

PLEASANTVILLE HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEARS ENDED MARCH 31, 2014 AND 2013

**PLEASANTVILLE HOUSING AUTHORITY
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YEARS ENDED MARCH 31, 2014 AND 2013**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pleasantville Housing Authority:

Report on the Financial Statements

We have audited the financial statements of the Pleasantville Housing Authority ("the Authority") as of and for the years ended March 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Pleasantville Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pleasantville Housing Authority ("the Authority"), as of March 31, 2014 and 2013, and the respective changes in financial position and cash flows for the years 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Pleasantville Housing Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; the schedule of capital fund program costs and advances and financial data schedule, as required by the United States Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards, schedule of capital fund program costs and advances and financial data schedule are the responsibility of management and were derived from and relates 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, schedule of capital fund program costs and advances and the financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2014 on our consideration of the Pleasantville Housing 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 Pleasantville Housing Authority's internal control over financial reporting and compliance.

Fallon & Larsen LLP

October 23, 2014
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

As management of Pleasantville Housing Authority ("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, 2014.

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 request for additional information should be addressed to Executive Director, Pleasantville Housing Authority, 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:

The Statements of Net Position

Reports all financial and capital resources for the Authority. The statement is presented in the format where assets minus liabilities, equals "Net Position", formerly known as 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.

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

Overview of the Financial Statements (continued)

The 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".

Statements 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.

Statements 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 own's (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.

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

Overview of the Financial Statements

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

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

Low Income Public Housing (LIPH)

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 they meet or exceed 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 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.

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

Capital Fund Program

Tenant revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day-to-day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non-routine maintenance. The purpose of the Capital Fund Grant 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 Program (ROSS)

The purpose of the Resident Opportunity and Support 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, 2014 was \$21,147,232 and as of March 31, 2013 the amount was \$21,127,250. This represents an overall net increase of \$19,982 or .1%.

Cash (including restricted cash) decreased to \$2,868,362 in FY 2014 from \$3,812,092 in FY 2013, or by \$943,730, or 24.8%. The change in the Authority's cash balance is primarily due to the Authority having spent cash from the CDBG grant.

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

*****Financial Highlights (continued)*****

Assets Held for Sale decreased to \$1,587,761 in FY 2014 from \$2,007,028 in FY 2013 or by \$419,267 or 20.9%. The decrease is a result of the Authority placing nine (9) properties with a cost of \$1,566,906 into service as rental properties. The decrease was offset by \$1,147,639 in CDBG grant expenditures.

Capital Assets, net increased to \$16,866,060 in FY 2014 from \$15,554,043 in FY 2013, or by \$1,312,017, or 8.4%. The change in capital assets is presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities decreased to \$108,740 in FY 2014 from \$213,412 in FY 2013, or by \$104,672, or 49%. This change was a result of the Authority paying off NSP Program expenses to various vendors in FY 2014.

Restricted Net Position decreased to \$2,781,639 in FY 2014 from \$3,797,627 in FY 2013, or by \$1,015,988, or 26.8%. This change was primarily a result of a decrease in CDBG Revolving Homeownership program reserves of \$956,134 and decrease in Housing Assistance Payments reserves of \$60,098.

The table below illustrates our analysis:

	<u>2014</u>	<u>2013</u>	<u>Net Change</u>	<u>Percent Variance</u>
Cash & Investments	\$ 2,868,362	\$ 3,812,092	\$ (943,730)	-24.8%
Receivables (net)	66,830	57,097	9,733	17.0%
Prepaid expenses	13,743	21,839	(8,096)	-37.1%
Assets Held For Sale	1,587,761	2,007,028	(419,267)	-20.9%
Capital Assets	16,866,060	15,554,043	1,312,017	8.4%
Total Assets	\$ 21,402,756	\$ 21,452,099	\$ (49,343)	-0.2%
Current Liabilities	\$ 108,740	\$ 213,412	\$ (104,672)	-49.0%
Non Current Liabilities	146,784	111,437	35,347	31.7%
Total Liabilities	255,524	324,849	(69,325)	-21.3%
Net Investment in Capital Assets	16,866,060	15,554,043	1,312,017	8.4%
Restricted Net Position	2,781,639	3,797,627	(1,015,988)	-26.8%
Unrestricted Net Position	1,499,533	1,775,580	(276,047)	-15.5%
Total Net Position	21,147,232	21,127,250	19,982	0.1%
Total Net Position / Liabilities	\$ 21,402,756	\$ 21,452,099	\$ (49,343)	-0.2%

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

*****Financial Highlights (continued)*****

Analysis of Revenues

Total revenues for FY 2014 were \$6,710,521 compared to \$7,405,538 of total revenues for FY 2013. Comparatively, FY 2013 revenues exceeded FY 2014 revenues by \$695,017, or approximately 9.4%. The primary reason for this change was a decrease in Community Development Block grant funding of \$602,222.

	<u>2014</u>	<u>2013</u>	<u>Net Change</u>	<u>Percent Variance</u>
Total Tenant Revenue	\$ 558,383	\$ 456,350	\$ 102,033	22.4%
HUD Operating Grants	4,184,497	4,609,389	(424,892)	-9.2%
HUD Capital Grants	398,175	718,049	(319,874)	-44.5%
Investment Income	383	3,220	(2,837)	-88.1%
Other Revenue	1,569,083	1,618,530	(49,447)	-3.1%
Total Revenue	<u>\$ 6,710,521</u>	<u>\$ 7,405,538</u>	<u>\$ (695,017)</u>	-9.4%

Analysis of Expenditures

Total Other Operating Expenses (excluding depreciation, housing assistance payments and extraordinary maintenance) for FY 2014 were \$2,257,121 as compared to \$2,014,845 of total operating expenditures for FY 2013. This represents an increase of \$242,276, or 12%.

