

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

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

For the Fiscal Year Ended June 30, 2015

**Stephen M. Eells
State Auditor**

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New Jersey State Legislature

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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 fiscal year ended June 30, 2015. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, appearing to read "Stephen M. Eells".

Stephen M. Eells
State Auditor
June 29, 2016

**State of New Jersey
Department of Community Affairs
Section 8 Housing Programs
Financial Data Schedules
For the Fiscal Year Ended June 30, 2015**

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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

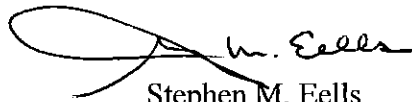
The Honorable Vincent Prieto
Speaker of the General Assembly

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, 2015, which collectively comprise the State's basic financial statements, and have issued our report thereon dated March 10, 2016, 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 10, 2016.

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.



Stephen M. Eells
State Auditor
June 29, 2016

**State of New Jersey
 Department of Community Affairs
 Section 8 Housing Programs
 Financial Data Schedules
 For the Fiscal Year Ended June 30, 2015**

Program Balance Sheet Summary	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	\$5,097,319	\$46,027	\$1,576,039	\$6,719,385
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted	\$7,154,988			\$7,154,988
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$12,252,307	\$46,027	\$1,576,039	\$13,874,373
121 Accounts Receivable - PHA Projects	\$737,069			\$737,069
122 Accounts Receivable - HUD Other Projects			\$1,656,868	\$1,656,868
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous	\$3,801,360			\$3,801,360
126 Accounts Receivable - Tenants				
126.1 Allowance for Doubtful Accounts - Tenants				
126.2 Allowance for Doubtful Accounts - Other	\$(3,801,360)			\$(3,801,360)
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery	\$2,133,642			\$2,133,642
128.1 Allowance for Doubtful Accounts - Fraud	\$(2,133,642)			\$(2,133,642)
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$737,069	\$0	\$1,656,868	\$2,393,937
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets				
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$12,989,376	\$46,027	\$3,232,907	\$16,268,310

See the accompanying Note to the Financial Data Schedules.

State of New Jersey
Department of Community Affairs
Section 8 Housing Programs
Financial Data Schedules (continued)
For the Fiscal Year Ended June 30, 2015

161 Land				
162 Buildings				
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration				
165 Leasehold Improvements				
166 Accumulated Depreciation				
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0
171 Notes, Loans, and Mortgages Receivable - Noncurrent				
172 Notes, Loans, & Mortgages Receivable - Noncurrent - Past				
173 Grants Receivable - Noncurrent				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Noncurrent Assets	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$12,989,376	\$46,027	\$3,232,907	\$16,268,310
311 Bank Overdraft			\$707,984	\$707,984
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		\$19,993	\$1,612,134	\$1,632,127
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits				
342 Unearned Revenue				
343 Current Portion of Long-term Debt - Capital				

See the accompanying Note to the Financial Data Schedules.

State of New Jersey
Department of Community Affairs
Section 8 Housing Programs
Financial Data Schedules (continued)
For the Fiscal Year Ended June 30, 2015

344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$0	\$19,993	\$2,320,118	\$2,340,111
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Noncurrent Liabilities - Other	\$1,486,644			\$1,486,644
354 Accrued Compensated Absences - Noncurrent				
355 Loan Liability - Noncurrent				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Noncurrent Liabilities	\$1,486,644	\$0	\$0	\$1,486,644
300 Total Liabilities	\$1,486,644	\$19,993	\$2,320,118	\$3,826,755
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets				
511.4 Restricted Net Position	\$5,668,344	\$26,034		\$5,694,378
512.4 Unrestricted Net Position	\$5,834,388		\$912,789	\$6,747,177
513 Total Equity - Net Assets / Position	\$11,502,732	\$26,034	\$912,789	\$12,441,555
600 Total Liabilities, Deferred Inflows of Resources and Equity	\$12,989,376	\$46,027	\$3,232,907	\$16,268,310

See the accompanying Note to the Financial Data Schedules.

State of New Jersey
Department of Community Affairs
Section 8 Housing Programs
Financial Data Schedules (continued)
For the Fiscal Year Ended June 30, 2015

Program Revenue and Expense Summary	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	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$223,540,497	\$336,097	\$5,940,747	\$229,817,341
70610 Capital Grants				
70710 Management Fee				
70720 Asset Management Fee				
70730 Bookkeeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$931,562			\$931,562
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	\$398,110			\$398,110
71500 Other Revenue	\$4,727,076			\$4,727,076
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$229,597,245	\$336,097	\$5,940,747	\$235,874,089

See the accompanying Note to the Financial Data Schedules.

State of New Jersey
Department of Community Affairs
Section 8 Housing Programs
Financial Data Schedules (continued)
For the Fiscal Year Ended June 30, 2015

91100 Administrative Salaries	\$8,989,222	\$24,774	\$669,225	\$9,683,221
91200 Auditing Fees				
91300 Management Fee				
91310 Bookkeeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit Contributions – Administrative	\$3,538,043	\$9,300	\$321,856	\$3,869,199
91600 Office Expenses	\$2,965,145			\$2,965,145
91700 Legal Expense	\$9,374			\$9,374
91800 Travel	\$58,707			\$58,707
91810 Allocated Overhead	\$1,065,595			\$1,065,595
91900 Other	\$72,308	\$5,645		\$77,953
91000 Total Operating - Administrative	\$16,698,394	\$39,719	\$991,081	\$17,729,194
92000 Asset Management Fee				
92100 Tenant Services - Salaries	\$89,098			\$89,098
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services	\$35,773			\$35,773
92400 Tenant Services - Other	\$10,335			\$10,335
92500 Total Tenant Services	\$135,206	\$0	\$0	\$135,206
93100 Water				
93200 Electricity				
93300 Gas				
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0

See the accompanying Note to the Financial Data Schedules.

State of New Jersey
Department of Community Affairs
Section 8 Housing Programs
Financial Data Schedules (continued)
For the Fiscal Year Ended June 30, 2015

95100 Protective Services – Labor	\$39,935			\$39,935
95200 Protective Services - Other Contract Costs				
95300 Protective Services – Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$39,935	\$0	\$0	\$39,935
96110 Property Insurance				
96120 Liability Insurance				
96130 Workmen's Compensation				
96140 All Other Insurance				
96100 Total Insurance Premiums	\$0	\$0	\$0	\$0
96200 Other General Expenses	\$197,261			\$197,261
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	\$197,261	\$0	\$0	\$197,261
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$17,070,796	\$39,719	\$991,081	\$18,101,596
97000 Excess of Operating Revenue over Operating Expenses	\$212,526,449	\$296,378	\$4,949,666	\$217,772,493
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments	\$199,517,191	\$281,909	\$4,949,638	\$204,748,738
97350 HAP Portability-In	\$4,594,059			\$4,594,059
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 (continued)
For the Fiscal Year Ended June 30, 2015

97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$221,182,046	\$321,628	\$5,940,719	\$227,444,393
10010 Operating Transfer In				
10020 Operating Transfer 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 Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess of Total Revenue Over Total Expenses	\$8,415,199	\$14,469	\$28	\$8,429,696
11020 Required Annual Debt Principal Payments				
11030 Beginning Equity	\$3,087,533	\$11,565	\$912,761	\$4,011,859
11040 Prior Period Adjustments, Equity Transfers and Correction				
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				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity	\$5,834,388			\$5,834,388

See the accompanying Note to the Financial Data Schedules.

State of New Jersey
Department of Community Affairs
Section 8 Housing Programs
Financial Data Schedules (continued)
For the Fiscal Year Ended June 30, 2015

11180 Housing Assistance Payments Equity	\$5,668,344			\$5,668,344
11190 Unit Months Available	272,639	792	10,666	284,097
11210 Number of Unit Months Leased	245,480	455	9,438	255,373
11270 Excess Cash				
11610 Land Purchases				
11620 Building Purchases				
11630 Furniture & Equipment - Dwelling Purchases				
11640 Furniture & 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
Note to the Financial Data Schedules
For the Fiscal Year Ended June 30, 2015

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.