

**HOUSING AUTHORITY OF
GLOUCESTER COUNTY, NEW JERSEY**

**REPORT OF AUDIT
FOR THE YEARS ENDED
DECEMBER 2014 AND 2013**

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

PART I - FINANCIAL SECTION

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Gloucester County, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of the Housing Authority of Gloucester County, New Jersey as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing Authority of Gloucester County, and of its aggregate discretely presented component units as of December 31, 2014 and 2013, and its changes in financial position and its cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2015 on our consideration of the Housing Authority of Gloucester County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of Gloucester County's internal control over financial reporting and compliance.

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

Woodbury, New Jersey
August 12, 2015

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

Board of Commissioners
Housing Authority of Gloucester County, New Jersey

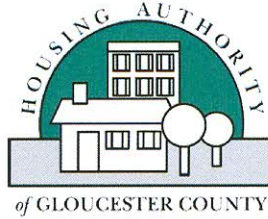
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Housing Authority of Gloucester County, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 12, 2015. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. Accordingly, this report does not extend to the discretely presented component units.

Internal Control Over Financial Reporting

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

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

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



HOUSING AUTHORITY OF GLOUCESTER COUNTY

Management's Discussion and Analysis December 31, 2014

This section of the Housing Authority of Gloucester County's ("Authority") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2014. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

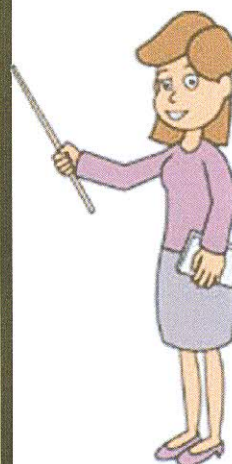
This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Management's Discussion and Analysis is intended to share management's analysis of the Authority's financial performance. The Authority's financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to private businesses, such as real estate development and management. The financial statements included in this report were prepared in accordance with GAAP applicable to governmental entities for Proprietary Fund types ("business-type" activities). The financial statements and accompanying data include the following:

1. **The Statements of Net Position** - presents information on all the Authority's assets and liabilities, with the difference between the two reported as net position (equity).
2. **The Statements of Revenue, Expenses, and Changes in Net Position** - presents information on revenues and expenses showing how the Authority performed.
3. **The Statements of Cash Flows** - presents the inflows and outflows of cash and cash equivalents.
4. **Notes to Financial Statements** – provides additional information essential to fully understanding the data provided in the financial statements.
5. **Supplemental Information** - presents the schedule of expenditures of Federal Awards as required by the U.S. Office of Management and Budget (OMB Circular A-133). Also included is the Financial Data Schedule and Capital Grant Schedule. The Schedule of Funding Progress for the Authority's post-retirement plan is presented as Required Supplementary Information.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Management's Discussion and Analysis (continued)

FINANCIAL HIGHLIGHTS

- The Authority's Total Net Position (equity) decreased by **\$2,047,317** to **\$30,411,966**.
- The Authority's Cash and Investment balance at the reporting year-end was **\$5,495,639**. This includes amounts designated for restricted use.
- The Authority had Total Revenues of **\$19,078,335** and Total Expenses of **\$21,125,652** for the year ended December 31, 2014.
- The Primary Government's Expenditures of Federal Awards amounted to **\$16,406,614** for 2014.
- The Authority lost over **\$324,000** in Section 8 Administrative Fees due to Federal Funding cuts.
- The Authority lost over **\$109,000** in government subsidy in the Public Housing Programs due to Federal Program cuts.



OTHER FINANCIAL INFORMATION

The Housing Authority of Gloucester County operates various programs involving the provisioning of affordable housing services. Some programs are federal or state instituted and others are management operations of affordable housing.

The major programs of the Authority are:



1. Public Housing Program
2. Section 8 Housing Choice Voucher Program
3. Business Activities, consisting of:
 - a. General Management Funds of the Authority
 - b. Management of Home Funds
 - c. Expanded Housing Opportunities
4. Component Units, which are legally separate corporations and instrumentalities of the Housing Authority formed to carry out the mission of the Authority and expand affordable housing opportunities.

The financial books are maintained in accordance with Generally Accepted Accounting Principles (for government entities).

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Management's Discussion and Analysis (continued)

CONDENSED FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION

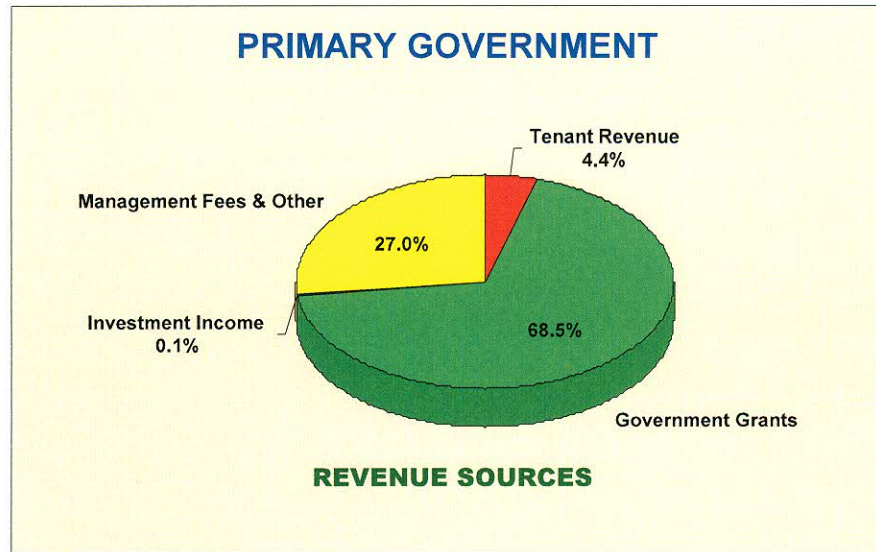
	December 31, 2014		December 31, 2013		December 31, 2012	
	PRIMARY GOVERNMENT	COMPONENT UNITS	PRIMARY GOVERNMENT	COMPONENT UNITS	PRIMARY GOVERNMENT	COMPONENT UNITS
Assets:						
Current Assets	\$ 4,557,089	\$ 1,600,094	\$ 5,047,832	\$ 1,750,728	\$ 6,256,810	\$ 1,602,558
Restricted Assets	111,264	138,630	135,669	138,422	116,546	138,214
Capital Assets, net of Depreciation	8,227,077	825,637	8,958,795	824,899	9,662,267	679,408
Other Non Current Assets	0	17,772,279	0	17,513,367		15,064,328
Total Assets	\$ 12,895,430	\$ 20,336,640	\$ 14,142,296	\$ 20,227,416	\$ 16,035,623	\$ 17,484,508
Liabilities:						
Current Liabilities	\$ 744,827	\$ 45,676	\$ 593,981	\$ 42,939	\$ 696,611	\$ 230,910
Long-Term Liabilities	1,953,730	75,871	1,201,893	71,616	548,435	67,858
Total Liabilities	2,698,557	121,547	1,795,874	114,555	1,245,046	298,768
Net Position:						
Net Investment in Capital Assets	8,227,077	825,637	8,958,795	824,899	9,662,267	679,408
Restricted Net Position	0	0	434,670		1,199,606	
Unrestricted Net Position	1,969,796	19,389,456	2,952,957	19,287,962	3,928,704	16,506,332
Total Net Position	10,196,873	20,215,093	12,346,422	20,112,861	14,790,577	17,185,740
Total Liabilities and Net Position	\$ 12,895,430	\$ 20,336,640	\$ 14,142,296	\$ 20,227,416	\$ 16,035,623	\$ 17,484,508

STATEMENTS OF REVENUE, EXPENSES and CHANGES IN NET POSITION

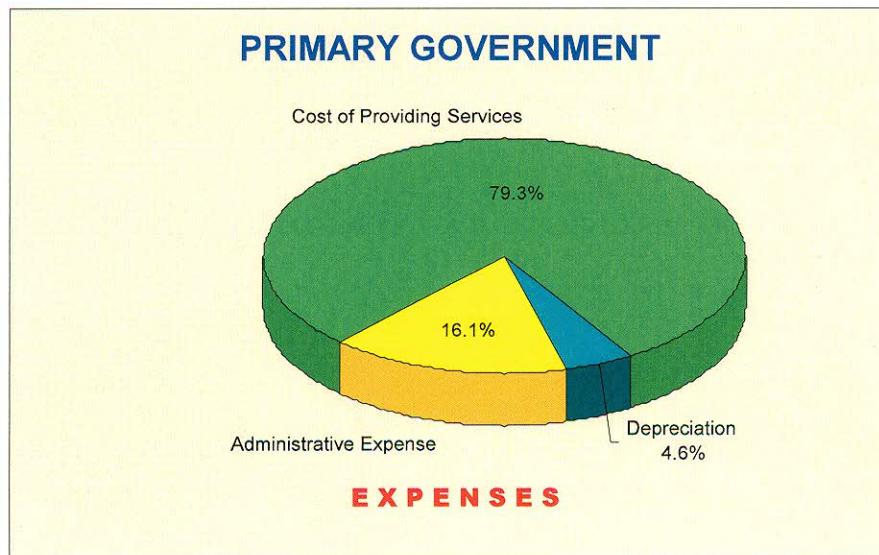
	December 31, 2014		December 31, 2013		December 31, 2012	
	PRIMARY GOVERNMENT	COMPONENT UNITS	PRIMARY GOVERNMENT	COMPONENT UNITS	PRIMARY GOVERNMENT	COMPONENT UNITS
Operating Revenues:						
Tenant Revenues	\$ 1,067,139	\$ 0	\$ 1,026,839	\$ 0	\$ 1,042,844	\$ 0
Government Grants	16,449,576	0	16,229,085	0	16,771,598	0
Other Revenues	644,670	726,540	550,743	3,375,452	523,604	660,813
Total Operating Revenues	18,161,385	726,540	17,806,667	3,375,452	18,338,046	660,813
Operating Expenses:						
Housing Assistance Payments	14,390,112		14,759,828		14,546,221	
Administrative and Other Expenses	5,165,490	620,576	4,794,135	448,584	4,410,320	420,932
Depreciation Expense	943,604	1,540	944,692	1,329	919,982	0
Total Operating Expense	20,499,206	622,116	20,498,655	449,913	19,876,523	420,932
Operating Income (Loss)	-2,337,821	104,424	-2,691,988	2,925,539	-1,538,477	239,881
Non-operating Revenues (Expenses):						
Capital Grants	178,472		241,111		585,596	
Interest Income	9,800	2,138	10,222	1,863	17,623	2,159
Share in loss from managed entity		-4,330		-3,781		-3,832
Net Non-operating Revenues (Expenses)	188,272	-2,192	251,333	-1,918	603,219	-1,673
Income (Loss) Before Contributions and Transfers	-2,149,549	102,232	-2,440,655	2,923,621	-935,258	238,208
Contributions to/from primary government				3,500		-272,096
Contributions to/from component units			-3,500		272,096	
Change in Net Position	-2,149,549	102,232	-2,444,155	2,927,121	-663,162	-33,888
Net Position - Beginning of the year	12,346,422	20,112,861	14,790,577	17,185,740	15,453,739	17,219,628
Total Net Position - End of the year	\$ 10,196,873	\$ 20,215,093	\$ 12,346,422	\$ 20,112,861	\$ 14,790,577	\$ 17,185,740

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Management's Discussion and Analysis (continued)

