

HOUSING AUTHORITY OF THE CITY OF CAMDEN

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED DECEMBER 31, 2016

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE CITY OF CAMDEN
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YEAR ENDED DECEMBER 31, 2016

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Housing Authority of the City of Camden:

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Camden (the "Authority") as of and for the year ended December 31, 2016, and the related notes to the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the City of Camden as of December 31, 2016, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension contributions and schedule of net pension liability be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards 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 financial statements, and other knowledge we obtained during our audit of the 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 an opinion on the financial statements that collectively comprise the Housing Authority of the City of Camden's financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the 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 September 26, 2017 on our consideration of the Housing Authority of the City of Camden'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 the City of Camden's internal control over financial reporting and compliance.

Novogradac & Company LLP

September 26, 2017
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE HOUSING AUTHORITY OF THE CITY OF CAMDEN
Management's Discussion and Analysis
December 31, 2016

The Housing Authority of the City of Camden ("the Authority") management discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority has maintained effective fiscal operation as evidenced by the Authority's positive adjusted operating income earned during 2016.

The Board of Commissioners and the Executive Director continue to work closely with the staff to implement cost containment measures, improve internal and external financial reporting, strengthen communication lines with all managers, and train property managers and pertinent staff in project-based budgeting, accounting & reporting.

Some reclassifications have been made to prior year balances in order to present a clearer comparison between the financial positions and corresponding balances of the two years.

Here are some of the financial highlights for the changes in financial conditions:

- The Authority's unrestricted net position was reduced significantly during the year ended December 31, 2015 following the implementation of GASB 68, "Accounting and Financial Reporting for Pensions". Adoption was required for periods beginning after June 15, 2014. During 2016, additional changes in pension related balances reduced the unrestricted net position by an additional (\$971,800) as pension liabilities increased by \$2,995,479 offset by increases in net deferred outflows in excess of deferred inflows of \$2,023,679.
- The Authority's restricted cash increased by \$984,040 during the year ended December 31, 2016. The net increase is the result of the Authority receiving \$1,162,349 of Housing Choice Voucher and Neighborhood Stabilization grants in advance while utilizing \$137,504 of restricted HAP reserves to fund tenant rents, decreases of \$35,503 in family self-sufficiency program deposits, increases of Capital Fund Revenue Bond funds \$861 and decreases to the Network Stabilization Program Escrow \$6,163.

THE HOUSING AUTHORITY OF THE CITY OF CAMDEN
Management's Discussion and Analysis
December 31, 2016

FINANCIAL HIGHLIGHTS (continued)

- The Authority's current asset balance increased \$1,287,197 from December 31, 2015 to December 31, 2016. The change resulted from an increase in cash and cash equivalents of \$1,777,263 combined with decreases in receivables of \$607,958 and prepaid expense increases of \$117,892.
- Operating revenues increased by \$1,864,704 from \$27,900,939 in 2015 to \$29,765,643 in 2016. This is primarily the result of an increase in HUD operating grants.
- Operating expenses of all Authority programs (excluding depreciation, extraordinary maintenance and housing assistance payments) decreased \$252,498.
- During 2016 operating revenues, \$29,765,643 net of operating expenses (excluding depreciation and extraordinary maintenance), \$28,797,423 provided a net adjusted operating income of \$968,220.
- Housing assistance payments increased \$1,407,372, (13%). The Authority had 1,549 more unit months leased in 2016 than in 2015, 10% and, the average payment to landlords increased by 2.7%.

AUTHORITY WIDE FINANCIAL STATEMENTS

The Authority-wide financial statements and notes thereto are designed to be corporate-like in that all business type activities are consolidated into columns that add to a total for the entire Authority.

These statements include the Statement of Net Position, which is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statements are presented in the format where assets, minus liabilities, equal "net position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The Authority's focus on the Statement of Net Position is the "Unrestricted Net Position" which is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority.

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AUTHORITY WIDE FINANCIAL STATEMENTS (continued)

Net Position (formerly equity) is reported in three broad categories:

- Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
- Unrestricted Net Position: Consists of net position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide financial statements also include the Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). These statements include operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, depreciation, and non-operating revenue and expenses, such as investment income and interest expense.

The focus of the Statements of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

The Statement of Cash Flows presents relevant information about the Authority's cash receipts and cash payments during the year. The Statements of Cash Flows also disclose net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than fund types. The Authority consists of exclusively enterprise funds. Enterprise funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by business in the private sector. All of the activities of the Authority are reported in a single enterprise fund.

THE HOUSING AUTHORITY OF THE CITY OF CAMDEN
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THE AUTHORITY'S PROGRAMS

Public and Indian Housing Program – Under the Public and Indian Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy and capital grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Federal Low-Income Housing Tax Credit (LIHTC) Program - Through privately managed properties, the Housing Authority of the City of Camden administers the federal Low-Income Housing Tax Credit (LIHTC) program for housing developments in the City of Camden. The LIHTC program is contained within § 42 of the Internal Revenue Code (26 U.S.C. § 42) as a tax incentive program to stimulate investment in affordable housing. The LIHTC program provides incentives for developers to acquire rehabilitate and or build low- or mixed-income housing through the allocation of federal tax credits that can be used to reduce a project's federal taxes or sold to corporations or investor groups to raise equity for a project. The credits are purchased at a discount and represent a dollar-for-dollar reduction of tax liability. In the State of New Jersey, the LIHTC program plays a vital role in the creation and preservation of affordable rental housing by increasing the funding available to eligible projects that best meet the state's goals and requirements for affordable housing.

Housing Choice Voucher Program (Section 8 Program) – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a housing assistance payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Capital Fund Program – Under the Capital Fund Program, the Authority receives grants from the Department of Housing and Urban Development which are used primarily to maintain and improve the physical condition of its developments. The funds are also used to fund management improvements such as management information systems and tenant services.

Public and Indian Housing Family Self-Sufficiency Program – Under the Public and Indian Housing Family Self-Sufficiency Program, a grant funded by the Department of Housing and Urban Development encourages economic self-sufficiency among the Authority's resident population.

THE HOUSING AUTHORITY OF THE CITY OF CAMDEN
Management's Discussion and Analysis
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THE AUTHORITY'S PROGRAMS (continued)

Veterans Affairs Supportive Housing Program - The Housing Authority of the City of Camden has partnered with the Department of Veterans Affairs to offer Rental Assistance for homeless veterans. The HUD-Veterans Affairs Supportive Housing (HUD-VASH) voucher program combines HUD Housing Choice Voucher (HCV) Rental Assistance for homeless veterans with case management and clinical services provided by the Veterans Affairs (VA) at its medical centers and in the community. Visible goals of this program include addressing homelessness for veterans and ensuring needed case management services are provided by the VA to individuals to allow them to move to self-sufficiency.

YouthBuild Program – The purpose of the YouthBuild program is to assist at-risk youth between the ages of 16 and 24 to learn housing construction job skills and to complete their high school education.

State/Local Programs – The State/Local Program represents non-HUD resources developed from a variety of activities and funded by the state of New Jersey, the County of Camden or the City of Camden.

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STATEMENTS OF NET POSITION

The following table reflects the condensed Statements of Net Position as of December 31, 2016 and 2015:

Account	2016	2015	Change	%
				Change
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,326,888	\$ 4,549,625	\$ 1,777,263	39%
Accounts receivable, net	866,184	1,474,142	(607,958)	(41%)
Prepaid expenses	<u>435,728</u>	<u>317,836</u>	<u>117,892</u>	37%
Total current assets	<u>7,628,800</u>	<u>6,341,603</u>	<u>1,287,197</u>	20%
Non-current assets:				
Restricted cash	1,892,804	908,764	984,040	108%
Accrued interest	4,903,794	4,391,894	511,900	12%
Notes receivable	36,066,640	35,188,315	878,325	2%
Capital assets, net	<u>24,710,676</u>	<u>39,500,280</u>	<u>(14,789,604)</u>	(37%)
Total non-current assets	<u>67,573,914</u>	<u>79,989,253</u>	<u>(12,415,339)</u>	(16%)
Total assets	<u>75,202,714</u>	<u>86,330,856</u>	<u>(11,128,142)</u>	(13%)
DEFERRED OUTFLOWS OF RESOURCES				
New Jersey P.E.R.S.	<u>4,525,416</u>	<u>2,088,545</u>	<u>2,436,871</u>	117%
Total Assets & Deferred Outflows	<u>\$ 79,728,130</u>	<u>\$ 88,419,401</u>	<u>\$ (8,691,271)</u>	(10%)

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STATEMENTS OF NET POSITION (continued)

Account	2016	2015	Change	%
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 497,264	\$ 317,081	180,183	57%
Accrued expenses	97,103	100,413	(3,310)	(3%)
Accrued compensated absences, current	39,348	42,012	(2,664)	(6%)
Tenant security deposits	290,147	279,763	10,384	4%
Current portion of bonds and leases payable	618,371	597,705	20,666	3%
Prepaid tenant rents	17,986	-	17,986	100%
Other current liabilities	<u>219,997</u>	<u>203,640</u>	<u>16,357</u>	8%
Total current liabilities	<u>1,780,216</u>	<u>1,540,614</u>	<u>239,602</u>	16%
Non-current liabilities:				
Bonds and leases payable, non-current	3,460,000	4,078,371	(618,371)	(15%)
Accrued compensated absences, non-current	354,131	378,093	(23,962)	(6%)
Other liabilities	171,232	195,650	(24,418)	(12%)
Net Pension Liability	<u>15,587,120</u>	<u>12,591,641</u>	<u>2,995,479</u>	24%
Total non-current liabilities	<u>19,572,483</u>	<u>17,243,755</u>	<u>2,328,728</u>	14%
Total liabilities	<u>21,352,699</u>	<u>18,784,369</u>	<u>2,568,330</u>	14%
DEFERRED INFLOWS OF RESOURCES				
Grants advanced - HUD	1,162,349	-	1,162,349	100%
State of New Jersey P.E.R.S.	<u>637,561</u>	<u>224,369</u>	<u>413,192</u>	184%
Total deferred inflows of resources	<u>1,799,910</u>	<u>224,369</u>	<u>1,575,541</u>	702%
NET POSITION				
Net position:				
Net Investment in capital assets	20,632,305	34,824,204	(14,191,899)	(41%)
Restricted net position	41,411,412	40,037,430	1,373,982	3%
Unrestricted net position	<u>(5,468,196)</u>	<u>(5,450,971)</u>	<u>(17,225)</u>	0%
Total net position	<u>56,575,521</u>	<u>69,410,663</u>	<u>(12,835,142)</u>	(18%)
Total Liabilities, deferred inflows of resources and net position	<u>\$ 79,728,130</u>	<u>\$ 88,419,401</u>	<u>\$ (8,691,271)</u>	(10%)

