				
Current liabilities	173,371	219,283	(45,912)	-20.9%
Noncurrent liabilities	2,153,022	1,830,311	322,711	17.6%
Deferred inflows of resources	211,341	117,612	93,729	79.7%
Total liabilities and deferred inflows of resources	<u>2,537,734</u>	<u>2,167,206</u>	<u>370,528</u>	17.1%
<b>Net position:</b>				
Invested in capital assets	15,321,097	15,988,265	(667,168)	-4.2%
Restricted net position	1,250,413	1,334,939	(84,526)	-6.3%
Unrestricted net position	<u>794,407</u>	<u>505,896</u>	<u>288,511</u>	57.0%
Total net position	<u>\$ 17,365,917</u>	<u>\$ 17,829,100</u>	<u>\$ (463,183)</u>	<u>-2.6%</u>

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

***Analysis of Changes in Net Position***

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
Operating revenue & expense				
Operating revenue	\$ 5,466,751	\$ 5,868,038	\$ (401,287)	-6.84%
Operating expenses	<u>6,148,689</u>	<u>6,389,679</u>	<u>(240,990)</u>	<u>-3.77%</u>
Operating loss	(681,938)	(521,641)	(160,297)	30.73%
Non-operating revenues & expenses	<u>218,755</u>	<u>(487,047)</u>	<u>705,802</u>	<u>144.91%</u>
Decrease in net position	(463,183)	(1,008,688)	545,505	-54.08%
Net position, beginning of year	<u>17,829,100</u>	<u>18,837,788</u>	<u>(1,008,688)</u>	<u>-5.35%</u>
Net position, end of year	<u>\$ 17,365,917</u>	<u>\$ 17,829,100</u>	<u>\$ (463,183)</u>	<u>-2.60%</u>

***Analysis of Revenues***

Total revenues for FY 2016 were \$5,965,800 compared to \$5,685,506 of total revenues for FY 2017. Comparatively, FY 2016 revenues exceeded FY 2017 revenues by \$280,294, or approximately 4.69%. The primary reason for this change was a decrease in HUD operating grants of \$40,436 and \$330,062 of other income related to property management and port in tenants to the housing choice voucher program. These decreases were offset by an increase in capital grants of \$120,993.

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
Operating revenue:				
Tenant revenue	\$ 574,461	\$ 605,250	\$ (30,789)	-5.09%
HUD operating grants	3,666,484	3,706,920	(40,436)	-1.09%
Other income	<u>1,225,806</u>	<u>1,555,868</u>	<u>(330,062)</u>	<u>-19.67%</u>
Total operating revenue	<u>5,466,751</u>	<u>5,868,038</u>	<u>(401,287)</u>	<u>-6.84%</u>
Non-operating revenues (expenses):				
Investment income	44	41	3	7.32%
Capital grants	<u>218,711</u>	<u>97,721</u>	<u>120,990</u>	<u>123.81%</u>
Total non-operating revenues	<u>218,755</u>	<u>97,762</u>	<u>120,993</u>	<u>123.76%</u>
Total revenues	<u>\$ 5,685,506</u>	<u>\$ 5,965,800</u>	<u>\$ (280,294)</u>	<u>-4.69%</u>

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

***Analysis of Operating Expenses***

**Operating Expenses** for FY 2017 were \$6,148,689 as compared to \$6,389,679 of total operating expenses for FY 2016. This represents a decrease of \$240,990, or 3.77%.

**Administrative expenses** for FY 2017 were \$839,521 as compared to \$977,640 in FY 2016. This represents a decrease of \$138,119, or 14.12%. The major cause of the decrease was a reduction in other general expenses of \$89,954 and employee benefits of \$75,934 which was offset by an increase of \$30,224 in legal expenses.

**Maintenance expenses** for FY 2017 were \$261,381 as compared to \$345,870 in FY 2016. This represents a decrease of \$84,489 or 24.43%. The primary reasons for the decrease was a decrease in contract costs of \$25,928 and labor and employee benefits cost in the amount of \$53,178.

**Tenant Services** expense decreased \$14,069 from \$246,429 in FY 2016 to \$232,360 in FY 2017 or 5.71%. The decrease was due to the Authority utilizing less of their ROSS grant in FY 2017 than in FY 2016.

**Housing Assistance Payment** expense decreased to \$3,191,507 in FY 2017 from \$3,298,070 in FY 2016 or \$106,563. The decrease is primarily the result of the Authority providing housing for less portable tenants in FY 2017.

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
Administrative	\$ 839,521	\$ 977,640	\$ (138,119)	-14.12%
Tenant services	232,360	246,429	(14,069)	-5.71%
Utilities	265,518	245,014	20,504	8.37%
Maintenance	261,381	345,870	(84,489)	-24.43%
Insurance	66,057	62,794	3,263	5.20%
General expense	322,343	309,560	12,783	4.13%
Extraordinary maintenance	14,316	6,115	8,201	134.11%
Depreciation expenses	955,686	898,187	57,499	6.40%
Housing assistance payments	<u>3,191,507</u>	<u>3,298,070</u>	<u>(106,563)</u>	-3.23%
 Total expenses	 <u><u>\$ 6,148,689</u></u>	 <u><u>\$ 6,389,679</u></u>	 <u><u>\$ (240,990)</u></u>	 <u><u>-3.77%</u></u>

**HOUSING AUTHORITY OF PLEASANTVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2017**

***Analysis of Capital Assets and Long-term Debt Activity***

**Capital Assets:**

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
Land	\$ 816,442	\$ 816,442	\$ -	0.00%
Buildings, improvements and equip	34,245,465	33,255,865	989,600	2.98%
Construction in progress	<u>197,777</u>	<u>898,859</u>	<u>(701,082)</u>	<u>-78.00%</u>
	35,259,684	34,971,166	288,518	0.83%
Less: accumulated depreciation	<u>(19,938,587)</u>	<u>(18,982,901)</u>	<u>(955,686)</u>	<u>5.03%</u>
Capital assets, net	<u>\$ 15,321,097</u>	<u>\$ 15,988,265</u>	<u>\$ (667,168)</u>	<u>-4.17%</u>

As mentioned previously, work completed under the Capital Fund Grant program is temporarily charged to construction in progress. When all of the funds allocated to a specific grant have been fully expended, approved by HUD, and placed into service, the work items are moved from construction in progress and placed into the capital assets. Depreciation begins at this point.

The decrease in capital assets is the result of an annual depreciation charge of \$955,686 exceeding capital purchases of \$288,518. The overall net decrease in capital assets was \$667,168, or 4.17%.

\$218,711 of capital asset purchases were made from the Authority's Capital Fund Program with the remaining funds utilized from reserves.

**Long-term Debt Activity:**

The Authority has no interest bearing long term debt as of March 31, 2017.

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF PLEASANTVILLE  
STATEMENT OF NET POSITION  
AS OF MARCH 31, 2017**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,352,317
Accounts receivable, net	261,947
Assets held for sale	151,961
Prepaid expenses	<u>54,043</u>
Total current assets	<u>2,820,268</u>
Non-current assets:	
Restricted cash and cash equivalents	1,185,680
Capital assets, net	<u>15,321,097</u>
Total non-current assets	<u>16,506,777</u>
Total assets	<u>19,327,045</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	<u>576,606</u>
Total assets and deferred outflows of resources	<u>\$ 19,903,651</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**STATEMENT OF NET POSITION (continued)**  
**AS OF MARCH 31, 2017**

LIABILITIES

Current liabilities:	
Accounts payable - HUD and other government	30,010
Accrued expenses	41,382
Accrued compensated absences	8,966
Tenant security deposits	38,179
Prepaid tenant rents	<u>54,834</u>
Total current liabilities	<u>173,371</u>
Non-current liabilities:	
Net pension liability	1,919,677
Family self sufficiency program escrows	152,656
Accrued compensated absences, non current	<u>80,689</u>
Total non-current liabilities	<u>2,153,022</u>
Total liabilities	<u>2,326,393</u>

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	<u>211,341</u>
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NET POSITION

Net position:	
Net investment in capital assets	15,321,097
Restricted	1,250,413
Unrestricted	<u>794,407</u>
Total net position	<u>17,365,917</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 19,903,651</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF PLEASANTVILLE  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED MARCH 31, 2017**

Operating revenues:	
Tenant revenue	\$ 574,461
HUD operating grants	3,666,484
Other revenues	<u>1,225,806</u>
Total operating revenues	<u>5,466,751</u>
Operating expenses:	
Administrative	839,521
Tenant services	232,360
Utilities	265,518
Ordinary repairs and maintenance	261,381
Insurance	66,057
General expenses	322,343
Extraordinary maintenance	14,316
Housing assistance payments	3,191,507
Depreciation	<u>955,686</u>
Total operating expenses	<u>6,148,689</u>
Operating loss	<u>(681,938)</u>
Non-operating revenues:	
Investment income	<u>44</u>
Net non-operating revenues	<u>44</u>
Loss before capital grants	(681,894)
Capital grants	<u>218,711</u>
Change in net position	(463,183)
Total net position, beginning of year	<u>17,829,100</u>
Total net position, end of year	<u><u>\$ 17,365,917</u></u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF PLEASANTVILLE  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2017**

Cash Flows from Operating Activities:	
Cash received from tenants	\$ 1,782,419
Cash received from grantors	3,589,743
Cash paid to employees	(863,521)
Cash paid to vendors	<u>(4,202,498)</u>
Net cash provided by operating activities	<u>306,143</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	(288,518)
Proceeds from capital grants	<u>218,711</u>
Net cash used by capital and related financing activities	<u>(69,807)</u>
Cash Flows from Investing Activities:	
Interest received on investments	<u>44</u>
Net cash provided by investing activities	<u>44</u>
Net increase in cash and cash equivalents	236,380
Cash and cash equivalents at beginning of year	<u>3,301,617</u>
Cash and cash equivalents at end of year	<u><u>\$ 3,537,997</u></u>
Reconciliation of cash and cash equivalents to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 2,352,317
Restricted cash and cash equivalents	<u>1,185,680</u>
Cash and cash equivalents at end of year	<u><u>\$ 3,537,997</u></u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**STATEMENT OF CASH FLOWS (continued)**  
**YEAR ENDED MARCH 31, 2017**

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (681,938)
Adjustments to reconcile operating loss into net cash provided by operating activities:	
Depreciation	955,686
Changes in operating assets, liabilities, deferred outflows and deferred inflows of resources:	
Accounts receivable, net	(120,071)
Prepaid expenses	(35,878)
Assets held for sale	93,678
Deferred outflows of resources	(275,862)
Deferred inflows of resources	93,729
Accounts payable	1,862
Accrued expenses	(88,764)
Accrued compensated absences	1,368
Tenant security deposits	1,482
Prepaid tenant rents	39,371
Accrued pension liability	272,498
FSS program escrows	<u>48,982</u>
Net cash provided by operating activities	<u>\$ 306,143</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Housing Authority of Pleasantville (the "Authority") is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J.S.A. 4A: 12A-1, et. Seq., the "Housing Authority Act") for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the City of Pleasantville, New Jersey (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The governing board is essentially autonomous but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board to manage the day-to-day operations of the Authority.

**B. Basis of Accounting/Preparation of Financial Statements**

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

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting/Preparation of Financial Statements (continued)**

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net assets (position), with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net assets (position), with the associated assets being reported on the financial data schedule as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Voucher program is no longer a cost reimbursement grant, therefore the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

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

The Authority adopted GASB 68, *Accounting and Financial Reporting for Pensions*. GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with pension plans of State and Local Governments. For defined benefit pensions, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 68 details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Reporting Entity (continued)**

An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Authority, including the following component unit:

PV Community Development Corporation ("PVCDC") - PVCDC was incorporated in the State of New Jersey in 2010 as a non-profit 501(c)(3) corporation to create, own develop, construct and/or manage affordable housing for the residents of Pleasantville, New Jersey.

Blended Presentation - In accordance with GASB 61, the Authority's financial statements are presented utilizing the blended method because the Authority's governing body and PVCDC's governing body are substantively the same; and as such, a blended presentation of their financial statements is warranted.

Additionally, based on the application of the above criteria, the Authority's financial statements are not included in any other reporting entity's financial statements.

**D. Description of Programs**

Section 8 Housing Choice Voucher

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

Public and Indian Housing Program

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

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs (continued)**

Public Housing Capital Fund Program

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

Resident Opportunities and Supportive Services Program

The purpose of the Resident Opportunities and Supportive Services Program is to programmatically address the needs of public housing residents by providing supportive services, resident empowerment activities and/or assisting residents in becoming economically self-sufficient. The primary focus of the program is on a spectrum of services for families leading to homeownership.

Community Development Block Grant State Program

The primary objective of the Community Development Block Grant State Program (State-Administered Small Cities Program) is the development of viable communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low- and moderate-income. This objective can be achieved in two ways. First, funds can only be used to assist eligible activities that fulfill one or more of three national objectives. Second, the grantee must spend at least 70 percent of its funds over a period of up to three years, as specified by the grantee in its certification, for activities that address the national objective of benefiting low- and moderate-income persons.

**E. Cash and Cash Equivalents**

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States, or the State of New Jersey, or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit, or any other federally insured investment.

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Cash and Cash Equivalents (continued)**

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the Statement of Cash Flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

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

**F. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

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

**G. Prepaid Expenses**

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

**H. Inter-program Receivables and Payables**

Inter-program receivables/payables are current, and are the result of the use of the Public and Indian Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net zero. In accordance with GASB 34, interprogram receivables and payables are eliminated for financial statement purposes.

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Capital Assets, net**

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

◆ Dwelling and Non-Dwelling Equipment	5 Years
◆ Buildings	27.5 Years
◆ Building Improvements	10 Years

The Authority has established a capitalization threshold of \$1,000.

**J. Compensated Absences**

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary. Employees may be compensated for sick leave at retirement or termination at one half of the earned sick leave at the current salary to a maximum of \$5,000.

**K. Prepaid Tenant Rents**

The Authority's prepaid tenant rents primarily consists of the prepayment of rent by residents applicable to future periods.

**L. Operating Revenues and Expenses**

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

**M. Taxes**

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

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N. Budgets and Budgetary Accounting**

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with GAAP. All appropriations lapse at HUD's program year end or at the end of grant periods. The Authority is also required to adopt and submit annually to the State of New Jersey, Department of Community Affairs, an Authority wide budget sixty (60) days prior to the start of the Authority's fiscal year.

**O. Use of Management Estimates**

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

**P. Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of net financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

**Q. 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 PERS. 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.

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**R. Economic Dependency**

The Section 8 Housing Choice Vouchers and Public and Indians Housing Programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

**S. Equity Classifications**

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

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

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

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

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of March 31, 2017, the Authority had funds on deposit in checking, statement savings and money market accounts.

For the fiscal year ended March 31, 2017, the carrying amount of the Authority's cash and cash equivalents (including restricted cash and cash equivalents) was \$3,537,997, and the bank balances approximated \$3,808,258.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 2,352,317
Tenant security deposits	38,179
Restricted	<u>1,147,501</u>
	<u>\$ 3,537,997</u>

Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining \$3,558,258 was collateralized with the pledging financial institution for the fiscal year ended March 31, 2017.

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 2. CASH AND CASH EQUIVALENTS (continued)**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of March 31, 2017, the Authority's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE**

Accounts receivable, net consists of the following at March 31, 2017:

<u>Description</u>	<u>Amount</u>
Accounts receivable - HUD	\$ 144,815
Accounts receivable - PHA Projects	46,874
Accounts receivable - tenants, net	1,565
Accounts receivable - fraud recovery	3,575
Accounts receivable - miscellaneous	<u>65,118</u>
	<u>\$ 261,947</u>

Accounts Receivable - HUD

HUD accounts receivable represents amounts due to the Authority for operating and capital grants. The Authority considers this amount fully collectible and accordingly, has made no allowance for doubtful accounts.

Accounts Receivable - PHA Projects

PHA projects accounts receivable represents amounts owed to the Authority by other authorities under the portability provisions of the Section 8 Housing Choice Voucher Program. The Authority considers this amount fully collectible and accordingly, has made no allowance for doubtful accounts.

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. Tenant accounts receivable are stated net of an allowance for doubtful accounts of \$939 at March 31, 2017.

Accounts Receivable - Fraud Recovery

Fraud recovery receivable represents amounts owed from tenants or other program participants who committed fraud or mis-representation and now owe additional rent or retroactive rent. An allowance for doubtful accounts has not been established as the Authority expects to collect the balance.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists primarily of management fees, advances to cover expenses due from developments and accrued interest. The Authority expects to collect all miscellaneous receivables and has therefore made no allowance for doubtful accounts.

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 4. ASSETS HELD FOR SALE**

Assets held for sale consist of homes purchased in the Community Development Block Grant - States program for refurbishment and sales. For the year ended March 31, 2017, changes in assets held for sale consisted of the following:

	Amount
Balance at beginning of year	\$ 245,639
Sold - 105 Wellington Ave.	<u>(93,678)</u>
Balance at end of year	<u>\$ 151,961</u>

**NOTE 5. RESTRICTED CASH AND CASH EQUIVALENTS**

Restricted cash and cash equivalents consisted of the following at March 31, 2017:

<u>Cash Category</u>	<u>Amount</u>
Section 32 Home Ownership Program	\$ 560,774
Social Service Fee Reserves	257,967
Housing assistance payment reserve	176,104
Tenant security deposits	38,179
Family Self Sufficiency program escrows	<u>152,656</u>
	<u>\$ 1,185,680</u>

Section 32 Home Ownership Program proceeds are used to pay for the costs related to the sale of the homeownership units and for the purchase and renovation of future homeownership properties.

Social Service Fee Reserves are restricted as part of the Authority's Hope VI Program whereby the developer contributed funds to fund a social service coordinator position at New Hope Community.

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Voucher Program for future housing assistance payments.

Tenant security deposits represent amounts held by the Authority on behalf of tenants participating in the Public and Indian Housing Program. Upon termination from the program, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Section 8 Housing Choice Voucher Program by FSS program participants.

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 6. CAPITAL ASSETS**

The following is a summary of the changes in capital assets during the year ended March 31, 2017:

Description	March 31, 2016	Additions	Disposals	Transfers	March 31, 2017
<u>Non-depreciable capital assets:</u>					
Land	\$ 816,442	\$ -	\$ -	\$ -	\$ 816,442
Construction in progress	898,859	170,071	-	(871,153)	197,777
Total	<u>1,715,301</u>	<u>170,071</u>	<u>-</u>	<u>(871,153)</u>	<u>1,014,219</u>
<u>Depreciable capital assets:</u>					
Buildings and improvements	32,294,746	83,167	-	654,456	33,032,369
Furniture and equipment	961,119	35,280	-	216,697	1,213,096
Total	<u>33,255,865</u>	<u>118,447</u>	<u>-</u>	<u>871,153</u>	<u>34,245,465</u>
Less: accumulated depreciation	<u>18,982,901</u>	<u>955,686</u>	<u>-</u>	<u>-</u>	<u>19,938,587</u>
Net capital assets	<u>\$ 15,988,265</u>	<u>\$ (667,168)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,321,097</u>

Depreciation expense for the year ended March 31, 2016 totaled \$955,686.

**NOTE 7. NON-CURRENT LIABILITIES**

Non-current liabilities activity for the year ended March 31, 2017 consisted of the following:

	March 31, 2016	Additions	Retirements	March 31, 2017	Due in One Year
Accrued compensated absences	\$ 88,287	\$ 31,088	\$ 29,720	\$ 89,655	\$ 8,966
Accrued pension liability	1,647,179	455,774	183,276	1,919,677	-
Family self sufficiency escrows	<u>103,674</u>	<u>49,717</u>	<u>735</u>	<u>152,656</u>	<u>-</u>
	<u>\$ 1,839,140</u>	<u>\$ 536,579</u>	<u>\$ 213,731</u>	<u>\$ 2,161,988</u>	<u>\$ 8,966</u>

**NOTE 8. PENSION PLAN**

**A. Plan Description**

The State of New Jersey, Public Employees Retirement System (PERS) is a cost-sharing multiple employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR), which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 8. PENSION PLAN (continued)**

**B. Benefits**

The vesting and benefit provisions are set by N.J.S.A. 43:15A. 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 PERS. The following represents the membership tiers for PERS:

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 on or after May 22, 2010 and prior to June 28, 2011
5. Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 one and two before reaching age 60, tiers 3 and 4 before age 62 with 25 years or more 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 a member retires prior to the age at which a member 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.

**C. Contributions**

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by all active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on the actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 8. PENSION PLAN (continued)**

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

At March 31, 2017, the Authority reported a liability of \$1,919,677 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015 and rolled forward to June 30, 2016.

For the year ended March 31, 2017, the Authority recognized pension expense of \$107,767. At March 31, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 397,655	\$ -
Changes in Proportion	64,146	211,341
Differences between expected and actual experience	35,700	-
Net differences between Expected and Actual Investments	73,199	-
Net differences between Proportionate Share and actual Contribution	<u>5,906</u>	<u>-</u>
Total	<u>\$ 576,606</u>	<u>\$ 211,341</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	<u>Amount</u>
2018	\$ 83,881
2019	83,883
2020	105,948
2021	75,524
2022	<u>16,029</u>
	<u>\$ 365,265</u>

**E. Actuarial Assumptions**

The total pension liability calculated utilizing a June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The actuarial valuation used the following assumptions, applied to all periods in the measurement.

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 8. PENSION PLAN (continued)**

**E. Actuarial Assumptions (continued)**

Inflation Rate	3.08%
Salary Increases 2012-2021	1.65 - 4.15%, based on age
Thereafter	2.65 - 5.15%, based on age
Investment rate of return	7.65%

Pre-mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For state employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one year for males and females) for service retirements and beneficiaries of former members and one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**F. Long-Term Expected Rate of Return**

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class includes the PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

**HOUSING AUTHORITY OF PLEASANTVILLE  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 8. PENSION PLAN (continued)**

**G. Discount Rate**

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on the pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 rate assumed that contributions from the plan members will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.98 percent, 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 percentage point lower (2.98 percent) or 1 percentage point higher (4.98 percent) than the current rate.

	1% Decrease (2.98%)	Discount Rate (3.98%)	1% Increase (4.98%)
Authority's proportionate share of the net pension liability	\$ <u>2,352,340</u>	\$ <u>1,919,677</u>	\$ <u>1,562,476</u>

**NOTE 9. POST-RETIREMENT BENEFITS**

The Authority participates in New Jersey State Health Benefits Program (the "SHBP"), which qualifies as a cost-sharing, multiple-employer plan in accordance with GASB 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. The SHBP is administered by the State of New Jersey, Department of Treasury, Division of Pension and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents.

A retiree may also receive Authority-paid health benefits in accordance with labor agreements if they have twenty-five (25) or more years enrolled in the pension system.

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 9. POST-RETIREMENT BENEFITS (continued)**

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

The SHBP is established under the authority of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. The required contribution rate is determined on an annual pay as you go basis. The following were the required contributions:

<u>Year</u>	<u>Amount</u>
March 31, 2015	\$ <u>216,871</u>
March 31, 2016	\$ <u>218,563</u>
March 31, 2017	\$ <u>237,682</u>

**NOTE 10. RESTRICTED NET POSITION**

Restricted net position consists of the following at March 31, 2017:

	<u>Amount</u>
Revolving homeownership reserves	\$ 816,342
Social service fee reserves	257,967
Housing assistance payment reserves	<u>176,104</u>
Total restricted net position	\$ <u>1,250,413</u>

Revolving homeownership reserves are restricted for the purchase, refurbishment and sales of single family homes for the benefit of low income households.

Social Service Fee Reserves are restricted as part of the Authority's Hope VI Program whereby the developer contributed funds to fund a social service coordinator position at New Hope Community.

Accumulated earnings in connection with the overpayment of housing assistance payments are restricted for rent payments to landlords as part of the Section 8 Housing Choice Voucher Program.

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 11. PAYMENTS IN LIEU OF TAXES**

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended March 31, 2017, PILOT expense of the primary government amounted to \$19,721

**NOTE 12. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors; and omissions; injuries to employees; and natural disaster. The Authority is a member of the New Jersey Public Housing Authorities Joint Insurance Fund ("JIF"). The joint insurance pool is both an insured and self-administered group of housing authorities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage except for deductibles for the previous three years.

**NOTE 13. CONTINGENCIES**

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of March 31, 2017, the Authority estimates that no material liabilities will result from such audits other than what has been disclosed herein.

**NOTE 14. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through October 18, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners  
Housing Authority of Pleasantville:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of Pleasantville (the "Authority") as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 18, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

October 18, 2017  
Toms River, New Jersey



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIRMENTS  
FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE OF NEW JERSEY OMB CIRCULAR 15-08**

To the Board of Commissioners  
Housing Authority of Pleasantville:

**Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of Pleasantville's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State of New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## **Opinion on Each Major Federal and State Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2017.

## **Report on Internal Control Over Compliance**

Management of the Authority 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey OMB Circular 15-08, 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 or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

October 18, 2017  
Toms River, New Jersey

**HOUSING AUTHORITY OF PLEASANTVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2017**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass-through Number</u>	<u>Grant Period</u> <u>From / To</u>		<u>Grant Award</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>							
Housing Voucher Cluster							
Section 8 Housing Choice Voucher	14.871	N/A	4/1/2016	3/31/2017	\$ <u>2,342,522</u>	\$ <u>3,458,284</u>	\$ <u>3,458,284</u>
Total Housing Voucher Cluster					2,342,522	3,458,284	3,458,284
Public and Indian Housing	14.850	N/A	1/1/2016	12/31/2017	1,869,728	1,012,994	1,259,074
Public Housing Capital Fund	14.872	N/A	6/13/2008	4/12/2018	924,695	299,302	606,676
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	8/31/2012	3/24/2019	<u>764,360</u>	<u>230,377</u>	<u>414,624</u>
Total U.S. Department of Housing and Urban Development					\$ <u>5,901,305</u>	\$ <u>5,000,957</u>	\$ <u>5,738,658</u>

See notes to schedule of expenditures of federal awards.

**HOUSING AUTHORITY OF PLEASANTVILLE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended March 31, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance and the State of New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3. INDIRECT COST RATE**

The Authority has not elected to use the ten percent de minimus indirect cost rate allowed under the uniform guidance.

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 4. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES**

	<u>R501-8</u>	<u>501-13</u>	<u>501-14</u>	<u>501-15</u>	<u>501-16</u>	<u>Totals</u>
Budget	\$ <u>48,640</u>	\$ <u>208,718</u>	\$ <u>218,923</u>	\$ <u>219,482</u>	\$ <u>228,932</u>	\$ <u>924,695</u>
<u>Advances:</u>						
Cumulative through 3/31/16	\$ -	\$ 208,599	\$ 71,697	\$ 20,165	\$ -	\$ 300,461
Current Year	<u>48,640</u>	<u>119</u>	<u>10,735</u>	<u>51,877</u>	<u>53,856</u>	<u>165,227</u>
Cumulative through 3/31/17	<u>48,640</u>	<u>208,718</u>	<u>82,432</u>	<u>72,042</u>	<u>53,856</u>	<u>465,688</u>
<u>Costs:</u>						
Cumulative through 3/31/16	-	208,718	74,655	24,002	-	307,375
Current Year	<u>48,640</u>	<u>-</u>	<u>141,507</u>	<u>49,161</u>	<u>59,994</u>	<u>299,302</u>
Cumulative through 3/31/17	<u>48,640</u>	<u>208,718</u>	<u>216,162</u>	<u>73,163</u>	<u>59,994</u>	<u>606,677</u>
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (133,730)</u>	<u>\$ (1,121)</u>	<u>\$ (6,138)</u>	<u>\$ (140,989)</u>

**NOTES TO SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES**

- 1) The total amount of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended March 31, 2017 are provided herein.
- 2) Capital Fund Grant No. R501-8 with an approved funding of \$48,640 has been fully drawn down and expended as per Capital Fund Grant Regulations.
- 3) Capital Fund Grant No. 501-13 with an approved funding of \$208,718 has been fully drawn down and expended as per Capital Fund Grant Regulations.

**HOUSING AUTHORITY OF PLEASANTVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MARCH 31, 2017**

I. Summary of Auditors' Results

Financial Statement Section

- |    |   |            |
|----|---|------------|
| 1. | Type of auditors' report issued:  | Unmodified |
| 2. | Internal control over financial reporting   |            |
|    | a. Material weakness(es) identified?  | No         |
|    | b. Significant deficiency(ies) identified not considered to be a material weakness? | No         |
| 3. | Noncompliance material to the financial statements?                                 | No         |

Federal Awards Section

- |    |  |                                   |
|----|--|-----------------------------------|
| 1. | Internal Control over compliance:  |                                   |
|    | a. Material weakness(es) identified?   | No                                |
|    | b. Significant deficiency(ies) identified not considered to be a material weakness?                | No                                |
| 2. | Type of auditors' report on compliance for major programs:   | Unmodified                        |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No                                |
| 4. | Identification of major programs:  |                                   |
|    | <u>CFDA Number</u>   | <u>Name of Federal Program</u>    |
|    | 14.871   | Section 8 Housing Choice Vouchers |
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs:                           | \$750,000                         |
| 6. | Auditee qualified as low-risk Auditee?   | No                                |

**HOUSING AUTHORITY OF PLEASANTVILLE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**YEAR ENDED MARCH 31, 2017**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award and State Financial Assistance Findings and Questioned Costs

None reported.

IV. Summary of Prior Audit Findings

There were no findings or questioned costs in the prior year.

**HOUSING AUTHORITY OF PLEASANTVILLE  
REQUIRED PENSION INFORMATION  
MARCH 31, 2017**

**SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS\*\*\***

	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>
Contractually required contribution	\$ 60,188	\$ 65,221	\$ 57,582
Contributions in relation to the contractually required contribution	<u>60,188</u>	<u>65,221</u>	<u>57,582</u>
(Over) / under funded	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Authority's covered-employee payroll	\$ <u>561,855</u>	\$ <u>567,366</u>	\$ <u>592,042</u>
Contributions as a percentage of covered-employee payroll	<u>10.71</u> %	<u>11.50</u> %	<u>9.73</u> %

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THEIR NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS\*\*\***

	March 31, <u>2015</u>	March 31, <u>2016</u>	March 31, <u>2017</u>
Authority's proportion of the net pension liability	<u>0.0079</u> %	<u>0.0073</u> %	<u>0.0065</u> %
Authority's proportionate share of the net pension liability	\$ <u>1,481,243</u>	\$ <u>1,647,179</u>	\$ <u>1,919,677</u>
Authority's covered-employee payroll	\$ <u>561,855</u>	\$ <u>567,366</u>	\$ <u>592,042</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>263.63</u> %	<u>290.32</u> %	<u>324.25</u> %
Plan fiduciary net position as a percentage of the total pension liability	<u>52.08</u> %	<u>47.93</u> %	<u>40.14</u> %

\*\*\* = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

See accompanying notes to financial statements

PLEASANTVILLE HOUSING AUTHORITY								
NJ059								
Financial Data Schedule (FDS)								
March 31, 2017								
Line Item #	Account Description	Projects	14.228 Community Development Block Grants/State's Program	14.870 Resident Opportunity and Support Services	14.871 Housing Choice Vouchers	6 Component Units	Elimination	Total
<b>ASSETS:</b>								
<b>CURRENT ASSETS:</b>								
Cash:								
111	Cash - unrestricted	\$ 1,569,106	\$ 19,347	\$ -	\$ 436,427	\$ 327,437	\$ -	\$ 2,352,317
112	Cash - restricted - modernization and development	-	560,774	-	-	-	-	560,774
113	Cash - other restricted	257,967	-	-	328,760	-	-	586,727
114	Cash - tenant security deposits	36,529	1,650	-	-	-	-	38,179
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-
100	Total cash	1,863,602	581,771	-	765,187	327,437	-	3,537,997
Accounts and notes receivables:								
121	Accounts receivable - PHA projects	-	-	-	46,874	-	-	46,874
122	Accounts receivable - HUD other projects	140,989	-	3,826	-	-	-	144,815
124	Accounts receivable - other government	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	20,582	-	-	-	44,536	-	65,118
126	Accounts receivable- tenants	2,504	-	-	-	-	-	2,504
126.1	Allowance for doubtful accounts - tenants	(939)	-	-	-	-	-	(939)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-
128	Fraud recovery	3,575	-	-	-	-	-	3,575
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	166,711	-	3,826	46,874	44,536	-	261,947
Current investments								
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	43,678	-	10,365	-	-	-	54,043
143	Inventories	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	-	84,260	-	-	-	(84,260)	-
145	Assets held for sale	-	151,961	-	-	-	-	151,961
150	TOTAL CURRENT ASSETS	2,073,991	817,992	14,191	812,061	371,973	(84,260)	4,005,948
<b>NONCURRENT ASSETS:</b>								
Fixed assets:								
161	Land	503,061	313,381	-	-	-	-	816,442
162	Buildings	31,075,507	1,866,872	-	89,990	-	-	33,032,369
163	Furniture, equipment & machinery - dwellings	436,773	-	-	-	-	-	436,773
164	Furniture, equipment & machinery - administration	745,477	-	-	30,846	-	-	776,323
165	Leasehold improvements	-	-	-	-	-	-	-
166	Accumulated depreciation	(19,628,262)	(281,205)	-	(29,120)	-	-	(19,938,587)
167	Construction in Progress	197,777	-	-	-	-	-	197,777
168	Infrastructure	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	13,330,333	1,899,048	-	91,716	-	-	15,321,097
Other non-current assets:								
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	13,330,333	1,899,048	-	91,716	-	-	15,321,097
200	DEFERRED OUTFLOWS OF RESOURCES	390,916	-	-	185,690	-	-	576,606
190	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 15,795,240	\$ 2,717,040	\$ 14,191	\$ 1,089,467	\$ 371,973	\$ (84,260)	\$ 19,903,651

PLEASANTVILLE HOUSING AUTHORITY									
NJ059									
Financial Data Schedule (FDS)									
March 31, 2017									
Line Item #	Account Description	Projects	14.228 Community Development Block Grants/State's Program	14.870 Resident Opportunity and Support Services	14.871 Housing Choice Vouchers	6 Component Units	Elimination	Total	
<b>LIABILITIES AND EQUITY:</b>									
<b>Liabilities:</b>									
<b>Current Liabilities:</b>									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	-	-	-	-	-	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	6,676	-	-	-	2,899	-	-	9,575
322	Accrued compensated absences - current portion	7,093	-	-	-	1,873	-	-	8,966
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	10,365	-	-	-	-	10,365
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	19,645	-	-	-	-	-	-	19,645
341	Tenant security deposits	36,529	1,650	-	-	-	-	-	38,179
342	Unearned revenue	51,714	-	-	-	3,120	-	-	54,834
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	62,636	12,500	-	75,136
346	Accrued liabilities - other	19,307	-	-	-	-	-	-	19,307
347	Interprogram - due to	6,501	-	3,826	73,933	-	(84,260)	-	-
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>147,465</b>	<b>1,650</b>	<b>14,191</b>	<b>144,461</b>	<b>12,500</b>	<b>(84,260)</b>	<b>236,007</b>	
<b>NONCURRENT LIABILITIES:</b>									
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	90,020	-	-	90,020
354	Accrued compensated absences - noncurrent	63,836	-	-	-	16,853	-	-	80,689
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	1,348,637	-	-	-	571,040	-	-	1,919,677
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,412,473</b>	<b>-</b>	<b>-</b>	<b>677,913</b>	<b>-</b>	<b>-</b>	<b>2,090,386</b>	
300	<b>TOTAL LIABILITIES</b>	<b>1,559,938</b>	<b>1,650</b>	<b>14,191</b>	<b>822,374</b>	<b>12,500</b>	<b>(84,260)</b>	<b>2,326,393</b>	
400	DEFERRED INFLOWS OF RESOURCES	143,820	-	-	-	67,521	-	-	211,341
<b>EQUITY:</b>									
508.1	Invested in Capital Assets, Net of Related Debt	13,330,333	1,899,048	-	-	91,716	-	-	15,321,097
511.1	Restricted Net Assets	257,967	816,342	-	-	176,104	-	-	1,250,413
512.1	Unrestricted Net Assets	503,182	-	-	-	(68,248)	359,473	-	794,407
513	<b>TOTAL EQUITY</b>	<b>14,091,482</b>	<b>2,715,390</b>	<b>-</b>	<b>199,572</b>	<b>359,473</b>	<b>-</b>	<b>17,365,917</b>	
600	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY</b>	<b>\$ 15,795,240</b>	<b>\$ 2,717,040</b>	<b>\$ 14,191</b>	<b>\$ 1,089,467</b>	<b>\$ 371,973</b>	<b>\$ (84,260)</b>	<b>\$ 19,903,651</b>	
	<b>Proof of concept</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

PLEASANTVILLE HOUSING AUTHORITY									
NJ059									
Financial Data Schedule (FDS)									
March 31, 2017									
Line Item #	Account Description	Projects	Capital	14.228 Community Development Block Grants State	14.870 Resident Opportunity and Support Services	14.871 Housing Choice Voucher	6 Component Units	Elimination	Total
<b>REVENUE:</b>									
70300	Net tenant rental revenue	\$ 449,574	\$ -	\$ -	\$ -	\$ -	\$ 120,542	\$ -	\$ 570,116
70400	Tenant revenue - other	4,345	-	-	-	-	-	-	4,345
70500	Total tenant revenue	453,919	-	-	-	-	120,542	-	574,461
70600	HUD PHA grants	1,012,994	80,591	-	230,377	2,342,522	-	-	3,666,484
70610	Capital grants	-	218,711	-	-	-	-	-	218,711
70710	Management fee	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	44	-	-	-	-	-	-	44
71200	Mortgage interest income	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	66,098	-	-	-	-	66,098
71301	Cost of sale of assets	-	-	(217,354)	-	-	-	-	(217,354)
71400	Fraud recovery	-	-	-	-	-	-	-	-
71500	Other revenue	99,344	-	-	-	1,233,081	68,637	(24,000)	1,377,062
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-
70000	<b>TOTAL REVENUE</b>	<b>1,566,301</b>	<b>299,302</b>	<b>(151,256)</b>	<b>230,377</b>	<b>3,575,603</b>	<b>189,179</b>	<b>(24,000)</b>	<b>5,685,506</b>
<b>EXPENSES:</b>									
Administrative									
91100	Administrative salaries	227,731	-	-	-	128,171	-	-	355,902
91200	Auditing fees	6,606	-	-	-	6,166	1,468	-	14,240
91300	Management fees	-	-	-	-	-	36,815	(24,000)	12,815
91310	Book-keeping fee	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	133,551	-	-	-	80,036	-	-	213,587
91600	Office expenses	40,689	-	-	-	19,201	157	-	60,047
91700	Legal expenses	35,676	-	528	-	23,436	1,380	-	61,020
91800	Travel	7,525	-	-	-	1,344	3,640	-	12,509
91810	Allocated overhead	-	-	-	-	-	-	-	-
91900	Other	63,082	23,195	9,439	-	2,760	10,925	-	109,401
	Total Administrative	514,860	23,195	9,967	-	261,114	54,385	(24,000)	839,521
92000	Asset Management Fee	-	-	-	-	-	-	-	-
Tenant services									
92100	Tenant services - salaries	-	-	-	189,222	2,211	-	-	191,433
92200	Relocation costs	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-	-	-	-
92400	Tenant services - other	(228)	-	-	41,155	-	-	-	40,927
	Total Tenant Services	(228)	-	-	230,377	2,211	-	-	232,360

PLEASANTVILLE HOUSING AUTHORITY									
NJ059									
Financial Data Schedule (FDS)									
March 31, 2017									
Line Item #	Account Description	Projects	Capital	14.228 Community Development Block Grants State	14.870 Resident Opportunity and Support Services	14.871 Housing Choice Voucher	6 Component Units	Elimination	Total
	Utilities								
93100	Water	34,713	-	872	-	-	-	-	35,585
93200	Electricity	88,754	-	1,080	-	-	-	-	89,834
93300	Gas	57,960	-	2,384	-	-	-	-	60,344
93400	Fuel	1,015	-	-	-	205	-	-	1,220
93500	Labor	-	-	-	-	-	-	-	-
93600	Sewer	65,896	-	1,376	-	-	5,375	-	72,647
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-
93800	Other utilities expense	5,888	-	-	-	-	-	-	5,888
	Total Utilities	254,226	-	5,712	-	205	5,375	-	265,518
	Ordinary maintenance & operation								
94100	Ordinary maintenance and operations - labor	59,062	-	-	-	-	-	-	59,062
94200	Ordinary maintenance and operations - materials & other	29,073	-	-	-	-	1,116	-	30,189
94300	Ordinary maintenance and operations - contract costs	116,036	-	305	-	-	3,158	-	119,499
94500	Employee benefit contributions- ordinary maintenance	52,631	-	-	-	-	-	-	52,631
	Total Ordinary Maintenance	256,802	-	305	-	-	4,274	-	261,381
	Protective services								
95100	Protective services - labor	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-
	Total Protective Services	-	-	-	-	-	-	-	-
	General expenses								
96110	Property Insurance	-	-	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	8,151	-	8,151
96130	Workmen's Comp	-	-	-	-	-	-	-	-
96140	All Other Insurance	57,906	-	-	-	-	-	-	57,906
96200	Other general expenses	294,446	-	-	-	3,247	-	-	297,693
96210	Compensated absences	4,628	-	-	-	-	-	-	4,628
96300	Payments in lieu of taxes	19,645	-	-	-	-	76	-	19,721
96400	Bad debt - tenant rents	301	-	-	-	-	-	-	301
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-	-
96710	Amortization of bond issue costs	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
	Total General Expenses	376,926	-	-	-	3,247	8,227	-	388,400
96900	<b>TOTAL OPERATING EXPENSES</b>	1,402,586	23,195	15,984	230,377	266,777	72,261	(24,000)	1,987,180
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	163,715	276,107	(167,240)	-	3,308,826	116,918	-	3,698,326
97100	Extraordinary maintenance	8,301	-	6,015	-	-	-	-	14,316
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	2,041,859	-	-	2,041,859
97350	HAP Portability - in	-	-	-	-	1,149,648	-	-	1,149,648
97400	Depreciation expense	854,875	-	93,176	-	7,635	-	-	955,686
97500	Fraud losses	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	2,265,762	23,195	115,175	230,377	3,465,919	72,261	(24,000)	6,148,689

PLEASANTVILLE HOUSING AUTHORITY									
NJ059									
Financial Data Schedule (FDS)									
March 31, 2017									
Line Item #	Account Description	Projects	Capital	14.228 Community Development Block Grants State	14.870 Resident Opportunity and Support Services	14.871 Housing Choice Voucher	6 Component Units	Elimination	Total
<b>OTHER FINANCING SOURCES (USES)</b>									
10010	Operating transfers in	57,338	-	-	-	-	-	(57,338)	-
10020	Operating transfers out	-	(57,338)	-	-	-	-	57,338	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	57,338	(57,338)	-	-	-	-	-	-
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(642,123)	218,769	(266,431)	-	109,684	116,918	-	(463,183)
<b>MEMO ACCOUNT INFORMATION:</b>									
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-
11030	Beginning equity	14,514,836	-	2,981,821	-	89,888	242,555	-	17,829,100
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	56,012	-	-	56,012
11180	Housing assistance payments equity	-	-	-	-	176,014	-	-	176,014
		-	-	-	-	232,026	-	-	232,026
11190	Unit months available	2,484	-	-	-	2,940	132	-	5,556
11210	Number of unit months leased	2,448	-	-	-	2,770	132	-	5,350
Equity Roll Forward Test:									
	Calculation from R/E Statement	\$ 14,091,482	\$ -	\$ 2,715,390	\$ -	\$ 199,572	\$ 359,473	\$ -	\$ 17,365,917
	B/S Line 513	\$ 14,091,482	\$ -	\$ 2,715,390	\$ -	\$ 199,572	\$ 359,473	\$ -	\$ 17,365,917
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -