

**BROWN & COMPANY****CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC****Brown & Company CPAs and
Management Consultants, PLLC**

Firm Name:

Engagement:

For Quarter Ending:

EQ2014-009-P1-HMFA**9/30/16**

Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
A.	General Info		
1.	Recipient of funding	NJ Housing Mortgage and Finance Agency (NJHMFA)	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	HUD	
3.	State Funding (if applicable)	Not applicable	
4.	Award Type	HUD Community Development Block Grant (CDGB) - Disaster Recovery	
5.	Award Amount	\$103,101,114	
6.	Contract/Program Person/Title	Director, NJHMFA Division of Credit & Business Development	

No.	Recipient Data Elements	Response	Comments
7.	Brief Description, Purpose and Rationale of Project/Program	The Department of Treasury (Treasury), on behalf of the New Jersey Housing and Mortgage Finance Agency (NJHMFA) engaged Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) pursuant to the “Prequalification Pools: Auditing and Other Related Services in Support of Disaster Recovery” contract (T2939) from prequalified contractors. The State retained the services of Brown & Company to provide a Program and Process Management Auditor to NJHMFA to audit the Fund for Restoration of Multi-Family Rental Housing (FRM) and associated contracts and the Sandy Special Needs Housing Fund (SSNHF) programs, for the purpose of minimizing risk and preventing or rectifying duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance and mismanagement of funds. The NJHMFA FRM program assists in the creation of rental projects in the nine most impacted New Jersey counties and provides the funding for forgivable subordinated mortgages. Those counties have been identified as Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union. The program awards subsidies in the form of loans to both not-for-profit and for-profit developers; owners capable of managing large multifamily housing developments; and low- and moderate-income households. As of this report, NJHMFA has approved 16 loan contracts (Attachment A).	
8.	Contract/Program Location	Various counties in New Jersey	
9.	Amount Expended to Date	\$88,594,813	
10.	Amount Provided to other State or Local Entities	Not applicable	
11.	Completion Status of Contract or Program	85.9 % of funds have been expended	
12.	Expected Contract End Date/Time Period	Funds should be expended by December 31, 2017.	

No.	Recipient Data Elements	Response	Comments
B.	Monitoring Activities		
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Not applicable	
14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	No site visits. Brown & Company received information from NJHMFA. We received an update on the contracts from NJHMFA. Brown & Company reviewed the status of funds for the 16 contracts. (See Attachment A).	
15.	Brief Description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.	Brown & Company's integrity oversight monitoring activity for the quarter (July 1, 2016 – September 30, 2016) focused on Tasks D and Task E. Brown & Company reviewed the status of funds for the sixteen contracts. We reviewed the status of the contracts with NJHMFA.	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	Under Task D, Integrity Oversight Monitoring, Brown & Company tracked, tested, and reviewed contractor invoices submitted to NJHMFA. We reviewed updated schedules that reported activities for Booker T Washington Apts. and Keyport Legion Apts.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	Yes, payment requisitions were reviewed in previous quarters. There were no payment requisitions reviewed for the current quarter July 2016 thru September 2016, because there were very little expenditures during this period.	

No.	Recipient Data Elements	Response	Comments
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	The first essential step in preventing and detecting waste, fraud, and abuse in government programs is to review and evaluate the comprehensiveness and effectiveness of existing policies, procedures, and controls in place to manage and mitigate the risks inherent in government loan programs. Brown & Company's monitoring activities this quarter included reviewing updated FRM-PHA report	
19.	Provide details of any integrity issues/findings	There are no findings or integrity issues to report.	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	None	
21.	Provide details on any other items of note that have occurred in the past quarter	None	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	Not applicable	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See Attachment B	
24	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	None	

Name of Integrity Monitor: Brown & Company CPAs and Management Consultants, PLLC

Name of Report Preparer: Gail Jenifer, CPA

Signature: 

Date: January 3, 2017

ATTACHMENT A – APPROVED LOAN CONTRACTS VALUED AT \$5 MILLION OR MORE

The 16 loan contracts listed in the table below make up Brown & Company’s Task C Scope of Work.

	<u>FRM-PHA</u>			<u>CDBG-DR Funding</u>	
HMFA ID #	Project Name	Total Units	Type	FRM	FRM Expended to Date
	CLOSED				
00369	Keyport Legion Apts.	209	Rehab	\$4,567,315	\$ 1,033,599.87
02927	Booker T. Washington Apts	319	Rehab	\$8,253,624	\$4,084,961
	PHA CLOSED SUBTOTAL	528		\$12,820,939	\$5,118,561
<u>FRM Tranche 1</u>				<u>CDBG-DR Funding</u>	
	CONSTRUCTION COMPLETE-TRANCHE 1				
02704	Conifer Village at Rittenberg / Rittenberg Manor	100	New	\$5,412,163	\$5,412,163
02861	Egg Harbor Hotel Conversion / Atrium Apartments at Egg Harbor	84	Rehab	\$5,549,899	\$5,549,899
02859	Carolina Crescent and Connecticut Crescent	89	New	\$5,145,721	\$5,145,721
02683	The Beachview Residence	58	New	\$5,642,518	\$5,642,518
02772	The Meadows (Atlantic City HOPE VI)	90	New	\$5,783,923	\$5,783,923
02869	Westmont Station	104	New	\$5,477,486	\$5,477,486
02837	Meadow Lark Run	80	New	\$5,086,261	\$5,086,261
02508	Green Heron Pointe	80	New	\$5,102,748	\$5,102,748
02844	Heritage Village at Bloomfield	82	New	\$5,310,554	\$5,310,554
02599	Willows at Waretown	76	New	\$9,097,970	\$9,097,970
02878	The Residences at Willow Pond Village (formerly Delaney Homes)	70	New	\$5,840,000	\$5,840,000
02885	Franklin Manor	86	New	\$10,118,157	\$7,174,139
02853	Catherine Todd Senior Living Center	68	Rehab	\$5,692,775	\$5,692,775
	FRM COMPLETE SUBTOTAL	1,067		\$79,260,175	\$76,316,157

	CLOSED- TRANCHE 1				
02874	Heritage Village at Oakhurst	93	New	\$11,020,000	\$7,160,095
	FRM CLOSED SUBTOTAL	93		\$11,020,000	\$7,160,095
	Total			\$103,101,114	\$88,594,813

ATTACHMENT B – Level of Effort and Expenses

Quarter ending September 30, 2016.

Hours Incurred For Quarterly Activities

Member	10.0
Manager	0
Supervisor	0
Seniors (3)	<u>3.0</u>
Total Hours	<u>13.0</u>

Expenses Incurred For Quarterly Activities

Travel	\$ 0
Other Direct Costs	\$ 0