Total Expenses for FY 2014 were \$6,690,539 as compared to \$6,246,580 of total expenses for FY 2013. This represents an increase of \$443,959, or 7.1%.

Administrative expenditures for FY 2014 were \$1,013,886 as compared to \$936,412 in FY 2013. This represents an increase of \$77,474, or 8.3%. The major cause of the increase was due to additional costs in the component unit as it now provides property management services to the Authority's rental units as well as additional CDBG program costs associated with administering the program.

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

*****Financial Highlights (continued)*****

Analysis of Expenditures (continued)

Housing Assistance Payments increased to \$3,477,684 in FY 2014 as compared to \$3,356,130 in FY 2013. This represents an increase of \$121,554 or 3.6%. The increase is primarily due to the Authority having thirty-eight (38) more unit months leased in FY 2014 than in FY 2013 and an increase in the payment standard for tenant rents.

Insurance and General expenses for FY 2014 were \$581,983 as compared to \$418,505 for FY 2013. This represents an increase of \$163,478, or 39.1%. The main cause for this change was due to an increase in other general expenses related to the CDBG grant.

Depreciation expense increased from \$875,050 in FY 2013 to \$955,734 in FY 2014. This represents an increase of \$80,684 or 9.2%. This increase is primarily due to the Authority placing in service several properties from their NSP / CDBG program. The properties which were previously "held for sale" are now being rented and thus the Authority has transferred them to capital assets and have begun taking depreciation expense.

The table below illustrates our analysis:

	<u>2014</u>	<u>2013</u>	<u>Net Change</u>	<u>Percentage Variance</u>
Administrative	\$ 1,013,886	\$ 936,412	\$ 77,474	8.3%
Tenant Services	52,332	69,565	(17,233)	-24.8%
Utilities	269,332	268,141	1,191	0.4%
Maintenance	339,588	322,222	17,366	5.4%
Insurance & General Expense	581,983	418,505	163,478	39.1%
Total Other Operating Exp's	<u>2,257,121</u>	<u>2,014,845</u>	<u>242,276</u>	12.0%
Extraordinary Maintenance	-	555	(555)	-100.0%
Housing Assistance Payments	3,477,684	3,356,130	121,554	3.6%
Depreciation Expense	955,734	875,050	80,684	9.2%
Total Expenses	<u>\$ 6,690,539</u>	<u>\$ 6,246,580</u>	<u>\$ 443,959</u>	7.1%

**PLEASANTVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2014**

ANALYSIS OF CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets:

The table below illustrates the changes in capital assets during the fiscal year:

	<u>2014</u>	<u>2013</u>	<u>Net Change</u>	<u>Percentage Variance</u>
Land	\$ 816,442	\$ 503,061	\$ 313,381	62.3%
Buildings	31,554,524	29,082,369	2,472,155	8.5%
Furniture, Equip., & Mach.	930,375	655,078	275,297	42.0%
Construction in Progress	739,813	1,532,895	(793,082)	-51.7%
Total Fixed Assets	<u>34,041,154</u>	<u>31,773,403</u>	<u>2,267,751</u>	<u>7.1%</u>
Accumulated Depreciation	17,175,094	16,219,360	955,734	5.9%
Net Fixed Assets	<u>\$ 16,866,060</u>	<u>\$ 15,554,043</u>	<u>\$ 1,312,017</u>	<u>8.4%</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 increase in total fixed assets in the amount of \$2,267,751 is offset by the accumulated depreciation change for the year of \$955,734 resulting in an overall net increase in fixed assets of \$1,312,017, or 8.4%. A majority of capital asset purchases were made from the Authority's Capital Fund Program (\$398,175) and the Authority placed in service nine (9) properties with a cost of \$1,566,906 from the NSP / CDBG program.

Long-term Debt Activity:

The Authority has no interest bearing long term debt as of March 31, 2014.

FINANCIAL STATEMENTS

**PLEASANTVILLE HOUSING AUTHORITY
STATEMENTS OF NET POSITION
AS OF MARCH 31, 2014 AND 2013**

ASSETS		<u>2014</u>	<u>2013</u>
Current assets:			
Cash and cash equivalents	\$	1,737,125	\$ 1,840,866
Accounts receivable - miscellaneous, net		37,062	40,329
Accounts receivable - HUD		27,523	15,161
Accounts receivable - tenants, net		2,245	1,607
Assets held for sale		1,587,761	2,007,028
Prepaid expenses		<u>13,743</u>	<u>21,839</u>
Total current assets		<u>3,405,459</u>	<u>3,926,830</u>
Non-current assets:			
Restricted cash		1,131,237	1,971,226
Capital assets, net		<u>16,866,060</u>	<u>15,554,043</u>
Total non-current Assets		<u>17,997,297</u>	<u>17,525,269</u>
Total assets		<u>21,402,756</u>	<u>21,452,099</u>
LIABILITIES			
Current liabilities:			
Accounts payable		2,417	18,637
Accounts payable - HUD and other government		27,743	25,447
Accrued expenses		18,100	123,761
Accrued compensated absences		10,049	8,446
Tenant security deposits		36,339	35,291
Prepaid tenant rents		<u>14,092</u>	<u>1,830</u>
Total current liabilities		<u>108,740</u>	<u>213,412</u>
Non-current liabilities:			
Family Self Sufficiency Program ("FSS") escrows		56,343	33,630
Accrued compensated absences, non current		<u>90,441</u>	<u>77,807</u>
Total non-current liabilities		<u>146,784</u>	<u>111,437</u>
Total liabilities		<u>255,524</u>	<u>324,849</u>
NET POSITION			
Net position:			
Net investment in capital assets		16,866,060	15,554,043
Restricted		2,781,639	3,797,627
Unrestricted		<u>1,499,533</u>	<u>1,775,580</u>
Total net position	\$	<u>21,147,232</u>	\$ <u>21,127,250</u>

See accompanying notes to financial statements

**PLEASANTVILLE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Tenant revenue	\$ 558,383	\$ 456,350
HUD operating grants	4,184,497	4,609,389
Other revenues	<u>1,569,083</u>	<u>1,618,530</u>
Total operating revenues	<u>6,311,963</u>	<u>6,684,269</u>
Operating expenses:		
Administrative	1,013,886	936,412
Tenant services	52,332	69,565
Utilities	269,332	268,141
Ordinary repairs and maintenance	339,588	322,222
Insurance expenses	56,143	59,968
General expenses	525,840	358,537
Extraordinary maintenance	-	555
Housing assistance payments	3,477,684	3,356,130
Depreciation	<u>955,734</u>	<u>875,050</u>
Total operating expenses	<u>6,690,539</u>	<u>6,246,580</u>
Operating income (loss)	<u>(378,576)</u>	<u>437,689</u>
Non-operating revenues (expenses):		
Investment income	<u>383</u>	<u>3,220</u>
Net non-operating revenue (expenses)	<u>383</u>	<u>3,220</u>
Income (loss) before capital grants	(378,193)	440,909
Capital grants	<u>398,175</u>	<u>718,049</u>
Changes in net position	19,982	1,158,958
Total net position, beginning of year	<u>21,127,250</u>	<u>19,968,292</u>
Total net position, end of year	<u>\$ 21,147,232</u>	<u>\$ 21,127,250</u>

See accompanying notes to financial statements

**PLEASANTVILLE HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Cash received from tenants	\$ 562,659	\$ 457,563
Cash received from grantors	5,826,027	6,232,635
Cash paid to suppliers	(5,349,557)	(4,789,516)
Cash paid to employees	<u>(532,933)</u>	<u>(407,077)</u>
Net cash flows provided (used) by operating activities	<u>506,196</u>	<u>1,493,605</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(700,845)	(1,248,379)
Purchase of assets held for sale	(1,147,639)	(433,299)
Proceeds from capital grants	<u>398,175</u>	<u>718,049</u>
Net cash flows provided (used) by capital and related financing activities	<u>(1,450,309)</u>	<u>(963,629)</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>383</u>	<u>3,220</u>
Net cash flows provided/(used) by investing activities	<u>383</u>	<u>3,220</u>
Net increase/(decrease) in cash	(943,730)	533,196
Cash and cash equivalents, beginning of year	<u>3,812,092</u>	<u>3,278,896</u>
Cash and cash equivalents, end of year	<u>\$ 2,868,362</u>	<u>\$ 3,812,092</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position:		
Cash and cash equivalents	\$ 1,737,125	\$ 1,840,866
Restricted cash	<u>1,131,237</u>	<u>1,971,226</u>
Cash and cash equivalents at end of year	<u>\$ 2,868,362</u>	<u>\$ 3,812,092</u>

See accompanying notes to financial statements

PLEASANTVILLE HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Reconciliation of operating income or loss to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (378,576)	\$ 437,689
Adjustments to reconcile operating income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	955,734	875,050
Bad debts	3,619	416
Changes in assets and liabilities:		
Accounts receivable	(13,352)	6,883
Prepaid expenses	8,096	(8,012)
Accounts payable	(13,924)	14,211
Accrued expenses	(105,661)	3,327
Accrued compensated absences	14,237	35,950
Tenant security deposits	1,048	2,039
Prepaid tenant rents	12,262	109
FSS program escrows	<u>22,713</u>	<u>125,943</u>
Net cash provided (used) by operating activities	<u>\$ 506,196</u>	<u>\$ 1,493,605</u>

See accompanying notes to financial statements

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Pleasantville Housing Authority ("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. The Authority is responsible for operating certain low-rent housing programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

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

The Authority maintains its accounting records by program. The following programs are operated by the Authority:

Section 8 Housing Choice Voucher

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

Low Rent Public Housing

The public housing program is designed to provide low-cost housing within the City of Pleasantville. 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.

Public Housing Capital Fund

The Capital Fund Program provides funds annually, via a formula, to public housing agencies for capital and management activities including modernization and development of public housing units.

Resident Opportunities and Supportive Services Program (ROSS)

The purpose of the Resident Opportunity and Support 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.

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

B. Reporting Entity

In accordance with Statement No. 61 of the Government Accounting Standards Board (“GASB”), the Authority’s basic financial statements include those of the Pleasantville Housing 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. 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 above criteria, this report includes 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 Statement No. 61 of the GASB, 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.

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("Statement"). The Statement requires the 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 a Statement of Cash Flows. The Statement also requires the Authority to include a Management's Discussion and Analysis as part of Required Supplementary Information.

The Authority has also adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The Statement establishes accounting and financial reporting standards for nonexchange transactions including financial or capital resources. The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

In Accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, the Authority has elected to apply all Financial Accounting Standards Board ("FASB") statements and interpretations that do not conflict with Government Accounting Standards Board statements and interpretations.

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

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

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

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. 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.

E. Cash, Cash Equivalents and Investments

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States, or 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.

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

Rents are due from tenants on the first day of each month. As a result, accounts receivable balances primarily consist of rents past due and vacated tenants. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Accounts Receivable (continued)

These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

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

G. Prepaid Expenses

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

H. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net zero. In accordance with GASB Statement No. 34, interprogram receivables and payables are eliminated for financial statement purposes.

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 capital assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

◆	Furniture, Fixtures and Equipment	3 - 5 Years
◆	Buildings and Improvements	15 - 40 Years

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

J. Compensated Absences

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

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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 accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods. 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. Equity Classifications

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

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

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

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

PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2014 AND 2013

NOTE 2. CASH AND CASH EQUIVALENTS

As of March 31, 2014 and 2013, the Authority had funds on deposit in checking and money market accounts.

For the fiscal years ended March 31, 2014 and 2013 the carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$2,868,362 and \$3,812,092, respectively, and the bank balances approximated \$2,987,477 and \$3,877,562, respectively.

Of the bank balances, \$250,000 and \$284,964 were covered by federal depository insurance and the remaining \$2,737,477 and \$3,592,598 were collateralized with the pledging financial institution for the fiscal years ended March 31, 2014 and 2013, respectively.

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, 2014 and 2013, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE - HUD

HUD accounts receivable represents amounts due to the Authority for operating and capital grants which amounted to \$27,523 and \$15,161 at March 31, 2014 and 2013, respectively. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts.

NOTE 4. ACCOUNTS RECEIVABLE - TENANTS, NET

Tenant accounts receivable are stated net of an allowance for doubtful accounts of \$2,253 and \$1,194 at March 31, 2014 and 2013, respectively.

NOTE 5. ACCOUNTS RECEIVABLE - MISCELLANEOUS

Miscellaneous accounts receivable consists primarily of management fees, advances to cover expenses due from developments and accrued interest. At March 31, 2014 and 2013, these balances amounted to \$37,062 and \$40,329, respectively. The Authority expects to collect all miscellaneous receivables and has therefore made no allowance for doubtful accounts.

PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2014 AND 2013

NOTE 6. 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 years ended March 31, 2014 and 2013, changes in assets held for sale consisted of the following:

	<u>2014</u>	<u>2013</u>
Balance at beginning of year	\$ 2,007,028	\$ 1,573,729
Purchases	1,147,639	433,299
Transfer to capital assets	<u>(1,566,906)</u>	<u>-</u>
Balance at end of year	<u>\$ 1,587,761</u>	<u>\$ 2,007,028</u>

NOTE 7. CAPITAL ASSETS

A summary of the changes in land, structures and equipment for the years ended March 31, 2014 and 2013 were as follows:

Description	March 31, 2013	Additions	Disposals	Transfers	March 31, 2014
<u>Non-depreciable capital assets:</u>					
Land	\$ 503,061	\$ -	\$ -	\$ 313,381	\$ 816,442
Construction in progress	<u>1,532,895</u>	<u>398,175</u>	<u>-</u>	<u>(1,191,257)</u>	<u>739,813</u>
Total	<u>2,035,956</u>	<u>398,175</u>	<u>-</u>	<u>(877,876)</u>	<u>1,556,255</u>
<u>Depreciable capital assets:</u>					
Buildings and improvements	29,082,369	27,373	-	2,444,782	31,554,524
Furniture and equipment	<u>655,078</u>	<u>275,297</u>	<u>-</u>	<u>-</u>	<u>930,375</u>
Total	<u>29,737,447</u>	<u>302,670</u>	<u>-</u>	<u>2,444,782</u>	<u>32,484,899</u>
Less: accumulated depreciation	<u>16,219,360</u>	<u>955,734</u>	<u>-</u>	<u>-</u>	<u>17,175,094</u>
Net capital assets	<u>\$ 15,554,043</u>	<u>\$ (254,889)</u>	<u>\$ -</u>	<u>\$ 1,566,906</u>	<u>\$ 16,866,060</u>

Description	March 31, 2012	Additions	Disposals	Transfers	March 31, 2013
<u>Non-depreciable capital assets:</u>					
Land	\$ 503,061	\$ -	\$ -	\$ -	\$ 503,061
Construction in progress	<u>1,026,499</u>	<u>718,049</u>	<u>-</u>	<u>(211,653)</u>	<u>1,532,895</u>
Total	<u>1,529,560</u>	<u>718,049</u>	<u>-</u>	<u>(211,653)</u>	<u>2,035,956</u>
<u>Depreciable capital assets:</u>					
Buildings and improvements	28,469,069	401,647	-	211,653	29,082,369
Furniture and equipment	<u>526,396</u>	<u>128,682</u>	<u>-</u>	<u>-</u>	<u>655,078</u>
Total	<u>28,995,465</u>	<u>530,329</u>	<u>-</u>	<u>211,653</u>	<u>29,737,447</u>
Less: accumulated depreciation	<u>15,344,310</u>	<u>875,050</u>	<u>-</u>	<u>-</u>	<u>16,219,360</u>
Net capital assets	<u>\$ 15,180,715</u>	<u>\$ 373,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,554,043</u>

For the year ended March 31, 2014, \$1,566,906 of "Assets available for sale" were reclassified as capital assets and included in transfers.

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

NOTE 8. RESTRICTED CASH

Restricted cash consists of the following at March 31, 2014 and 2013:

<u>Cash Category</u>	<u>2014</u>	<u>2013</u>
Section 32 Home Ownership Program	\$ 781,433	\$ 1,584,282
Social Service Fee Reserves	257,966	257,722
Housing Assistant Payment Reserves	35,495	95,593
FSS escrow	<u>56,343</u>	<u>33,629</u>
	<u>\$ 1,131,237</u>	<u>\$ 1,971,226</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 Housing Choice Voucher Program for future housing assistance payments.

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

NOTE 9. NON-CURRENT LIABILITIES

Non-current liabilities activity for the years ended March 31, 2014 and 2013 consisted of the following:

	<u>March 31,</u> <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>March 31,</u> <u>2014</u>	<u>Due in</u> <u>One Year</u>
Accrued compensated absences	\$ 86,253	\$ 59,135	\$ 44,898	\$ 100,490	\$ 10,049
FSS escrows	<u>33,630</u>	<u>22,713</u>	<u>-</u>	<u>56,343</u>	<u>-</u>
	<u>\$ 119,883</u>	<u>\$ 81,848</u>	<u>\$ 44,898</u>	<u>\$ 156,833</u>	<u>\$ 10,049</u>

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

NOTE 9. NON-CURRENT LIABILITIES (continued)

	March 31, 2012	Additions	Retirements	March 31, 2013	Due in One Year
Accrued compensated absences	\$ 50,304	\$ 56,648	\$ 20,699	\$ 86,253	\$ 8,446
FSS escrows	<u>15,165</u>	<u>18,465</u>	<u>-</u>	<u>33,630</u>	<u>-</u>
	<u>\$ 65,469</u>	<u>\$ 75,113</u>	<u>\$ 20,699</u>	<u>\$ 119,883</u>	<u>\$ 8,446</u>

NOTE 10. PENSION PLAN

A. Description of Plan

All required employees of the Authority are covered by the Public Employees' Retirement System which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division).

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

B. Public Employees' Retirement System (PERS)

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

C. Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

NOTE 10. PENSION PLAN (continued)

D. Contribution Requirements – PERS

The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. The full normal employee contribution rate became 5.5% of annual compensation, effective July 1, 2007 for most PERS state employees and effective July 1, 2008 for PERS local employees, based on Chapter 103, P.L. 2007. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) is 8.5% of base salary effective July 1, 2008.

Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366 P.L. 2001) will be increased from 8.5% of base salary to 10%. For fiscal year 2012, the member contribution rate increased in October 2011. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances, cost-of-living adjustments, and non-contributory death benefits.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers to contribute 50% of the normal and accrued liability contribution amounts certified by PERS for payment due in State fiscal year 2009. This law also provided that a local employer may pay 100% of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS 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 State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
March 31, 2012	\$ <u>60,760</u>	<u>100</u>	\$ <u>-</u>
March 31, 2013	\$ <u>57,700</u>	<u>100</u>	\$ <u>-</u>
March 31, 2014	\$ <u>58,813</u>	<u>100</u>	\$ <u>-</u>

PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

NOTE 11. POST-RETIREMENT BENEFITS

The Authority participates New Jersey State Health Benefits Program ("the SHBP"), which qualifies as a cost-sharing, multiple -employer plan in accordance with GASB Statement 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions" ("OPEB"). 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.

A. Contribution Requirements – SHBP

Contributions to pay for the health premiums of participating employees in the SHBP – Local are collected from the State of New Jersey, participating local employers, active members, and retired members. Local employer payments and active and retired member contributions are generally received on a monthly basis.

Local group employees are not affected by the premium sharing provisions of Chapter 8, P.L. 1996. Chapter 2, P.L. 2010, effective May 21, 2010, requires a minimum contribution of 1.5% of base salary toward the cost of health care benefits coverage by all active public employees. Employees of the State, local governments, and boards of education who become a member of a State or locally-administered retirement system on or after the law's effective date would be required to pay in retirement 1.5% of their pension benefit toward the cost of health care coverage under the SHBP.

Chapter 78, P.L. 2011, effective June 28, 2011, established new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011, the 4-year phase-in does not apply and contributions based on the full percentage rate of contribution are required. Under Chapter 78, certain future retirees eligible for employer-paid health care coverage at retirement will also be required to pay a percentage of the cost of their medical coverage determined on the basis of their annual retirement benefit.

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.

PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

NOTE 11. POST-RETIREMENT BENEFITS (continued)

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 amounts were the required contribution to the SHBP by the Authority:

<u>Year</u>	<u>Amount</u>
March 31, 2012	\$ <u>190,329</u>
March 31, 2013	\$ <u>182,618</u>
March 31, 2014	\$ <u>228,557</u>

NOTE 12. RESTRICTED NET POSITION

Restricted net position consist of the following at March 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Revolving Homeownership Reserves	\$ 2,488,178	\$ 3,444,312
Social Service Fee Reserves	257,966	257,722
Housing Assistance Payment Reserve	<u>35,495</u>	<u>95,593</u>
Total restricted net position	<u>\$ 2,781,639</u>	<u>\$ 3,797,627</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.

Housing assistance payment reserves are restricted for use only in the Housing Choice Voucher Program for tenant rents.

NOTE 13. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to theft of, damage to and destruction of assets: error and omission, 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 Joint Insurance Fund will be self-sustaining through member premiums. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the years ended March 31, 2014, 2013 and 2012.

PLEASANTVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

NOTE 14. 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 the 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, 2014, the Authority estimates that no material liabilities will result from such audits.

NOTE 15. 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 23, 2014 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements



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

To the Board of Commissioners
Pleasantville Housing Authority:

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 Pleasantville Housing Authority ("the Authority") as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise Pleasantville Housing Authority's basic financial statements, and have issued our report thereon dated October 23, 2014.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pleasantville Housing 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 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fallon & Larsen LLP

October 23, 2014
Toms River, New Jersey



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

To the Board of Commissioners
Pleasantville Housing Authority:

Report on Compliance for Each Major Federal Program

We have audited the compliance of Pleasantville Housing Authority ("the Authority"), with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pleasantville Housing Authority's major federal programs for the year ended March 31, 2014. Pleasantville Housing 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pleasantville Housing 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pleasantville Housing 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 Pleasantville Housing Authority's compliance.

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

Opinion on Each Major Federal Program

In our opinion, Pleasantville Housing 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, 2014.

Report on Internal Control Over Compliance

Management of Pleasantville Housing 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 Pleasantville Housing 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pleasantville Housing 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Fallon & Larsen LLP

October 23, 2014
Toms River, New Jersey

**PLEASANTVILLE HOUSING AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED MARCH 31, 2014**

<u>Federal and State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Low Rent Public Housing	14.850a	\$ 892,319
Community Development Block Grants/State's Program	14.218	794,575
Section 8 Housing Choice Voucher Program	14.871	3,791,661
Public Housing Capital Fund	14.872	523,931
Resident Opportunity and Supportive Services	14.870	<u>138,260</u>
		<u>\$ 6,140,746</u>

**PLEASANTVILLE HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2014**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pleasantville Housing Authority under programs of the federal government for the year ended March 31, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Pleasantville Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Pleasantville Housing Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. SUBRECIPIENTS

The Authority did not pass-through any federal awards to subrecipients.

NOTE 4. NON-CASH FEDERAL ASSISTANCE

The Authority did not receive any non-cash Federal assistance for the year ended March 31, 2014.

PLEASANTVILLE HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED MARCH 31, 2014

NOTE 5. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

The total amount of Capital Fund Program Costs and Advances incurred and earned by the Pleasantville Housing Authority as of and for the year ended March 31, 2014 are provided herein.

	<u>501-10</u>	<u>501-11</u>	<u>501-12</u>	<u>501-12 Safety</u>	<u>501-13</u>	<u>Totals</u>
Budget	\$ <u>341,601</u>	\$ <u>237,993</u>	\$ <u>203,805</u>	\$ <u>216,697</u>	\$ <u>208,718</u>	\$ <u>1,208,814</u>
<u>Advances:</u>						
Cumulative through 3/31/13	\$ 277,963	\$ 118,705	\$ 82,034	\$ -	\$ -	\$ 478,702
Current Year	<u>62,425</u>	<u>114,737</u>	<u>44,828</u>	<u>193,092</u>	<u>112,421</u>	<u>527,503</u>
Cumulative through 3/31/14	<u>340,388</u>	<u>233,442</u>	<u>126,862</u>	<u>193,092</u>	<u>112,421</u>	<u>1,006,205</u>
<u>Costs:</u>						
Cumulative through 3/31/13	286,346	119,954	82,034	-	-	488,334
Current Year	<u>54,704</u>	<u>114,939</u>	<u>48,775</u>	<u>193,092</u>	<u>112,421</u>	<u>523,931</u>
Cumulative through 3/31/14	<u>341,050</u>	<u>234,893</u>	<u>130,809</u>	<u>193,092</u>	<u>112,421</u>	<u>1,012,265</u>
Excess / (Deficiency)	\$ <u>(662)</u>	\$ <u>(1,451)</u>	\$ <u>(3,947)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,060)</u>

**PLEASANTVILLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
MARCH 31, 2014**

I. Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

- | | | |
|----|---|------------|
| 1. | Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 2. | Auditee qualified as low-risk Auditee? | Yes |
| 3. | Type of auditor's report on compliance for major programs: | Unmodified |
| 4. | Internal Control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Were reportable conditions identified not considered to be material weaknesses? | No |
| | c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? | No |
| 5. | Identification of major programs: | |

CFDA Number

Name of Federal Program

14.871

Section 8 Housing Choice Voucher Program

PLEASANTVILLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
MARCH 31, 2014

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 Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Federal Audit Findings

There were no prior year findings or questioned costs relating to federal awards.

PLEASANTVILLE HOUSING AUTHORITY									
NJ059									
Financial Data Schedule (FDS)									
March 31, 2014									
Line Item #	Account Description	Projects	14.871 Housing Choice Voucher	14.870 Resident Opportunity and Support Services	14.884 Compet Cap Fund Stimulus Grant ARRA	14.228 Community Development Block Grants State	6 Component Units	Elimination	Total
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ 1,277,111	\$ 330,368	\$ -	\$ -	\$ -	\$ 93,307	\$ -	\$ 1,700,786
112	Cash - restricted - modernization and development	-	-	-	-	781,433	-	-	781,433
113	Cash - other restricted	257,966	91,838	-	-	-	-	-	349,804
114	Cash - tenant security deposits	34,689	-	-	-	1,650	-	-	36,339
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-
100	Total cash	1,569,766	422,206	-	-	783,083	93,307	-	2,868,362
Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	6,060	-	21,463	-	-	-	-	27,523
124	Accounts receivable - other government	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	1,067	35,995	-	-	-	-	-	37,062
126	Accounts receivable- tenants	4,498	-	-	-	-	-	-	4,498
126.1	Allowance for doubtful accounts - tenants	(2,253)	-	-	-	-	-	-	(2,253)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	9,372	35,995	21,463	-	-	-	-	66,830
Current investments									
131	Investments - unrestricted	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	13,743	-	-	-	-	-	-	13,743
143	Inventories	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-
144	Interprogram - due from	88,215	-	-	-	118,984	-	(177,462)	29,737
145	Assets held for sale	-	-	-	-	1,587,761	-	-	1,587,761
150	TOTAL CURRENT ASSETS	1,681,096	458,201	21,463	-	2,489,828	93,307	(177,462)	4,566,433
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	503,061	-	-	-	313,381	-	-	816,442
162	Buildings	30,211,009	89,990	-	-	1,253,525	-	-	31,554,524
163	Furniture, equipment & machinery - dwellings	422,615	-	-	-	-	-	-	422,615
164	Furniture, equipment & machinery - administration	490,373	17,387	-	-	-	-	-	507,760
165	Leasehold improvements	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(17,103,390)	(9,028)	-	-	(62,676)	-	-	(17,175,094)
167	Construction in Progress	739,813	-	-	-	-	-	-	739,813
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	15,263,481	98,349	-	-	1,504,230	-	-	16,866,060
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	15,263,481	98,349	-	-	1,504,230	-	-	16,866,060
190	TOTAL ASSETS	\$ 16,944,577	\$ 556,550	\$ 21,463	\$ -	\$ 3,994,058	\$ 93,307	\$ (177,462)	\$ 21,432,493

PLEASANTVILLE HOUSING AUTHORITY									
NJ059									
Financial Data Schedule (FDS)									
March 31, 2014									
Line Item #	Account Description	Projects	14.871 Housing Choice Voucher	14.870 Resident Opportunity and Support Services	14.884 Compet Cap Fund Stimulus Grant ARRA	14.228 Community Development Block Grants State	6 Component Units	Elimination	Total
LIABILITIES AND EQUITY:									
Liabilities:									
Current Liabilities:									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	2,417	-	-	-	-	-	-	2,417
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	12,276	2,454	-	-	-	-	-	14,730
322	Accrued compensated absences - current portion	7,864	2,185	-	-	-	-	-	10,049
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	9,000	-	9,000
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	18,743	-	-	-	-	-	-	18,743
341	Tenant security deposits	34,689	-	-	-	1,650	-	-	36,339
342	Deferred revenue	14,092	-	-	-	-	-	-	14,092
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	3,370	-	-	-	-	-	3,370
346	Accrued liabilities - other	-	-	-	-	-	-	-	-
347	Interprogram - due to	96,475	37,503	21,463	-	-	51,758	(177,462)	29,737
310	TOTAL CURRENT LIABILITIES	186,556	45,512	21,463	-	1,650	60,758	(177,462)	138,477
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	56,343	-	-	-	-	-	56,343
354	Accrued compensated absences - noncurrent	70,779	19,662	-	-	-	-	-	90,441
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	70,779	76,005	-	-	-	-	-	146,784
300	TOTAL LIABILITIES	257,335	121,517	21,463	-	1,650	60,758	(177,462)	285,261
EQUITY:									
508.1	Invested in Capital Assets, Net of Related Debt	15,263,481	98,349	-	-	1,504,230	-	-	16,866,060
511.1	Restricted Net Assets	257,966	35,495	-	-	2,488,178	-	-	2,781,639
512.1	Unrestricted Net Assets	1,165,795	301,189	-	-	-	32,549	-	1,499,533
513	TOTAL EQUITY	16,687,242	435,033	-	-	3,992,408	32,549	-	21,147,232
600	TOTAL LIABILITIES AND EQUITY	\$ 16,944,577	\$ 556,550	\$ 21,463	\$ -	\$ 3,994,058	\$ 93,307	\$ (177,462)	\$ 21,432,493
	Proof of concept	-	-	-	-	-	-	-	-

PLEASANTVILLE HOUSING AUTHORITY										
NJ059										
Financial Data Schedule (FDS)										
March 31, 2014										
Line Item #	Account Description	Projects	Capital	14.871 Housing Choice Voucher	14.870 Resident Opportunity and Support Services	14.884 Compet Cap Fund Stimulus Grant ARRA	14.228 Community Development Block Grants State	6 Component Units	Elimination	Total
REVENUE:										
70300	Net tenant rental revenue	\$ 442,947	\$ -	\$ -	\$ -	\$ -	\$ 100,250	\$ -	\$ -	\$ 543,197
70400	Tenant revenue - other	6,790	-	-	-	-	8,396	-	-	15,186
70500	Total tenant revenue	449,737	-	-	-	-	108,646	-	-	558,383
70600	HUD PHA grants	892,319	125,756	2,233,587	138,260	-	794,575	-	-	4,184,497
70610	Capital grants	-	398,175	-	-	-	-	-	-	398,175
70710	Management fee	-	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	379	-	-	-	-	4	-	-	383
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-
71500	Other revenue	79,322	-	1,407,131	-	-	82,630	54,750	(54,750)	1,569,083
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	1,421,757	523,931	3,640,718	138,260	-	985,855	54,750	(54,750)	6,710,521
EXPENSES:										
Administrative										
91100	Administrative salaries	201,843	28,142	146,547	-	-	-	-	-	376,532
91200	Auditing fees	6,860	-	6,360	-	-	-	-	-	13,220
91300	Outside management fees	-	-	-	-	-	54,750	-	(54,750)	-
91310	Book-keeping fee	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	126	-	-	126
91500	Employee benefit contributions- administrative	119,035	8,320	77,923	-	-	-	-	-	205,278
91600	Office expenses	23,914	375	10,657	-	-	8,483	-	-	43,429
91700	Legal expenses	20,564	-	-	-	-	1,667	644	-	22,875
91800	Travel	6,658	366	93	-	-	-	-	-	7,117
91810	Allocated overhead	-	-	-	-	-	-	-	-	-
91900	Other	76,135	-	3,176	143,751	-	78,792	43,455	-	345,309
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-
Tenant services										
92100	Tenant services - salaries	9,680	-	37,073	-	-	-	-	-	46,753
92200	Relocation costs	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	1,136	-	-	-	-	-	-	-	1,136
92400	Tenant services - other	4,443	-	-	-	-	-	-	-	4,443

PLEASANTVILLE HOUSING AUTHORITY										
NJ059										
Financial Data Schedule (FDS)										
March 31, 2014										
Line Item #	Account Description	Projects	Capital	14.871 Housing Choice Voucher	14.870 Resident Opportunity and Support Services	14.884 Compet Cap Fund Stimulus Grant ARRA	14.228 Community Development Block Grants State	6 Component Units	Elimination	Total
	Utilities									
93100	Water	20,842	-	-	-	-	330	-	-	21,172
93200	Electricity	92,147	-	-	-	-	1,673	-	-	93,820
93300	Gas	75,679	-	-	-	-	4,510	-	-	80,189
93400	Fuel	797	-	124	-	-	-	-	-	921
93500	Labor	-	-	-	-	-	-	-	-	-
93600	Sewer	65,688	-	-	-	-	3,817	-	-	69,505
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	3,725	-	-	-	-	-	-	-	3,725
	Ordinary maintenance & operation									
94100	Ordinary maintenance and operations - labor	121,206	-	-	-	-	-	-	-	121,206
94200	Ordinary maintenance and operations - materials & other	17,890	11,835	-	-	-	19	-	-	29,744
94300	Ordinary maintenance and operations - contract costs	77,773	48,546	-	-	-	-	-	-	126,319
94500	Employee benefit contributions- ordinary maintenance	62,319	-	-	-	-	-	-	-	62,319
	Protective services									
95100	Protective services - labor	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-
	General expenses									
96100	Insurance premiums	56,143	-	-	-	-	-	-	-	56,143
96200	Other general expenses	232,700	-	32,024	-	-	220,916	-	-	485,640
96210	Compensated absences	17,838	-	-	-	-	-	-	-	17,838
96300	Payments in lieu of taxes	18,743	-	-	-	-	-	-	-	18,743
96400	Bad debt - tenant rents	3,619	-	-	-	-	-	-	-	3,619
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-	-	-
96710	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	1,337,377	97,584	313,977	143,751	-	375,083	44,099	(54,750)	2,257,121
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	84,380	426,347	3,326,741	(5,491)	-	610,772	10,651	-	4,453,400
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	2,145,349	-	-	-	-	-	2,145,349
97350	HAP Portability - in	-	-	1,332,335	-	-	-	-	-	1,332,335
97400	Depreciation expense	886,975	-	6,083	-	-	62,676	-	-	955,734
97500	Fraud losses	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	2,224,352	97,584	3,797,744	143,751	-	437,759	44,099	(54,750)	6,690,539

PLEASANTVILLE HOUSING AUTHORITY										
NJ059										
Financial Data Schedule (FDS)										
March 31, 2014										
Line Item #	Account Description	Projects	Capital	14.871 Housing Choice Voucher	14.870 Resident Opportunity and Support Services	14.884 Compet Cap Fund Stimulus Grant ARRA	14.228 Community Development Block Grants State	6 Component Units	Elimination	Total
OTHER FINANCING SOURCES (USES)										
10010	Operating transfers in	28,172	-	-	-	-	-	-	(28,172)	-
10020	Operating transfers out	-	(28,172)	-	-	-	-	-	28,172	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	28,172	(28,172)	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(774,423)	398,175	(157,026)	(5,491)	-	548,096	10,651	-	19,982
MEMO ACCOUNT INFORMATION:										
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-
11030	Beginning equity	17,063,490	-	592,059	5,491	-	3,444,312	21,898	-	21,127,250
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	399,538	-	-	-	-	-	399,538
11180	Housing assistance payments equity	-	-	35,495	-	-	-	-	-	35,495
		-	-	435,033	-	-	-	-	-	435,033
11190	Unit months available	2,484	-	2,940	-	-	11	-	-	5,435
11210	Number of unit months leased	2,429	-	2,875	-	-	11	-	-	5,315
Equity Roll Forward Test:										
	Calculation from R/E Statement	\$ 16,687,242	\$ -	\$ 435,033	\$ -	\$ -	\$ 3,992,408	\$ 32,549	\$ -	\$ 21,147,232
	B/S Line 513	\$ 16,687,242	\$ -	\$ 435,033	\$ -	\$ -	\$ 3,992,408	\$ 32,549	\$ -	\$ 21,147,232
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -