

**New Jersey State Legislature  
Office of Legislative Services  
Office of the State Auditor**

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**State of New Jersey  
Department of Community Affairs  
Section 8 Housing Program  
Financial Data Schedules**

For The Year Ended June 30, 2016

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**Stephen M. Eells  
State Auditor**

LEGISLATIVE SERVICES COMMISSION

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DAVID P. RIBLE



*New Jersey State Legislature*

OFFICE OF LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR  
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STEPHEN M. EELLS  
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JOHN J. TERMYNA  
*Assistant State Auditor*

The Honorable Chris Christie  
Governor of New Jersey

The Honorable Stephen M. Sweeney  
President of the Senate

The Honorable Vincent Prieto  
Speaker of the General Assembly

Ms. Peri A. Horowitz  
Executive Director  
Office of Legislative Services

Enclosed is our report on the audit of the State of New Jersey, Department of Community Affairs, Section 8 Housing Program, Financial Data Schedules for the year ended June 30, 2016. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink that reads "Stephen M. Eells". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Stephen M. Eells  
State Auditor  
June 9, 2017

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
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**For the Year Ended June 30, 2016**

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### INDEPENDENT AUDITOR'S REPORT ON FINANCIAL DATA SCHEDULES

The Honorable Chris Christie  
Governor of New Jersey

The Honorable Stephen M. Sweeney  
President of the Senate

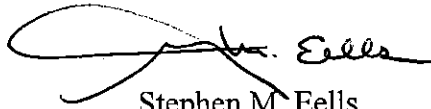
The Honorable Vincent Prieto  
Speaker of the General Assembly

Ms. Peri A. Horowitz  
Executive Director  
Office of Legislative Services

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of New Jersey, as of and for the year ended June 30, 2016, which collectively comprise the state's basic financial statements, and have issued our report thereon dated March 15, 2017, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the state's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to March 15, 2017.

The accompanying Financial Data Schedules for the State of New Jersey, Department of Community Affairs, Section 8 Housing Programs, are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. Such information is the responsibility of the Department of Community Affairs' management and was derived from and relates directly to the

underlying accounting and other records used to prepare the financial statements. The 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. We did not audit the schedules for completeness. In our opinion, the amounts included on the Financial Data Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink, appearing to read "Stephen M. Eells". The signature is fluid and cursive, with a large loop at the beginning and a long tail extending to the right.

Stephen M. Eells  
State Auditor  
June 9, 2017

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
111 Cash - Unrestricted	\$ -	\$ 9,603,058	\$ 8,470	\$ 2,567,467	\$ 12,178,995
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	12,436	328,112	2,849		343,397
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$ 12,436	\$ 9,931,170	\$ 11,319	\$ 2,567,467	\$ 12,522,392
121 Accounts Receivable - PHA Projects	\$ -	\$ 182,292	\$ -	\$ -	\$ 182,292
122 Accounts Receivable - HUD Other Projects		256,764		6,151	262,915
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous		3,745,210			3,745,210
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants					
126.2 Allowance for Doubtful Accounts - Other		(3,745,210)			(3,745,210)
127 Notes, Loans, and Mortgages Receivable - Current					
128 Fraud Recovery		2,278,487			2,278,487
128.1 Allowance for Doubtful Accounts - Fraud		(2,278,487)			(2,278,487)
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ 439,056	\$ -	\$ 6,151	\$ 445,207
131 Investments - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Interprogram Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$ 12,436	\$ 10,370,226	\$ 11,319	\$ 2,573,618	\$ 12,967,599
161 Land	\$ -	\$ -	\$ -	\$ -	\$ -
162 Buildings					
163 Furniture, Equipment, and Machinery – Dwellings					
164 Furniture, Equipment, and Machinery - Administration					
165 Leasehold Improvements					
166 Accumulated Depreciation					
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -
171 Notes, Loans, and Mortgages Receivable - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -
172 Notes, Loans, and Mortgages Receivable - Noncurrent - Past Due					
173 Grants Receivable - Noncurrent					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Noncurrent Assets	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey  
Department of Community Affairs  
Section 8 Housing Programs  
Financial Data Schedules  
For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
200 Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflows of Resources	\$ 12,436	\$ 10,370,226	\$ 11,319	\$ 2,573,618	\$ 12,967,599
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days Past Due					
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion					
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs			9,183	1,660,827	1,670,010
332 Accounts Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue	12,436				12,436
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Interprogram - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$ 12,436	\$ -	\$ 9,183	\$ 1,660,827	\$ 1,682,446

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Noncurrent Liabilities - Other		328,113			328,113
354 Accrued Compensated Absences - Noncurrent					
355 Loan Liability - Noncurrent					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Noncurrent Liabilities	\$ -	\$ 328,113	\$ -	\$ -	\$ 328,113
300 Total Liabilities	\$ 12,436	\$ 328,113	\$ 9,183	\$ 1,660,827	\$ 2,010,559
400 Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
511.4 Restricted Net Position			2,849		2,849
512.4 Unrestricted Net Position		10,042,113	(713)	912,791	10,954,191
513 Total Equity - Net Assets/Position	\$ -	\$ 10,042,113	\$ 2,136	\$ 912,791	\$ 10,957,040
600 Total Liabilities, Deferred Inflows of Resources, and Equity - Net	\$ 12,436	\$ 10,370,226	\$ 11,319	\$ 2,573,618	\$ 12,967,599

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
70600 HUD PHA Operating Grants	\$ 192,837	\$210,729,976	\$ 294,866	\$ 5,787,748	\$217,005,427
70610 Capital Grants	\$ -	\$ -	\$ -	\$ -	\$ -
70710 Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -
70720 Asset Management Fees					
70730 Bookkeeping Fees					
70740 Front Line Service Fees					
70750 Other Fees					
70700 Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
70800 Other Government Grants	\$ -	\$ -	\$ -	\$ -	\$ -
71100 Investment Income - Unrestricted					
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		336,318			336,318
71500 Other Revenue		2,788,386			2,788,386
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$ 192,837	\$213,854,680	\$ 294,866	\$ 5,787,748	\$220,130,131

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
91100 Administrative Salaries	\$ -	\$ 8,500,422	\$ 15,597	\$ 513,341	\$ 9,029,360
91200 Auditing Fees					
91300 Management Fees					
91310 Bookkeeping Fees					
91400 Advertising and Marketing					
91500 Employee Benefit Contributions - Administrative		3,772,559	6,922	227,826	4,007,307
91600 Office Expenses		3,570,626	6,455	212,450	3,789,531
91700 Legal Expense		65,888	121	3,977	69,986
91800 Travel		99,968	183	6,037	106,188
91810 Allocated Overhead		521,417			521,417
91900 Other		198,073	1,408	46,345	245,826
91000 Total Operating - Administrative	\$ -	\$ 16,728,953	\$ 30,686	\$ 1,009,976	\$ 17,769,615
92000 Asset Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	135,137				135,137
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services	57,700				57,700
92400 Tenant Services - Other		11,707			11,707
92500 Total Tenant Services	\$ 192,837	\$ 11,707	\$ -	\$ -	\$ 204,544
93100 Water	\$ -	\$ -	\$ -	\$ -	\$ -
93200 Electricity					
93300 Gas					

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$ -	\$ -	\$ -	\$ -	\$ -
94100 Ordinary Maintenance and Operations - Labor	\$ -	\$ -	\$ -	\$ -	\$ -
94200 Ordinary Maintenance and Operations - Materials and Other					
94300 Ordinary Maintenance and Operations - Contracts					
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
95100 Protective Services - Labor	\$ -	\$ -	\$ -	\$ -	\$ -
95200 Protective Services - Other Contract Costs		36,128			36,128
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$ -	\$ 36,128	\$ -	\$ -	\$ 36,128
96110 Property Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
96120 Liability Insurance					
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total Insurance Premiums	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
96200 Other General Expenses	\$ -	\$ 149,894	\$ 713	\$ -	\$ 150,607
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad Debt - Tenant Rents					
96500 Bad Debt - Mortgages					
96600 Bad Debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$ -	\$ 149,894	\$ 713	\$ -	\$ 150,607
96710 Interest on Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -	\$ -
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issuance Costs					
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ 192,837	\$ 16,926,682	\$ 31,399	\$ 1,009,976	\$ 18,160,894
97000 Excess of Operating Revenue over Operating Expenses	\$ -	\$ 196,927,998	\$ 263,467	\$ 4,777,772	\$ 201,969,237
97100 Extraordinary Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		196,915,834	287,365	4,777,770	201,980,969
97350 HAP Portability - In		1,472,783			1,472,783
97400 Depreciation Expense					

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$ 192,837	\$215,315,299	\$ 318,764	\$ 5,787,746	\$221,614,646
10010 Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
10020 Operating Transfers Out					
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Units					
10050 Proceeds from Notes, Loans, and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfers In					
10092 Inter Project Excess Cash Transfers Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ -	\$ (1,460,619)	\$ (23,898)	\$ 2	\$ (1,484,515)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**For the Year Ended June 30, 2016**

	CFDA 14.896 PIH Family Self - Sufficiency Program	CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Vouchers	CFDA 14.856 Lower Income Housing Assistance Program Section 8 Moderate	Total
11030 Beginning Equity	\$ -	\$ 11,502,732	\$ 26,034	\$ 912,789	\$ 12,441,555
11040 Prior Period Adjustments, Equity Transfers, and Correction of Errors					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity	\$ -	\$ 10,042,113	\$ -	\$ -	\$ 10,042,113
11180 Housing Assistance Payments Equity					
11190 Unit Months Available		273,542	792	10,716	285,050
11210 Number of Unit Months Leased		245,292	355	10,716	256,363
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture and Equipment - Dwelling Purchases					
11640 Furniture and Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

See the accompanying Note to the Financial Data Schedules.

**State of New Jersey**  
**Department of Community Affairs**  
**Section 8 Housing Programs**  
**Financial Data Schedules**  
**Note to the Financial Data Schedules**  
**For the Year Ended June 30, 2016**

**NOTE 1 – Measurement Focus, Basis of Accounting and Financial Data Schedules Presentation**

The financial data schedules are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The Section 8 Housing Program presented in the financial data schedules is accounted for in the state's General Fund which is reported using the current financial resources measurement focus and the modified accrual basis of accounting.