REVENUE SOURCES

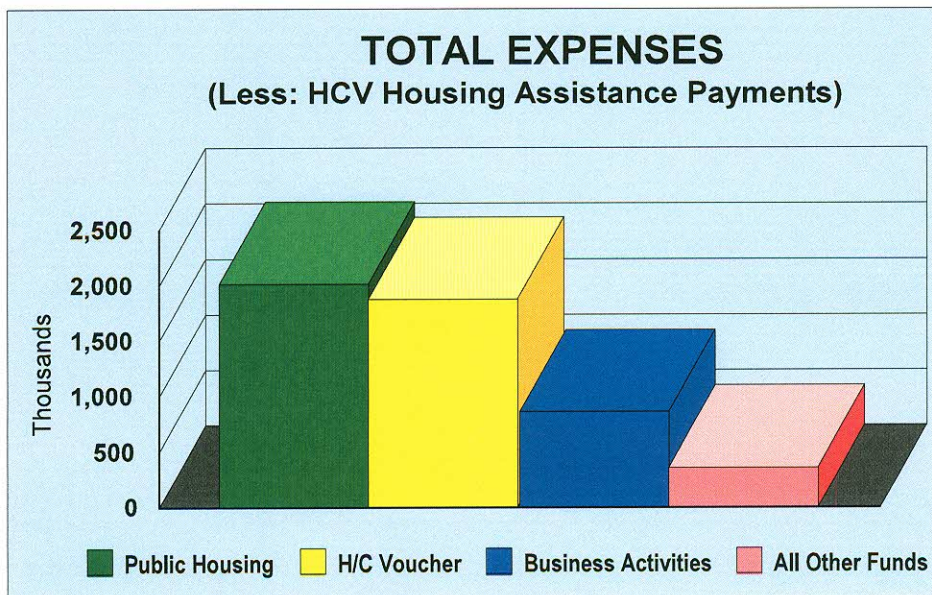
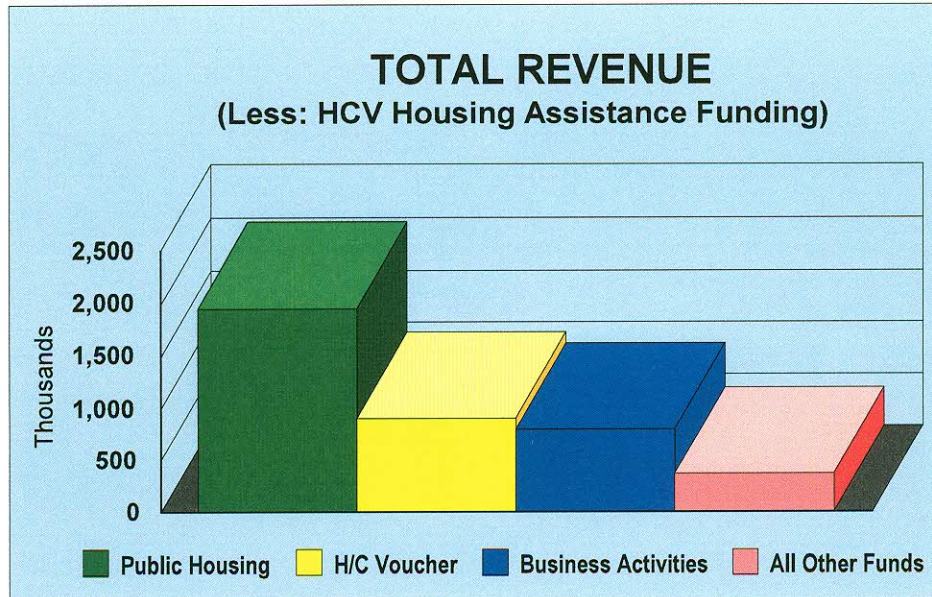


EXPENSES

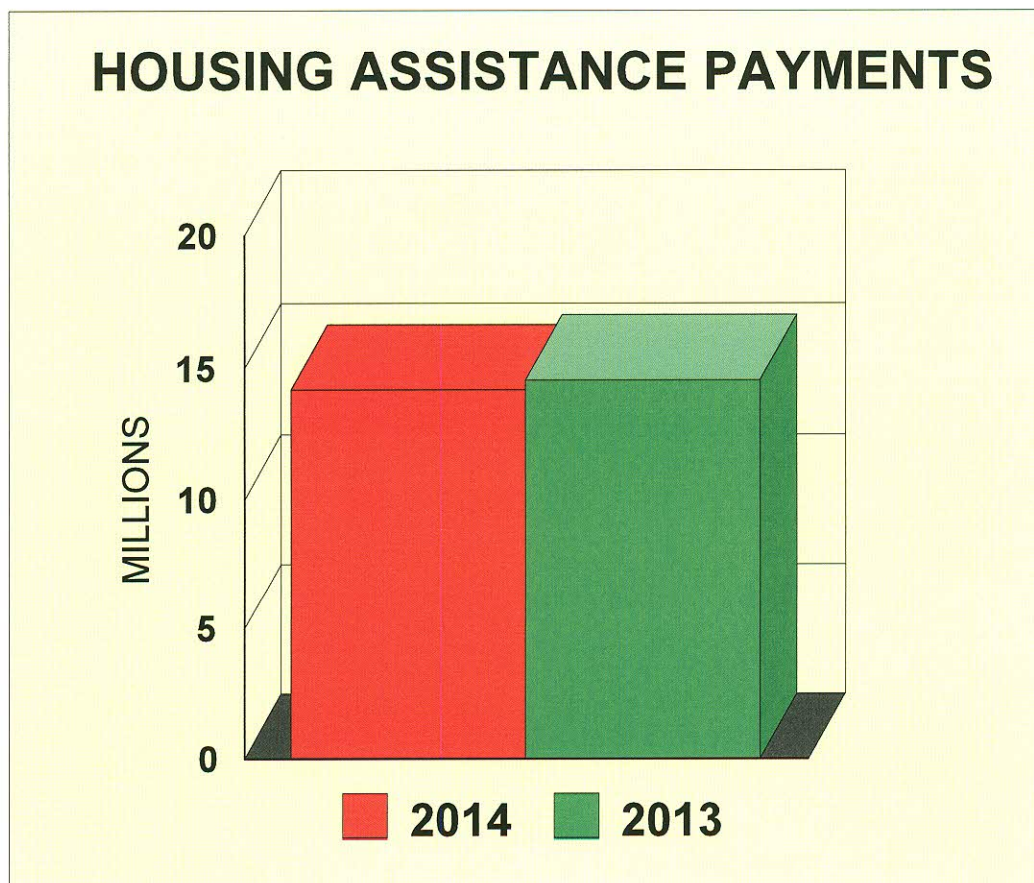


HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Management's Discussion and Analysis (continued)

PRIMARY GOVERNMENT

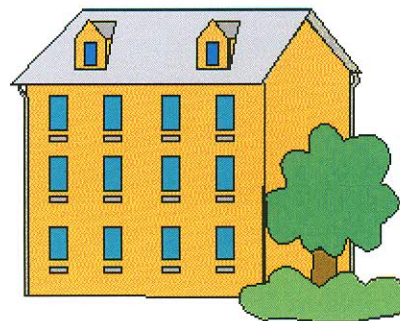


HOUSING CHOICE VOUCHER PROGRAM



HOUSING FACTS:

1. Over 2,000 Low-Income Families have been assisted throughout the county by the Housing Authority in 2014; affording them decent, safe and sanitary housing based on their ability to pay.
2. Over \$14.3 million was disbursed in Housing Assistance Payments.
3. The Average monthly Housing Assistance provided for Section 8 families was \$680.



HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Management's Discussion and Analysis (continued)

BUDGETARY HIGHLIGHTS

For the year ended December 31, 2014, individual programs or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets are used primarily as a management tool. However, for the Authority's annual entity-wide (excluding component units) State budget, the total amount of appropriations constitutes the legal level of control. Expenditures may not exceed appropriations at this level without approval of the State of New Jersey Department of Community Affairs.



In some governmental programs funding is derived by formula. The Authority experienced major funding changes in recent years, including recent reductions.

CAPITAL ASSETS and DEBT ADMINISTRATION

In 2014, the Authority invested \$178,472 in capital assets with grants provided from HUD's Capital Fund Program to renovate and upgrade Authority-owned housing units and equipment. \$35,693 in from operating resources was spent on replacement of maintenance, office and/or transportation equipment. The Authority has an ongoing practice of maintaining its property at high standards. Keeping them decent, safe and sanitary.

On February 25, 2012, Colonial Park Apartments was sold by Seniors Housing Development Corporation of Gloucester County, an instrumentality of the Housing Authority, to Colonial Park LP, a "Tax-Credit" partnership, for the purposes of acquiring funding for extensive renovations. These upgrades were substantially completed in 2013 with some minor finishes completed in 2014.



No new outside debt was issued in 2014 by the Housing Authority or any of its Component Units.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Management's Discussion and Analysis (continued)

ECONOMIC FACTORS and NEXT YEAR'S BUDGETS

The economy is still facing financial difficulties and monetary pain is felt at all levels. Unemployment, out-of-control health care costs, bankruptcies, and foreclosures continue to dampen the local economy. The Federal Budget crisis in Washington over the past several years has had a major impact in the public housing sector. HUD has not been funding the various programs at or near 100% of what is required. In 2014, the Authority's Public Housing projects were hit with funding cuts totaling \$109,485. This on top of prior year cuts has severely depleted the project reserves. Capital Grants, utilized to modernize and improve our housing stock, continue to be funded by HUD, but also at a lower level than in past years.



Federal cuts in the Housing Choice Voucher Program, the Authority's largest program, have been ongoing for the past several years and continue into 2014. Administrative fees are not being fully funded and have been substantially reduced from the HUD approved rates, amounting to losses of over \$324,000 in 2014. While the administrative portion of revenue has decreased substantially, at the same time administrative expenses and overhead have increased. This continues to place a heavy burden on our primary government programs.

HUD will have to better fund these programs if they are to survive. In the meantime, the Authority will continue to assess its financial position and take whatever measures necessary to fulfill the spirit of its mission.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide users with an overview of the Authority's finances. If you have questions concerning any of the information provided in this report, contact the Director of Finance, Housing Authority of Gloucester County, 100 Pop Moylan Boulevard, Deptford, New Jersey 08096.



HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Statements of Net Position
December 31, 2014 and 2013

	December 31, 2014		December 31, 2013	
	Primary Government	Component Units	Primary Government	Component Units
ASSETS				
Current assets				
Unrestricted cash and cash equivalents	\$ 2,651,090	\$ 1,088,674	\$ 2,782,451	\$ 1,458,951
Restricted cash and cash equivalents	51,519	-	503,006	-
Unrestricted investments	1,454,464	-	1,449,132	-
Accounts receivable, net of allowance for doubtful accounts of \$22,900 in 2014 and 2013	34,097	-	24,173	-
Due from Colonial Park, L.P.	94,339	-	115,436	-
Development fee receivable from Colonial Park, L.P.	-	321,971	-	38,047
Due from affiliate	27,683	37,251	36,203	22,622
Due from HUD	19,629	-	7,237	-
Due from other governments	128,714	-	40,831	-
Due from primary government	-	152,157	-	143,837
Development receivables, net of allowance for doubtful accounts of \$85,870 in 2014 and \$0 in 2013	-	-	-	85,870
Other receivables	19,515	-	9,140	-
Inventory	4,855	-	7,880	-
Prepaid expenses	71,184	42	72,343	1,403
Total current assets	4,557,089	1,600,095	5,047,832	1,750,730
Non-current restricted assets				
Cash and cash equivalents	111,264	138,630	135,669	138,422
Total restricted assets	111,264	138,630	135,669	138,422
Capital assets, net	8,227,077	825,637	8,958,795	824,898
Other non-current assets				
Notes receivable	-	11,407,844	-	11,407,844
Development fee receivable from Colonial Park, L.P., net of current portion	-	2,020,781	-	2,304,705
Land lease receivable	-	163,600	-	89,800
Accrued interest on notes receivable	-	3,981,794	-	3,527,703
Due from affiliate	-	198,260	-	183,315
Total other non-current assets	-	17,772,279	-	17,513,367
	<u>\$ 12,895,430</u>	<u>\$ 20,336,641</u>	<u>\$ 14,142,296</u>	<u>\$ 20,227,417</u>
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable and accrued expenses	\$ 343,946	\$ 45,677	\$ 194,394	\$ 31,968
Tenant funds on deposit	51,519	-	51,483	-
Due to Colonial Park, L.P.	-	-	-	10,972
Due to other governments	70,197	-	63,385	-
Due to component units	152,157	-	143,837	-
Current portion of liability for compensated absences	105,610	-	105,812	-
Unearned revenue	21,398	-	35,070	-
Total current liabilities	744,827	45,677	593,981	42,940
Long-term liabilities				
Tenant funds on deposit	111,264	-	135,669	-
Other post-retirement benefits	1,775,511	-	1,002,737	-
Liability for compensated absences, net of current portion	66,955	-	63,487	-
Other credits	-	75,871	-	71,616
Total long-term liabilities	1,953,730	75,871	1,201,893	71,616
Total liabilities	2,698,557	121,548	1,795,874	114,556
Net position				
Net investment in capital assets	8,227,077	825,637	8,958,795	824,898
Restricted net position	-	-	434,670	-
Unrestricted net position	1,969,796	19,389,456	2,952,957	19,287,963
Total net position	10,196,873	20,215,093	12,346,422	20,112,861
	<u>\$ 12,895,430</u>	<u>\$ 20,336,641</u>	<u>\$ 14,142,296</u>	<u>\$ 20,227,417</u>

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Statements of Revenue, Expenses, and Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	December 31, 2014		December 31, 2013	
	Primary Government	Component Units	Primary Government	Component Units
Operating revenue				
Federal grant awards	\$ 16,228,141	-	\$ 15,962,382	-
State and local grant awards	221,435	-	266,703	-
Management contract fees	579,835	\$ 189,097	488,705	\$ 191,916
Tenant charges	1,067,139	-	1,026,839	-
Interest income on notes receivable	-	467,891	-	460,499
Development fee income	-	-	-	2,665,643
Land lease income	-	60,000	-	55,000
Miscellaneous income	64,835	9,552	62,038	2,394
Total operating revenue	<u>18,161,385</u>	<u>726,540</u>	<u>17,806,667</u>	<u>3,375,452</u>
Operating expenses				
Housing assistance payments	14,390,112	-	14,759,828	-
Administrative	3,300,606	506,566	3,036,768	412,117
Depreciation	943,604	1,540	944,694	1,329
Maintenance	607,687	1,799	596,249	903
Tenant services	396,008	-	293,158	-
Utilities	350,148	997	375,799	1,552
Insurance	257,608	17,958	246,571	25,625
Protective services	146,697	-	141,844	-
General	106,736	93,256	103,745	8,387
Total operating expenses	<u>20,499,206</u>	<u>622,116</u>	<u>20,498,656</u>	<u>449,913</u>
Operating income (loss)	<u>(2,337,821)</u>	<u>104,424</u>	<u>(2,691,989)</u>	<u>2,925,539</u>
Non-operating revenue (expenses)				
Capital grants	178,472	-	241,111	-
Contributions to/from primary government	-	-	-	3,500
Contributions to/from component units	-	-	(3,500)	-
Interest income	9,800	2,138	10,222	1,862
Share in loss from managed entity	-	(4,330)	-	(3,781)
Total non-operating revenue (expense)	<u>188,272</u>	<u>(2,192)</u>	<u>247,833</u>	<u>1,581</u>
Increase (decrease) in net position	<u>(2,149,549)</u>	<u>102,232</u>	<u>(2,444,156)</u>	<u>2,927,120</u>
Net position at the beginning of the year	<u>12,346,422</u>	<u>20,112,861</u>	<u>14,790,578</u>	<u>17,185,741</u>
Net position at the end of the year	<u>\$ 10,196,873</u>	<u>\$ 20,215,093</u>	<u>\$ 12,346,422</u>	<u>\$ 20,112,861</u>

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	December 31, 2014		December 31, 2013	
	Primary Government	Component Units	Primary Government	Component Units
Cash flows from operating activities				
Cash received from federal and state assistance programs	\$ 16,349,301		\$ 16,226,925	
Cash received from management contracts	579,835	\$ 160,023	488,705	\$ 221,931
Cash received from tenants	1,019,151	-	1,043,669	-
Other operating cash receipts	54,482	-	53,100	-
Payments to landlords for rent	(14,390,112)	-	(14,759,828)	-
Payments to employees	(750,488)	-	(2,803,977)	-
Cash received from/(paid to) Colonial Park L.P., net	-	(10,972)	-	170,238
Cash received from Colonial Park L.P. for developer's fee	-	-	-	722,891
Payments for goods and services	(3,440,476)	(518,978)	(1,572,336)	(648,928)
Net cash provided by (used in) operating activities	(578,307)	(369,927)	(1,323,742)	466,132
Cash flows from capital and related financing activities				
Acquisition of capital assets	(211,886)	(2,279)	(241,222)	(146,819)
Capital grants received	178,472	-	241,111	-
Contribution to primary government from component units	-	-	(3,500)	3,500
Payments received from Colonial Park, L.P. on note receivable	-	-	-	135,115
Net cash used in capital and related financing	(33,414)	(2,279)	(3,611)	(8,204)
Cash flows from investing activities				
Purchase of investment securities	(1,730,091)	-	(1,445,530)	-
Proceeds from sales of investments	1,724,212	-	1,438,764	-
Interest income received	10,347	2,137	11,439	1,862
Net cash provided by investing activities	4,468	2,137	4,673	1,862
Increase (decrease) in cash and cash equivalents	(607,253)	(370,069)	(1,322,680)	459,790
Cash and cash equivalents - beginning	3,421,126	1,597,373	4,743,806	1,137,583
Cash and cash equivalents - ending	\$ 2,813,873	\$ 1,227,304	\$ 3,421,126	\$ 1,597,373
Reconciliation of operating income to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (2,337,821)	\$ 104,424	\$ (2,691,989)	\$ 2,925,539
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation and amortization	943,604	1,540	944,694	1,329
Developer's fee income accrued but unpaid	-	-	-	(1,942,753)
(Increase) decrease in assets				
Receivables, net	(9,924)	-	(2,539)	-
Due from HUD	(12,392)	-	(4,366)	-
Due from other governments	(87,883)	-	(10,442)	-
Due from primary government	-	(8,320)	-	31,494
Inventory	3,025	-	(2,156)	-
Prepaid expenses	1,159	1,361	(6,219)	6,665
Land lease receivable	-	(73,800)	-	(61,850)
Accrued interest on notes receivable	-	(454,091)	-	(453,649)
Due from Colonial Park, L.P.	21,097	-	(72,625)	112,836
Due from affiliate	8,520	(40,546)	(19,970)	40,485
Development receivables	-	85,870	-	-
Other receivables	(10,375)	-	(8,959)	-
Escrow deposit	-	-	-	5,000
Increase (decrease) in liabilities				
Accounts payable and accrued expenses	149,552	13,635	(95,916)	(198,964)
Tenant funds on deposit	(24,369)	-	21,571	-
Due to HUD	-	-	-	-
Due to other governments	6,812	-	(2,985)	-
Due to component units	8,320	-	(31,494)	-
Liability for compensated absences	3,266	-	(3,694)	-
Unearned revenue	(13,672)	-	10,468	-
Other post-retirement benefits	772,774	-	652,879	-
Net cash provided by (used in) operating activities	\$ (578,307)	\$ (369,927)	\$ (1,323,742)	\$ 466,132
Reconciliation of cash and cash equivalents to the statement of net position				
Unrestricted cash and cash equivalents - current	\$ 2,651,090	\$ 1,088,674	\$ 2,782,451	\$ 1,458,951
Restricted cash and cash equivalents - current	51,519	-	503,006	-
Restricted cash and cash equivalents - noncurrent	111,264	138,630	135,669	138,422
	\$ 2,813,873	\$ 1,227,304	\$ 3,421,126	\$ 1,597,373

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements

Note 1: ORGANIZATION AND ACTIVITY

The Housing Authority of Gloucester County (the Authority) was created through a resolution of the Board of Chosen Freeholders of the County of Gloucester in 1972. Organized as a public housing authority (PHA) as defined by state statute (N.J.S.A. 40A:12A-1, et seq., the "Housing Authority Act"), the Authority functions under the supervision of the U.S. Department of Housing and Urban Development and the New Jersey State Department of Community Affairs. The Board of Commissioners of the Authority is a seven-member board with five members appointed by the Board of Chosen Freeholders of the County of Gloucester, one member appointed by the Freeholder Director of the County of Gloucester, and one member appointed by the Commissioner of the New Jersey State Department of Community Affairs.

As of December 31, 2014, the activities of the Authority included the ownership and/or management or oversight management of the following housing programs and projects in Gloucester County, New Jersey:

The Housing Assistance Payments Programs include the Housing Choice Voucher and Moderate Rehabilitation programs. These programs provide housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for extremely low and very low income families as defined by the Housing Act of 1998, at rents that they can afford. The U.S. Department of Housing and Urban Development ("HUD") provides assistance for approximately 1,900 housing units to the Authority.

The Public Housing Program consists of 262 rental units constructed or purchased and operated by the Authority. The purpose of this program is to provide decent, safe, and sanitary housing to eligible low-income families and the elderly at rents they can afford. HUD provides assistance to the Authority in the form of operating subsidies.

Under the Management Services Programs of the Authority, property management and administrative services are provided for a fee to affiliated not-for-profit corporations and other outside parties providing affordable housing.

The Tenant Services Program is a federal and state-funded program that provides nutrition, housekeeping, and certain other services to tenants residing in the Authority's owned or managed housing projects for the elderly and disabled.

The Expanded Housing Opportunities Program consists of 12 Authority-owned single-family dwellings rented to low-income families. Surplus funds previously generated by certain Housing Assistance Payments Programs were used to provide a portion of the purchase price of the properties.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

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

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

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

Based upon the application of these criteria, the Authority is considered to be a component unit of Gloucester County described in the preceding paragraph due to the fact that the County's Board of Freeholders can appoint and remove five out of seven commissioners. These financial statements would be discretely presented as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

As required by generally accepted accounting principles, the financial statements present the Authority (the primary government) and its component units. The primary government includes the accounts of all Authority operations. The component units (discussed below) are included in the Authority's reporting entity because of the significance of their operational or financial relationships with the Authority.

Component units

The component unit column in the financial statements includes the financial data of the Authority's three not-for-profit component units, which function as "instrumentalities" of the Authority, although they are separate legal entities. The three component units are Seniors Housing Development Corporation of Gloucester County (SHDC), Gloucester County Housing Development Corporation (GCHDC) and Affordable Housing Alternatives of Gloucester County, Inc. (AHA). Because the component units included in the financial statements do not meet the criteria for blending, they are reported discretely.

Except for AHA, the component units issue separately audited financial statements. Copies of the component unit financial statements may be obtained from the Authority's accounting department.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Component units (continued)

SHDC is a 501(c)(3) organization. The Authority and SHDC have interlocking boards of trustees/commissioners and common management. SHDC currently owns land on which an affordable housing project is located. SHDC assisted in the redevelopment of the complex and leases the land to Colonial Park, L.P., (CPLP) a for-profit, limited partnership. SHDC is the management company for Colonial Park, L.P. eMurphyg, Inc., an investee (SHDC owns approximately 80% of the common stock of eMurphyg) of SHDC, holds a .01% interest in Colonial Park, L.P. SHDC has also provided financing to CPLP through a note receivable secured by the fourth mortgage on the building. SHDC charges the project a fee for bookkeeping and management services.

GCHDC is a 501(c)(3) organization. The Authority and GCHDC have interlocking boards of trustees/commissioners and common management. GCHDC currently owns land on which an affordable housing project, as well as facilities for the administrative offices of the Authority, is located. GCHDC assisted in the development of the complex and leases the land to Pop Moylan Urban Redevelopment Company, LLC, (Pop Moylan) a for-profit, limited liability company. A wholly-owned, for-profit subsidiary of GCHDC, PMURC, Inc. holds a 1% general partner interest in Pop Moylan. GCHDC has also provided financing to Pop Moylan through notes receivable secured by second and third mortgages on the building. GCHDC charges the project a fee for bookkeeping and management services. The Authority provides certain accounting and administrative services to GCHDC. In 2014 and 2013, the only transactions between the Authority and GCHDC consisted of reimbursements by GCHDC for expenditures made by the Authority on behalf of GCHDC.

AHA is a 501(c)(3) organization that was formed in December 2000 to develop additional affordable housing in Gloucester County, New Jersey.

Basis of presentation

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

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

Basis of accounting

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting (continued)

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

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

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

Budgets and budgetary control

The Authority prepares an annual budget as required by N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year. The Authority's budget includes all operations of the Authority, exclusive of its component units. Planned Capital Fund expenditures are included in a capital budget, which is part of the annual budget. The original budget and budget amendments must be approved by Board resolution. Budget amendments during the years ended December 31, 2014 and 2013 were not significant.

Annual budgets are prepared on the modified accrual basis of accounting. This basis differs in certain respects from the full accrual basis of accounting that the Authority utilizes for financial reporting.

Non-appropriated capital budgets are prepared for the Capital Fund Program. Expenditures for these funds are controlled on the basis of applicable separate annual grant awards from HUD and are carried forward each year until the projects are completed or the grant award has been expended.

The Authority's annual budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by function and nature. The total amount of appropriations constitutes the legal level of control. Expenditures may not exceed appropriations at this level without approval of the State of New Jersey Department of Community Affairs.

Cash and cash equivalents and investments

Cash and cash equivalents include petty cash, cash in banks, and all highly liquid investments with an original maturity of three months or less at time of purchase and are stated at fair value, which approximates cost. Such is the definition of cash and cash equivalents used in the statement of cash flows. Investments are generally reported at fair value, which is determined using selected bases. Certain component unit investments consisting of repurchase agreements (non-participating investment contracts) are carried at cost.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents and investments (continued)

HUD authorizes public housing authorities to invest in U.S. obligations, U.S. agencies, money market funds limited to U.S. obligations, certificates of deposit, savings accounts, and repurchase agreements fully collateralized by U.S. obligations (with certain restrictions).

New Jersey governments units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Additionally, the Authority has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks, or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

Restricted assets

Certain cash of the Authority is restricted by HUD for use to fund future housing assistance payment, for tenant security deposits, Family Self-Sufficiency deposits, or for other specified purposes.

Prepaid expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the Authority's year end.

Capital assets and depreciation

Land, buildings, furniture and equipment, and leasehold improvements are carried substantially at cost. All additions and betterments are charged to the capital assets accounts. The Authority has no infrastructure fixed assets.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets and depreciation (continued)

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Interest has been capitalized during the construction period on buildings and equipment.

Assets capitalized generally have an original cost of \$1,000 or more and a useful life in excess of three years. Dwelling equipment (ranges and refrigerators) is capitalized irrespective of cost. Depreciation has been provided on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 years
Building improvements	10 to 20 years
Furniture and equipment	3 to 10 years

Compensated absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measureable and the Authority is eligible to realize the revenue.

Net position

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

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net position (continued)

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” This component includes net position that may be allocated for specific purposes by the Board.

Income taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and is exempt from income taxes under Section 115. The not-for-profit component units claim exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, do not record a provision for income taxes on related income.

Operating and non-operating revenues and expenses

The major sources of revenue for the Authority are various subsidies from the U.S. Department of Housing and Urban Development, state financial assistance, management contract revenue, and charges to tenants. The major sources of revenue for the discretely presented component units are developers fee earned, interest income on the notes receivable, land lease income, management contract revenue, and other miscellaneous revenue as discussed below.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Non-operating revenues and expense consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

Federal and state grant revenue - Operating subsidies, Section 8 housing assistance payments, and Capital Fund program revenue received from the U.S. Department of Housing and Urban Development are susceptible to accrual and are recognized during the year earned in accordance with applicable HUD program guidelines. The Authority is generally entitled to receive monies under an established payment schedule or, for the Capital Fund program, as expenditures are made. Housing Choice Voucher Program income is recognized based on amounts reported per HUD's Voucher Management System (VMS), with subsequent adjustments computed by HUD in accordance with current regulations. Adjustments made by HUD in periods subsequent to the year end are reflected in the financial statements when they become known and are not anticipated to be material in amount. For the Moderate Rehabilitation program, a year-end settlement is computed, and the underpaid or overpaid amount, if any, is considered to be an amount due to or from HUD. Advance payments received for the subsequent year are recorded as unearned revenue.

State financial assistance applicable to the Tenant Services Program is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating and non-operating revenues and expenses (continued)

Management contract fees - The Authority has provided property management and administrative services to certain outside parties providing affordable housing and administrative services to Seniors Housing Development Corporation and Gloucester County Housing Development Corporation. Seniors Housing Development Corporation receives management contract fees from Colonial Park, L.P. related to the provision of housing for persons of low-income. Gloucester County Housing Development Corporation receives management contract fees from Pop Moylan Urban Redevelopment Company, LLC related to the provision of housing for persons of low-income. Certain management fees for these services are determined annually based on formulas prescribed in the individual management contracts, while one management contract provides for a fixed annual management fee. Revenue from these contracts is recognized on an accrual basis.

Tenant charges - Tenant charges consist of rental income and fees for nutrition, housekeeping, and certain other services. Charges are determined and billed monthly and are recognized as revenues when assessed because they are measurable and are collectible within the current period. Amounts not received by year-end are considered to be accounts receivable, and amounts paid for the subsequent fiscal year are recorded as unearned revenue.

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

Use of estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets, liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

New accounting standards adopted

During the year ended December 31, 2014, the Authority adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB). Implementation of these statements had no material impact on the Authority's 2014 financial statements.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards adopted (continued)

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

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

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

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

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

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards adopted (continued)

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

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

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

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

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

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

New accounting standards to be implemented in the future

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

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

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

Statement No. 72, Fair Value Measurement and Application

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

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents

Custodial credit risk related to deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority's formal policy regarding custodial credit risk is the same as described in Note 2 and included in its cash management plan. N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Authority and Component Units in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Authority and Component Units relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2014, the bank balances of \$2,887,115 and \$1,227,664 of the Authority and the Component Units, respectively, were insured or collateralized as follows:

	<u>Authority</u>	<u>Component Units</u>
Insured	\$ 250,000	\$ 250,000
Collateralized under GUDPA	2,637,115	-
Uninsured or uncollateralized	-	977,664
	<u>\$ 2,887,115</u>	<u>\$ 1,227,664</u>

Investments

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All investments are held in the Authority's or applicable component unit's name.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Authority does have investment policies that are governed by HUD and N.J.S.A.40A which limit the risks associated with investing as listed above. See note 2 for detail of these policies.

Concentration of credit risk – Concentration of credit risk is the risk that there is no limit on the amount that may be invested in any one issuer. The Authority's investments are in certificates of deposit and total \$1,454,464 as of December 31, 2014.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 4: RESTRICTED ASSETS

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

The Authority's restricted cash is as follows:

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Family Self-Sufficiency deposits	\$ 111,264	\$ 135,669
Tenant security deposits	51,519	51,483
Housing Assistance Payments	-	434,670
Housing Choice Voucher - other	-	16,853
	<u>\$ 162,783</u>	<u>\$ 638,675</u>

Pop Moylan Urban Redevelopment Company LLC, a subsidiary of Gloucester County Housing Development Corporation, was required to establish a restricted cash account to fund project operations when there is insufficient operating cash available. As of December 31, 2014 and 2013, respectively, the balance of the restricted cash account was \$138,630 and \$138,422 and is included in restricted cash in the component unit column of the financial statements.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 5: NOTES RECEIVABLE

Seniors Housing Development Corporation of Gloucester County has a note receivable from CPLP, secured by a mortgage on the Colonial Park apartment complex. The current outstanding principal balance is \$8,200,222. Interest is payable on the note at the rate of 3.57% calculated on a 365 day year. The note has no specific maturity date. This loan is a nonrecourse loan as to all general partners of CPLP and is due to be repaid in annual principal payments plus accrued interest beginning June 1, 2012 from available cash flow after payment of certain expenses and fees as defined in the Third Amended and Restated Partnership Agreement of CPLP. No payments have been made as of December 31, 2014 or 2013. Interest in the amounts of \$1,126,879 and \$834,131 was accrued as of December 31, 2014 and 2013, respectively.

Gloucester County Housing Development Corporation has two notes receivable, which are valued at cost, from Pop Moylan, a related party described in Note 2. Both notes are non-recourse and collateralized by the building containing an affordable housing project.

Payments on both mortgages are due only to the extent of net cash flow, as defined in the Amended and Restated Operating Agreement between Pop Moylan and PMURC, Inc. The notes provide that, except for the required final payment of principal and accrued interest on January 1, 2028, the failure of Pop Moylan to make any of the scheduled payments of principal or interest will not constitute a default. No payments of principal or interest were received on the scheduled due dates of January 1, 1999 through December 31, 2014.

Second mortgage – GCHDC has a mortgage note receivable with Pop Moylan. This mortgage is subordinated to a first mortgage of Pop Moylan with New Jersey Housing Mortgage Finance Agency (NJHMFA). The mortgage bears interest at the rate of 5.03% on the outstanding principal balance. Annual payments of \$188,664 are due commencing on January 1, 1999 and continuing every January 1 through 2028. As of December 31, 2014 and 2013, outstanding principal was \$2,687,622, and accrued interest was \$2,386,511 and \$2,251,324, respectively.

Third mortgage – GCHDC has a mortgage note receivable with Pop Moylan. This mortgage is subordinated to a first mortgage of Pop Moylan with NJHMFA and the second mortgage with GCHDC described above. The mortgage bears interest at the rate of 5.03% on the outstanding principal balance. Annual payments of \$34,458 are due commencing on January 1, 1999, and continuing every January 1 through 2028. As of December 31, 2014 and 2013, the outstanding principal was \$520,000, and accrued interest was \$468,404 and \$442,248, respectively.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: CAPITAL ASSETS

The Authority's capital assets activity for the years ended December 31, 2014 and 2013 was as follows:

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
Land	\$ 715,200			\$ 715,200
Buildings	22,262,475	\$ 340,218		22,602,693
Furniture and equipment	1,923,460	147,933	\$ 31,495	2,039,898
Construction in progress	313,925	37,661	313,926	37,660
Leasehold improvements	394,152			394,152
	25,609,212	525,812	345,421	25,789,603
Less accumulated depreciation	16,650,417	943,238	31,129	17,562,526
Net capital assets	<u>\$ 8,958,795</u>	<u>\$ (417,426)</u>	<u>\$ 314,292</u>	<u>\$ 8,227,077</u>

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Land	\$ 715,200			\$ 715,200
Buildings	22,090,240	\$ 172,235		22,262,475
Furniture and equipment	1,918,513	19,781	\$ 14,834	1,923,460
Construction in progress	261,249	241,111	188,435	313,925
Leasehold improvements	394,152			394,152
	25,379,354	433,127	203,269	25,609,212
Less accumulated depreciation	15,717,087	944,664	11,334	16,650,417
Net capital assets	<u>\$ 9,662,267</u>	<u>\$ (511,537)</u>	<u>\$ 191,935</u>	<u>\$ 8,958,795</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 6: CAPITAL ASSETS (continued)

Component unit capital assets activity for the years ended December 31, 2014 and 2013 was as follows:

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
Land	\$ 762,448			\$ 762,448
Buildings	63,779			63,779
Furniture and equipment		\$ 2,279		2,279
Construction in progress				
	826,227	2,279		828,506
Less accumulated depreciation	1,329	1,540		2,869
Net capital assets	<u>\$ 824,898</u>	<u>\$ 739</u>		<u>\$ 825,637</u>

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Land	\$ 679,408	\$ 83,040		\$ 762,448
Buildings		63,779		63,779
Furniture and equipment				
Construction in progress				
	679,408	146,819		826,227
Less accumulated depreciation		1,329		1,329
Net capital assets	<u>\$ 679,408</u>	<u>\$ 145,490</u>		<u>\$ 824,898</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 7: PENSION PLANPublic Employees' Retirement System

The Authority contributes to the State of New Jersey Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the New Jersey Division of Pensions and Benefits. PERS provides retirement, death, disability and medical benefits to certain qualified plan members and beneficiaries. PERS was established in January 1955 under the provisions of N.J.S.A 43:15A. Membership in PERS is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The Board of Trustees of PERS is primarily responsible for the administration of PERS.

According to the State of New Jersey administrative code, all obligations of PERS will be assumed by the State of New Jersey should PERS terminate.

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

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

The Authority is billed annually for its normal contribution plus any accrued liability, and also for the annual installment for the accrued liability for early retirement incentive benefits. Public Law 2009, c. 19 (S-21) was enacted on March 17, 2009 and allowed the Division of Pensions and Benefits to provide non-state government pensions system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS obligations. The Authority elected to pay the full amount of the employer normal and accrued liability portion of the PERS obligation. The Authority's total contributions to the plan, equal to the required contribution for each year were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by Authority</u>
2014	\$ 43,069	\$ 189,356	\$ 3,953	\$ 236,378
2013	69,795	166,881	14,086	250,762
2012	78,368	156,736	14,979	250,083

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 8: OTHER POST-RETIREMENT BENEFITSOther Post-Retirement Benefit Plan

Plan Description – With a new benefit plan which commenced May 1, 2013, The Gloucester County Housing Authority provides medical benefits to employees that have completed 25 years of public employment with the Authority and have retired from the Authority through a single-employer defined benefit healthcare plan. This plan includes the provisions of the Authority's previous Medicare Part B Reimbursement Plan. The Authority provides family prescription and medical insurance, a \$5,000 life and accidental death insurance policy, and 100% of the Medicare B premium, if eligible, deducted from the employee's social security check for both the employee and the spouse.

As of December 31, 2014 and 2013, there were 7 and 6 employees who had retired and 3 and 3 retiree spouses, respectively. In accordance with, resolution number 09-67 dated July 22, 2009, this plan was terminated for employees hired after that date.

Funding Policy - The contribution requirement of the Authority is the established policy of the Authority and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. For the years ending December 31, 2014 and 2013, the Authority contributed \$42,624 (which is net of a correction to the liability of \$55,025) and \$99,009 for current premiums and Medicare Part B reimbursements. Plan members are not required to make any contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation - The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The Authority has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers with plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Authority Plan, and changes in the Authority's net OPEB obligation to the Plan:

	CURRENT PLAN		MEDICARE PART B REIMBURSEMENT PLAN	
	<u>2014</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>
Normal Cost	\$ 350,995	\$ 303,033	\$ 13,179	\$ 39,537
Unfunded Actuarial Liability	464,403	423,128	12,548	37,644
Interest on Net OPEB Obligation	-	-	-	-
Adjustment to ARC	-	-	-	-
Annual Required Contribution (Expense)	815,398	726,161	25,727	77,181
Contributions Made	(42,624)	(99,009)	-	(9,890)
Net OPEB Obligation - Beginning of Year	1,002,737	-	349,858	282,567
Transfer from Medicare Part B Plan		375,585		
Net OPEB Obligation - End of Year	<u>\$ 1,775,511</u>	<u>\$ 1,002,737</u>	<u>\$ 375,585</u>	<u>\$ 349,858</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 8: OTHER POST-RETIREMENT BENEFITS (continued)

Other Post-Retirement Benefit Plan (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ended December 31, 2014 and 2013 are as follows:

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
12/31/2014	\$ 815,398	5.2%	\$ 772,774
12/31/2013	\$ 751,888	13.2%	\$ 652,879

Funded Status and Funding Progress - As of December 31, 2013, the most recent actuarial valuation date with an update as of December 31, 2014, the Gloucester County Housing Authority Plan was 0% funded. The actuarial accrued liability for benefits was \$7,495,967, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,495,967. The covered payroll (annual payroll of active employees covered by the plan) was \$2,196,614, and the ratio of the UAAL to the covered payroll was 341.3 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence 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 contributions 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 as required supplementary information following the notes to the financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Gloucester County Housing Authority Plan is funded. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Gloucester County Housing Authority Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 8: OTHER POST-RETIREMENT BENEFITS (continued)

Other Post-Retirement Benefit Plan (continued)

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 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 methods and assumptions were used/made:

Actuarial funding method - Unit credit cost method

Mortality—Life expectancies were based on mortality tables from the 1994 sex distinct Group Annuity Mortality Table.

Discount rate – Future costs are discounted at 5.00% compounded annually

Turnover— Terminations other than for death or retirement will occur in the future in accordance with the U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employees Retirement System.

Disability – No terminations of employment due to disability. Retirees resulting from a disability were factored into the determination of age at retirement.

Retirement age for active employees—Based on the historical average retirement age for the covered group, active plan members were assumed to retire no earlier than age 55, or at the first subsequent year in which the member would qualify for benefits.

Marital status—Marital status of members at the calculation date was assumed to continue throughout retirement.

Health care cost of inflation – A 7% annual rate increase for pre-Medicare benefits and 5% for post-Medicare benefits is assumed.

Administration expenses – Cost to administer the retiree claims are approximately 2% and included in the annual health care costs.

Final average salary – For retirees over age 55, the final average salary is assumed to be \$37,352.

Average claim cost – The average claims cost is \$29,580 for covered retiree family coverage and \$11,820 for single coverage prior to age 65. Over age 65, the average claims cost is \$10,320 per covered retiree family coverage and \$5,160 for single coverage. Retiree health insurance contributions do not apply to employees that have 20 years or more of service in a state or local retirement system as of June 28, 2011 (the effective date of Chapter 78 of P.L. 2011) and meet the eligibility requirements of the employer pursuant to N.J.S.A. 40A:10-23.

The unfunded actuarial accrued liability is being amortized ratably over thirty years. The remaining amortization period at December 31, 2014, was twenty-nine years.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 8: OTHER POST-RETIREMENT BENEFITS (continued)

Medicare Part B Reimbursement Plan

Prior to May 1, 2013, the Authority administered a single-employer defined benefit healthcare benefits plan for its eligible employees. This plan was accounted for in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, on a prospective basis beginning during the year which ended December 31, 2008. The Plan's annual required contribution was \$77,181 starting in 2012, and annual contributions of approximately \$9,890 were made in 2012 resulting in a cumulative net obligation for other post-employment benefits (OPEB) of \$349,858 as of December 31, 2012.

As described above, effective May 1, 2013, the single-employer plan was added to the new plan described above and all current employees and retirees became participants in the new plan described above. The new ARC less contributions was added to the net obligation for OPEB balance carried forward from 2012 to 2013.

State Health Benefits Program

Plan Description - Prior to May 1, 2013, the Authority contributed to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1991, the Authority authorized participation in the SHBP's post-retirement benefit program through resolution number 91-63. Eligibility to participate in the SHBP's post-retirement benefit program begins after 25 years of credited service with the Authority or if the employee retires on disability pensions based on fewer years of services credited in the retirement system. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>

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

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 8: OTHER POST-RETIREMENT BENEFITS (continued)

State Health Benefits Program (continued)

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Authority on a monthly basis. Beginning in 2011, employees were required to contribute to the SHBP. Payments made by plan members or beneficiaries receiving benefits at December 31, 2014, 2013, and 2012 totaled \$0, \$39,128, and \$36,571, respectively.

The Authority contributions to SHBP for post-retirement benefits for the years ended December 31, 2014, 2013, and 2012, were \$0, \$44,286, and \$90,639, respectively, which equaled the required contributions for each year. There were approximately 0, 15, and 15 retired participants eligible at December 31, 2014, 2013, and 2012, respectively.

Note 9: SELF-INSURANCE

Plan Description - The Authority is self-insured for employee healthcare, effective May 1, 2013. The plan administrator is the Insurance Administrator of America, Inc.

Expenses related to the plan are reported when invoices are received from the plan administrator. A liability is also accrued for claims that have been incurred but not reported including the future costs of handling claims. This liability is based on an estimate calculated by the plan administrator and deemed to be reasonable based on payments made in the first few months after year end.

Changes in the total reported liability and benefits obligations for the year ended December 31, 2014 are summarized as follows:

Balance, beginning of year	\$ 35,393
Claims incurred and changes in estimates	1,390,194
Claim payments	(1,319,819)
Balance, end of year	<u>\$ 105,768</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 10: COMPENSATED ABSENCES

Employees earn vacation and sick leave in varying amounts based upon length of service. Earned but unused vacation leave must be taken in the succeeding year. One-half of earned but unused sick leave can be "bought back" at year end or accrued and carried into the succeeding year. Upon termination, employees are paid for accumulated vacation and fifty percent of accumulated sick time earned.

The following summarizes compensated absences at year end:

	December 31,	
	2014	2013
	Compensated Absences	Compensated Absences
Beginning balance	\$ 169,299	\$ 172,993
Increase	247,070	273,481
Decrease	243,804	277,175
Ending balance	172,565	169,299
Current portion	\$ 105,610	\$ 105,812

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 11: COMPONENT UNIT INFORMATION

Summarized financial information for the three component units, Seniors Housing Development Corporation of Gloucester County (SHDC), Gloucester County Housing Development Corporation and subsidiary (GCHDC), and Affordable Housing Alternatives of Gloucester County, Inc. (AHA) as of and for the years ended December 31, 2014 and 2013 is as follows:

Statements of Net Position – December 31, 2014

	SHDC	GCHDC	AHA	Total
ASSETS				
Current assets	\$ 1,549,215	\$ 26,914	\$ 23,966	\$ 1,600,095
Non-current restricted cash and investments		138,630		138,630
Capital assets	426,552	399,085		825,637
Other noncurrent assets	11,511,482	6,260,797		17,772,279
Total assets	<u>\$ 13,487,249</u>	<u>\$ 6,825,426</u>	<u>\$ 23,966</u>	<u>\$ 20,336,641</u>
LIABILITIES AND NET POSITION				
Current liabilities	\$ 35,878	\$ 9,799		\$ 45,677
Non-current liabilities		75,871		75,871
Total liabilities	<u>35,878</u>	<u>85,670</u>		<u>121,548</u>
Net investment in capital assets	426,552	399,085		825,637
Unrestricted	13,024,819	6,340,671	\$ 23,966	19,389,456
Total net position	<u>13,451,371</u>	<u>6,739,756</u>	<u>23,966</u>	<u>20,215,093</u>
	<u>\$ 13,487,249</u>	<u>\$ 6,825,426</u>	<u>\$ 23,966</u>	<u>\$ 20,336,641</u>