THE HOUSING AUTHORITY OF THE CITY OF CAMDEN
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The following table reflects the Statements of Revenues, Expenses and Changes in Net Position as of December 31, 2016 and 2015:

Account	2016	2015	Change	% Change
Operating Revenues:				
Tenant revenue	\$ 2,938,144	\$ 2,863,485	\$ 74,659	3%
HUD operating grants	24,987,745	22,575,933	2,411,812	11%
Other government grants	1,055,867	1,025,522	30,345	3%
Other revenues	<u>783,887</u>	<u>1,435,999</u>	<u>(652,112)</u>	(45%)
Total operating revenues	<u>29,765,643</u>	<u>27,900,939</u>	<u>1,864,704</u>	7%
Operating expenses:				
Administrative	7,850,260	7,328,562	521,698	7%
Tenant services	2,169,872	2,408,529	(238,657)	(10%)
Utilities	2,120,259	2,556,996	(436,737)	(17%)
Ordinary repairs and maintenance	2,751,542	2,824,804	(73,262)	(3%)
Protective services	646,618	566,567	80,051	14%
Insurance and general	1,043,989	1,149,580	(105,591)	(9%)
Extraordinary maintenance	-	4,704	(4,704)	(100%)
Housing assistance payments	12,214,883	10,807,511	1,407,372	13%
Depreciation	<u>2,362,424</u>	<u>2,679,796</u>	<u>(317,372)</u>	(12%)
Total operating expenses	<u>31,159,847</u>	<u>30,327,049</u>	<u>832,798</u>	3%
Operating loss	<u>(1,394,204)</u>	<u>(2,426,110)</u>	<u>1,031,906</u>	(43%)
Non-operating revenues:				
Investment income	512,377	514,927	(2,550)	(0%)
Interest expense	(203,750)	(223,370)	19,620	(9%)
Casualty losses	<u>(39,967)</u>	<u>(21,462)</u>	<u>(18,505)</u>	86%
Net non-operating rev (exp)	<u>268,660</u>	<u>270,095</u>	<u>(1,435)</u>	(1%)
Loss before capital grants	(1,125,544)	(2,156,015)	1,030,471	(48%)
Capital grants	1,303,657	2,809,048	(1,505,391)	(54%)
Special items	<u>(13,013,255)</u>	<u>-</u>	<u>(13,014,190)</u>	100%
Change in net position	(12,835,142)	653,033	(13,488,175)	(2065%)
Net position, beginning of year	<u>69,410,663</u>	<u>68,757,630</u>	<u>653,033</u>	1%
Total net position, end of year	<u>\$ 56,575,521</u>	<u>\$ 69,410,663</u>	<u>\$ (12,835,142)</u>	(18%)

THE HOUSING AUTHORITY OF THE CITY OF CAMDEN
Management's Discussion and Analysis
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MAJOR FACTORS AFFECTING THE STATEMENTS OF NET POSITION

- During 2016 capital assets, net, decreased by \$14,789,604 reflecting spending of \$586,075 on capital assets, which was offset by \$2,362,424 in depreciation expense and reductions of \$13,013,255 in amounts recognized as program expenditures and losses on disposition.
- Accounts receivable, net, decreased \$607,958 from December 31, 2015 to December 31, 2016 primarily due to a decrease in various amounts of Capital Fund grant funds owed to the Authority for reimbursable expenditures \$353,463 combined with a decrease in reimbursements due for other receivables of \$254,495.
- The Authority's restricted cash increased by \$984,040 during the year ended December 31, 2016. The net increase is the result of the Authority receiving \$1,162,349 of Housing Choice Voucher and Neighborhood Stabilization grants in advance while utilizing \$137,504 of restricted HAP reserves to fund tenant rents, increases of \$7,001 in family self-sufficiency program deposits, increases of Capital Fund Revenue Bond funds of \$861, decreases to the Network Stabilization Program Escrow of \$6,163 and decreases of restricted cash of public housing operations of \$35,170.
- Other assets increased \$1,390,225 due to the Authority accruing interest on notes receivable of \$511,900, and added a mortgage loan to Morgan Village Urban Renewal Associates, LP of \$878,325.
- Long-term debt decreased \$597,705 as the Authority utilized capital funds to pay down their Capital Program Revenue Bonds \$335,000, paid down \$262,705 from their Energy Performance loan and reclassified additional amounts of principal due in one year of \$20,666 as current liabilities.

**MAJOR FACTORS AFFECTING THE STATEMENTS OF REVENUE,
EXPENSES AND CHANGES IN NET POSITION**

- Operating revenues increased from the year ended December 31, 2015 to 2016 by \$1,864,704 as increases in HUD operating grants of \$2,411,812, increases in tenant revenues of \$74,659 and increases other government grants of \$30,345, were offset by decreases in other revenues of \$652,112.

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**MAJOR FACTORS AFFECTING THE STATEMENTS OF REVENUE,
EXPENSES AND CHANGES IN NET POSITION (continued)**

- Capital grants decreased by \$1,505,391 from the year ended December 31, 2015 as reimbursements from formula grants issued in various prior and current years decreased.
- The decrease in utilities expense of \$436,737 from 2015 to 2016 is due to decreases in certain utility rates combined with favorable weather conditions.
- The variance indicating an increase of \$521,698 in administrative expenses from 2015 to 2016 is due, primarily to recognition of pension expense increases of \$641,111, decreases of \$97,837 in salaries, decreases of \$40,958 in office expenses and increases of \$129,520 in legal expenses and decreases in other expenses of \$110,138.
- The decrease of \$238,657 in tenant services from 2015 expenses is primarily due to reduced spending by the YouthBuild programs and reduction of personnel costs of the assisted living program.
- Housing assistance payments increased \$1,407,372, (13%). The Authority had 1,549 more unit months leased in 2016 than in 2015, 10% and, the average payment to landlords increased by 2.7%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2016, the Authority had \$24,710,676 invested in capital assets as reflected in the following schedule, which represents a net decrease (addition, disposals and depreciation) of approximately \$14,789,604 from the end of 2015.

Account	2016	2015	Change	% Change
Capital Assets:				
Land	\$ 1,140,535	\$ 1,169,182	\$ (28,647)	-2%
Construction in progress	2,938,225	16,471,056	(13,532,831)	-82%
Buildings	156,174,221	172,439,987	(16,265,766)	-9%
Furniture and equipment	<u>1,149,054</u>	<u>1,276,335</u>	<u>(127,281)</u>	-10%
			-	
Total capital assets	161,402,035	191,356,560	(29,954,525)	-16%
Less: Accum depreciation	<u>136,691,359</u>	<u>151,856,280</u>	<u>(15,164,921)</u>	-10%
Capital assets, net	<u>\$ 24,710,676</u>	<u>\$ 39,500,280</u>	<u>\$ (14,789,604)</u>	-37%

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CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

Additions to capital assets during 2016 totaled \$586,075, buildings and other property additions, funded by capital grants were increased by \$1,157,919 through transfers from temporary land and construction in process accounts, disposition of capital assets totaled \$13,013,255 and depreciation expense totaled \$2,362,424.

Debt Outstanding

The New Jersey Housing and Mortgage Financing Agency issued \$79,860,000 Capital Fund Program Revenue Bonds, 2004 Series A in 2004. The Authority, upon approval from the Housing and Urban Development's Washington D.C. office, joined 20 other New Jersey Housing Authorities in consideration of a portion of these proceeds or \$6.9 million.

The use of these funds was site improvements within two of the HACC's developments (Kennedy Towers and Branch Village). These funds were received December 23, 2004 and have a twenty-year repayment cycle. As of December 31, 2016, \$3,805,000 is still outstanding.

During 2006, the Authority borrowed \$2,484,000 for the purpose of acquiring equipment needed to perform renovations that will result in savings in energy consumption. As of December 31, 2016, \$273,371 of this balance is outstanding.

The current portion of the Authority's outstanding debt payable as of December 31, 2016 is \$618,371.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- HUD's Project Based Budgeting, Accounting, and Reporting Requirements
- Local redevelopment plans
- Local labor supply and demand, which can affect salary and wage rates
- Local Union Agreements and the subsequent execution
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

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FINANCIAL CONTACT

This financial report is designed to provide our residents, the citizens of the City of Camden, New Jersey, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may make inquiry by writing to: Housing Authority of City of Camden, 2021 Watson Street, 2nd Floor, Camden, New Jersey, 08105, Attention to Victor D. Figueroa, Executive Director; Kathryn Blackshear, Deputy Executive Director; or, Daniel Aronson, Director of Finance.

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2016

ASSETS

Current assets:	
Cash and cash equivalents	\$ 6,037,591
Tenant security deposits	289,297
Accounts receivable, net	866,184
Prepaid expenses	<u>435,728</u>
Total current assets	<u>7,628,800</u>
Non-current assets:	
Restricted cash	1,892,804
Accrued interest	4,903,794
Notes receivable	36,066,640
Capital assets, net	<u>24,710,676</u>
Total non-current assets	<u>67,573,914</u>
Total assets	<u>75,202,714</u>

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	<u>4,525,416</u>
Total assets and deferred outflows of resources	<u>\$ 79,728,130</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF NET POSITION (continued)
AS OF DECEMBER 31, 2016

LIABILITIES

Current liabilities:	
Accounts payable	\$ 497,264
Accrued expenses	97,103
Accrued compensated absences, current	39,348
Tenant security deposits	290,147
Current portion of bonds and leases payable	618,371
Prepaid tenant rents	17,986
Other current liabilities	<u>219,997</u>
Total current liabilities	<u>1,780,216</u>
Non-current liabilities:	
Bonds and leases payable, excluding current portion	3,460,000
Accrued compensated absences, non-current	354,131
Other liabilities	171,232
Net pension liability	<u>15,587,120</u>
Total non-current liabilities	<u>19,572,483</u>
Total liabilities	<u>21,352,699</u>

DEFERRED INFLOWS OF RESOURCES

Grants advanced - HUD	1,162,349
State of New Jersey P.E.R.S.	<u>637,561</u>
Total deferred inflows of resources	<u>1,799,910</u>

