

Report On Audit

**HOUSING AUTHORITY OF THE
CITY OF ENGLEWOOD**

**For the Year Ended
December 31, 2014**

Housing Authority of the City of Englewood
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Englewood (a governmental public corporation) in Englewood, New Jersey, hereafter referred to as the Authority, which comprise the statement of net position as of December 31, 2014, and the related statement of revenue, expenses and changes in net position, statement of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Housing Authority of the City of Englewood'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 Housing Authority of the City of Englewood's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the City of Englewood as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year's 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 and budgetary comparison information on pages 4 through 16 and pages 46-47 be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards accepted in the United States of America, which consisted of inquiries of management about the method 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Lastly, the supplemental information on the accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a required part of the financial statements. The Schedule of Federal Awards and the Financial Data Schedule are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other financial and statistical information have not been subjected to the auditing procedures in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued reports dated May 18, 2015 on our consideration of the Housing Authority of the City of Englewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Hymanson, Parnes & Giampaolo

Lincroft, New Jersey

Date: May 18, 2015

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

As Management of the Housing Authority of the City of Englewood (the Authority), present the following discussion and analysis which is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached financial statements. Management Discussion and Analysis is designed to focus on the current year activities, resulting changes, and current known facts. It is by necessity highly summarized, and in order to gain a thorough understanding of the Authority's financial position, the financial statements and footnotes should be viewed in their entirety beginning on page 17 of this report. New standards issued by GASB have significantly changed the format of the financial statements. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

FINANCIAL HIGHLIGHTS

Net position of the Authority's enterprise fund was \$4,966,197 greater than the liabilities, an increase in the financial position of \$371,953 or 8% percent.

As noted above, the net position of the Authority exceeded its liabilities by \$4,966,197 as of December 31, 2014. Of this amount, the unrestricted net position is \$1,395,956 representing a decrease of \$169,418 or 11% percent from the previous year. The net investment in capital assets decreased \$38,672 or 1% percent for an ending balance of \$2,940,110. The restricted net position increased \$580,043 from the previous year for an ending balance of \$630,131. Additional information on the Authority's restricted and unrestricted net positions can be found in Note 16 & Note 17 to the financial statements, which is included in this report.

The Authority's unrestricted cash, and cash equivalent at December 31, 2014 is \$2,433,879 representing an increase of \$150,529 or 7% percent from the prior year. Total restricted cash increased \$552,401 or 501% percent for an ending balance of \$662,711. The full detail of these amounts can be found in the Statement of Cash Flow on pages 20-21 of this report.

The Authority's total assets are \$6,232,507 of which capital assets net book value is \$3,114,717, leaving total current assets at \$3,117,790. Total current assets increased from the previous year by \$651,397 or 26% percent. Unrestricted cash and cash equivalents increased by \$150,529, restricted cash and cash equivalents increased \$552,401, and account's receivables decreased by \$51,533.

Capital assets reported a decrease in the net book value of the capital assets in the amount of \$132,036 or 4% percent. The major factor that contributed for the decrease was the purchase of fixed assets in the amount of \$90,471, less the recording of depreciation expense in the amount of \$222,507. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note - 7 Fixed Assets.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

FINANCIAL HIGHLIGHTS - CONTINUED

The Authority's total liabilities are reported at \$1,266,310, of which noncurrent liabilities are stated at \$1,032,084. Total liabilities increased during the year as compared to the prior year in the amount of \$147,408, or 13% percent. Total current liabilities increased during the year by \$14,219, leaving non-current liabilities for an increase of \$133,189 as compared to the previous year.

Total current liabilities increased from the previous year by \$14,219 or 6% percent. Accounts payables increased by \$12,530, accrued liabilities decreased by \$2,866, tenant security deposit payable increased by \$2,923, unearned revenue decreased \$220, and current portion of long term debt increased by \$1,852.

Total noncurrent liabilities increased by \$133,189 or 15% percent. Long-term obligations such as noncurrent compensated absences with an ending balance of \$46,694, with no offsetting assets, decreased \$6,267 from the previous year. Long-term debt (mortgage payable) decreased \$34,488 for an ending balance of \$138,309, and accrued other post-employment benefits (OPEB) liabilities increased \$173,944 or 26% percent. Additional information on the Authority's accrued OPEB liabilities as of December 31, 2014 can be found in Note 15 to the financial statements, which is included in this report.

The Authority had total operating revenue of \$7,688,253 as compared to \$6,542,980 from the prior year for an increase of \$1,145,273 or 18% percent. The Authority had total operating expenses of \$7,384,403 as compared to \$6,953,480 from the previous year for an increase of \$430,923 or 6% percent, resulting in excess revenue over expenses from operations in the amount of \$303,850 for the current year as compared to excess expenses over revenue from operations in the amount of \$410,500 for an increase in revenue over expense in the amount of \$714,350 or 174% percent from the previous year.

Total capital improvements contributions from HUD were in the amount of \$67,188 as compared to \$95,363 from the previous year for a decrease of \$28,175 or 30% percent. The Authority had capital outlays in the amount of \$90,471 for the fiscal year. These expenditures were funded by grants received during the year from the U.S. Department of Housing and Urban Development in the amount of \$67,188 with the excess coming from the Authority's reserves. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note - 7 Fixed Assets.

The Authority's Expenditures of Federal Awards amounted to \$6,867,035 for the year 2014 as compared to \$5,753,634 for the previous year 2013 for an increase of \$1,113,401 or 19% percent.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

1. Low Rent Public Housing
2. Housing Choice Vouchers
3. Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The basic financial statements are prepared on an entity wide basis and consist of:

- 1) Statement of Net Position
- 2) Statement of Revenue, Expenses, and Changes in Net Position
- 3) Statement of Cash Flow
- 4) Notes to the Financial Statements

The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities in the United States of America for the Enterprise Fund types. The Authority's activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations. The financial statements can be found on pages 17 through 21.

Statement of Net Position – This statement presents information on the Authority's total of assets and deferred outflow of resources, and total of liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenue, Expenses and Changes in Net Position – This statement presents information showing how the Authority's net position increased or decreased during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows and cash outflows in the future periods.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

Statement of Cash Flow— This statement presents information showing the total cash receipts and cash disbursements of the Housing Authority during the current year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt payments, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Housing Authority in prior periods and subsequently received during the current year (i.e. accounts receivable, notes receivable, etc.).

Notes to the Financial Statements - Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Housing Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Housing Authority may face. The Notes to Financial Statements can be found in this Report beginning on page 22 through 44.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Housing Authority's various programs and the required information mandated by regulatory bodies that fund the Housing Authority's various programs.

The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-profit Organizations. The schedule of Expenditures of Federal Awards can be found on page 45 of this report.

- 1. Federal Awards** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal award is defined as federal financial assistance and federal cost reimbursement contracts that non-federal agencies receive directly or indirectly from federal agencies or pass-through entities. Federal financial assistance is defined as assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations and other assistance.
- 2. Type A and Type B Programs** - The Single Audit Act Amendments of 1996 and OMB Circular A- 133 establish the levels of expenditures or expenses to be used in defining Type A and Type B Federal financial assistance programs. Type A programs for the Housing Authority of the City of Englewood are those which equal or exceeded \$300,000 in expenditures for the year ended December 31, 2014. Type B programs for the Housing Authority of the City of Englewood are those which are less than \$300,000 in expenditures for the year ended December 31, 2014.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

The budget comparison of actual results to the Authority's adopted budget for the Low Income Public Housing Program can be found on page 46 the Section Eight Housing Choice Voucher Program on page 47.

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE)

The following summarizes the computation of Net Position between December 31, 2014 and December 31, 2013:

	Year Ended		Increase
	December-14	December-13	(Decrease)
Cash	\$ 3,096,590	\$ 2,393,660	\$ 702,930
Other Current Assets	21,200	72,733	(51,533)
Capital Assets - Net	3,114,717	3,246,753	(132,036)
Total Assets	6,232,507	5,713,146	519,361
Less: Current Liabilities	(234,226)	(220,007)	(14,219)
Less: Non Current Liabilities	(1,032,084)	(898,895)	(133,189)
Net Position	<u>\$ 4,966,197</u>	<u>\$ 4,594,244</u>	<u>\$ 371,953</u>
Net Investment in Capital Assets	\$ 2,940,110	\$ 2,978,782	\$ (38,672)
Restricted Net Position	630,131	50,088	580,043
Unrestricted Net Position	1,395,956	1,565,374	(169,418)
Net Position	<u>\$ 4,966,197</u>	<u>\$ 4,594,244</u>	<u>\$ 371,953</u>

Cash increased by \$702,930 or 29% percent. Net cash provided by operating activities was \$583,990, net cash provided by capital and related financing activities was \$108,970, and net cash provided by investing activities was \$9,970. The full detail of this amount can be found in the Statement of Cash Flow on page 20-21 of this audit report.

Other current assets - Account receivable decreased \$51,533. These decreases can primarily be attributed to decreases in receivables from HUD and receipts from Westmoor Gardens, Inc.

Capital assets reported a decrease in the net book value of the capital assets in the amount of \$132,036 or 4% percent. The major factor that contributed for the decrease was the purchase of fixed assets in the amount of \$90,471, less the recording of depreciation expense in the amount of \$222,507. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note.- 7 Fixed Assets.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

Total current liabilities increased from the previous year by \$14,219 or 6% percent. Accounts payables increased by \$12,530, accrued liabilities decreased by \$2,866, tenant security deposit payable increased by \$2,923, unearned revenue decreased \$220, and current portion of long term debt increased by \$1,852.

Total noncurrent liabilities increased by \$133,189 or 15% percent. Long-term obligations such as noncurrent compensated absences with an ending balance of \$46,694, with no offsetting assets, decreased \$6,267 from the previous year. Long-term debt (mortgage payable) decreased \$34,488 for an ending balance of \$138,309, and accrued other post-employment benefits (OPEB) liabilities increased \$173,944 or 26% percent. Additional information on the Authority's accrued OPEB liabilities as of December 31, 2014 can be found in Note 15 to the financial statements, which is included in this report.

The Authority's reported net position of \$4,966,197 is made up of three categories. The net investment in capital assets in the amount of \$2,940,110 represents 59% percent of the total account balance. The net investment in capital assets (e.g., land, buildings, vehicles, equipment, and construction in process); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide housing services to the tenants; consequently, these assets are not available for future spending. The schedule below reflects the activity in this account for the current year:

Balance December 31, 2013	2,978,782
Acquisition in Fixed Assets	90,471
Depreciation Expense	(222,507)
Debt Payment	32,636
Business Activities Increase	60,728
Balance December 31, 2014	<u>2,940,110</u>

The Housing Authority of the City of Englewood operating results for December 31, 2014 reported a decrease in unrestricted net position of \$169,418 or 11% percent for an ending balance of \$1,395,956. The Authority reported restricted net position in the amount of \$630,131 which increased \$580,043 compared to the prior year. A full detail of these accounts can be found in the Notes to the Financial Statements section Notes - 16 & 17.

At the end of the current year, the Authority is able to report positive balances in the three categories of net position. The same situation held true for the prior year.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The following summarizes the changes in Net Position between December 31, 2014 and December 31, 2013:

	<u>Year Ended</u>		<u>Increase</u>
	<u>December-14</u>	<u>December-13</u>	<u>(Decrease)</u>
<u>Revenues</u>			
Tenant Revenues	\$ 792,904	\$ 793,096	\$ (192)
HUD Subsidies	6,799,847	5,658,271	1,141,576
Other Revenues	95,502	91,613	3,889
Total Operating Income	<u>7,688,253</u>	<u>6,542,980</u>	<u>1,145,273</u>
<u>Expenses</u>			
Operating Expenses	7,161,896	6,732,852	429,044
Depreciation Expense	222,507	220,628	1,879
Total Operating Expenses	<u>7,384,403</u>	<u>6,953,480</u>	<u>430,923</u>
Operating Income before Non Operating Income	303,850	(410,500)	714,350
Interest Income	9,970	13,420	(3,450)
Interest Expense	(9,055)	(15,119)	6,064
Extraordinary Maintenance	-	(6,800)	6,800
HUD Capital Grants	<u>67,188</u>	<u>95,363</u>	<u>(28,175)</u>
Change in Net Position	371,953	(323,636)	695,589
Net Position Prior Year	4,594,244	4,917,754	(323,510)
Prior Period Adjustment	-	126	(126)
Total Net Position	<u>\$ 4,966,197</u>	<u>\$ 4,594,244</u>	<u>\$ 372,079</u>

Approximately 88% percent of the Authority's total revenue was provided by HUD operating subsidy, while 10% percent resulted from tenant revenue. Charges for various services and fraud recovery provided for the remaining 2% percent of the total operating income.

The Housing Authority of the City of Englewood received capital fund improvement grant money during the year in the amount of \$67,188 as compared to \$95,363 for the previous year. The Authority had capital expenditures of \$90,471. The current year additions included roof replacements, replacement of ranges and refrigerators, upgrades and replacement to the cabinets, new utility truck, asphaltting of parking lots, and computer equipment.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The Authority operating expenses cover a range of expenses. The largest expense was for Housing Assistance Payments representing 73% percent of total operating expenses. Administrative expenses accounted for 11% percent, tenant services accounted 1% percent, utilities expense accounted for 6% percent, maintenance expense accounted for 4% percent, other operating expenses accounted for 2% percent, and depreciation accounted for the remaining 3% of the total operating expenses.

The Authority operating expenses exceeded its operating revenue resulting in excess revenue over expenses from operations in the amount of \$303,850 from operations as compared to excess revenue over expenses from operations of \$410,500 for the previous year. The key element for the decrease in deficit in comparison to the prior year is as follow:

- The Authority experienced an increase in HUD operating grants in the amount of \$1,141,576, or 20% percent. The majority of this amount can be attributed to the Authority receiving funding for an additional 108 project based units from Greater Englewood Housing.
- Other Operating Expenses decreased in the amount of \$169,651 or 62% percent.
- The Authority experienced increases in several expenses as listed below:
 - Administrative Expenses \$117,769 or 18% percent.
 - Utility Expenses increased \$156,195 or 49% percent due to a harsh winter as well as increased costs due to the use of third party utility providers.
 - Maintenance Expenses increased \$59,028 or 25% percent due to increased expenses resulting from a harsh winter as well.
 - Housing Assistance Payments increased \$261,063 or 5% percent due to the Authority picking up additional project based units.

Total net cash provided by operating activities during the year was \$583,990. A full detail of this amount can be found on the Statement of Cash Flow on page 20-21 of this report.

Overall the Authority reported a decrease in unrestricted net position of \$169,418 or a decrease of 11% percent for an ending balance of \$1,395,956. Additional information on the Authority's unrestricted net position can be found in Note 17 to the financial statements, which is included in this report.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The following are financial highlights of significant items for a four year period of time ending on December 31, 2014:

	December-14	December-13	December-12	December-11
Significant Income				
Total Tenant Revenue	\$ 792,904	\$ 793,096	\$ 810,953	\$ 778,462
HUD Operating Grants	6,799,847	5,658,271	5,425,056	5,895,983
HUD Capital Grants	67,188	95,363	120,338	62,288
Investment Income	9,970	13,420	14,307	4,164
Other Income	95,502	91,613	70,939	371,860
Total	\$ 7,765,411	\$ 6,651,763	\$ 6,441,593	\$ 7,112,757
Payroll Expense				
Administrative Salaries	\$ 343,760	\$ 335,681	\$ 392,267	\$ 434,300
Tenant Services Salaries	41,217	40,297	40,242	39,452
Utilities Labor	34,587	53,250	7,336	43,998
Maintenance Labor	55,155	41,097	70,479	74,964
Employee Benefits Expense	345,058	203,855	228,292	232,083
Total Payroll Expense	\$ 819,777	\$ 674,180	\$ 738,616	\$ 824,797
Other Significant Expenses				
Other Administrative Expenses	\$ 189,268	\$ 186,895	\$ 172,190	\$ 174,015
Utilities Expense	414,702	244,604	239,599	283,264
Maintenance Supplies	44,430	34,862	69,112	87,370
Maintenance Contract Cost	156,815	136,795	134,030	179,350
Insurance Premiums	60,080	51,877	55,874	74,352
Housing Assistance Payments	5,426,657	5,165,054	5,240,347	4,969,777
Total	\$ 6,291,952	\$ 5,820,087	\$ 5,911,152	\$ 5,768,128
Total Operating Expenses	\$ 7,384,403	\$ 6,953,480	\$ 7,134,307	\$ 7,063,176
Total of Federal Awards	\$ 6,867,035	\$ 5,753,634	\$ 5,527,394	\$ 5,958,271

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

THE AUTHORITY AS A WHOLE

The Authority's revenues consist primarily of rents and subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. The Authority's revenues were not sufficient to cover all expenses excluding depreciation expense. The Authority's unrestricted net position appears sufficient to cover any foreseeable shortfall rising from a possible economic turndown and reduced subsidies and grants.

By far, the largest portion of the Authority's net position reflects its net investment in capital assets (e.g., land, buildings, equipment, and construction in progress). The Authority uses these capital assets to provide housing services to its tenants. Consequently, these assets are reported as "Net Investment in Capital Assets" and are not available for future spending. The unrestricted position of the Authority is available for future use to provide program services.

THE HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD PROGRAMS

Public Housing Program:

Under the Public Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD's rent subsidy program provides housing assistance to low income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) the Housing Authority of the City of Englewood flat rent amount.

Housing Choice Voucher Program:

Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a lease that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

Capital Fund Program:

The public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments and homes to keep them clean, safe and in good condition.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

BUDGETARY HIGHLIGHTS

For the year ended December 31, 2014, individual program or grant budgets were prepared by the Authority and adopted by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

The budget for the Low Rent Public Housing was adopted on the basis of accounting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which differ in some respects from generally accepted accounting principles. The full detail can be found in the Budget comparison to actual results for the Low Rent Public Housing Program on page 46 of this report.

The budget for the Housing Choice Voucher Program was adopted on the basis of accounting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which differ in some respects from generally accepted accounting principles. The Housing Choice Voucher program Housing Assistance Payments (HAP) funds were approved by the U.S. Department of Housing and Urban Development (HUD) on a basis consistent with the grant application covering HAP programs. The full detail can be found in the Budget comparison to actual results for the Housing Choice Voucher Program on page 47 of this report.

NEW INITIATIVES

For the year 2014 the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 88% percent of its revenue from the Department of Housing and Urban Development, (2013 was 86% percent), the Authority is constantly monitoring for any appropriation changes especially since it appears the nation is continuing an era of need for additional public assistance to help families meet the challenges of a very tumultuous economy.

The current administration of the Authority is determined to improve the financial results of the Authority's operations. The Authority has made steady progress in various phases of our operations, all the while maintaining a strong occupancy percentage in the public housing units and a high utilization rate in Housing Assistance Programs. Interactions with the residents are a constant reminder of the need of the services.

Regardless of the constraints (financial or regulatory) placed on this Housing Authority, the Authority will continuously look for ways to better provide or expand housing and housing assistance to qualified residents of the City of Englewood all the while being mindful of their responsibility to be good stewards of the public's tax dollars.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION

1 - Capital Assets

The Authority's investment in capital assets as of December 31, 2014 was \$3,114,717 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, equipment, and construction in progress. The total decrease during the year in the Authority's investment in capital assets was \$132,036 or 4% percent. Major capital expenditures of \$90,471 were made during the year. Major capital assets events during the year included the following:

- Roof Replacement
- Replacement of Ranges and Refrigerators
- New Computers
- Cabinet Replacements
- 2014 Ford F-350
- Asphaltting of Parking Lot

	December-14	December-13	Increase (Decrease)
Land	\$ 806,719	\$ 806,719	\$ -
Building	7,337,631	7,324,636	12,995
Furniture, Equipment - Dwelling	214,360	209,356	5,004
Furniture, Equipment - Administration	228,324	223,040	5,284
Construction in Process	349,372	282,184	67,188
Total Fixed Assets	\$ 8,936,406	\$ 8,845,935	\$ 90,471
Accumulated Depreciation	(5,821,689)	(5,599,182)	(222,507)
Net Book Value	\$ 3,114,717	\$ 3,246,753	\$ (132,036)

Additional information on the Authority's capital assets can be found in Note 7 to the financial statements, which is included in this report.

2 - Debt Administration

As of December 31, 2014, the Authority, had debt outstanding in the amount of \$174,608 of which \$138,309 is stated as long term. Interest is payable at 4.875%. The monthly payments are \$3,538 which includes principal and interest. Additional information on the Authority's debt can be found in Note 14 of the notes to the financial statements, which is included in this report.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AT DECEMBER 31, 2014**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority of City of Englewood is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The need for Congress to fund the war on terrorism and other impending military activities, and the impact these activities may have on federal funds available for HUD subsidies and grants.

The capital budgets for the 2015 year have already been submitted to HUD for approval and no major changes are expected. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing property including administrative fees involved in the modernization.

The following factors were considered in preparing the Authority's budget for the year ending December 31, 2015.

- State of New Jersey economy including the impact on tenant income. Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income. Tenant rental payments are based on tenant income.
- The need for Congress to fund the Department of Defense and Homeland Security due to the war on terrorism and other impending military activities will probably result in reduced appropriations for all other domestic program spending.
- Continued increases in health care insurance are expected to impact employee benefits cost over the next several years.
- Inflationary pressure on utility rates, supplies and other cost.
- Trends in the housing market which affect rental housing available for the Section 8 tenants, along with the amount of the rents charged by the private landlords, are expected to have a continued impact on Section 8 HAP payments. The Authority accepted the administration of a 15 year project based housing choice vouchers.
- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mrs. Maria Iwano Executive Director, Housing Authority of the City of Englewood, 111 West Street, Englewood, N.J. 07631, or call (201) 871-3451.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF NET POSITION -1
AS OF DECEMBER 31, 2014

	December 31, 2014
Assets	
Current Assets:	
Cash and Cash Equivalents - Unrestricted	\$ 2,433,879
Cash and Cash Equivalents - Restricted	662,711
Accounts Receivables, Net of Allowances	21,200
Total Current Assets	<u>3,117,790</u>
Noncurrent Assets	
Capital Assets	
Land	806,719
Building	7,337,631
Furniture, Equipment - Dwelling	214,360
Furniture, Equipment - Administration	228,324
Construction in Process	349,372
Total Capital Assets	<u>8,936,406</u>
Less: Accumulated Depreciation	<u>(5,821,689)</u>
Net Book Value	<u>3,114,717</u>
Total Noncurrent Assets	<u>3,114,717</u>
Total Assets	<u>6,232,507</u>
Deferred Outflow of Resources	
Total Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u><u>\$ 6,232,507</u></u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF NET POSITION -2
AS OF DECEMBER 31, 2014

	December 31, 2014
Liabilities	
Current Liabilities:	
Accounts Payable	\$ 100,745
Accrued Liabilities	33,423
Tenant Security Deposit Payable	63,145
Unearned Revenue	614
Mortgage Payable - Current Portion	36,299
Total Current Liabilities	<u>234,226</u>
Noncurrent Liabilities	
Mortgage Payable - Long Term	138,309
Accrued Compensated Absences - Long-Term	46,694
Accrued OPEB Liabilities	847,081
Total Noncurrent Liabilities	<u>1,032,084</u>
Total Liabilities	<u>1,266,310</u>
Deferred Inflow of Resources	
Total Deferred Inflow of Resources	<u>-</u>
Net Position:	
Net Investments in Capital Assets	2,940,110
Restricted Net Position	630,131
Unrestricted Net Position	1,395,956
Total Net Position	<u>4,966,197</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 6,232,507</u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014

	December 31, 2014
Revenue:	
Tenant Rental Revenue	\$ 792,904
HUD PHA Operating Grants	6,799,847
Fraud Recovery	6,155
Other Revenue	89,347
Total Revenue	<u>7,688,253</u>
 Operating Expenses:	
Administrative Expense	789,567
Tenant Services	75,720
Utilities Expense	474,153
Maintenance Expense	290,828
Other Operating Expenses	104,971
Housing Assistance Payments	5,426,657
Depreciations Expense	222,507
Total Operating Expenses	<u>7,384,403</u>
 Excess Revenue Over Expenses From Operations	<u>303,850</u>
 Non Operating Income and (Expenses):	
Investment Income	9,970
Mortgage Interest Expense	<u>(9,055)</u>
Total Non Operating Income	<u>915</u>
 Revenue Before Capital Grant Contributions	304,765
 Capital Grant Contributions	<u>67,188</u>
 Change in Net Position	371,953
 Beginning Net Position	<u>4,594,244</u>
 Ending Net Position	<u><u>\$ 4,966,197</u></u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF CASH FLOW -1
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014

	December 31, 2014
Cash Flow From Operating Activities	
Receipts from Tenants	\$ 787,827
Receipts from Federal Grants	6,828,342
Receipts from Misc. Sources	17,387
Payments to Vendors and Suppliers	(796,170)
Payments for Housing Assistance Payments	(5,426,657)
Payments to Employees	(474,719)
Payment of Employee Benefits	(352,020)
Net Cash Provided by Operating Activities	<u>583,990</u>
Cash Flow From Capital and Related Financing Activities	
Receipts from Capital Grants	67,188
Acquisitions and Construction of Capital Assets	(90,471)
Other Post-Employment Benefits Liabilities	173,944
Interest Expense	(9,055)
Principal Payments made on Mortgage	(32,636)
Net Cash Provided by Related Financing Activities	<u>108,970</u>
Cash Flow From Investing Activities	
Interest Income	<u>9,970</u>
Net Cash Provided by Investing Activities	<u>9,970</u>
Net Increase in Cash and Cash Equivalents	702,930
Beginning Cash	<u>2,393,660</u>
Ending Cash	<u><u>\$ 3,096,590</u></u>
Reconciliation of Cash Balances:	
Cash and Cash Equivalents - Unrestricted	\$ 2,433,879
Tenant Security Deposit	63,145
HAP Reserve	594,066
Cash - Restricted for Current Liabilities	5,500
Total Ending Cash	<u><u>\$ 3,096,590</u></u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF CASH FLOW -1
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014

	December 31, 2014
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Excess of Revenue Over Expenses - Operations	\$ 303,850
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:	
Depreciation Expense - net of adjustments	222,507
(Increase) Decrease in:	
Accounts Receivables	51,533
Increase (Decrease) in:	
Accounts Payable	12,530
Accrued Liabilities	(2,866)
Tenant Security Deposit Payable	2,923
Unearned Revenue	(220)
Accrued Compensated Absences - Long-Term	(6,267)
Net Cash Provided by Operating Activities	<u>\$ 583,990</u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 1 - SUMMARY OF ORGANIZATION, ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization - The Authority is a governmental, public corporation which was organized under the laws public corporation created under federal and state housing laws as defined by State statute (N.J., S.A. 4A: 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 Englewood in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD).

The Authority is governed by a Board of Commissioners which is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development 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 is responsible for the development, maintenance, and management of public housing for low and moderate income families residing in the City of Englewood. Operating and modernization subsidies are provided to the Authority by the federal government.

The financial statements include all the accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The Authority is not included in any governmental "reporting entity" since its board members; while they are appointed primarily by the Mayor of Englewood and City Council, the Board of Commissioners have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters. The Authority has also concluded that it is excluded from the City of Englewood reporting entity.

Based on the following criteria, the Authority has identified one entity which should be subject to evaluation for inclusion in the Authority's reporting entity. The criteria for including or excluding a component unit relationship as set forth in Section 2100 of GASB's Codification of governmental Accounting and Financial Reporting Standards, include whether:

- A. The organization is legally separate.
- B. The primary government holds the corporate powers of the organization.
- C. The primary government appoints a voting majority of the organization's board.
- D. The primary government is able to impose its will on the organization.
- E. There is calendar dependency by the organization on the primary government.
- F. The organization has potential to impose a financial benefit or burden on the primary government.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

2. Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Authority has determined that the applicable measurement focus (flow of economic resources) and accounting basis (accrual) is similar to that of a commercial enterprise. As such, the use of proprietary funds best reflects the activities of the Authority. Entities using this method observe all Financial Accounting Standards Board (FASB) Statements and Interpretations in the preparation of financial statements, unless the GASB has specifically addressed the accounting issue in one of its own pronouncements. GASB-20-"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" addresses the applicability of the various FASB's, and allows several options in the use of the FASB's. The Authority has elected to use Alternative 2 of GASB-20 which states that "a proprietary activity may also apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Authority follows GASB-45-"Accounting for Pensions by State and Local Governmental Employers."

Basis of Accounting -

The financial statements of the Authority are prepared under the accrual basis of accounting in order to recognize the flow of economic resources. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Revenues and expenses are recognized on the accrual basis, with revenues recognized in the accounting period in which they are earned and become measurable, and expenses recognized in the period incurred, if measurable. Operating revenue and expenses consist of those revenue and expenses that result from ongoing, principal operations of the Authority. All assets, liabilities, net positions, revenue, and expenses are accounting for through a single enterprise fund for the primary government.

In Enterprise fund, activities are recorded using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The major sources of revenue are tenants dwelling rentals, HUD operating subsidy, capital grants, and other revenue.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

Basis of Accounting – Continued

HUD's rent subsidy program provides housing to low income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts:

- (a) 30% of the family's adjusted monthly income,
- (b) 10% of the family's monthly income, or
- (c) Housing Authority of the City of Englewood's flat rent amount.

Tenants dwelling rental charges are determined and billed monthly and are recognized as revenue when assessed because they are measurable and are collectible within the current period. The amounts not received by December 31, are considered to be accounts receivable and any amounts received for subsequent period are recorded as deferred revenue.

HUD operating, capital grants which finance capital and current operations are susceptible to accrual and recognized during the year earned in accordance with applicable HUD program guidelines. The Capital Fund Grant program income are expenditure driven grants with the revenue from the grant classified based on the expenditure. If the funds were expended for capital activities, the revenue is reported as capital contribution; if the funds are expended for other than capital, the revenue is reported as operating revenue.

HUD Section 8 Housing Choice Voucher Assistance Program receives from HUD an Annual Budget Amount (ABA) during the year in accordance with applicable HUD program guidelines. As of January 1, 2005 excess funds disbursed by HUD to the Authority for the payment of HAP's that are not utilized are not returned to HUD, but become part of the undesignated fund balance and may only be used to assist additional families up to the number of units under contract.

Administrative fee paid by HUD to the Authority in excess of administrative expenses are a part of the undesignated fund balance and are considered to be administrative fee reserves.

Other revenue composed primarily of miscellaneous services fees and residents late charges. The revenue is recorded as earned since it is measurable and available.

Non-operating revenue and expenses consist of revenues and expenses that are related to financing and investing activities and result from non exchange transactions or ancillary activities.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements

December 31, 2014

Basis of Accounting – Continued

Financial transactions are recorded and organized in accordance with the purpose of the transaction. Each program is an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements. Because the Authority's activity is considered self-financing and does not rely on specific taxes or fines (i.e. property taxes, sales and use tax etc.) no activity will be maintained as governmental funds but will be recorded as proprietary funds under the Enterprise Fund.

Blended Component Units

The Authority has identified the Englewood Housing Management Services, Inc. (EHMS) as a component unit. The Authority has 100% ownership in the EHMS Corporation. EHMS is reported as if it were part of the Authority because of the 100% ownership in the Corporation. The method of accounting for the component unit is in accordance with accounting principles generally accepted in the United States of America. The financial data included in this report is based on the information for the Corporation at the end of its year, which was December 31, 2014.

Report Presentation -

The Authority's basic financial statements are presented on an entity-wide basis consisting of various housing programs. The financial statements included in this report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America. In accordance with GASB Statement No. 34, the report includes Management's Discussion and Analysis. The Authority has implemented the general provisions of GASB Statement No. 34.

Also the Authority adopted the provisions of Statement No. 37 "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments" Statement No.38 "Certain Financial Statement Note Disclosures", and Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" which supplements GASB Statement No. 34.

GASB Statement No. 34 established standards for external financial reporting for all State and Local Governments entities that includes a statement of net assets, a statement of revenue, expenses, and changes in net assets, and a statement of cash flow.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

Report Presentation - Continued

GASB Statement No. 63 requires the classification of "net assets" into "net position" which consists of three components, Net Investment in Capital Assets, Restricted, and Unrestricted.

The adoptions of Statement No. 34, Statement No. 37, Statement No. 38, and Statement No. 63 have no significant effect on the financial statements except, for the classification of net position in accordance with Statement No. 63.

Net Investment in Capital Assets.

The net position consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

Restricted Net Position

The net position less that are subject to constraints on their use by creditors, grantors, contributors, legislation, or other governmental laws or regulations.

Unrestricted Net Position

The net position consists of net assets that do not meet the definition of Restricted Net Position or Invested in Capital Assets, Net of Related Debt.

The federally funded programs administered by the Authority are detailed in the Financial Data Schedule and the Schedule of Expenditures of Federal Awards; both are which are included as Supplemental information.

Other accounting policies are as follows

1 – Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include cash in banks, petty cash and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts.

3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight line basis.

4 – Repairs funded out of operations, such as painting, roofing and plumbing, are charged against income for all programs.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

Other accounting policies - Continued

- 5 - Operating subsidies received from HUD are recorded as income when earned.
- 6 - The cost of accumulated unpaid compensated absences, including fringe benefits, is reported in the period earned rather than in the period paid.
- 7 - Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.
- 8 - The Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of accounting Procedure issued after November 30, 1989.
- 9 - The Authority does not have any infrastructure assets for its Enterprise Fund.
- 10 - Inter-fund receivable and payables arise from inter-fund transactions and are recorded by all funds in the period in which the transactions are executed.
- 11- Advertising cost is charged to expense when incurred.
- 12- Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Authority but which will only be resolved when one or more future events occur or fail to occur. The Authority's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Authority or unasserted claims that may result in such proceedings, the Authority's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Authority's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

Other accounting policies - Continued

13- Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized. Liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site-specific costs. Generally, such recognition coincides with the Authority's commitment to a formal plan of action.

14- When expenses are incurred where both restricted and unrestricted net positions are available the Authority will first use the restricted funds until they are exhausted and then the unrestricted net position will be used.

15- Fair Value Measurements – Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Generally accepted accounting principles defined a three-tier hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which requires the Authority to develop assumptions.

Budgetary and Policy Control –

The Authority submits its annual operating and capital budgets to U.S. Department of Housing and Urban Development. Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source. Budgetary Comparison under GASB No. 34, budgetary comparison information is required to be presented for the Low Rent Housing Program and the Housing Choice Voucher Program which the Board of Commissions has legally adopted the budget during the year. The budgetary comparison schedules have been provided for these programs to demonstrate compliance with the budgets. The comparison of actual results to the Authority's for the Low Income Public Housing Program found on page 46 the Section Eight Housing Choice Voucher Program on page 47.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

Activities - The only programs or activities administered by the Authority were:

<u>Program</u>	<u>CFDA #</u>	<u>Contract #</u>	<u>Project #</u>	<u>Units Authorized</u>
Public Housing				152
Low Rent Housing	14.850	NY-1000	NJ55-001	
Capital Fund	14.872		NJ55-001	N/A
<u>Section 8</u>				
Housing Choice Vouchers	14.871	NY-1228	NJ39-VO55-001	609
N/C S/R Program	14.182	NY-1228	NJ55-SRO-001	13

Business Activities

The Authority also owns and manages a 9 unit apartment building at 115 Humphry Street, known as the John J. Foti, Sr. Property. Since there is no Federal funding, it is referred to as Business Activities on the Financial Data Schedule.

Component Units

The Authority also has Component Units which consist of activities pertaining to Englewood Housing Management Services, Inc. (EHMS). The non-profit corporation was formed for the purpose of developing, operating, and managing low and moderate income housing in the City of Englewood. The program currently consists of four units. The audit report for EHMS covered the year ended December 31, 2014.

Low Rent Public Housing Program

The Low Rent Public Housing Program is designed to provide low-cost housing within the City of Englewood. Funding is provided by eligible residents who are charged monthly rent based on family size, family income and other determinants, as well as by subsidies provided by HUD.

Capital Fund Programs

Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. These programs are financed by HUD subsidies. The capital fund programs are now merged into the low rent public housing program.

Housing Choice Vouchers Program

Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

Activities - Continued

Section 8 New Construction and Substantial Rehabilitation

The New Construction and Substantial Rehabilitation Programs provide rental assistance in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing, including the applicable FHA Multifamily Mortgage Insurance Programs. The maximum term of assistance provided by HUD under the New Construction and Substantial Rehabilitation Programs for a project financed with the proceeds of a loan insured by FHA is 20 years.

Taxes - Under federal, state, and local law, the Authority's program are exempt from income, property and excise taxes. However, the Authority is required to make payments in lieu of taxes (PILOT) for the low-income housing program in accordance with the provision of a Cooperation Agreement. Under the Cooperation Agreement, the Authority must pay the municipality the lesser of 10% of its net shelter rent or the approximate full real property taxes.

Grants - The Authority receives reimbursement from various grantors for the cost of sponsored projects, including administrative cost. Grant revenues are recognized as income when earned. Grant expenditures are recognized on the accrual basis.

Board of Commissioners - The criteria used in determining the scope of the entity for financial reporting purposes are as follows:

1. The ability of the Board to exercise supervision of a component unit's financial independence.
2. The Board's governing authority extends to financial decision making authority and is held primarily accountable for decisions.
3. The Board appoints the management of the Authority who is responsible for the day-to-day operations and this management are directly accountable to the Board.
4. The ability of the Board to significantly influence operations through budgetary approvals, signing and authorizing contracts, exercising control over facilities, and approving the hiring or retention of key managerial personnel.
5. The ability of the Board to have absolute authority over all funds of the Authority and have accountability in fiscal matters.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 2 - ESTIMATES

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectibility of accounts receivable, the use, and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

NOTE 3 - PENSION PLAN

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. It is a cost sharing, multiple-employer defined benefit pension plan. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide coverage, including post-retirement health care, for substantially all full time employees of the state, its counties, municipalities, school districts or public agencies, provided the employee is not a member of another state administered retirement system.

Membership is mandatory for such employees. Contributions to the plan are made by both the employee and the Authority. Required employee contributions to the system are based on a flat rate determined by the New Jersey Division of Pensions for active plan members. Benefits paid to retired employees are based on length of service, latest earnings, and veteran status. Authority contributions to the system are determined by PERS and are billed annually to the Authority.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0925.

On the web:

<http://www.state.nj.us/treasury/pensions/pdf/financial/2014divisioncombined.pdf>

Post Employment Retirement Benefits

The Authority provides post employment health care benefits and life insurance for its eligible retirees. Eligibility requires that employees be 55 years or older with various years of service.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements

December 31, 2014

NOTE 3 - PENSION PLAN - CONTINUED

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and Chapter 115, P.L. of 1998, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employer's contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 6.64% of base wages. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments, the cost of medical premiums after retirement for qualified retirees, and noncontributory death benefits. The Authority's contribution for 2014 and 2013 amounted to \$73,667 and \$83,436.

NOTE 4 - CASH, CASH EQUIVALENTS

The Authority's cash, cash equivalents are stated at cost, which approximates market. Cash, cash equivalents and investment includes cash in banks, petty cash and a money market checking account and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. 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 the State of New Jersey and HUD requirements.

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/FSLIC 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. These funds at various banks are collateral pledge under the New Jersey Government Code of the Banking Law.

Collateral for Deposits

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 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.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements

December 31, 2014

NOTE 4 – CASH, CASH EQUIVALENTS - CONTINUED

The Authority has total unrestricted cash, cash equivalents at December 31, 2014 in the amount of \$2,433,879 and restricted cash in the amount of \$662,711 which consists of the following:

	<u>December-14</u>
Bank of New Jersey	\$ 3,033,195
Bank of America	63,145
Petty Cash	250
Total Cash, Cash Equivalents	<u>\$ 3,096,590</u>

Below is the detail of the restricted cash amounts for December 31, 2014 in the amount of \$662,711:

	<u>December-14</u>
HCV HAP Reserve	\$ 594,066
Tenant Security Deposits	63,145
Restricted for Current Liabilities	5,500
Total Restricted Cash	<u>\$ 662,711</u>

The Authority has restricted cash in the amount of \$594,066 as of December 31, 2014 which is for the Section 8 Housing Choice Voucher Program HAP Reserve.

The tenant security deposit restricted cash at December 31, 2014 was in the amount of \$63,145. These amounts are held as security deposits for the tenants of the Low Income Housing in interest bearing accounts at Bank of America.

Risk Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At December 31, 2014, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

Credit Risk

This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities. The Authority's checking accounts are categorized to give indication of the level of credit risk assumed by the Authority. Custodial credit risk is the risk in the event of a bank failure, the Authority's deposits may not be returned to it.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 4 - CASH, CASH EQUIVALENTS -CONTINUED

The custodial credit risk categories are described as follows:

<u>Depository Accounts</u>	<u>December-14</u>
Insured	\$ 313,145
Collateralized held by pledging bank's trust department in the Authority's name	2,783,445
Total Cash, Cash Equivalents	<u>\$ 3,096,590</u>

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts Receivable at December 31, 2014 consisted of the following:

	<u>December-14</u>
Tenants Accounts Receivable - Present	\$ 6,071
Less: Allowance for Doubtful Accounts	(2,258)
Net Tenants Accounts Receivable	<u>3,813</u>
Accounts Receivable - Westmoor Gardens	<u>17,387</u>
Net Accounts Receivable - Other	<u>17,387</u>
Total Accounts Receivable	<u>\$ 21,200</u>

Housing Authority of the City of Englewood carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Authority evaluates its accounts receivable and establishes an allowance for doubtful accounts based on history of past write off's, collections, and current credit conditions. Accounts are written off as uncollectible when management determines that a sufficient period of time has elapsed without receiving payment and the individual do not exhibit the ability to meet their obligations.

NOTE 6 - INTERFUND ACTIVITY

Interfund activity is reported as short term loans, services provided during the course of operations, reimbursements, or transfers. Short term loans are reported as interfund short term receivables and payable as appropriate. The amounts between the various programs administered by the Authority at December 31, 2014 are detailed on the Financial Data Schedule of this report. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements

December 31, 2014

NOTE 7 - FIXED ASSETS

Fixed assets consist primarily of expenditures to acquire, construct, place in operations, and improve the facilities of the Authority and are stated at cost as determined by an appraisal. Expenditures for repairs, maintenance and minor renewals are charged against income in the year they are incurred. Major renewals and betterment are capitalized. Expenditures are capitalized when they meet the Capitalization Policy requirements. Under the policy, assets purchased or constructed at a cost not exceeding \$500 are expensed when incurred.

Property and equipment are stated at cost. Donated fixed assets are stated at their fair value on the date donated. Depreciation is provided using the straight line method over the estimated useful lives of the assets.

1. Building and Structure	40 years
2. Office Improvements	7 years
3. Site Improvements	15 years
4. Building Components	15 years
5. Office Equipment	5 years

The Housing Authority of the City of Englewood has given consideration to the GASBS #42, Accounting for the Impairment or Disposal of Long-Lived Assets, in the preparation of these financial statements.

The carrying value of long-live assets in accordance with GASBS #42, when indications of an impairment are present, the recoverability of the carrying value of the asset in question are assessed based on the future undiscounted cash flow expected to result from their use. If the carrying value cannot be recovered, impairment losses would be recognized to the extent the carrying value exceeds fair value. The Authority has not recognized any impairment in the carry value of its fixed assets at December 31, 2014.

Below is a schedule of changes in fixed assets for the twelve months ended December 31, 2014:

	December-13	Additions	Transfer	December-14
Land	\$ 806,719	\$ -	\$ -	\$ 806,719
Building	7,324,636	12,995	-	7,337,631
Furniture, Equipment - Dwelling	209,356	5,004	-	214,360
Furniture, Equipment - Administration	223,040	5,284	-	228,324
Construction in Process	282,184	67,188	-	349,372
Total Fixed Assets	8,845,935	90,471	-	8,936,406
Accumulated Depreciation	(5,599,182)	(222,507)	-	(5,821,689)
Net Book Value	\$ 3,246,753	\$ (132,036)	\$ -	\$ 3,114,717

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 7 - FIXED ASSETS - CONTINUED

Below is a schedule of the net book value of the fixed assets for the Authority as of December 31, 2014:

<u>Net Book Value of the Fixed Assets</u>	<u>December-14</u>
Land	\$ 806,719
Building	1,740,072
Furniture, Equipment - Dwelling	86,455
Furniture, Equipment - Administration	132,099
Construction in Process	349,372
Net Book Value	<u>\$ 3,114,717</u>

NOTE 8 - ACCOUNTS PAYABLE

The Authority reported accounts payable on its Statement of Net Position as of December 31, 2014. Accounts payable vendors are amount owed to creditors as a result of delivered goods and completed services. Accounts payable at December 31, 2014 consist of the following:

	<u>December-14</u>
Accounts Payable Vendors	\$ 29,362
Accounts Payable - P.I.L.O.T.	19,965
Accounts Payable - HCV RNA Interest	5,500
Accounts Payable - Utilities	45,918
Total Accounts Payable	<u>\$ 100,745</u>

NOTE 9 - ACCOUNTS PAYABLE - OTHER GOVERNMENT (PILOT PAYABLE)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City of Englewood. Under the Cooperation Agreements, the Authority must pay the municipality the littlest of 10% of its net shelter rent or the approximate full real property taxes. PILOT payable at December 31, 2014 consist of the following:

	<u>December-14</u>
Balance Beginning of Year	\$ 33,122
P.I.L.O.T. Accrued	29,098
Less: Payments Made	(42,255)
Total P.I.L.O.T. Payable	<u>\$ 19,965</u>

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 10 – ACCRUED EXPENSES

The Authority reported accrued expenses on its Statement of Net Position. Accrued expenses are liabilities incurred on or before December 31. Accrued liabilities at December 31, 2014 consist of the following:

	<u>December-14</u>
Compensated Absences - Current Portion	\$ 5,189
Accrued Wages and Payroll Taxes	11,911
Accrued Interest Payable	710
Accrued - Various Contractors	15,613
Total Accrued Liabilities	<u>\$ 33,423</u>

NOTE 11 – ACCRUED COMPENSATED ABSENCES

Compensated absences are those for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the Authority will be accounted for in the period in which such services were rendered.

An employee may not carry over unused vacation days in which the vacation days are earned. When an employee's employment terminated, the employee will be entitled to receive payment for any unused accumulated vacation time.

Unused sick leave may be carried to future periods and used in the event of extended illness. In the event of voluntary resignation of employment, an employee shall be entitled to be paid for fifty (50%) percent of unused sick time not to exceed \$15,000.

For December 31, 2014 the Authority has determined that the potential liability for accumulated vacation time, sick leave, and terminal pay to be as follows:

	<u>December-14</u>
Accumulated Sick Time	\$ 48,196
Accrued Payroll Taxes	3,687
Total	51,883
Compensated Absences - Current Portion	(5,189)
Total Compensated Absences - Noncurrent	<u>\$ 46,694</u>

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 12 – UNEARNED REVENUE

The Authority reported unearned revenues on its Statement of Net Position. Unearned revenues arise when resources are received by the Authority before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized. The unearned revenue account balance at December 31, 2014 is \$614 consists of prepaid rents for January 2015.

NOTE 13 – LONG TERM DEBT

At December 31, 1999, the Authority's Long Term Debt (guaranteed by HUD), in accordance with HUD's GAAP Conversion Guide, the Long Term Debt and related debt service accounts were written off.

NOTE 14 – LONG TERM DEBT – MORTGAGE PAYABLE

The Authority received a mortgage from NVE Bank for the acquisition of 115 Humphry Street at an interest rate is 4.875%. Monthly payments are \$3,538 including principal and interest. The loan matures in 2019. The balance at December 31, 2014 was \$174,608 of which \$36,299 is due within one year and \$138,309 is non-current.

The annual debt service requirements to maturity, including principal and interest are as follows:

Year	Principal	Interest	Total Payment
2015	\$ 36,299	\$ 6,153	\$ 42,452
2016	38,251	4,201	42,452
2017	40,309	2,143	42,452
2018	41,970	482	42,452
2019	17,779	187	42,452
Total	<u>\$ 174,608</u>	<u>\$ 13,166</u>	<u>\$ 212,260</u>

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

The Authority's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of employer ("ARC"), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years.

The following table shows the components of the Authority's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Authority's net OPEB obligation to the plan:

	<u>December-14</u>
Annual Required Contribution	\$ 169,600
Interest on Net OPEB Obligation	24,876
Adjustment to annual required contribution	<u>2,413</u>
Annual OPEB cost (expense)	196,889
Contributions made	<u>(22,945)</u>
Increase in net OPEB obligation	173,944
Net OPEB Obligation – beginning of year	<u>673,137</u>
Net OPEB Obligation – end of year	<u>\$ 847,081</u>

Funding Policy, Funded Status, and Funding Progress

The Authority contributes 50 percent of the cost of current-year premiums for eligible retired Plan members and 35 percent for their spouses. Plan members receiving benefits contribute 50% percent, and if need be 35% percent for spouses, of their premium costs. In fiscal year 2014, Plan member contributions totaled \$22,945.

As of December 31, 2013, the actuarial accrued liability for benefits was \$673,137 and \$497,529 for 2012, all of which was unfunded. The actuarial liability for benefits was \$1,456,879, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,456,879.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information indicating whether the actuarial value of plan assets is increasing over time relative to the actuarial accrued liabilities for benefits.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION – CONTINUED

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

Actuarial Methods and Assumptions

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

1.) Assumptions About Employees and Members:

Based on the historical average retirement age of the covered group, active plan members were assumed to retire at age 65 or the first year thereafter in which the member would qualify for benefits. Marital status as of the calculation date was assumed to continue throughout retirement. Life expectancy was based on mortality tables published by the National Center for Health Statistics. The probability of remaining employed until the assumed retirement age and employees' expected future working lifetimes were developed using non-group-specific age-based turnover data from GASB Statement No. 45.

2.) Assumptions About Healthcare Costs:

The 2013 health insurance premiums for retirees were used to calculate the present value of total benefits to be paid. The expected rate of increase in health insurance premiums initially used a select rate of 4 percent.

3.) Other Assumptions and Methods:

The inflation rate was assumed to be 3.75 percent. Based on the historical and expected returns of the Authority's investments, the investment rate of return was assumed to be 5 percent. A simplified version of the entry age actuarial cost method was used in the actuarial valuation. The UAAL is amortized over a thirty-year period as a level percent of projected payroll on an open basis. Payroll was assumed to grow over the long-term at the same rate as inflation.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION - CONTINUED Reconciliation of Plan Participation (As of December 31, 2013) Active Employees:

	<u>December-13</u>
Number of Active Employees	12
Number of Retired Employees	1
Average Age - Actives	49
Average Expected Future Working Lifetime	12
Average Age - Retirees	63

NOTE 16 – RESTRICTED NET ASSETS

The Authority restricted net position account balance at December 31, 2014 is \$630,131. The detail of the reserve account balances are as follows:

	<u>HCV HAP Reserve</u>
Balance December 31, 2012	\$ 260,589
Decrease During the Year	<u>(210,501)</u>
Balance December 31, 2013	50,088
Decrease During the Year	<u>580,043</u>
Balance December 31, 2014	<u>\$ 630,131</u>

Housing Choice Voucher Program - Reserves

Prior to January 1, 2005 excess funds received from the Annual Budget Amount (ABA) by HUD to the Authority for the payment of housing assistance payments (HAP) were returned to HUD at the end of the Authority's calendar year. In accordance with HUD's PIH Notice 2006-03, starting January 1, 2005 excess funds disbursed by HUD to the Authority for the payment of HAP's that are not utilized are not returned to HUD, but become part of the undesignated fund balance and may only be used to assist additional families up to the number of units under contract. In November 2007, HUD amended this notice and stated that HAP equity account is restricted. The Authority followed HUD direction and transfer the excess funds from unrestricted to restricted net position.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements

December 31, 2014

NOTE 17 - UNRESTRICTED NET POSITION

The Authority's unrestricted net position account balance at December 31, 2014 is \$1,395,956. The detail of the account balance is as follows:

LIH Program	Section 8			Shelter		Business		Component	
	Reserves	N/C - S/R	HCV	Care				Unit	Total
Balance December 31, 2013	\$ 639,518	\$ 48,487	\$ 105,981	\$ 165	\$	251,991	\$	519,232	\$1,565,374
Increase During the Year	-	3,798	-	-	-	-	-	33,872	37,670
Decrease During the Year	(89,204)	-	(42,201)	-	-	(75,683)	-	-	(207,088)
Balance December 31, 2014	\$ 550,314	\$ 52,285	\$ 63,780	\$ 165	\$	176,308	\$	553,104	\$1,395,956

Housing Choice Voucher Program - Reserves

Administrative fee paid by HUD to the Authority in excess of administrative expenses are also part of the undesignated fund balance and are considered to be administrative fee reserves. Administrative fee reserves accumulated prior to January 1, 2005 are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR 982.155 - i.e. other housing purposes permitted by state and local law. Excess administrative fees earned in 2005 and subsequent years must be used for activities related to the provision of tenant based rental assistance authorized under Section 8 of the United States Housing Act of 1937, including related development activities.

The Authority has \$63,780 pre-2004 administrative fee equity for the Housing Choice Voucher Program.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 18 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. During the year ended December 31, 2014, the Authority's risk management program, in order to deal with the above potential liabilities, purchased various insurance policies for fire, general liability, crime, auto, employee bond, worker's compensation, and public-officials errors omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its buildings for the purpose of determining potential liability issues.

NOTE 19 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES

Pursuant to the Annual Contribution Contract, HUD makes annual debt service contributions to the Authority for each permanently financed project in the amount equal to the debt service on its bonds, plus, if necessary, an amount to fully amortize the Authority's indebtedness represented by permanent notes or project notes. Accrued HUD contributions for the year ended December 31, 2014 were \$ - 0 -.

HUD also contributes an additional operating subsidy approved in the operating budget under the Annual Contribution Contract. Additional operating subsidy contributions for the year ended December 31, 2014 was in the amount of \$330,233.

Annual Contributions Contracts for the Section 8 Housing Choice Voucher Program to provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low income families. The programs provide for such payment with respect to existing housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expense. HUD contributions for the Housing Choice Voucher for December 31, 2014 were in the amount of \$6,379,274.

NOTE 20 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority operations are concentrated in the low income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Notes to Financial Statements December 31, 2014

NOTE 20 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS - CONTINUED

Governmental Accounting Standards Boards Statements (GASBS) requires disclosure in financial statements of a situation where one entity provides more than 10% percent of the audited entity's revenues. Total financial support by HUD was \$6,867,035 to the Authority which represents approximately 88% percent of the Authority's total revenue for the year ended December 31, 2014.

NOTE 21 - CONTINGENCIES

Litigation – At December 31, 2014, the Authority was not involved in any threatening litigation.

Grants Disallowances – The Authority participates in federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits performed by the federal government could lead to adjustments for disallowed claims, including amounts already collected, and reimbursement by the Authority for expenditures disallowed under the terms of the grant. The Authority's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 22 - SUBSEQUENT EVENTS

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued, must be evaluated for recognition or disclosed. The effects of subsequent events that provide evidence about conditions that existed after the Statement of Net Position's date required disclosure in the accompanying notes. Management has evaluated the activity of the Authority thru May 18, 2015; the date which the financial statements were available for issue 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.

**HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

Programs funded by the U.S. Department of Housing
and Urban Development: Subject to Annual Contribution Contract

	<u>CFDA#</u>	<u>Expenditures</u>
<u>PHA Owned Housing</u>		
Low Rent Public Housing	14.850	\$ 330,233
Public Housing Capital Fund Program	14.872	95,607
Subtotal		<u>425,840</u>
<u>Rental Assistance Housing Programs</u>		
Housing Choice Vouchers	14.871	6,379,274
N/C S/R Section 8 Programs	14.182	61,921
Subtotal		<u>6,441,195</u>
 Total Awards		 <u>\$ 6,867,035</u>

Note 1. Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of the City of Englewood. The information in this schedule is presented in accordance with those requirements of OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of the Housing Authority of the City of Englewood, it is not intended to and does not present the financial position, change in net position, or cash flow of the Housing Authority of the City of Englewood.

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 cost principles contained in OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowed or limited as to reimbursement.

Note 3. Loans Outstanding:

Housing Authority of the City of Englewood had a mortgage payable in the amount of \$174,608 outstanding at December 31, 2014. See Note 14 on page 38 of this report for full detail.

Note 4. Sub recipients:

Of the federal expenditures presented in the schedule above, the Housing Authority of the City of Englewood did not provide federal awards to any sub recipients.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
BUDGETARY COMPARISON SCHEDULE
LOW INCOME HOUSING PROGRAM
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014

	Actual Results	Budget Approved Amount	Variance to Budget Positive (Negative)
Revenue:			
Tenant Rental Revenue	\$ 650,510	\$ 641,550	\$ 8,960
HUD PHA Operating Grants	358,652	312,841	45,811
Other Revenue	58,481	129,000	(70,519)
Total Revenue	1,067,643	1,083,391	(15,748)
Operating Expenses:			
Administration:			
Administrative Salaries	144,541	152,620	8,079
Audit Fee's	3,577	5,000	1,423
Employee Benefit Contributions	101,827	79,025	(22,802)
Other Operating Administrative Expenses	67,733	61,340	(6,393)
Total Administrative Expenses	317,678	297,985	(19,693)
Tenant Services:			
Tenant Services Salaries	29,690	29,000	(690)
Employee Benefit Contributions	21,039	15,016	(6,023)
Tenant Services Contract Cost	-	15,000	
Tenant Services Other	5,276	10,000	4,724
Total Tenant Services	56,005	69,016	(1,989)
Utilities:			
Water	41,702	39,240	(2,462)
Electricity	171,735	144,010	(27,725)
Gas	179,974	64,140	(115,834)
Labor	34,587	30,420	(4,167)
Sewer	11,339	15,751	4,412
Employee Benefit Contributions	24,864	19,650	(5,214)
Total Utilities	464,201	313,211	(150,990)
Maintenance:			
Maintenance Labor	55,155	42,910	(12,245)
Materials	39,303	70,000	30,697
Maintenance Contract Cost	125,887	155,000	29,113
Employee Benefit Contributions	34,428	22,218	(12,210)
Total Maintenance	254,773	290,128	35,355
Other Operating Expenses:			
Insurance	38,980	48,000	9,020
Payment in Lieu of Taxes	19,965	34,410	14,445
Bad Debt	-	5,000	5,000
Total Other Operating Expenses	58,945	87,410	28,465
Total Operating Expenses	1,151,602	1,057,750	(108,852)
Excess Expenses Over Revenue From Operations	(83,959)	25,641	(109,600)
Other Income and (Expenses):			
Investment Income	4,644	1,440	3,204
Extraordinary Maintenance	-	(20,000)	20,000
Furniture and Equipment Purchases	(9,889)	-	(9,889)
Total Other Income and (Expenses)	(5,245)	(18,560)	13,315
Excess Expenses over Revenue (Loss)	\$ (89,204)	\$ 7,081	\$ (96,285)

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
BUDGETARY COMPARISON SCHEDULE
HOUSING CHOICE VOUCHER PROGRAM
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014

	Actual Results	Budget Approved Amount	Variance to Budget Positive (Negative)
Revenue - Annual Contribution Required			
Housing Assistance Payments	\$ 5,928,676	\$ 5,072,220	\$ 856,456
Administrative Fee	450,598	404,500	46,098
Other Income	36,845	4,000	32,845
Total Revenue	6,416,119	5,480,720	935,399
Operating Expenses:			
Administration:			
Administrative Salaries	193,242	187,270	(5,972)
Audit Fee's	3,077	4,500	1,423
Employee Benefit Contributions	152,079	94,452	(57,627)
Other Operating Administrative Expenses	105,383	103,750	(1,633)
Total Administrative Expenses	453,781	389,972	(63,809)
Tenant Services:			
Tenant Services Salaries	11,181	11,000	(181)
Employee Benefit Contributions	8,049	5,548	(2,501)
Total Tenant Services	19,230	16,548	(2,682)
Other Operating Expenses:			
Insurance	10,141	18,500	8,359
Other General Expenses	15,793	-	(15,793)
Housing Assistance Payments	5,381,202	5,072,220	(308,982)
Total Other Operating Expenses	5,407,136	5,090,720	(316,416)
Total Operating Expenses	5,880,147	5,497,240	(380,225)
Excess Revenue Over Expenses From Operations	535,972	(16,520)	552,492
Other Income and (Expenses):			
Investment Income	1,870	1,000	870
Transfer to Restricted Reserves	(580,043)	-	(580,043)
Total Other (Expenses) and Income	(578,173)	1,000	(579,173)
Excess Expenses over Revenue (Loss)	\$ (42,201)	\$ (15,520)	\$ (26,681)

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT AND CERTIFICATION OF
ACTUAL CAPITAL FUND GRANT COST
AS OF DECEMBER 31, 2014

	NJ39PO55501-09		
	Approved Budget	Actual Cost	Overrun
Operations	\$ 15,000	\$ 15,000	\$ -
Management Improvements	7,000	7,000	-
Administration	15,000	15,000	-
Fee & Cost	25,000	25,000	-
Site Improvements	15,000	15,000	-
Dwelling Structures	73,529	73,529	-
Dwelling Equipment	5,000	5,000	-
Total	<u>\$ 155,529</u>	<u>\$ 155,529</u>	<u>\$ -</u>
Funds Advanced	\$ 155,529		
Funds Expended	155,529		
Excess of Funds Advanced	<u>\$ -</u>		

1. The distribution of cost by project and account classification accompanying the Actual Capital Fund Cost Certificates submitted to HUD for approval were in agreement with the Authority's records.
2. All Capital Fund cost have been paid and all related liabilities have been discharged through payment.
3. The Capital Fund Program 501-09 was completed on October 1, 2014.
4. There were no budget overruns noted.

See accompanying notes to the financial statements.

Englewood Housing Authority (NJ055)
ENGLEWOOD, NJ
Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2014

Submission Type: Audited/A-133

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Total
111 Cash - Unrestricted	\$1,146,746		\$502,999	\$553,118	\$52,285	\$165	\$178,566	\$2,433,879	\$2,433,879
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted			\$594,066					\$594,066	\$594,066
114 Cash - Tenant Security Deposits	\$54,843			\$1,908			\$6,394	\$63,145	\$63,145
115 Cash - Restricted for Payment of Current Liabilities			\$5,500					\$5,500	\$5,500
100 Total Cash	\$1,201,589	\$0	\$1,102,555	\$555,026	\$52,285	\$165	\$184,960	\$3,096,590	\$3,096,590
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects									
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous	\$17,387							\$17,387	\$17,387
125 Accounts Receivable - Tenants	\$6,071							\$6,071	\$6,071
125 Accounts Receivable - Tenants	-\$2,258							-\$2,258	-\$2,258
126.1 Allowance for Doubtful Accounts - Tenants	\$0							\$0	\$0
126.2 Allowance for Doubtful Accounts - Other									
127 Notes, Loans, & Mortgages Receivable - Current									
128 Fraud Recovery									
128.1 Allowance for Doubtful Accounts - Fraud									
129 Accrued Interest Receivable			\$0	\$0	\$0	\$0	\$0	\$21,200	\$21,200
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$21,200	\$0	\$0	\$0	\$0	\$0	\$0	\$21,200	\$21,200
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets									
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From									
145 Assets Held for Sale			\$1,102,565	\$555,026	\$52,285	\$165	\$184,960	\$3,117,790	\$3,117,790
150 Total Current Assets	\$1,222,789	\$0	\$1,102,565	\$555,026	\$52,285	\$165	\$184,960	\$3,117,790	\$3,117,790
161 Land	\$697,319			\$54,400			\$55,000	\$806,719	\$806,719
162 Buildings	\$6,233,374			\$469,018			\$635,239	\$7,337,631	\$7,337,631
163 Furniture, Equipment & Machinery - Dwellings	\$143,386	\$62,302		\$6,730			\$1,942	\$214,360	\$214,360
164 Furniture, Equipment & Machinery - Administration	\$228,324							\$228,324	\$228,324
165 Leasehold Improvements									
166 Accumulated Depreciation	-\$5,263,917	-\$31,150		-\$349,138			-\$177,484	-\$5,821,689	-\$5,821,689
167 Construction in Progress	\$349,372							\$349,372	\$349,372
168 Infrastructure			\$0	\$181,010	\$0	\$0	\$514,697	\$3,114,717	\$3,114,717
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,387,858	\$31,152	\$0	\$181,010	\$0	\$0	\$514,697	\$3,114,717	\$3,114,717

See accompanying notes to the financial statements

Englewood Housing Authority (NJ055)
ENGLEWOOD, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,871 Housing Choice Vouchers	6,2 Component Unit - Blended	14,182 NIC S/R Section 8 Programs	14,238 Shelter Plus Care	1 Business Activities	Subtotal	Total
171 Notes, Loans and Mortgages Receivable - Non-Current									
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173 Grants Receivable - Non Current									
174 Other Assets									
176 Investments in Joint Ventures									
180 Total Non-Current Assets	\$2,387,858	\$31,152	\$0	\$181,010	\$0	\$0	\$514,697	\$3,114,717	\$3,114,717
200 Deferred Outflow of Resources									
250 Total Assets and Deferred Outflow of Resources	\$3,610,647	\$31,152	\$1,102,565	\$736,036	\$52,285	\$165	\$699,657	\$6,232,507	\$6,232,507
311 Bank Overdraft	\$26,096		\$1,845				\$1,421	\$29,362	\$29,362
312 Accounts Payable <= 90 Days									
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable	\$9,464		\$2,447					\$11,911	\$11,911
322 Accrued Compensated Absences - Current Portion	\$2,775		\$2,414					\$5,189	\$5,189
324 Accrued Contingency Liability							\$710	\$710	\$710
325 Accrued Interest Payable			\$5,500					\$5,500	\$5,500
331 Accounts Payable - HUD PHA Programs									
332 Account Payable - PHA Projects	\$19,965							\$19,965	\$19,965
333 Accounts Payable - Other Government	\$54,843			\$1,908			\$6,394	\$63,145	\$63,145
341 Tenant Security Deposits	\$473			\$14			\$127	\$614	\$614
342 Unearned Revenue									
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$15,613							\$15,613	\$15,613
344 Current Portion of Long-term Debt - Operating Borrowings	\$45,918							\$45,918	\$45,918
345 Other Current Liabilities									
346 Accrued Liabilities - Other									
347 Inter Program - Due To									
348 Loan Liability - Current			\$12,206	\$1,922	\$0	\$0	\$36,299	\$36,299	\$36,299
310 Total Current Liabilities	\$175,147	\$0					\$44,951	\$234,226	\$234,226
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue									
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Non-current Liabilities - Other									
354 Accrued Compensated Absences - Non Current	\$24,971		\$21,723					\$46,694	\$46,694
355 Loan Liability - Non Current							\$138,309	\$138,309	\$138,309
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities	\$472,356		\$374,725					\$847,081	\$847,081

See accompanying notes to the financial statements

Englewood Housing Authority (NJ055)
ENGLEWOOD, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Total
350 Total Non-Current Liabilities	\$497,327	\$0	\$2,96,448	\$0	\$0	\$0	\$138,309	\$1,032,084	\$1,032,084
300 Total Liabilities	\$672,474	\$0	\$408,654	\$1,922	\$0	\$0	\$183,260	\$1,266,310	\$1,266,310
400 Deferred Inflow of Resources									
508.4 Net Investment in Capital Assets	\$2,387,859	\$31,152		\$181,010			\$340,089	\$2,940,110	\$2,940,110
511.4 Restricted Net Position	\$0		\$630,131					\$630,131	\$630,131
512.4 Unrestricted Net Position	\$550,314	\$0	\$63,780	\$553,104	\$52,285	\$165	\$176,308	\$1,395,956	\$1,395,956
513 Total Equity - Net Assets / Position	\$2,938,173	\$31,152	\$693,911	\$734,114	\$52,285	\$165	\$516,397	\$4,966,197	\$4,966,197
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,610,647	\$31,152	\$1,102,565	\$736,036	\$52,285	\$165	\$699,657	\$6,232,507	\$6,232,507

Englewood Housing Authority (NJ055)
ENGLEWOOD, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,871 Housing Choice Vouchers	6,2 Component Unit - Blended	14,182 NIC S/R Section 8 Programs	14,238 Shelter Plus Care	1 Business Activities	Subtotal	Total
70300 Net Tenant Rental Revenue	\$622,123			\$58,321			\$84,073	\$764,517	\$764,517
70400 Tenant Revenue - Other	\$28,387							\$28,387	\$28,387
70500 Total Tenant Revenue	\$650,510	\$0	\$0	\$58,321	\$0	\$0	\$84,073	\$792,904	\$792,904
70600 HUD PHA Operating Grants	\$358,652		\$6,379,274		\$61,921			\$6,799,847	\$6,799,847
70610 Capital Grants	\$67,188							\$67,188	\$67,188
70710 Management Fee									
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Service Fee									
70750 Other Fees									
70700 Total Fee Revenue									
70800 Other Government Grants									
71100 Investment Income - Unrestricted	\$4,644		\$1,870	\$2,146	\$500		\$810	\$9,970	\$9,970
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets			\$6,155					\$6,155	\$6,155
71400 Fraud Recovery			\$30,690	\$29			\$147	\$89,347	\$89,347
71500 Other Revenue	\$58,481								
71600 Gain or Loss on Sale of Capital Assets			\$0					\$0	\$0
72000 Investment Income - Restricted	\$1,139,475	\$0	\$6,417,989	\$60,496	\$62,421	\$0	\$85,030	\$7,765,411	\$7,765,411
70000 Total Revenue									
91100 Administrative Salaries	\$144,541		\$193,242		\$5,977			\$343,760	\$343,760
91200 Auditing Fees	\$3,577		\$3,077	\$4,455	\$500			\$11,609	\$11,609
91300 Management Fee									
91310 Book-keeping Fee				\$67			\$270	\$337	\$337
91400 Advertising and Marketing			\$152,079		\$2,633			\$256,539	\$256,539
91500 Employee Benefit Contributions - Administrative	\$101,827		\$84,791	\$104	\$2,622		\$843	\$142,632	\$142,632
91600 Office Expenses	\$54,272		\$19,907		\$616			\$33,843	\$33,843
91700 Legal Expense	\$13,320		\$685		\$21			\$847	\$847
91800 Travel	\$141								
91810 Allocated Overhead									
91900 Other									
91000 Total Operating - Administrative	\$317,678	\$0	\$453,781	\$4,626	\$12,369	\$0	\$1,113	\$789,567	\$789,567
92000 Asset Management Fee									
92100 Tenant Services - Salaries	\$29,690		\$11,181		\$346			\$41,217	\$41,217

See accompanying notes to the financial statements

Englewood Housing Authority (NJ055)
ENGLEWOOD, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,871 Housing Choice Vouchers	6,2 Component Unit - Blended	14,182 N/C S/R Section 8 Programs	14,238 Shelter Plus Care	1 Business Activities	Subtotal	Total
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services	\$21,039		\$8,049		\$139			\$29,227	\$29,227
92400 Tenant Services - Other	\$5,276							\$5,276	\$5,276
92500 Total Tenant Services	\$56,005	\$0	\$19,230	\$0	\$485	\$0	\$0	\$75,720	\$75,720
93100 Water	\$41,702			\$2,906			\$2,134	\$46,742	\$46,742
93200 Electricity	\$171,735			\$330			\$1,201	\$173,266	\$173,266
93300 Gas	\$179,974						\$3,381	\$183,355	\$183,355
93400 Fuel	\$34,587							\$34,587	\$34,587
93500 Labor	\$11,339							\$11,339	\$11,339
93600 Sewer	\$24,864							\$24,864	\$24,864
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	\$464,201	\$0	\$0	\$3,236	\$0	\$0	\$6,716	\$474,153	\$474,153
94100 Ordinary Maintenance and Operations - Labor	\$55,155							\$55,155	\$55,155
94200 Ordinary Maintenance and Operations - Materials and Other	\$39,303			\$767			\$4,360	\$44,430	\$44,430
94300 Ordinary Maintenance and Operations Contracts	\$125,887			\$4,217			\$26,711	\$156,815	\$156,815
94500 Employee Benefit Contributions - Ordinary Maintenance	\$34,428							\$34,428	\$34,428
94000 Total Maintenance	\$254,773	\$0	\$0	\$4,984	\$0	\$0	\$31,071	\$290,828	\$290,828
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs									
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$19,490			\$4,645			\$3,000	\$27,135	\$27,135
96120 Liability Insurance	\$9,745						\$1,500	\$11,245	\$11,245
96130 Workman's Compensation	\$9,745		\$10,141			\$314	\$1,500	\$21,700	\$21,700
96140 All Other Insurance									
96100 Total Insurance Premiums	\$38,980	\$0	\$10,141	\$4,645	\$314	\$0	\$6,000	\$60,080	\$60,080
96200 Other General Expenses			\$15,793					\$15,793	\$15,793
96210 Compensated Absences									
96300 Payments in Lieu of Taxes	\$19,965			\$9,133				\$29,098	\$29,098
96400 Bad debt - Tenant Rents									
96500 Bad debt - Mortgages									
96600 Bad debt - Other									

See accompanying notes to the financial statements

Englewood Housing Authority (NJ055)
ENGLEWOOD, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,871 Housing Choice Vouchers	6,2 Component Unit - Blended	14,182 NIC S/R Section 8 Programs	14,238 Shelter Plus Care	1 Business Activities	Subtotal	Total
96800 Severance Expense									
96900 Total Other General Expenses	\$19,965	\$0	\$15,793	\$9,133	\$0	\$0	\$0	\$44,891	\$44,891
96710 Interest of Mortgage (or Bonds) Payable									
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$9,055	\$9,055	\$9,055
96900 Total Operating Expenses	\$1,151,602	\$0	\$498,945	\$26,624	\$13,168	\$0	\$53,955	\$1,744,294	\$1,744,294
97000 Excess of Operating Revenue over Operating Expenses	-\$12,127	\$0	\$5,919,044	\$33,872	\$49,253	\$0	\$31,075	\$6,021,117	\$6,021,117
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized			\$5,351,710		\$45,455			\$5,397,165	\$5,397,165
97300 Housing Assistance Payments			\$29,492					\$29,492	\$29,492
97350 HAP Portability-In	\$183,281	\$3,115		\$17,864			\$18,247	\$222,507	\$222,507
97400 Depreciation Expense									
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense	\$1,334,883	\$3,115	\$5,880,147	\$44,488	\$58,623	\$0	\$72,202	\$7,393,458	\$7,393,458
90000 Total Expenses	\$3,968							\$3,968	\$3,968
10010 Operating Transfer In	-\$3,968							-\$3,968	-\$3,968
10020 Operating Transfer Out									
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$195,408	-\$3,115	\$537,842	\$16,008	\$3,798	\$0	\$12,828	\$371,953	\$371,953

See accompanying notes to the financial statements

Englewood Housing Authority (NJ055)
ENGLEWOOD, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133		Fiscal Year End: 12/31/2014							
	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,871 Housing Choice Vouchers	6.2 Component Unit - Blended	14,182 NYC S/R Section 8 Programs	14,238 Shelter Plus Care	1 Business Activities	Subtotal	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$3,133,581	\$34,267	\$156,069	\$718,106	\$48,487	\$165	\$503,569	\$4,594,244	\$4,594,244
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			\$0					\$0	\$0
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity			\$63,780					\$63,780	\$63,780
11180 Housing Assistance Payments Equity			\$630,131					\$630,131	\$630,131
11190 Unit Months Available	1824	0	7308	48	156	0	108	9444	9444
11210 Number of Unit Months Leased	1775	0	5875	48	136	0	108	7942	7942
11270 Excess Cash	\$953,713							\$953,713	\$953,713
11610 Land Purchases	\$0							\$0	\$0
11620 Building Purchases	\$67,188							\$67,188	\$67,188
11630 Furniture & Equipment - Dwelling Purchases	\$0							\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0							\$0	\$0
11650 Leasehold Improvements Purchases	\$0							\$0	\$0
11660 Infrastructure Purchases	\$0							\$0	\$0
13510 CFFP Debt Service Payments	\$0							\$0	\$0
13901 Replacement Housing Factor Funds	\$0							\$0	\$0



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

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631

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, the financial statements of the Housing Authority of the City of Englewood (hereafter referred to as the Authority), which comprise the statement of net position as of December 31, 2014 and the related statements of revenue, expenses and changes in net position, statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Englewood'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 Housing Authority of the City of Englewood's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hymanson, Parnes & Giampaolo

Lincroft, New Jersey

Date: May 18, 2015



Hymanson, Parnes & Giampaolo

Certified Public Accountants

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

(Unmodified Opinion on Compliance for Each Major Program:
No Material Weakness or Significant Deficiencies
in Internal Control Over Compliance Identified)

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631

Report on Compliance

We have audited the Housing Authority of the City of Englewood's (hereafter referred to as the Authority), compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* applicable to Authority's major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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 the Housing Authority of the City of Englewood'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 compliance requirements referred to above that could have a direct and material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Englewood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Englewood complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Englewood is responsible for establishing and maintaining effective internal control over compliance with the type 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 circumstance for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control 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 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 that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. 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.

Purpose of This Report

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.

Hymanson, Parnes & Giampaolo

Lincroft, New Jersey

Date: May 18, 2015

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
Schedule of Findings and Questioned Cost
Year Ended December 31, 2014

Prior Audit Findings

None reported

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified

Internal Control over Financial Reporting:

Material Weakness (es) Identified?

_____ yes X no

Significant Deficiency(ies) identified that are
considered to be material weakness(es)?

_____ yes X none reported

Noncompliance Material to Financial Statements Noted?

_____ yes X no

Federal Awards

Internal Control over Major Programs:

Material Weakness (es) Identified?

_____ yes X no

Significant Deficiency(ies) identified that are
considered to be material weakness(es)?

_____ yes X none reported

Type of audit report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section 510(a) of
Circular A-133

_____ yes X no

Identification of Major Programs

CFDA#	Name of Federal Program	Amount
14.850	Low Rent Public Housing Program	\$ 330,233
14.871	Housing Choice Voucher Program	\$ 6,379,274

Dollar threshold used to Distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as a low-risk auditee

X yes _____ no

FINDINGS – FINANCIAL STATEMENT AUDIT

None reported

**FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAM
AUDIT**

None reported



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Englewood
111 West Avenue
Englewood, New Jersey 07631

We have performed the procedure described in the second paragraph of this report, which was agreed to by Housing Authority of the City of Englewood and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package. Housing Authority of the City of Englewood is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, by Housing Authority of the City of Englewood as of and for the year ended December 31, 2014, and have issued our reports thereon dated May 18, 2015. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated December 31, 2014, was expressed in relation to the basic financial statements of Housing Authority of the City of Englewood taken as a whole.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from Housing Authority of the City of Englewood. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report is intended solely for the information and use of Housing Authority of the City of Englewood and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Hymanson, Parnes & Giampaolo

Lincroft, New Jersey
May 18, 2015

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's	<input checked="" type="radio"/>	<input type="radio"/>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	<input checked="" type="radio"/>	<input type="radio"/>
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	<input checked="" type="radio"/>	<input type="radio"/>
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	<input checked="" type="radio"/>	<input type="radio"/>
5	General information (data element series G2000,G2100,G2200,G9000,G9100)	OMB Data Collection Form*	<input checked="" type="radio"/>	<input type="radio"/>
6	Financial statement report information (data element G3000-010)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form*	<input checked="" type="radio"/>	<input type="radio"/>
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form*	<input checked="" type="radio"/>	<input type="radio"/>
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form*	<input checked="" type="radio"/>	<input type="radio"/>
9	Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	<input checked="" type="radio"/>	<input type="radio"/>