Statements of Revenue, Expenses and Changes in Net Position – December 31, 2014

	SHDC	GCHDC	AHA	Total
Operating revenue	\$ 512,501	\$ 214,039		\$ 726,540
Operating expenses	385,388	149,308	\$ 87,420	622,116
Operating income (loss)	127,113	64,731	(87,420)	104,424
Non-operating income (expenses)	1,707	(3,937)	38	(2,192)
Change in net position	128,820	60,794	(87,382)	102,232
Beginning net position	13,322,551	6,678,962	111,348	20,112,861
Ending net position	<u>\$ 13,451,371</u>	<u>\$ 6,739,756</u>	<u>\$ 23,966</u>	<u>\$ 20,215,093</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 11: **COMPONENT UNIT INFORMATION (continued)**

Statements of Net Position – December 31, 2013

	SHDC	GCHDC	AHA	Total
ASSETS				
Current assets	\$ 1,493,729	\$ 145,653	\$ 111,348	\$ 1,750,730
Non-current restricted cash and investments		138,422		138,422
Capital assets	425,813	399,085		824,898
Other noncurrent assets	11,428,858	6,084,509		17,513,367
 Total assets	<u>\$ 13,348,400</u>	<u>\$ 6,767,669</u>	<u>\$ 111,348</u>	<u>\$ 20,227,417</u>
 LIABILITIES AND NET POSITION				
Current liabilities	\$ 25,849	\$ 17,091		\$ 42,940
Non-current liabilities		71,616		71,616
 Total liabilities	<u>25,849</u>	<u>88,707</u>		<u>114,556</u>
 Net investment in capital assets	425,813	399,085		824,898
Unrestricted	12,896,738	6,279,877	\$ 111,348	19,287,963
 Total net position	<u>13,322,551</u>	<u>6,678,962</u>	<u>111,348</u>	<u>20,112,861</u>
	<u>\$ 13,348,400</u>	<u>\$ 6,767,669</u>	<u>\$ 111,348</u>	<u>\$ 20,227,417</u>

Statements of Revenue, Expenses and Changes in Net Position – December 31, 2013

	SHDC	GCHDC	AHA	Total
Operating revenue	\$ 3,162,595	\$ 212,857		\$ 3,375,452
Operating expenses	364,412	83,926	\$ 1,575	449,913
Operating income (loss)	2,798,183	128,931	(1,575)	2,925,539
Non-operating income (expenses)	4,879	(3,339)	41	1,581
Change in net position	2,803,062	125,592	(1,534)	2,927,120
Beginning net position	10,519,489	6,553,370	112,882	17,185,741
Ending net position	<u>\$ 13,322,551</u>	<u>\$ 6,678,962</u>	<u>\$ 111,348</u>	<u>\$ 20,112,861</u>

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 11: COMPONENT UNIT INFORMATION (continued)

Seniors Housing Development Corporation:

SHDC served as developer for the substantial renovation of the Colonial Park Apartments. For the performance of this function, SHDC has earned a development fee of \$3,065,643. Upon signing the Amended and Restated Development Services Agreement dated December 8, 2011, \$400,000 was accrued in 2011. The remaining \$2,665,643 was accrued in 2013 during the remaining construction period and upon issuance of the final certificates of occupancy. During 2013, \$722,891 was received from Colonial Park, L.P., leaving \$2,342,752 in development fee receivable as of December 31, 2014 and 2013. Any amount of the development fee, including deferred development fee, that has not been paid in full will become due on December 31, 2025.

In connection with the renovation activities, SHDC also provided temporary funding to CPLP. \$1,000,000 was repaid in 2012. The remaining balance of \$135,114 was repaid in full in 2013.

SHDC leases the land on which the project is situated to CPLP. The lease is payable at varying amounts scheduled each year in the land lease. The lease amounts are \$60,000 and \$55,000 for 2014 and 2013, respectively. These amounts have been accrued as a receivable in the financial statements, in addition to interest of \$13,800 and \$6,850 for 2014 and 2013, respectively. Cumulative principal and interest at December 31, 2014 and 2013 is \$163,600 and \$89,800, respectively.

Beginning in January 2012, SHDC served as the management company for CPLP. The management and bookkeeping fees are established by the New Jersey Housing and Mortgage Finance Agency (NJHMFA). At December 31, 2014 and 2013, the management fee was \$52.00 and \$53.60 per unit per month, respectively, and the bookkeeping fee was \$6.50 and \$6.35 per unit per month, respectively, and capped at \$1,005 and \$985 per month, respectively. At December 31, 2014 and 2013, SHDC incurred management fees of \$124,842 and \$128,640, respectively, and bookkeeping fees of \$12,060 and \$11,820, respectively to CPLP.

Amounts due from/(to) CPLP totaled \$0 and (\$10,972) at December 31, 2014 and 2013, respectively.

Additionally during the year SHDC received contributions from the Authority totaling \$3,500 relating to software purchased in 2012.

See note 5 for mortgage receivable information. See note 6 for capital asset information.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 11: COMPONENT UNIT INFORMATION (continued)

Gloucester County Housing Development Corporation:

GCHDC manages a rental property owned by Pop Moylan, a related party. The management and bookkeeping fees are established by the New Jersey Housing and Mortgage Finance Agency (NJHMFA). At December 31, 2014 and 2013, the management fee was \$54.37 and \$53.60 per unit per month, respectively, and the bookkeeping fee was \$6.50 and \$6.35 per unit per month, respectively, and capped at \$1,005 and \$985 per month, respectively. Management fees totaling \$52,195 and \$51,456 were accrued for the years ending December 31, 2014 and 2013, respectively. During the years ended December 31, 2014 and 2013, Pop Moylan paid the GCHDC a total of \$22,621 and \$80,970, respectively, of accrued management fees due to sufficient cash flow of Pop Moylan in 2013 as defined by the Operating Agreement. The 2013 payment includes \$57,141 which was scheduled to be paid in 2012 and \$23,829 scheduled to be paid in 2013. As of December 31, 2014 and 2013, \$235,511 and \$205,937 of management fee is receivable and included in due from affiliate on the balance sheet. Bookkeeping fees totaling \$6,240 and \$6,096 were paid to the Authority for the years ending December 31, 2014 and 2013, respectively.

See note 5 for mortgage receivable information. See note 6 for capital asset information.

Affordable Housing Alternatives:

Based on the agreement between AHA and a developer, management of AHA decided to write off a receivable of \$85,870 as it is currently deemed uncollectible.

Note 12: OPERATING LEASE

The Authority leases office facilities from Pop Moylan Urban Redevelopment Company, LLC (a related party described in Note 2) under a 40-year noncancellable lease which requires annual rental payments of \$96,450 to be paid in equal monthly installments for the life of the lease which expires in December 2037. The lease may be renewed for a period of ten years after the expiration of the original term on the same terms as the original agreement.

Note 13: COMMITMENTS

As of December 31, 2014, the Authority had commitments to expend approximately \$271,100 for various capital improvements and related costs for the 2012, 2013, and 2014 Capital Fund Programs.

Note 14: CONTINGENCIES

The Authority and its component units manage risk through the procurement of commercial insurance policies. There have been no significant reductions in insurance coverage during the year ended December 31, 2014. Settled claims have not exceeded commercial coverage in recent years.

Certain claims have been filed against the organizations. In the opinion of management, all matters are adequately covered by insurance or are without merit.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Notes to Financial Statements (continued)

Note 15: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

The following schedule reports receivables and payables at year-end. Receivables and payables within the Authority have been eliminated in the aggregation of financial data in the accompanying financial statements.

Within the Authority

<u>Due to Other Programs</u>	<u>Due from Other Programs</u>	
Revolving Fund	Housing Choice Voucher	\$ 1,014,592
Revolving Fund	Public Housing	426,918
General Management Fund	Revolving Fund	413,201
Colonial Park Management	Revolving Fund	168,113
Revolving Fund	Congregate	113,378
Revolving Fund	HAP Disbursement	67,327
Revolving Fund	Expanded Housing Opportunities	64,752
Revolving Fund	Moderate Rehab 5	23,170
		<u>\$ 2,291,451</u>

Between the Authority and Component Units

<u>Due to (from) Authority</u>	<u>Due to (from) Component Units</u>	
Revolving Fund	SHDC	\$ 167,594
Revolving Fund	GCHDC	(15,437)
		<u>\$ 152,157</u>

The balances above resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 16: SUBSEQUENT EVENTS

In February 2015, Deptford Park Apartments, owned by the Authority, experienced a flood caused by a frozen pipe which burst. 47 tenants were displaced as a result. As of the date of the financial statements, the remediation is in progress. The claim to the insurance company is approximately \$2,400,000. However, the most reasonable estimate of the loss at final settlement may approximate \$3,000,000.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY
Required Supplementary Information – Schedule of Funding Progress
For the year ended December 31, 2014

OTHER POST-RETIREMENT BENEFIT PLAN

The schedules of funding progress below show the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the un-funded actuarial accrued liability (UAAL) to payroll for the Housing Authority of Gloucester County's other post-retirement benefit plan.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2013	\$ -	\$ 7,032,777	\$ 7,032,777	\$ -	\$ 2,196,614	320.2%
12/31/2014	-	7,495,967	7,495,967	-	2,196,614	341.3%

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

SUPPLEMENTARY INFORMATION

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

DECEMBER 31, 2014

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Central Office and Project Balance Sheet
Year Ended December 31, 2014

Line Item No.	Description	COCC Total	Total Projects	NJ204000001	NJ204000003	NJ204000004
111	Cash-unrestricted	365,321	47,512	17,332	24,674	5,506
112	Cash-restricted-modernization and development	-	-	-	-	-
113	Cash-other restricted	-	-	-	-	-
114	Cash-tenant security deposits	-	42,362	28,998	7,033	6,331
115	Cash - Restricted for payment of current liability	-	-	-	-	-
100	Total Cash	365,321	89,874	46,330	31,707	11,837
121	Accounts receivable - PHA projects	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-
124	Account receivable - other government	-	-	-	-	-
125	Account receivable - miscellaneous	-	13,004	-	12,464	540
126	Accounts receivable - tenants	-	46,571	24,445	12,515	9,611
126.1	Allowance for doubtful accounts - tenants	-	(19,500)	(8,600)	(6,500)	(4,400)
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	-	-	-	-	-
120	Total receivables, net of allowance for doubtful accounts	-	40,075	15,845	18,479	5,751
131	Investments - unrestricted	1,296	887,929	331,166	455,197	101,566
132	Investments - restricted	-	-	-	-	-
135	Investments - Restricted for payment of current liability	-	-	-	-	-
142	Prepaid expenses and other assets	5,115	18,761	10,570	3,939	4,252
143	Inventories	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-
144	Inter program - due from	-	80,025	50,482	1,915	27,628
145	Assets held for sale	-	-	-	-	-
150	Total Current Assets	371,732	1,116,664	454,393	511,237	151,034
161	Land	-	439,000	274,000	25,000	140,000
162	Buildings	-	21,703,574	7,913,028	7,917,100	5,873,446
163	Furniture, equipment and machinery - dwellings	-	474,467	50,879	156,639	266,949
164	Furniture, equipment and machinery - administration	415,270	560,041	67,352	324,093	168,596
165	Leasehold improvements	171,773	-	-	-	-
166	Accumulated depreciation	(486,127)	(15,919,450)	(6,178,097)	(5,467,071)	(4,274,282)
167	Construction in progress	-	37,660	33,825	3,835	-
168	Infrastructure	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	100,916	7,295,292	2,160,987	2,959,596	2,174,709
171	Notes, Loans, & mortgages receivable – Non-current	-	-	-	-	-
172	Notes, Loans, & mortgages receivable – Non-current - past due	-	-	-	-	-
173	Grants receivable – Non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-
180	Total Non-current Assets	100,916	7,295,292	2,160,987	2,959,596	2,174,709
190	Total Assets	472,648	8,411,956	2,615,380	3,470,833	2,325,743
311	Bank overdraft	-	-	-	-	-
312	Accounts payable <= 90 days	51,151	-	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-
322	Accrued compensated absences - current portion	6,385	20,945	8,671	3,737	8,537
324	Accrued contingency liability	5,716	18,939	6,776	5,557	6,606
325	Accrued interest payable	-	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-	-
332	Accounts payable - PHA Projects	-	-	-	-	-
333	Accounts payable - other government	-	54,623	27,568	11,911	15,144
341	Tenant security deposits	-	42,362	28,998	7,033	6,331
342	Unearned revenue	-	5,021	460	2,203	2,358
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	-	-	-
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY
 Financial Data Schedule
 Central Office and Project Balance Sheet
 Year Ended December 31, 2014

Line Item No.	Description	COCC Total	Total Projects	NJ204000001	NJ204000003	NJ204000004
345	Other current liabilities	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-
347	Inter program - due to	469,940	-	-	-	-
348	Loan liability - current	-	-	-	-	-
310	Total Current Liabilities	533,192	141,890	72,473	30,441	38,976
351	Capital Projects/ Mortgage Revenue Bonds	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities - other	-	30,326	30,326	-	-
354	Accrued compensated absences- Non-current	4,048	13,278	5,497	2,369	5,412
355	Loan liability - Non-current	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-
357	Accrued Pension and OPEB Liability	-	-	-	-	-
350	Total Non-Current Liabilities	4,048	43,604	35,823	2,369	5,412
300	Total Liabilities	537,240	185,494	108,296	32,810	44,388
508.4	Net investment in capital assets	100,916	7,295,292	2,160,987	2,959,596	2,174,709
511.4	Restricted Net Position	-	-	-	-	-
512.4	Unrestricted Net Position	(165,508)	931,170	346,097	478,427	106,646
513	Total Equity/Net Position	(64,592)	8,226,462	2,507,084	3,438,023	2,281,355
600	Total Liabilities and Equity/Net position	472,648	8,411,956	2,615,380	3,470,833	2,325,743

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Central Office and Project Income Statement
Year Ended December 31, 2014

Line Item No.	Description	COCC Total	Operations	Capital Fund	Total Projects	NJ2040000001	Operating Fund Program	Capital Fund Program	NJ2040000003	Operating Fund Program	Capital Fund Program	NJ2040000004	Operating Fund Program	Capital Fund Program
70300	Net tenant rental revenue	-	-	-	850,357	291,500	291,500	-	263,236	263,236	-	296,021	296,021	-
70400	Tenant revenue - other	-	-	-	4,374	3,152	3,152	-	754	754	-	468	468	-
70500	Total Tenant Revenue	-	-	-	855,131	294,652	294,652	-	263,990	263,990	-	296,489	296,489	-
70600	HUD PHA operating grants	-	-	-	866,178	219,980	206,547	13,633	323,781	301,349	21,832	322,417	300,585	21,832
70610	Capital grants	-	-	-	178,472	49,913	-	49,913	68,947	-	68,947	59,612	-	59,612
70710	Management Fee	166,430	133,903	32,527.00	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	31,440	31,440	-	-	-	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	23,123	23,123	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	220,993	188,466	32,527	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	512	512	-	2,362	855	855	-	1,131	1,131	-	376	376	-
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	62,542	65	65	55,908	55,908	55,908	-	6,569	6,569	-
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	221,505	188,978	32,527	1,964,685	565,465	501,919	63,546	713,757	632,778	90,779	685,463	604,019	81,444
91100	Administrative salaries	132,615	132,615	-	125,236	78,136	78,136	-	23,550	23,550	-	23,550	23,550	-
91200	Auditing fees	850	850	-	11,200	3,000	3,000	-	4,100	4,100	-	4,100	4,100	-
91300	Management Fee	-	-	-	166,430	44,348	36,851	7,697	90,495	78,080	12,415	31,387	18,972	12,415
91310	Bookkeeping Fee	-	-	-	23,123	5,565	5,565	-	8,700	8,700	-	8,858	8,858	-
91400	Advertising and Marketing	-	-	-	548	78	78	-	235	235	-	235	235	-
91500	Employee benefit contributions - administrative	184,295	184,295	-	150,712	93,757	93,757	-	28,517	28,517	-	28,438	28,438	-
91600	Office Expenses	28,425	28,425	-	17,753	1,040	1,040	-	8,512	8,512	-	8,201	8,201	-
91700	Legal Expenses	-	-	-	9,283	3,389	3,389	-	3,457	3,457	-	2,437	2,437	-
91800	Travel	1,721	1,721	-	5,304	4,682	4,682	-	534	534	-	88	88	-
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	589	589	-	29,292	6,996	1,060	5,936	9,906	489	9,417	12,390	2,973	9,417
91000	Total Operating-Administrative	348,495	348,495	-	538,881	241,191	227,558	13,633	178,006	156,174	21,832	119,684	97,852	21,832
92000	Asset Management Fee	-	-	-	31,440	7,440	7,440	-	12,000	12,000	-	12,000	12,000	-
92100	Tenant services - salaries	-	-	-	36,508	-	-	-	18,790	18,790	-	18,118	18,118	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	44,632	-	-	-	22,754	22,754	-	21,878	21,878	-
92400	Tenant services - other	-	-	-	3,347	-	-	-	1,847	1,847	-	1,700	1,700	-
92500	Total Tenant Services	-	-	-	85,087	-	-	-	43,391	43,391	-	41,696	41,696	-
93100	Water	-	-	-	59,004	22,825	22,825	-	20,458	20,458	-	15,721	15,721	-
93200	Electricity	-	-	-	85,498	-	-	-	41,201	41,201	-	44,297	44,297	-
93300	Gas	-	-	-	84,223	-	-	-	38,062	38,062	-	46,161	46,161	-
93400	Fuel	-	-	-	758	-	-	-	758	758	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	107,276	25,232	25,232	-	43,644	43,644	-	38,400	38,400	-
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-
93000	Total Utilities	-	-	-	336,759	48,057	48,057	-	144,123	144,123	-	144,579	144,579	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Central Office and Project Income Statement
Year Ended December 31, 2014

Line Item No.	Description	COCC Total	Operations	Capital Fund	Total Projects	Operating Fund Program	Capital Fund Program	NJ2040000003	Operating Fund Program	Capital Fund Program	NJ2040000004	Operating Fund Program	Capital Fund Program
94100	Ordinary maintenance and operations - labor	-	-	-	208,842	61,148	-	65,006	65,006	-	82,688	82,688	-
94200	Ordinary maintenance and operations - materials and other	687	687	-	29,877	11,255	-	7,841	7,841	-	10,781	10,781	-
94300	Ordinary Maintenance and Operations Contracts	926	926	-	90,818	14,774	-	35,311	35,311	-	40,733	40,733	-
94500	Employee benefit contribution - ordinary maintenance	-	-	-	252,869	73,373	-	78,718	78,718	-	100,778	100,778	-
94900	Total Maintenance	1,613	1,613	-	582,406	160,550	-	186,876	186,876	-	234,980	234,980	-
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services - other contract costs	-	-	-	146,697	-	-	73,301	73,301	-	73,396	73,396	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-
95900	Total Protective Services	-	-	-	146,697	-	-	73,301	73,301	-	73,396	73,396	-
96110	Property Insurance	-	-	-	64,368	43,859	-	10,182	10,182	-	10,327	10,327	-
96120	Liability Insurance	5,500	5,500	-	4,386	1,160	-	1,613	1,613	-	1,613	1,613	-
96130	Workman's Compensation	9,503	9,503	-	31,149	11,545	-	9,526	9,526	-	10,078	10,078	-
96140	All other Insurance	1,723	1,723	-	1,229	1,229	-	-	-	-	-	-	-
96100	Total Insurance Premiums	16,726	16,726	-	101,132	57,793	-	21,321	21,321	-	22,018	22,018	-
96200	Other general expenses	331	331	-	50	50	-	-	-	-	-	-	-
96210	Compensated absences	3,062	3,062	-	5,380	1,452	-	889	889	-	3,039	3,039	-
96300	Payments in lieu of taxes	-	-	-	54,623	27,568	-	11,911	11,911	-	15,144	15,144	-
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Other General Expenses	3,393	3,393	-	60,053	29,070	-	12,800	12,800	-	18,183	18,183	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	370,227	370,227	-	1,882,155	544,101	13,633	671,818	649,586	21,832	666,536	644,704	21,832
97000	Excess Revenue Over Operating Expenses	(148,722)	(181,249)	32,527	83,230	21,364	49,913	41,939	(27,008)	68,947	18,927	(40,685)	59,612
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses- Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	4,294	4,294	-	851,597	328,628	-	290,305	290,305	-	232,664	232,664	-
97500	Fund losses	-	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-
99000	Total Expenses	374,521	374,521	-	2,734,052	872,729	13,633	962,123	940,591	21,832	899,200	877,368	21,832
10010	Operating transfer in	-	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfer out	-	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from / to primary government	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from / to component unit	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between Programs and Projects - in	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between Programs and Projects - out	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Central Office and Project Income Statement
Year Ended December 31, 2014

Line Item No.	Description	COCC Total	Operations	Capital Fund	Total Projects	NJ204000001	Operating Fund Program	Capital Fund Program	NJ204000003	Operating Fund Program	Capital Fund Program	NJ204000004	Operating Fund Program	Capital Fund Program
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(153,016)	(185,543)	32,527	(769,367)	(307,264)	(357,177)	49,913	(248,366)	(317,313)	68,947	(213,737)	(273,349)	59,612
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning equity	88,424	88,424	-	8,995,829	2,814,348	2,814,348	-	3,686,389	3,686,389	-	2,495,092	2,495,092	-
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	-	-	49,913	(49,913)	-	68,947	(68,947)	-	59,612	(59,612)
11190	Unit Months Available	-	-	-	31,20	744	744	-	1,188	1,188	-	1,188	1,188	-
11210	Unit Months Leased	-	-	-	3,084	742	742	-	1,161	1,161	-	1,181	1,181	-
11270	Excess Cash	-	-	-	805,918	327,145	327,145	-	422,692	422,692	-	54,081	54,081	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	53,522	33,825	33,825	-	19,697	19,697	-	-	-	-
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	113,132	2,401	2,401	-	50,693	50,693	-	60,038	60,038	-
11640	Furniture & Equipment-Administrative Purchases	-	-	-	16,088	16,088	16,088	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Program Financials
Year Ended December 31, 2014

Line Item No.	Description	Total Programs	1 Business Activities	2 State/Local	6 Component Units	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.856 Section 8 Moderate Rehabilitation NJ204MR0005
	Balance Sheet							
111	Cash-unrestricted	3,326,931	2,078,540	8,861	1,088,674	-	103,610	47,246
112	Cash-restricted-modernization and development	-	-	-	-	-	-	-
113	Cash-other restricted	249,894	111,264	-	138,630	-	-	-
114	Cash-tenant security deposits	9,157	9,157	-	-	-	-	-
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-
100	Total Cash	3,585,982	2,198,961	8,861	1,227,304	-	103,610	47,246
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	29,074	-	-	-	6,554	22,520	-
124	Account receivable - other government	128,714	34,002	94,712	-	-	-	-
125	Account receivable - miscellaneous	573,624	122,022	-	445,091	125	6,386	-
126	Accounts receivable - tenants	10,426	6,730	3,696	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(3,400)	(2,400)	(1,000)	-	-	-	-
126.2	Allowance for doubtful accounts - other	(85,870)	-	-	(85,870)	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowance for doubtful accounts	652,568	160,354	97,408	359,221	6,679	28,906	-
131	Investments - unrestricted	565,239	565,239	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
135	Investments - Restricted for payment of current liability	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	47,351	13,683	1,805	42	-	31,521	300
143	Inventories	4,856	4,856	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Inter program - due from	1,482,231	1,314,637	-	167,594	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-
150	Total Current Assets	6,338,227	4,257,730	108,074	1,754,161	6,679	164,037	47,546
161	Land	1,038,648	276,200	-	762,448	-	-	-
162	Buildings	962,929	899,150	-	63,779	-	-	-
163	Furniture, equipment and machinery - dwellings	7,940	5,661	-	2,279	-	-	-
164	Furniture, equipment and machinery - administration	584,459	337,320	15,939	-	-	231,200	-
165	Leasehold improvements	222,379	222,379	-	-	-	-	-
166	Accumulated depreciation	(1,159,848)	(926,011)	(759)	(2,869)	-	(230,209)	-
167	Construction in progress	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	1,656,507	814,699	15,180	825,637	-	991	-
171	Notes, Loans, & mortgages receivable - Non-current	15,587,898	-	-	15,587,898	-	-	-
172	Notes, Loans, & mortgages receivable - Non-current - past due	-	-	-	-	-	-	-
173	Grants receivable - Non-current	-	-	-	-	-	-	-
174	Other assets	2,184,381	-	-	2,184,381	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-
180	Total Non-current Assets	19,428,786	814,699	15,180	18,597,916	-	991	-
190	Total Assets	25,767,013	5,072,429	123,254	20,352,077	6,679	165,028	47,546
311	Bank overdraft	-	-	-	-	-	-	-
312	Accounts payable <= 90 days	24,492	16,755	1,491	6,246	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	98,688	98,688	-	-	-	-	-
322	Accrued compensated absences - current portion	78,280	46,517	-	-	-	31,763	-
324	Accrued contingency liability	52,565	7,237	4,090	10,881	-	29,953	404
325	Accrued interest payable	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA Programs	9,442	-	-	-	-	691	8,751
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-
333	Accounts payable - other government	15,574	15,574	-	-	-	-	-
341	Tenant security deposits	9,157	9,157	-	-	-	-	-
342	Unearned revenue	16,378	14,956	1,422	-	-	-	-
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	-	-	-	-	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Program Financials
Year Ended December 31, 2014

Line Item No.	Description	Total Programs	1 Business Activities	2 State/Local	6 Component Units	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.856 Section 8 Moderate Rehabilitation NJ204MR0005
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-
345	Other current liabilities	74,052	736	-	127	-	71,743	1,446
346	Accrued liabilities - other	64,020	35,600	-	28,420	-	-	-
347	Inter program - due to	1,092,318	-	113,378	15,438	6,678	933,654	23,170
348	Loan liability - current	-	-	-	-	-	-	-
310	Total Current Liabilities	1,534,966	245,220	120,381	61,112	6,678	1,067,804	33,771
351	Capital Projects/ Mortgage Revenue Bonds	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities - other	156,809	-	-	75,871	-	80,938	-
354	Accrued compensated absences- Non-current	49,629	29,491	-	-	-	20,138	-
355	Loan liability - Non-current	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liability	1,775,511	1,775,511	-	-	-	-	-
350	Total Non-current liabilities	1,981,949	1,805,002	-	75,871	-	101,076	-
300	Total Liabilities	3,516,915	2,050,222	120,381	136,983	6,678	1,168,880	33,771
508.4	Net investment in capital assets	1,656,508	814,699	15,180	825,638	-	991	-
511.4	Restricted Net Position	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	20,593,590	2,207,508	(12,307)	19,389,456	1	(1,004,843)	13,775
513	Total Equity/Net Position	22,250,098	3,022,207	2,873	20,215,094	1	(1,003,852)	13,775
600	Total Liabilities and Equity/Net position	25,767,013	5,072,429	123,254	20,352,077	6,679	165,028	47,546
Income Statement								
70300	Net tenant rental revenue	118,607	118,607	-	-	-	-	-
70400	Tenant revenue - other	73,328	668	72,660	-	-	-	-
70500	Total Tenant Revenue	191,935	119,275	72,660	-	-	-	-
70600	HUD PHA operating grants	15,275,553	-	-	-	73,671	15,081,717	120,165
70610	Capital grants	-	-	-	-	-	-	-
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	307,846	86,411	212,910	-	-	8,525	-
71100	Investment income - unrestricted	9,066	6,160	40	2,139	-	670	57
71200	Mortgage interest income	467,891	-	-	467,891	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-
71400	Fraud recovery	20,073	-	-	-	-	20,073	-
71500	Other revenue	840,777	582,128	-	258,649	-	-	-
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	Total Revenue	17,113,141	793,974	285,610	728,679	73,671	15,110,985	120,222
91100	Administrative salaries	1,042,197	306,358	20,000	-	-	706,981	8,858
91200	Auditing fees	51,970	1,600	600	28,420	-	20,000	1,350
91300	Management Fee	-	-	-	-	-	-	-
91310	Bookkeeping Fee	-	-	-	-	-	-	-
91400	Advertising and Marketing	844	748	-	-	-	96	-
91500	Employee benefit contributions - administrative	1,234,608	342,696	5,000	-	-	876,034	10,878
91600	Office Expenses	216,401	88,851	1,129	-	307	125,214	900
91700	Legal Expense	42,199	33,002	-	5,195	-	4,002	-
91800	Travel	39,385	15,025	6,761	-	290	17,309	-
91810	Allocated Overhead	-	-	-	-	-	-	-
91900	Other	486,078	3,379	581	477,281	-	4,833	4
91000	Total Operating-Administrative	3,113,682	791,659	34,071	510,896	597	1,754,469	21,990
92000	Asset Management Fee	-	-	-	-	-	-	-
92100	Tenant services - salaries	110,367	-	75,852	-	34,515	-	-
92200	Relocation Costs	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	147,413	-	109,472	-	37,941	-	-
92400	Tenant services - other	53,140	-	52,523	-	617	-	-
92500	Total Tenant Services	310,920	-	237,847	-	73,073	-	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Program Financials
Year Ended December 31, 2014

Line Item No.	Description	Total Programs	1 Business Activities	2 State/Local	6 Component Units	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.856 Section 8 Moderate Rehabilitation NJ204MR0005
93100	Water	4,941	4,806	-	135	-	-	-
93200	Electricity	(106)	(106)	-	-	-	-	-
93300	Gas	-	-	-	-	-	-	-
93400	Fuel	1,516	1,212	-	304	-	-	-
93500	Labor	-	-	-	-	-	-	-
93600	Sewer	8,034	7,476	-	558	-	-	-
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-
93000	Total Utilities	14,385	13,388	-	997	-	-	-
94100	Ordinary maintenance and operations - labor	7,137	7,137	-	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	4,002	2,353	-	1,649	-	-	-
94300	Ordinary Maintenance and Operations Contracts	5,757	5,607	-	150	-	-	-
94500	Employee benefit contribution - ordinary maintenance	8,573	8,573	-	-	-	-	-
94000	Total Maintenance	25,469	23,670	-	1,799	-	-	-
95100	Protective services - labor	-	-	-	-	-	-	-
95200	Protective services - other contract costs	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-
96110	Property Insurance	12,073	10,713	-	1,360	-	-	-
96120	Liability Insurance	54,960	10,992	-	-	-	43,646	322
96130	Workmen's Compensation	79,774	5,356	5,718	16,598	-	51,512	590
96140	All Other Insurance	10,900	3,020	2,217	-	-	5,663	-
96100	Total Insurance Premiums	157,707	30,081	7,935	17,958	-	100,821	912
96200	Other general expenses	37,232	4,553	-	3,550	-	29,109	20
96210	Compensated absences	74	74	-	-	-	-	-
96300	Payments in lieu of taxes	13,370	9,534	-	3,836	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	85,870	-	-	85,870	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
96000	Total Other General Expenses	136,546	14,161	-	93,256	-	29,109	20
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-
96900	Total Operating Expenses	3,758,709	872,959	279,853	624,906	73,670	1,884,399	22,922
97000	Excess Revenue Over Operating Expenses	13,354,432	(78,985)	5,757	103,773	1	13,226,586	97,300
97100	Extraordinary maintenance	-	-	-	-	-	-	-
97200	Casualty losses- Non-capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	14,390,112	78,555	-	-	-	14,207,176	104,381
97350	HAP Portability-in	-	-	-	-	-	-	-
97400	Depreciation expense	89,253	82,988	759	1,540	-	3,966	-
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	Total Expenses	18,238,074	1,034,502	280,612	626,446	73,670	16,095,541	127,303
10010	Operating transfer in	-	-	-	-	-	-	-
10020	Operating transfer out	-	-	-	-	-	-	-
10030	Operating transfers from / to primary government	-	-	-	-	-	-	-
10040	Operating transfers from / to component unit	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-
10093	Transfers between Programs and Projects - in	-	-	-	-	-	-	-
10094	Transfers between Programs and Projects - out	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Financial Data Schedule
Program Financials
Year Ended December 31, 2014

			1	2	6	14.870	14.871	14.856
Line Item No.	Description	Total Programs	Business Activities	State/Local	Component Units	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Section 8 Moderate Rehabilitation NJ204MR0005
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(1,124,933)	(240,528)	4,998	102,233	1	(984,556)	(7,081)
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-
11030	Beginning equity	23,375,031	3,262,735	(2,125)	20,112,861	-	(19,296)	20,856
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	-	-	-	-
11190	Unit Months Available	23,472	156	-	-	-	23,136	180
11210	Unit Months Leased	21,923	147	-	-	-	21,609	167

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

PART II - SINGLE AUDIT SECTION

DECEMBER 31, 2014

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

Board of Commissioners
Housing Authority of Gloucester
County, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Housing Authority of Gloucester County's with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Authority's discretely presented component units are not subject to Single Audit requirements and are not covered by this report.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Housing Authority of Gloucester County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Gloucester County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

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

Woodbury, New Jersey
August 12, 2015

32900

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development Direct Programs		
Section 8 Housing Choice Vouchers	14.871	\$ 15,081,717
Public and Indian Housing	14.850a	808,881
Public Housing - Capital Fund Program	14.872	235,769
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	120,165
Resident Opportunity and Supportive Services (ROSS) - Service Coordinators	14.870	73,671
Pass Through the County of Gloucester		
Home Investment Partnerships Program	14.239	<u>86,410</u>
Total expenditures of federal awards		<u>\$ 16,406,613</u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF GLOUCESTER COUNTY, NEW JERSEY

PART III – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DECEMBER 31, 2014

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

Section 1 – Summary of Auditor's Results

Financial Statement Section

- | | |
|----------------------------------------------------|------------|
| A. Type of auditors' report issued: | Unmodified |
| B. Internal control over financial reporting: | |
| 1. Material weaknesses | None noted |
| 2. Other significant control deficiencies | None noted |
| C. Noncompliance material to financial statements: | None noted |

Federal Awards Section

- | | |
|----------------------------------------------------------------------------------------------------|------------|
| D. Dollar threshold used to determine Type A programs: | \$ 492,198 |
| E. Auditee qualifies as low-risk auditee? | Yes |
| F. Type of auditors' report on compliance for major programs: | Unmodified |
| G. Internal control over compliance: | |
| 1. Material weaknesses | None noted |
| 2. Other significant control deficiencies | None noted |
| H. Audit findings required to be reported in accordance with OMB Circular A-133 (Section .510(a)): | No |
| I. Identification of major federal programs: | |

CFDA Numbers

Name of Federal Program

14.850a

Public and Indian Housing Program

14.871

Section 8 Housing Choice Voucher Program

HOUSING AUTHORITY OF GLOUCESTER COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

No Current Year Findings.

APPRECIATION

We express our appreciation for the courtesies extended and assistance rendered to us during the course of this audit.

Respectfully submitted,

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