NET POSITION

Net position:	
Net investment in capital assets	20,632,305
Restricted	41,411,412
Unrestricted (deficit)	<u>(5,468,196)</u>
Total net position	<u>56,575,521</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 79,728,130</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Operating revenues:	
Tenant revenue	\$ 2,938,144
HUD operating grants	24,987,745
Other government grants	1,055,867
Other revenues	<u>783,887</u>
Total operating revenue	<u>29,765,643</u>
Operating expenses:	
Administrative	7,850,260
Tenant services	2,169,872
Utilities	2,120,259
Ordinary repairs and maintenance	2,751,542
Protective services	646,618
Insurance and general expenses	1,043,989
Housing assistance payments	12,214,883
Depreciation	<u>2,362,424</u>
Total operating expenses	<u>31,159,847</u>
Operating loss	<u>(1,394,204)</u>
Non-operating revenues:	
Investment income	512,377
Interest expense	(203,750)
Casualty losses	<u>(39,967)</u>
Net non-operating revenues	<u>268,660</u>
Loss before capital grants and special items	(1,125,544)
Capital grants	1,303,657
Special items - transfer of grant expenditures to mixed finance properties	<u>(13,013,255)</u>
Change in net position	(12,835,142)
Total net position, beginning of year	<u>69,410,663</u>
Total net position, end of year	<u>\$ 56,575,521</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Cash Flows from Operating Activities:	
Cash received from grantors	\$ 26,692,679
Cash received from tenants and others	3,680,464
Cash paid to suppliers	(24,396,578)
Cash paid to employees	<u>(2,213,574)</u>
Net cash flows provided by operating activities	<u>3,762,991</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	(586,075)
Capital grants	1,303,657
Casualty losses	(39,967)
Issuance of new mortgage note receivable	(878,325)
Principal payments on capital debt	<u>(597,705)</u>
Net cash flows used by capital and related finance activities	<u>(798,415)</u>
Cash Flows from Investing Activities:	
Interest expense	(203,750)
Investment income	<u>477</u>
Net cash flows used by investing activities	<u>(203,273)</u>
Net increase in cash	2,761,303
Cash and cash equivalents, beginning of year	<u>5,458,389</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,219,692</u></u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and cash equivalents	\$ 6,037,591
Tenant security deposits	289,297
Restricted cash	<u>1,892,804</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,219,692</u></u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (1,394,204)
Items which did not use cash:	
Depreciation	2,362,424
Bad debts	28,828
Changes in assets, deferred outflows of resources and liabilities and deferred inflows of resources:	
Accounts receivable	579,130
Prepaid expenses	(117,892)
Accounts payable	180,183
Accrued expenses	(3,310)
Tenant security deposits	10,384
Accrued compensated absences	(26,626)
Deferred revenue	17,986
Deferred inflows of resources	1,575,541
Deferred outflows of resources	(2,436,871)
Net pension liability	2,995,479
Other liabilities	<u>(8,061)</u>
Net cash provided by operating activities	<u>\$ 3,762,991</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Camden or (the "Authority") is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J.S.A. 4A: 12A-1, et. Seq., the "Housing Authority Act") for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in Camden, New Jersey (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board to manage the day-to-day operations of the Authority.

B. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing within the City of Camden. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Adult Day Care Program

The Authority operates an Adult Day Care program called Elba's Place which supports veterans, elderly and disabled populations within the community. Elba's Place combines skilled services with extensive recreational, education, behavioral counseling and group programming to offer viable options to in-home, nursing home, or assisted living care.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Programs (continued)

Public and Indian Housing Family Self-Sufficiency Program

The purpose of the Public and Indian Housing Family Self-Sufficiency Program is to programmatically address the needs of public housing residents by providing supportive services, resident empowerment activities and/or assisting residents in becoming economically self-sufficient. The primary focus of the program is on a spectrum of services for families leading to homeownership.

Neighborhood Stabilization Program

The objectives of the Neighborhood Stabilization Program are to stabilize property values, arrest neighborhood decline, assist in preventing neighborhood blight, and stabilize communities across America hardest hit by residential foreclosures and abandonment. These objectives will be achieved through the purchase and redevelopment of foreclosed and abandoned homes and residential properties that will allow those properties to turn into useful, safe and sanitary housing.

Adult Education State Grant Program

The Adult Education and Family Literacy State Grant program provides grants to eligible agencies to provide adult education and literacy services. These grants help adults become literate and obtain the knowledge and skills necessary for employment; obtain the educational skills necessary to become full partners in the educational development of their children; and complete a secondary school education.

Medicaid Assistance Program (Other Federal Program)

The objective of the Medicaid Assistance Program is to provide payments for medical assistance to low-income persons who are 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children.

Youthbuild Program

The Youthbuild program provides funding assistance for a wide range of multi-disciplinary activities and services to assist economically disadvantaged youth. The opportunities are designed to help disadvantaged young adults who have dropped out of high school to obtain the education and employment skills necessary to achieve economic self-efficiency and develop leadership skills and a commitment to community development in low income communities. Another important objective of the Youthbuild program is to expand the supply of permanent affordable housing for homeless persons and members of low income and very low income families. By giving disadvantaged young adults participating in the program meaningful on-site training experiences constructing or rehabilitating housing as a community service, they are helping to meet the housing needs of homeless and low income families in their community.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Programs (continued)

Choice Neighborhood Planning Grants

The objective of the Choice Neighborhoods Planning Grants is to support the development of comprehensive neighborhood Transformation Plans. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities to build the necessary support to successfully implement the plan.

Federal Low-Income Housing Tax Credit (LIHTC) Program

The LIHTC program provides incentives for developers to acquire rehabilitate and or build low- or mixed-income housing through the allocation of federal tax credits that can be used to reduce a project's federal taxes or sold to corporations or investor groups to raise equity for a project. In the State of New Jersey, the LIHTC program plays a vital role in the creation and preservation of affordable rental housing by increasing the funding available to eligible projects that best meet the state's goals and requirements for affordable housing.

C. Reporting Entity

In accordance with Statement No. 61 of the Government Accounting Standards Board ("GASB"), the Authority's basic financial statements include those of the Housing Authority of the City of Camden and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the above criteria, this report includes the following component unit:

Watson Street Management and Development Corporation ("WDC") was incorporated as a nonprofit 501(c)(3) corporation in the State of New Jersey in July, 2014.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Elba's Place LLC ("EP") - EP was incorporated in the State of New Jersey as a limited liability company. EP operates an Adult Day Care facility and is owned and managed by WDC.

Blended Presentation - In accordance with Statement No. 61 of the GASB, the Authority's financial statements are presented utilizing the blended method.

Additionally, based on the application of the above criteria, the Authority's financial statements are not included in any other reporting entity's financial statements.

D. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, net assets (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The funds of the Authority are all considered Enterprise Funds that are used to account for activities that are operated in a manner similar to those found in the private sector.

All enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34") as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplemental Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net assets (position), with the associated cash and investments also being reported on the Statement of Net Assets (Position) and HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net assets (position), with the associated assets being reported on the FDS as unrestricted.

Both administrative fees and HAP revenue continue to be recognized under the guidelines set forth in GASB Statement No. 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Voucher program is no longer a cost reimbursement grant, therefore the Authority recognizes unspent administrative fees and HAP revenue in the reporting period as revenue for financial statement reporting.

Any investment income earned on these funds is reflected in the net position account on which the investment income was earned. Investment income earned on HAP cash balances is credited to the HAP restricted net position account and investment income earned on administrative fee cash balances is credited to the unrestricted net position account.

The Authority adopted Statement No. 68 of the Governmental Accounting Standards Board "*Accounting and Financial Reporting for Pensions.*" The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with pension plans of State and Local Governments. 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 actual present value, and attribute that present value to periods of employee service. In addition, this Statement details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

E. Cash, Cash Equivalents and Investments

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash, Cash Equivalents and Investments (continued)

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at the time of purchase. Investments are carried at cost plus accrued interest which approximates market value. Income from investments is recognized on the accrual basis.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

F. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed, but not received and for amounts unbilled, but earned as of year-end.

G. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

H. Capital Assets

Fixed assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of fixed assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- Buildings 40 Years
- Site Improvements 15 Years
- Furniture, Fixtures and Equipment 5-10 Years

The Authority has established a capitalization threshold of \$5,000.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary. Annual vacation increases based on tenure, starting at twelve days for the first year of service and increasing up to thirty days. Employees' sick leave accumulates and employees may be compensated for sick leave at retirement at a rate of 65%, but no more than \$15,000 for non-union workers and \$5,000 for union workers.

J. Prepaid Tenant Rents

The Authority's prepaid tenant rents primarily consists of the prepayment of rent by residents.

K. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property; the property's ability to generate positive cash flow and; the Authority reviews current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

L. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB Statement No. 34, inter-program receivables and payables are eliminated for financial statement purposes, however they are reflected in the accompanying Financial Data Schedule as required by HUD.

M. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided, as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Taxes

The Authority is a unit of local government under New Jersey law and is exempt from real estate, sales and income taxes.

O. Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements and contingencies. Actual results could differ significantly from these estimates.

P. Equity Classifications

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Q. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

Pursuant to N.J.S.A 40A:5A-10 and N.J.A.C. 5:31 the Authority is also required to submit an authority wide budget for each fiscal year to the Director of the Division of Local Government Services 60 days prior to the end of the fiscal year.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Investment in Leased Property

As part of its development activities, the Authority routinely enters into ground lease agreements. Under terms of the agreements, the Authority leases land it owns to a third party and that party owns the improvements built on the land. Typically, the lease terms range from fifty (50) to ninety-nine (99) years.

These lease agreements (land only) are recorded as operating leases and will be accounted for as follows:

The leased property will be included near property, plant and equipment but separately identified on the Authority's Statement of Net Position (if material balance exists) as "Investment in Leased Property". Since land has an indefinite useful life, no depreciation will be charged on the property.

Rent will be reported as income over the lease term as it becomes receivable according to the provisions of the lease. However, if the rentals vary from the straight-line basis, the Authority will recognize the income on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which use benefit from the leased property is diminished, in which case that basis will be used.

Initial indirect costs will be deferred and allocated over the lease term in proportion to the recognition of rental income. However, initial direct costs may be charged to expense as incurred if the effect is not materially different from that which would have resulted from the use of the method prescribed in the preceding sentence.

Upon substantial completion of the development agreement, if the fair value of the property is less than its cost or carrying amount, then a loss equal to that difference will be recognized at the inception of the lease.

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2016, the Authority had funds on deposit in checking and money market accounts.

As of December 31, 2016, the carrying amount of the Authority's cash (including restricted cash) totaled \$8,219,692 and the bank balances were \$9,011,809. Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>Amount</u>
Operating	\$ 6,037,591
Restricted cash	1,892,804
Tenant security deposits	<u>289,297</u>
	<u>\$ 8,219,692</u>

Of the bank balances, \$881,471 was covered by federal depository insurance and the remaining \$8,130,338 was collateralized with the pledging financial institution as of December 31, 2016.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of December 31, 2016, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

As of December 31, 2016, accounts receivable consisted of the following:

<u>Category</u>	<u>Amount</u>
Accounts receivable - HUD	\$ 353,463
Accounts receivable - other governments	139,773
Accounts receivable - miscellaneous	338,495
Accounts receivable - tenants, net	<u>34,453</u>
	<u>\$ 866,184</u>

A. Accounts Receivable - HUD

As of December 31, 2016, HUD program receivables represent amounts due to the Authority for reimbursement of expenditures from the capital fund program. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts.

B. Accounts Receivable - Other governments

Accounts receivable - other governments consist of amounts due from federal agencies and state and local governments for reimbursements of grant expenditures and housing assistance payments from portable tenants. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)

C. Accounts Receivable - Miscellaneous

Miscellaneous receivables consist primarily of amounts due from other properties for operating subsidies, for contract fees owed and for reimbursement from private healthcare providers in the assisted living program. As of December 31, 2016, these amounts totaled \$338,495 and are shown net of an allowance of \$-.

D. Accounts Receivable - Tenants, net

As of December 31, 2016 tenant receivables consist of rental money due to the Authority for providing housing, and are shown net of an allowance for doubtful accounts of \$40,082.

NOTE 4. RESTRICTED CASH

Restricted cash consists of the following at December 31, 2016 :

<u>Cash Category</u>	<u>Amount</u>
Advance payments of grants	\$ 1,162,349
Family Self Sufficiency Deposits	158,006
Capital Fund Revenue Bond Proceeds	131,471
Neighborhood Stabilization Program Escrow	349,057
WESCO Escrow	<u>91,921</u>
	<u>\$ 1,892,804</u>

Advance payments on grants represent amounts received from grantors that apply to a future period.

Housing assistance payment reserves are restricted for use only in the Housing Choice Voucher Program for future housing assistance payments.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Housing Choice Voucher and Low Rent Public Housing Programs by FSS program participants.

Capital Fund Program Revenue Bonds proceeds consist of unspent proceeds from the 2004 Series A Capital Fund Program Revenue Bonds and are restricted for certain capital improvements in accordance with the Authority's approved annual plan.

Water/Energy Savings Corporation ("WESCO) escrows are restricted to provide funding for the Authority to lease equipment for water and energy renovations from the WESCO.

Neighborhood Stabilization escrows are restricted for modernization and development related to the redevelopment of abandoned or foreclosed homes or residential properties.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5. CAPITAL ASSETS, NET

A summary of the changes in capital assets during the year ended December 31, 2016 were as follows:

Description	December 31, 2015	Additions	Dispositions	Transfers	December 31, 2016
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,169,182	\$ -	\$ (109,689)	\$ 81,042	\$ 1,140,535
Construction in progress	<u>16,471,056</u>	<u>586,075</u>	<u>(12,879,945)</u>	<u>(1,238,961)</u>	<u>2,938,225</u>
Total	<u>17,640,238</u>	<u>586,075</u>	<u>(12,989,634)</u>	<u>(1,157,919)</u>	<u>4,078,760</u>
<u>Depreciable capital assets:</u>					
Buildings	172,439,987	-	(17,423,685)	1,157,919	156,174,221
Furniture and equipment	<u>1,276,335</u>	<u>-</u>	<u>(127,281)</u>	<u>-</u>	<u>1,149,054</u>
Total	<u>173,716,322</u>	<u>-</u>	<u>(17,550,966)</u>	<u>1,157,919</u>	<u>157,323,275</u>
Less: accumulated depreciation	<u>151,856,280</u>	<u>2,362,424</u>	<u>(17,527,345)</u>	<u>-</u>	<u>136,691,359</u>
Net capital assets	<u>\$ 39,500,280</u>	<u>\$ (1,776,349)</u>	<u>\$ (13,013,255)</u>	<u>\$ -</u>	<u>\$ 24,710,676</u>

Depreciation expense for the year ended December 31, 2016 totaled \$2,362,424.

NOTE 6. NOTES RECEIVABLE

The Authority was awarded two HOPE VI grants totaling \$55,000,000 by the United States Department of Housing & Urban Development (HUD) for the revitalization of the public housing units. The Authority entered into several redevelopment and revitalization agreements with selected developers to provide affordable housing in accordance with the guidelines of the Hope VI Program. The Authority leased land to a developer under a long-term land lease and under the program, the Authority provided loans to developers for the purpose of constructing affordable housing units. Upon construction completion, the developer has the option of returning the land and its structures to the Authority or returning the funds that were advanced to them.

At December 31, 2016, notes receivable consisted of the following:

The Authority issued a mortgage loan to Chelton Terrace Urban Renewal Associates, L.P. (Chelton Terrace Phase Two) to facilitate the construction of new buildings and building improvements. The principal balance is \$2,702,881 with interest accruing at the Wall Street Journal prime rate of 3.25%. The loan matures on August 26, 2049. The loan is secured by real property and any ensuing structures.

\$ 2,702,881

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 6. NOTES RECEIVABLE (continued)

The Authority issued a mortgage loan to Roosevelt Central Urban Renewal Associates, L.P. (Roosevelt Manor Phase 5) to facilitate the construction of new buildings and building improvements. The principal balance is \$1,993,512 with interest accruing at the rate of 5.5%. The loan matures upon the completion of construction on the property or December 21, 2047, whichever occurs first. The loan is secured by real property and any ensuing structures.

\$ 1,993,512

The Authority issued a mortgage loan to Centerville Urban Renewal Associates, LLC (Roosevelt Manor Phase 7) to facilitate the construction of new buildings and building improvements. The principal balance was \$2,140,007 with interest accruing at the rate of 3.25%. The loan matures upon the completion of construction on the property or February 26, 2048, whichever occurs first. The loan is secured by real property and any ensuing structures.

2,140,007

The Authority issued a mortgage loan to Centerville South Urban Renewal Associates, L.P. (Roosevelt Manor Phase 9 and 10) to facilitate the construction of new buildings and building improvements. The principal balance was \$1,526,572 with interest accruing at the rate of 2.75%. The loan matures upon the completion of construction on the property or February 24, 2050, whichever occurs first. The loan is secured by real property and any ensuing structures.

1,526,272

The Authority issued a mortgage loan to Centerville Urban Renewal 12, LLC (Roosevelt Community Center Phase 11) to facilitate the construction of a community center and building improvements. The principal balance was \$2,318,000 and it is a non interest bearing loan. The loan matures upon the completion of construction on the property or May 9, 2051, whichever occurs first. The loan is secured by real property and any ensuing structures.

2,318,000

The Authority issued a mortgage loan to Centerville Urban Renewal 12, LLC (Roosevelt Manor Phase 12) to facilitate the construction of new buildings and building improvements. The principal balance was \$2,345,234 with interest accruing at the rate of 3.25%. The loan matures upon the completion of construction on the property or May 9, 2048, whichever occurs first. The loan is secured by real property and any ensuing structures.

2,345,234

The Authority issued a mortgage loan to Branch Housing Urban Renewal, LLC. (Branch Village / Roosevelt Manor Phase 2) to facilitate the construction of new buildings and building improvements. The principal balance was \$11,204,894 and it is a non interest bearing loan. The loan matures upon the completion of construction on the property or September 13, 2060, whichever occurs first. The loan is secured by real property and any ensuing structures.

11,204,894

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 6. NOTES RECEIVABLE (continued)

The Authority issued a mortgage loan to Westfield Acres Urban Renewal Associates, L.P. (Westfield Acres) to facilitate the construction of new buildings and building improvements. The principal balance is \$1,444,882 with interest accruing at the rate of 3.25%. The loan matures on December 27, 2041. The loan is secured by real property and any ensuing structures.

\$ 1,444,882

The Authority issued a mortgage loan to Westfield Acres Urban Renewal Associates II, L.P. (Baldwin's Run Phase 8) to facilitate the construction of new buildings and building improvements. The principal balance was \$2,184,428 with interest accruing at the rate of 1%. The loan matures upon the completion of construction on the property or December, 8, 2056, whichever occurs first. The loan is secured by real property and any ensuing structures.

2,184,428

The Authority issued a mortgage loan to Westfield Acres Urban Renewal Associates III, L.P. (Baldwin's Run Phase 9) to facilitate the construction of new buildings and building improvements. The principal balance was \$747,729 with interest accruing at the rate of 3.25%. The loan matures upon the completion of construction on the property or March 21, 2056, whichever occurs first. The loan is secured by real property and any ensuing structures.

747,729

The Authority issued a mortgage loan to Morgan Village Urban Renewal Associates, L.P. (Clement T. Branch Village, Phase III aka Morgan Village) to facilitate the construction of new buildings, related parking, landscaping and infrastructure improvements. The principal balance totals \$6,580,476 with interest accruing at the rate of .05%. The loan matures upon the completion of construction on the property. The loan is secured by real property and any ensuing structures.

6,580,476

The Authority issued a mortgage loan to Branch Village Urban Renewal LLC. to commence construction of a housing development known as Branch Village Mid Rise which will involve the development of fifty rental units, together with related parking, landscaping and infrastructure improvements. The total amount of the mortgage loan will be \$2,309,986. As of December 31, 2016, \$878,325 has been disbursed. The principal balance will accrue interest at the rate of 1%. The loan matures fifty years after the completion of construction on the property. The loan is secured by a Leasehold Mortgage and Security agreement.

878,325

Total notes receivable \$ 36,066,640

As of December 31, 2016, the current portion of notes receivable amounted to \$-.

Accrued interest on notes receivable totaled \$4,903,794 at December 31, 2016.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7. NON-CURRENT LIABILITIES

BONDS & LEASES

During 2004, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency issued tax exempt, twenty year Capital Fund Program Revenue Bonds, 2004 Series A on December 23, 2004. The Authority's share of the funds from the bond issue pool amounted to \$6,935,000. Interest accrues at 4.416% and is payable semi-annually with principal on May 1st and November 1st. Repayment of the funds shall be paid solely from Capital Fund allocations received by the Authority from the Department of Housing and Urban Development. \$ 3,805,000

Lease purchase agreement originally in the amount of \$2,484,000 for energy efficient improvements. Interest accrues at 4.00%. Principal and interest payments of \$70,060 are due and payable quarterly commencing December 31, 2006, with a final payment due December 31, 2017. 273,371

Total bonds & leases 4,078,371

Less: current portion 618,371

Bonds & leases, excluding current portion \$ 3,460,000

Annual debt service for principal and interest over the next five years and in five-year increments thereafter are as follows:

Year	Principal	Interest	Total
2017	618,371	178,426	796,797
2018	365,000	156,245	521,245
2019	385,000	140,060	525,060
2020	395,000	122,788	517,788
2021	395,000	103,988	498,988
2022-2025	<u>1,920,000</u>	<u>206,683</u>	<u>2,126,683</u>
	<u>\$ 4,078,371</u>	<u>\$ 908,190</u>	<u>\$ 4,986,561</u>

Long-term debt activity for the year ended December 31, 2016 consisted of the following:

Description	December 31, 2015	Increases	Decreases	December 31, 2016	Amounts due within one year
Capital Fund Revenue Bonds	\$ 4,140,000	\$ -	\$ (335,000)	\$ 3,805,000	\$ 345,000
Commerce Commercial Lease	536,076	-	(262,705)	273,371	273,371
Compensated Absences	420,105	268,552	(295,178)	393,479	39,348
Net pension liability	12,591,641	3,463,025	(467,546)	15,587,120	-
Other liabilities	<u>399,290</u>	<u>274,205</u>	<u>(282,266)</u>	<u>391,229</u>	<u>219,997</u>
	<u>\$ 18,087,112</u>	<u>\$ 4,005,782</u>	<u>\$ (1,642,695)</u>	<u>\$ 20,450,199</u>	<u>\$ 877,716</u>

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7. NON-CURRENT LIABILITIES (continued)

As of December 31, 2016, other liabilities included an FSS Escrow balance of \$158,006.

Interest expense for the year ended December 31, 2016 totaled \$203,750.

NOTE 8. ACCRUED COMPENSATED ABSENCES

The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued at the financial statement date for which payment is probable. As of December 31, 2016, the Authority had accrued \$393,479 in compensated absences, of which \$39,348, is estimated to be currently due.

NOTE 9. PENSION PLAN

A. Plan Description

The State of New Jersey, Public Employees Retirement System (PERS) is a cost-sharing multiple employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR), which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

B. Benefits

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

1. Members who were enrolled prior to July 1, 2007
2. Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3. Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4. Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5. Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9. PENSION PLAN (continued)

B. Benefits (continued)

Early retirement benefits are available to tiers one and two before reaching age 60, tiers 3 and 4 before age 62 with 25 years or more of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month a member retires prior to the age at which a member can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

C. Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by all active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on the actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

D. Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

At December 31, 2016, the Authority reported a liability of \$15,587,120 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended December 31, 2016, the Authority recognized pension expense of \$1,473,787. At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9. PENSION PLAN (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of Assumptions	\$ 3,228,818	\$ -
Changes in Proportion	412,384	(632,345)
Differences between expected and actual experience	289,873	-
Net differences between actual and projected earnings on pension plan investments	594,341	-
Net differences between Proportionate Share and actual Contribution	<u>-</u>	<u>(5,216)</u>
Total	<u>\$ 4,525,416</u>	<u>\$ (637,561)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	<u>Amount</u>
2017	\$ 894,907
2018	894,909
2019	1,042,452
2020	847,645
2021	<u>207,942</u>
	<u>\$ 3,887,855</u>

E. Actuarial Assumptions

The total pension liability at the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate	3.08%
Salary increases:	
Through 2026	1.65 - 4.15%, based on age
Thereafter	2.65 - 5.15%, based on age
Investment rate of return	7.65%

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 9. PENSION PLAN (continued)

E. Actuarial Assumptions (continued)

Pre-mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For state employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one year for males and females) for service retirements and beneficiaries of former members and one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

F. Long-term expected rate of return

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class includes the PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 9. PENSION PLAN (continued)

G. Discount Rate (continued)

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on the pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

H. Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.98 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.98 percent) or 1 percentage point higher (4.98 percent) than the current rate.

	1% Decrease <u>(2.98%)</u>	Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
Authority's proportionate share of the net pension liability	\$ <u>19,100,192</u>	\$ <u>15,587,120</u>	\$ <u>12,686,768</u>

NOTE 10. POST-RETIREMENT BENEFITS

The Authority participates in the New Jersey State Health Benefits Program ("the SHBP"), which qualifies as a cost-sharing, multiple-employer plan in accordance with GASB Statement 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions" ("OPEB"). The SHBP is administered by the State of New Jersey, Department of Treasury, Division of Pension and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents.

A retiree may also receive Authority-paid health benefits in accordance with the Authority's personnel policy if they are sixty-two (62) years of age and have fifteen (15) or more years of service with the Authority.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
 NOTES TO FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 10. POST-RETIREMENT BENEFITS (continued)

A. Contribution Requirements – SHBP

Contributions to pay for the health premiums of participating employees in the SHBP – Local are collected from the State of New Jersey, participating local employers, active members, and retired members. Local employer payments and active and retired member contributions are generally received on a monthly basis.

Local group employees are not affected by the premium sharing provisions of Chapter 8, P.L. 1996. Chapter 2, P.L. 2010, effective May 21, 2010, requires a minimum contribution of 1.5% of base salary toward the cost of health care benefits coverage by all active public employees. Employees of the State, local governments, and boards of education who become a member of a State or locally-administered retirement system on or after the law’s effective date would be required to pay in retirement 1.5% of their pension benefit toward the cost of health care coverage under the SHBP.

Chapter 78, P.L. 2011, effective June 28, 2011, established new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee’s annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78’s effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011, the 4-year phase-in does not apply and contributions based on the full percentage rate of contribution are required. Under Chapter 78, certain future retirees eligible for employer-paid health care coverage at retirement will also be required to pay a percentage of the cost of their medical coverage determined on the basis of their annual retirement benefit.

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 of the SHBP. 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 SHBP is established under the authority of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. At December 31, 2016, the Authority had approximately 64 retired participants in the system. The required contribution rate is determined on an annual pay as you go basis. The following were the required contributions to the SHBP:

<u>Year</u>	<u>Amount</u>
2016	\$ <u><u>938,019</u></u>
2015	\$ <u><u>833,047</u></u>
2014	\$ <u><u>794,771</u></u>

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 11. RESTRICTED NET POSITION

Restricted net position consists of the following at December 31, 2016

<u>Category</u>	<u>Amount</u>
Neighborhood Stabilization Program (NSP) reserves	\$ 349,057
Wesco escrow	91,921
Hope VI mortgage loan reserves and related accrued interest	<u>40,970,434</u>
	<u>\$ 41,411,412</u>

Neighborhood Stabilization Program reserves are restricted for capital purchases in accordance with NSP program regulations.

Water/Energy Savings Corporation ("WESCO) escrows are restricted to provide funding for the Authority to lease equipment for water and energy renovations from the WESCO.

Hope VI mortgage loan reserves are restricted for use in the Hope VI program upon collection of the loan and the satisfaction of regulatory requirements.

NOTE 12. GROUND LEASE AGREEMENTS

As of December 31, 2016, the Authority has entered into eight ground leases with selected developers in furtherance of their redevelopment objectives. In accordance with Generally Accepted Accounting Principles, these leases are classified as operating leases which expire over various periods from 90 to 99 years.

The leases are summarized as follows:

AMP	Development	Settlement Date	Lease Term	Expiration Date	Lease Price
4	Chelton Terrace Phase 2	08/26/2004	99 years	08/25/2103	\$1.00
8	Roosevelt Manor Phase 5	12/21/2007	99 years	12/20/2106	\$1.00
11	Roosevelt Manor Phase 7	02/26/2008	90 years	02/26/2098	\$1.00
9	Roosevelt Manor Phases 9&10	07/01/2009	99 years	06/30/2108	\$1.00
12	Roosevelt Manor Phase 12	05/09/2008	90 years	05/09/2098	\$1.00
10	Branch Village Phase 2	09/13/2010	90 years	09/12/2100	\$1.00
13	Westfield Acres Phase 1	12/27/2001	99 years	12/27/2100	\$1.00
19	Baldwin's Run Phase 9	03/21/2006	99 years	03/21/2105	\$1.00
2	Branch Village Midrise	11/22/2016	99 years	11/30/2115	\$100.00

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13. DWELLING LEASE ACTIVITIES

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

NOTE 14. ECONOMIC DEPENDENCY

The Section 8 and the Low Rent Public Housing programs are economically dependent on annual grants from HUD.

NOTE 15. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of December 31, 2016, the Authority estimates that no material liabilities will result from such audits other than what has been disclosed herein.

NOTE 16. RISK MANAGEMENT

The Authority is exposed to various risks related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. Significant losses are covered by commercial insurance for all major programs, there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 17. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through September 26, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



**INDEPENDENT AUDITORS' 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***

To the Board of Commissioners
Housing Authority of the City of Camden:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of the City of Camden (the "Authority") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated September 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 26, 2017
Toms River, New Jersey

Novogradac & Company LLP



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY OMB CIRCULAR 15-08**

To the Board of Commissioners
Housing Authority of the City of Camden:

We have audited the Housing Authority of the City of Camden's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2016. 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.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations and the State of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance 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 Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority 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, 2016.

Report on Internal Control Over Compliance

Management of the Authority 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 of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

September 26, 2017
Toms River, New Jersey

Novogrodac & Company LLP

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass- through Number</u>	<u>Grant Period</u> <u>From / To</u>		<u>Grant Award</u>	<u>Fiscal Year Cash Receipts</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative - Expenditures</u>
<u>U.S. Department of Housing and Urban Dev.</u>								
Public and Indian Housing	14.850	N/A	1/1/16	12/31/16	\$ 10,352,931	\$ 10,352,931	\$ 10,352,931	\$ 10,352,931
Section 8 Housing Choice Voucher Program	14.871	N/A	1/1/16	12/31/16	13,533,604	13,533,604	13,533,604	13,533,604
Public Housing Capital Fund Program	14.872	N/A	12/31/08	4/12/20	12,134,089	3,143,963	2,692,190	8,985,489
Family Self-Sufficiency Program	14.896	N/A	1/1/16	12/31/16	<u>44,311</u>	<u>44,311</u>	<u>44,311</u>	<u>44,311</u>
Total U.S. Department of HUD					<u>36,064,935</u>	<u>27,074,809</u>	<u>26,623,036</u>	<u>32,916,335</u>
<u>U.S. Department of Education:</u>								
Passed through Camden County College:								
Title II Adult Education and Literacy - Adult Basic Skills Multi-year Program	84.002	N/A	7/1/15	6/30/17	<u>132,730</u>	<u>80,722</u>	<u>83,608</u>	<u>132,730</u>
<u>Corp. for National and Community Service:</u>								
Americorp	94.006	N/A	8/15/15	8/14/16	<u>39,653</u>	<u>18,912</u>	<u>23,132</u>	<u>24,264</u>
<u>U.S. Department of Labor:</u>								
Youthbuild	17.274	N/A	8/11/14	2/16/20	<u>2,200,000</u>	<u>578,993</u>	<u>525,706</u>	<u>714,537</u>
Total Federal Awards					<u>\$ 38,437,318</u>	<u>\$ 27,753,436</u>	<u>\$ 27,255,482</u>	<u>\$ 33,787,866</u>

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>State Grantor/Program Title</u>	<u>Grant Period From / To</u>	<u>Grant Award</u>	<u>Fiscal Year Cash Receipts</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative - Expenditures</u>
<u>New Jersey Department of Education:</u>					
Juvenile Justice Comm.	7/1/15 6/30/17	<u>827,848</u>	<u>459,321</u>	<u>423,421</u>	<u>598,128</u>
Total State Awards		<u>\$ 827,848</u>	<u>\$ 459,321</u>	<u>\$ 423,421</u>	<u>\$ 598,128</u>

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal grant activity of Housing Authority of the City of Camden under programs of the federal and state government for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and State of New Jersey Circular 15-08. Because the schedule presents only a selected portion of operations of the Housing Authority of the City of Camden, it is not intended to and does not present the financial position, changes in net position or cash flows of the Housing Authority of the City of Camden.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance and the State of New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The Authority has not elected to use the ten percent de minimus indirect cost rate allowed under the uniform guidance.

HOUSING AUTHORITY OF THE CITY OF CAMDEN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

1) The total amount of Capital Fund Program Costs and Advances incurred and earned by the Housing Authority of the City of Camden as of and for the year ended December 31, 2016 are provided herein.

	<u>RHFP-08</u>	<u>RHFP-09</u>	<u>RHFP-10</u>	<u>RHF-11A</u>	<u>RHF-11C</u>	<u>501-13</u>	<u>501-14</u>
Budget	\$ <u>947,176</u>	\$ <u>966,355</u>	\$ <u>869,844</u>	\$ <u>273,027</u>	\$ <u>80,151</u>	\$ <u>2,200,378</u>	\$ <u>2,259,030</u>
<u>Advances:</u>							
Cumulative through 1/1/16	\$ 865,542	\$ -	\$ -	\$ 273,027	\$ -	\$ 1,902,099	\$ 1,816,875
Current Year	<u>81,634</u>	<u>805,875</u>	<u>-</u>	<u>-</u>	<u>80,151</u>	<u>28,279</u>	<u>174,263</u>
Cumulative through 12/31/16	<u>947,176</u>	<u>805,875</u>	<u>-</u>	<u>273,027</u>	<u>80,151</u>	<u>1,930,378</u>	<u>1,991,138</u>
<u>Costs:</u>							
Cumulative through 1/1/16	947,176	462,995	86,984	273,027	8,015	1,905,813	1,888,265
Current Year	<u>-</u>	<u>370,183</u>	<u>-</u>	<u>-</u>	<u>72,136</u>	<u>24,565</u>	<u>108,370</u>
Cumulative through 12/31/16	<u>947,176</u>	<u>833,178</u>	<u>86,984</u>	<u>273,027</u>	<u>80,151</u>	<u>1,930,378</u>	<u>1,996,635</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>(27,303)</u>	\$ <u>(86,984)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(5,497)</u>
	<u>501-15</u>	<u>501-16</u>	<u>Totals</u>				
Budget	\$ <u>2,233,771</u>	\$ <u>2,304,357</u>	\$ <u>12,134,089</u>				
<u>Advances:</u>							
Cumulative through 1/1/16	\$ 657,822	\$ -	\$ 5,515,365				
Current Year	<u>1,215,961</u>	<u>757,800</u>	<u>3,143,963</u>				
Cumulative through 12/31/16	<u>1,873,783</u>	<u>757,800</u>	<u>8,659,328</u>				
<u>Costs:</u>							
Cumulative through 1/1/16	748,326	-	6,320,601				
Current Year	<u>1,267,197</u>	<u>849,739</u>	<u>2,692,190</u>				
Cumulative through 12/31/16	<u>2,015,523</u>	<u>849,739</u>	<u>9,012,791</u>				
Excess / (Deficiency)	\$ <u>(141,740)</u>	\$ <u>(91,939)</u>	\$ <u>(353,463)</u>				

1) Capital Fund Grant No. NJ39R010502-08 with an approved funding of \$947,176 has been fully drawn down and expended as per Capital Fund Grant Regulations.

2) Capital Fund Grant No. NJ39R010502-11 with an approved funding of \$80,151 has been fully drawn down and expended as per Capital Fund Grant Regulations.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

I. Summary of Auditors' Results

Financial Statement Section

- | | | |
|----|---|------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material Weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | No |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|---|------------|
| 1. | Internal Control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | No |
| 2. | Type of auditors' report on compliance
for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. | Identification of major programs: | |
| | <u>CFDA Number</u> <u>Name of Federal Program</u> | |
| | 14.850 Public and Indian Housing | |
| 5. | Dollar threshold used to distinguish between
Type A and Type B Programs: | \$819,484 |
| 6. | Auditee qualified as low-risk Auditee? | Yes |

HOUSING AUTHORITY OF THE CITY OF CAMDEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

None reported.

IV. Schedule of Prior Year Federal Audit Findings

There were no findings or questioned costs in the prior year.

**HOUSING AUTHORITY OF THE CITY OF CAMDEN
REQUIRED PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS***

	December 31, <u>2014</u>	December 31, <u>2015</u>	December 31, <u>2016</u>
Contractually required contribution	\$ 421,854	\$ 482,245	\$ 467,546
Contributions in relation to the contractually required contribution	<u>421,854</u>	<u>482,245</u>	<u>467,546</u>
(Over) / under funded	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$ 5,072,004</u>	<u>\$ 4,643,731</u>	<u>\$ 4,317,787</u>
Contributions as a percentage of covered-employee payroll	<u>8.32 %</u>	<u>10.38 %</u>	<u>10.83 %</u>

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS***

	December 31, <u>2014</u>	December 31, <u>2015</u>	December 31, <u>2016</u>
Authority's proportion of the net pension liability	<u>0.0529 %</u>	<u>0.0561 %</u>	<u>0.0526 %</u>
Authority's proportionate share of the net pension liability	<u>\$ 9,903,351</u>	<u>\$ 12,591,641</u>	<u>\$ 15,587,116</u>
Authority's covered-employee payroll	<u>\$ 5,072,004</u>	<u>\$ 4,643,731</u>	<u>\$ 4,317,787</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>195.26 %</u>	<u>271.15 %</u>	<u>361.00 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.08 %</u>	<u>47.93 %</u>	<u>40.14 %</u>

*** = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

Housing Authority of the City of Camden								
NJ010								
Financial Data Schedule (FDS)								
December 31, 2016								
Line Item #	Account Description	PROJECTS	HOUSING CHOICE VOUCHERS	OTHER FEDERAL PROGRAM 1	BUSINESS ACTIVITIES 1	OPPORT. FOR YOUTH - YOUTHBUILD PROGRAM	PIH FAMILY SELF-SUFFICIENCY PROGRAM	ADULT EDUCATION STATE GRANT PROGRAM
ASSETS:								
CURRENT ASSETS:								
Cash:								
111	Cash - unrestricted	\$ 5,249,677	\$ 522,000	\$ 55,633	\$ 26,393	\$ -	\$ -	\$ -
112	Cash - restricted - modernization and development	131,471	-	-	-	-	-	-
113	Cash - other restricted	91,921	158,006	-	-	-	-	-
114	Cash - tenant security deposits	289,297	-	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	-	1,125,350	-	-	-	-	-
100	Total cash	5,762,366	1,805,356	55,633	26,393	-	-	-
Accounts and notes receivables:								
121	Accounts receivable - PHA projects	-	1,112	-	-	-	-	-
122	Accounts receivable - HUD other projects	353,463	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	133,309	-	-
125	Accounts receivable - miscellaneous	-	7,257	3,542	-	-	-	15,828
126	Accounts receivable- tenants	73,209	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(40,082)	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-
128	Fraud recovery	-	107,079	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	(107,079)	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	386,590	8,369	3,542	-	133,309	-	15,828
Current investments								
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	435,669	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	6,584,625	1,813,725	59,175	26,393	133,309	-	15,828
NONCURRENT ASSETS:								
Fixed assets:								
161	Land	1,059,493	-	-	-	-	-	-
162	Buildings	155,444,843	-	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	293,634	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	828,277	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	-
166	Accumulated depreciation	(136,647,281)	-	-	-	-	-	-
167	Construction in Progress	2,698,865	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	23,677,831	-	-	-	-	-	-
Other non-current assets:								
171	Notes and mortgages receivable - non-current	36,066,640	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-
174	Other assets	4,903,794	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	64,648,265	-	-	-	-	-	-
190	TOTAL ASSETS	71,232,890	1,813,725	59,175	26,393	133,309	-	15,828
200	Deferred Outflows of Resources	2,369,836	414,297	53,856	115,623	383,460	22,487	51,770
Total assets and deferred outflows of resources		\$ 73,602,726	\$ 2,228,022	\$ 113,031	\$ 142,016	\$ 516,769	\$ 22,487	\$ 67,598

Housing Authority of the City of Camden									
NJ010									
Financial Data Schedule (FDS)									
December 31, 2016									
Line Item #	Account Description	PROJECTS	HOUSING CHOICE VOUCHERS	OTHER FEDERAL PROGRAM 1	BUSINESS ACTIVITIES 1	OPPORT. FOR YOUTH - YOUTHBUILD PROGRAM	PIH FAMILY SELF-SUFFICIENCY PROGRAM	ADULT EDUCATION STATE GRANT PROGRAM	
LIABILITIES AND EQUITY:									
Liabilities:									
Current Liabilities:									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	273,856	2,192	-	-	-	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	12,660	3,522	-	65	1,496	-	-	340
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	29,213	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-
341	Tenant security deposits	289,297	-	-	-	-	-	-	-
342	Unearned Revenue	17,986	-	-	-	-	-	-	-
343	Current portion of L-T debt - capital projects	618,371	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	2,300	-	-	-	-
347	Interprogram - due to	22,146	-	-	-	118,981	-	-	12,432
310	TOTAL CURRENT LIABILITIES	1,263,529	5,714	-	2,365	120,477	-	-	12,772
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	3,460,000	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	13,226	158,006	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	113,935	31,699	-	585	13,469	-	-	3,056
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	8,104,257	1,423,339	321,241	395,167	1,233,229	27,642	-	177,065
350	TOTAL NONCURRENT LIABILITIES	11,691,418	1,613,044	321,241	395,752	1,246,698	27,642	-	180,121
300	TOTAL LIABILITIES	12,954,947	1,618,758	321,241	398,117	1,367,175	27,642	-	192,893
400	Deferred Inflows of Resources	334,628	1,183,765	5,830	16,330	55,156	3,813	-	7,310
EQUITY:									
508.1	Invested in Capital Assets, Net of Related Debt	19,599,460	-	-	-	-	-	-	-
511.1	Restricted Net Assets	41,062,355	-	-	-	-	-	-	-
512.1	Unrestricted Net Assets	(348,664)	(574,501)	(214,040)	(272,431)	(905,562)	(8,968)	-	(132,605)
513	TOTAL EQUITY	60,313,151	(574,501)	(214,040)	(272,431)	(905,562)	(8,968)	-	(132,605)
600	TOTAL LIABILITIES AND EQUITY	\$ 73,602,726	\$ 2,228,022	\$ 113,031	\$ 142,016	\$ 516,769	\$ 22,487	\$ -	\$ 67,598

Housing Authority of the City of Camden									
NJ010									
Financial Data Schedule (FDS)									
December 31, 2016									
Line Item #	Account Description	CHOICE NEIGHBORHOODS PLANNING GANTS	NEIGHBORHOOD STABILIZATION 14256	AMERICORPS	COMPONENT UNIT BLENDED	COCC	ELIMINATION	TOTAL	
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ -	\$ -	\$ -	\$ 101,147	\$ 82,741	\$ -	\$ 6,037,591	
112	Cash - restricted - modernization and development	-	-	-	-	-	-	131,471	
113	Cash - other restricted	-	349,057	-	-	-	-	598,984	
114	Cash - tenant security deposits	-	-	-	-	-	-	289,297	
115	Cash - restricted for payment of current liabilities	-	36,999	-	-	-	-	1,162,349	
100	Total cash	-	386,056	-	101,147	82,741	-	8,219,692	
Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	1,112	
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	353,463	
124	Accounts receivable - other government	-	-	5,352	-	-	-	138,661	
125	Accounts receivable - miscellaneous	-	-	-	67,394	392,656	(148,182)	338,495	
126	Accounts receivable- tenants	-	-	-	1,326	-	-	74,535	
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	(40,082)	
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	
128	Fraud recovery	-	-	-	-	-	-	107,079	
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	(107,079)	
129	Accrued interest receivable	-	-	-	-	-	-	-	
120	Total receivables, net of allowances for doubtful accounts	-	-	5,352	68,720	392,656	(148,182)	866,184	
Current investments									
131	Investments - unrestricted	-	-	-	-	-	-	-	
132	Investments - restricted	-	-	-	-	-	-	-	
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	
142	Prepaid expenses and other assets	-	-	-	59	-	-	435,728	
143	Inventories	-	-	-	-	-	-	-	
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	
144	Interprogram - due from	-	-	-	-	158,911	(158,911)	-	
145	Assets held for sale	-	-	-	-	-	-	-	
150	TOTAL CURRENT ASSETS	-	386,056	5,352	169,926	634,308	(307,093)	9,521,604	
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	-	-	-	81,042	-	-	1,140,535	
162	Buildings	-	-	-	729,378	-	-	156,174,221	
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	293,634	
164	Furniture, equipment & machinery - administration	-	-	-	-	27,143	-	855,420	
165	Leasehold improvements	-	-	-	-	-	-	-	
166	Accumulated depreciation	-	-	-	(18,234)	(25,844)	-	(136,691,359)	
167	Construction in Progress	239,360	-	-	-	-	-	2,938,225	
168	Infrastructure	-	-	-	-	-	-	-	
160	Total fixed assets, net of accumulated depreciation	239,360	-	-	792,186	1,299	-	24,710,676	
Other non-current assets:									
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	36,066,640	
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	
174	Other assets	-	-	-	-	-	-	4,903,794	
175	Undistributed debits	-	-	-	-	-	-	-	
176	Investment in joint ventures	-	-	-	-	-	-	-	
180	TOTAL NONCURRENT ASSETS	239,360	-	-	792,186	1,299	-	65,681,110	
190	TOTAL ASSETS	239,360	386,056	5,352	962,112	635,607	(307,093)	75,202,714	
200	Deferred Outflows of Resources	-	-	7,859	23,654	1,082,574	-	4,525,416	
Total assets and deferred outflows of resources		\$ 239,360	\$ 386,056	\$ 13,211	\$ 985,766	\$ 1,718,181	\$ (307,093)	\$ 79,728,130	

Housing Authority of the City of Camden									
NJ010									
Financial Data Schedule (FDS)									
December 31, 2016									
Line Item #	Account Description	CHOICE NEIGHBORHOODS PLANNING GANTS	NEIGHBORHOOD STABILIZATION 14256	AMERICORPS	COMPONENT UNIT BLENDED	COCC	ELIMINATION	TOTAL	
LIABILITIES AND EQUITY:									
Liabilities:									
Current Liabilities:									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	-	-	-	-	221,216	-	497,264	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	67,890	-	67,890	-
322	Accrued compensated absences - current portion	-	-	-	-	21,265	-	39,348	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	29,213	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	850	-	-	290,147	-
342	Unearned Revenue	-	-	-	-	-	-	17,986	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	618,371	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	123,963	-	123,963	-
346	Accrued liabilities - other	-	-	-	148,182	93,734	(148,182)	96,034	-
347	Interprogram - due to	-	-	5,352	-	-	(158,911)	-	-
310	TOTAL CURRENT LIABILITIES	-	-	5,352	149,032	528,068	(307,093)	1,780,216	-
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	3,460,000	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-	171,232	-
354	Accrued compensated absences - noncurrent	-	-	-	-	191,387	-	354,131	-
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	9,660	29,076	3,866,444	-	15,587,120	-
350	TOTAL NONCURRENT LIABILITIES	-	-	9,660	29,076	4,057,831	-	19,572,483	-
300	TOTAL LIABILITIES	-	-	15,012	178,108	4,585,899	(307,093)	21,352,699	-
400	Deferred Inflows of Resources	-	36,999	1,333	4,011	150,735	-	1,799,910	-
EQUITY:									
508.1	Invested in Capital Assets, Net of Related Debt	239,360	-	-	792,186	1,299	-	20,632,305	-
511.1	Restricted Net Assets	-	349,057	-	-	-	-	41,411,412	-
512.1	Unrestricted Net Assets	-	-	(3,134)	11,461	(3,019,752)	-	(5,468,196)	-
513	TOTAL EQUITY	239,360	349,057	(3,134)	803,647	(3,018,453)	-	56,575,521	-
600	TOTAL LIABILITIES AND EQUITY	\$ 239,360	\$ 386,056	\$ 13,211	\$ 985,766	\$ 1,718,181	\$ (307,093)	\$ 79,728,130	-

Housing Authority of the City of Camden									
NJ010									
Financial Data Schedule (FDS)									
December 31, 2016									
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	OTHER FEDERAL PROGRAM 1	BUSINESS ACTIVITIES 1	OPPORT. FOR YOUTH - YOUTHBUILD PROGRAM	PIH FAMILY SELF-SUFFICIENCY PROGRAM	ADULT EDUCATION STATE GRANT PROGRAM
REVENUE:									
70300	Net tenant rental revenue	2,885,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	42,228	-	-	-	-	-	-	-
70500	Total tenant revenue	2,927,738	-	-	-	-	-	-	-
70600	HUD PHA grants	10,352,931	1,388,533	13,201,970	-	-	-	44,311	-
70610	Capital grants	-	1,303,657	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	949,127	-	83,608
71100	Investment income - unrestricted	-	-	-	-	-	-	-	-
71200	Mortgage interest income	511,901	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	5,017	-	-	-	-	-
71500	Other revenue	241,698	-	114,040	60,656	237,296	-	-	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-
72000	Investment income - restricted	476	-	-	-	-	-	-	-
70000	TOTAL REVENUE	14,034,744	2,692,190	13,321,027	60,656	237,296	949,127	44,311	83,608
EXPENSES:									
Administrative									
91100	Administrative salaries	823,177	-	267,765	1,417	-	-	-	-
91200	Auditing fees	34,153	-	9,972	-	-	-	-	-
91300	Outside management fees	1,005,230	230,436	231,100	-	-	-	-	-
91310	Book-keeping fee	153,148	-	104,682	-	-	-	-	-
91400	Advertising and marketing	156	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	1,083,378	-	250,262	38,228	25,085	89,619	8,968	11,221
91600	Office expenses	132,197	315	69,025	10,002	380	5,506	-	2,088
91700	Legal expenses	92,787	-	-	-	-	-	-	-
91800	Travel	6,775	-	15,311	-	-	4,069	-	-
91810	Allocated overhead	-	-	-	-	-	-	-	-
91900	Other	2,723,380	2,925	20,800	11,485	12,101	25,440	-	-
	Total administrative	6,054,381	233,676	968,917	61,132	37,566	124,634	8,968	13,309
92000	Asset Management Fee	213,960	-	-	-	-	-	-	-
Tenant services									
92100	Tenant services - salaries	321,433	-	130,206	-	123,950	440,872	44,311	55,445
92200	Relocation costs	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	360,999	-	78,286	-	39,159	192,260	-	19,137
92400	Tenant services - other	88,660	-	-	-	1,500	218,370	-	63
	Total tenant services	771,092	-	208,492	-	164,609	851,502	44,311	74,645
Utilities									
93100	Water	594,627	-	627	-	1,641	2,312	-	-
93200	Electricity	415,688	-	13,180	-	-	24,510	-	-
93300	Gas	425,498	-	1,745	-	-	5,513	-	-
93400	Fuel	-	-	-	-	-	-	-	-
93500	Labor	108,437	-	-	-	-	-	-	-
93600	Sewer	408,635	-	-	-	252	100	-	-
93700	Employee benefit contributions- utilities	69,494	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-
	Total utilities	2,022,379	-	15,552	-	1,893	32,435	-	-

Housing Authority of the City of Camden									
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Financial Data Schedule (FDS)									
December 31, 2016									
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	OTHER FEDERAL PROGRAM 1	BUSINESS ACTIVITIES 1	OPPORT. FOR YOUTH - YOUTHBUILD PROGRAM	PIH FAMILY SELF-SUFFICIENCY PROGRAM	ADULT EDUCATION STATE GRANT PROGRAM
	Ordinary maintenance & operation								
94100	Ordinary maintenance and operations - labor	939,058	-	43,130	-	-	-	-	-
94200	Ordinary maintenance and operations - materials & other	252,537	2,409	146	187	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	769,290	-	402	-	1,412	12,010	-	-
94500	Employee benefit contributions- ordinary maintenance	663,754	-	25,932	-	-	-	-	-
	Total ordinary maintenance	2,624,639	2,409	69,610	187	1,412	12,010	-	-
	Protective services								
95100	Protective services - labor	346,410	-	-	-	-	1,951	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	296,536	-	-	-	-	1,721	-	-
	Total protective services	642,946	-	-	-	-	3,672	-	-
	General expenses								
96100	Insurance premiums	682,788	-	39,256	-	5,112	16,898	-	3,661
96200	Other general expenses	115,359	-	13,923	-	-	-	-	-
96210	Compensated absences	30,992	-	2,971	-	(4,625)	(2,405)	-	3,214
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	28,828	-	-	-	-	-	-	-
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-	-
96710	Interest of mortgage (or bonds) payable	-	186,323	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	17,427	-	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
	Total general expenses	875,394	186,323	56,150	-	487	14,493	-	6,875
96900	TOTAL OPERATING EXPENSES	13,204,791	422,408	1,318,721	61,319	205,967	1,038,746	53,279	94,829
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	829,953	2,269,782	12,002,306	(663)	31,329	(89,619)	(8,968)	(11,221)
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	36,938	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	12,207,836	-	-	-	-	-
97350	HAP Portability - in	-	-	7,047	-	-	-	-	-
97400	Depreciation expense	2,342,268	-	-	-	-	-	-	-
97500	Fraud losses	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	15,583,997	422,408	13,533,604	61,319	205,967	1,038,746	53,279	94,829

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OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	966,125	-	-	-	-	-	-	-
10020	Operating transfers out	-	(966,125)	-	-	-	-	-	-
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)	(4,157,717)	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	(3,191,592)	(966,125)	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(4,740,845)	1,303,657	(212,577)	(663)	31,329	(89,619)	(8,968)	(11,221)
MEMO ACCOUNT INFORMATION:									
11020	Required annual debt principal payments	262,705	334,999	-	-	-	-	-	-
11030	Beginning equity	63,570,405	179,934	(361,924)	(213,377)	(303,760)	(815,943)	-	(121,384)
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	(574,501)	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-
		-	-	(574,501)	-	-	-	-	-
11190	Unit months available	21,330	-	17,062	-	-	-	-	-
11210	Number of unit months leased	20,419	-	17,062	-	-	-	-	-
Equity Roll Forward Test:									
	Calculation from R/E Statement	\$ 60,313,151	\$ -	\$ (574,501)	\$ (214,040)	\$ (272,431)	\$ (905,562)	\$ (8,968)	\$ (132,605)
	B/S Line 513	\$ 60,313,151	\$ -	\$ (574,501)	\$ (214,040)	\$ (272,431)	\$ (905,562)	\$ (8,968)	\$ (132,605)
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Camden								
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Financial Data Schedule (FDS)								
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Line Item #	Account Description	CHOICE NEIGHBORHOODS PLANNING GRANTS	AMERICORPS	COMPONENT UNIT BLENDED	NEIGHBORHOOD STABILIZATION 14256	COCC	ELIMINATION	TOTAL
REVENUE:								
70300	Net tenant rental revenue	\$ -	\$ -	\$ 10,406	\$ -	\$ -	\$ -	\$ 2,895,916
70400	Tenant revenue - other	-	-	-	-	-	-	42,228
70500	Total tenant revenue	-	-	10,406	-	-	-	2,938,144
70600	HUD PHA grants	-	-	-	-	-	-	24,987,745
70610	Capital grants	-	-	-	-	-	-	1,303,657
70710	Management fee	-	-	-	-	1,466,766	(1,466,766)	-
70720	Asset management fee	-	-	-	-	213,960	(213,960)	-
70730	Book keeping fee	-	-	-	-	257,830	(257,830)	-
70750	Other fees	-	-	-	-	27,916	(27,916)	-
70800	Other government grants	-	23,132	-	-	-	-	1,055,867
71100	Investment income - unrestricted	-	-	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	511,901
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	5,017
71500	Other revenue	-	-	87,768	29,905	7,507	-	778,870
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	476
70000	TOTAL REVENUE	-	23,132	98,174	29,905	1,973,979	(1,966,472)	31,581,677
EXPENSES:								
Administrative								
91100	Administrative salaries	-	-	16,090	-	1,025,829	-	2,134,278
91200	Auditing fees	-	-	-	-	5,001	-	49,126
91300	Outside management fees	-	-	-	-	-	(1,466,766)	-
91310	Book-keeping fee	-	-	-	-	-	(257,830)	-
91400	Advertising and marketing	-	-	-	-	4,739	-	4,895
91500	Employee benefit contributions- administrative	-	3,134	9,433	-	715,423	-	2,234,751
91600	Office expenses	-	945	5,951	1,500	92,880	(27,916)	292,873
91700	Legal expenses	-	-	-	-	86,465	-	179,252
91800	Travel	-	-	-	-	31,183	-	57,338
91810	Allocated overhead	-	-	-	-	-	-	-
91900	Other	-	-	11,909	-	89,707	-	2,897,747
	Total administrative	-	4,079	43,383	1,500	2,051,227	(1,752,512)	7,850,260
92000	Asset Management Fee	-	-	-	-	-	(213,960)	-
Tenant services								
92100	Tenant services - salaries	-	15,487	30,520	-	-	-	1,162,224
92200	Relocation costs	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	6,426	2,509	-	-	-	698,776
92400	Tenant services - other	-	274	5	-	-	-	308,872
	Total tenant services	-	22,187	33,034	-	-	-	2,169,872
Utilities								
93100	Water	-	-	942	-	-	-	600,149
93200	Electricity	-	-	539	-	45,000	-	498,917
93300	Gas	-	-	-	-	-	-	432,756
93400	Fuel	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	108,437
93600	Sewer	-	-	1,519	-	-	-	410,506
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	69,494
93800	Other utilities expense	-	-	-	-	-	-	-
	Total utilities	-	-	3,000	-	45,000	-	2,120,259

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	Ordinary maintenance & operation							
94100	Ordinary maintenance and operations - labor	-	-	-	-	5,542	-	987,730
94200	Ordinary maintenance and operations - materials & other	-	-	3,147	-	5,612	-	264,038
94300	Ordinary maintenance and operations - contract costs	-	-	15,062	-	9,391	-	807,567
94500	Employee benefit contributions- ordinary maintenance	-	-	-	-	2,521	-	692,207
	Total ordinary maintenance	-	-	18,209	-	23,066	-	2,751,542
	Protective services							
95100	Protective services - labor	-	-	-	-	-	-	348,361
95200	Protective services- other contract costs	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	298,257
	Total protective services	-	-	-	-	-	-	646,618
	General expenses							
96100	Insurance premiums	-	-	999	-	79,238	-	827,952
96200	Other general expenses	-	-	3,227	-	-	-	132,509
96210	Compensated absences	-	-	-	-	24,553	-	54,700
96300	Payments in lieu of taxes	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-	28,828
96500	Bad debt- mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-
96710	Interest of mortgage (or bonds) payable	-	-	-	-	-	-	186,323
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	17,427
96730	Amortization of bond issue costs	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
	Total general expenses	-	-	4,226	-	103,791	-	1,247,739
96900	TOTAL OPERATING EXPENSES	-	26,266	101,852	1,500	2,223,084	(1,966,472)	16,786,290
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	-	(3,134)	(3,678)	28,405	(249,105)	-	14,795,387
97100	Extraordinary maintenance	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	3,029	-	39,967
97300	Housing assistance payments	-	-	-	-	-	-	12,207,836
97350	HAP Portability - in	-	-	-	-	-	-	7,047
97400	Depreciation expense	-	-	18,234	-	1,922	-	2,362,424
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	-	26,266	120,086	1,500	2,228,035	(1,966,472)	31,403,564

Housing Authority of the City of Camden								
NJ010								
Financial Data Schedule (FDS)								
December 31, 2016								
Line Item #	Account Description	CHOICE NEIGHBORHOODS PLANNING GRANTS	AMERICORPS	COMPONENT UNIT BLENDED	NEIGHBORHOOD STABILIZATION 14256	COCC	ELIMINATION	TOTAL
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	-	-	-	-	-	(712,944)	253,181
10020	Operating transfers out	-	-	-	-	-	712,944	(253,181)
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)	-	-	-	(8,855,538)	-	-	(13,013,255)
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(8,855,538)	-	-	(13,013,255)
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	(3,134)	(21,912)	(8,827,133)	(254,056)	-	(12,835,142)
MEMO ACCOUNT INFORMATION:								
11020	Required annual debt principal payments	-	-	-	-	-	-	597,704
11030	Beginning equity	239,360	-	15,138	9,986,611	(2,764,397)	-	69,410,663
11040	Prior period adjustments and equity transfers	-	-	810,421	(810,421)	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	(574,501)
11180	Housing assistance payments equity	-	-	-	-	-	-	-
		-	-	-	-	-	-	(574,501)
11190	Unit months available	-	-	18	-	-	-	38,410
11210	Number of unit months leased	-	-	18	-	-	-	37,499
Equity Roll Forward Test:								
	Calculation from R/E Statement	\$ 239,360	\$ (3,134)	\$ 803,647	\$ 349,057	\$ (3,018,453)	\$ -	\$ 56,575,521
	B/S Line 513	\$ 239,360	\$ (3,134)	\$ 803,647	\$ 349,057	\$ (3,018,453)	\$ -	\$ 56,575,521
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -