

MANAGEMENT'S DISCUSSION AND ANALYSIS
Housing Authority of the Borough of Cliffside Park
March 31, 2012

As Management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2012. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this Report.

A Financial Highlights

- 1- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$13,742,196 (net assets) as opposed to \$13,878,943 for the prior fiscal year.
- 2 – As of the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Assets of \$4,162,644 and \$736,616 of Restricted Net Assets.
- 3 – The Authority's cash and cash equivalent balance at March 31, 2012 was \$1,366,314 representing an decrease of \$1,046,293 from the prior fiscal year.
- 4 – The Authority's Investments were \$3,962,434 at March 31 representing an increase of \$775,088 from the prior fiscal year
- 5 – The Authority had Total Operating Revenues of \$6,421,962 and Total Operating Expenses of \$7,020,151 (including depreciation of \$431,729) for the year ended March 31, 2012.
- 6 – The Authority's capital outlays for the fiscal year were \$542,220.
- 7 – The Authority's Expenditures of Federal Awards amounted to \$5,145,046 for the fiscal year.

B Using the Annual Report

1 – Management's Discussion and Analysis

The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's statements and Notes to Financial Statements included in this Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for proprietary fund types.

2 – Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of the Comparative Statements of Net Assets, the Comparative Statements of Revenues, Expenses, and Changes in Net Assets, and the Comparative Statements of Cash Flows.

The Comparative Statements of Net Assets present information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

B Using the Annual Report (Continued)

2 – Financial Statements (Continued)

The Comparative Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g.; depreciation and earned but unused vacation leave).

The financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 8 through 10.

3 – Notes To Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The Notes to Financial Statements can be found in this Report after the financial statements.

4 – Supplemental Information

The schedule of expenditures of Federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The schedule of expenditures of Federal awards can be found on page 22 of this report.

C The Authority as a Whole

The Authority's Net Assets increased during the fiscal year as detailed below. The Authority's revenues are primarily subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. The Authority's revenues were sufficient to cover all expenses, excluding depreciation during the fiscal year.

By far, the largest portion of the Authority's net assets reflects its investment in capital assets (e.g., land, buildings, equipment and construction in progress). The Authority uses these capital assets to provide housing services to its tenants. Consequently, these assets are not available for future spending. The unrestricted net assets of the Authority are available for future use to provide program services.

D Budgetary Highlights

For the year ended March 31, 2012 individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. (Also, the Authority adopted a comprehensive annual budget for the General Fund.) The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

D Budgetary Highlights (Continued)

As indicated by the excess of revenues over expenses, when adjusted by depreciation expense, the Authority's Net Assets increased during the fiscal year. The increase is indicative of the Authority operating within its budgetary limitations in total, for all its programs.

E Capital Assets and Debt Administration

1 – Capital Assets

As of March 31, 2012, the Authority's investment in capital assets for its Proprietary Fund was \$8,842,936 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress.

Major capital assets purchased from grants of \$405,368 during the fiscal year pertained to expenditures made in accordance with the Authority's Capital Fund Programs. These activities are funded by grants from HUD.

Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements which is included in this Report

2 – Long Term Debt

The Authority does not have any long-term debt outstanding at this time.

F – Significant Changes from Fiscal Year Ended March 31, 2011 to March 31, 2012

The amount reported for Accounts Receivable HUD during 2011 represented subsidy due from HUD. During FYE 2012 all subsidy due the Authority was received.

Account Receivable Miscellaneous represents a receivable from the County of Bergen for a Social Services Grant which was received subsequent to the end of the Authority's fiscal year.

Accounts payable decreased due to the payment of invoices accrued for refrigerators and surveillance equipment accrued during fiscal year end 2011.

Accrued Liabilities Other includes accrued utility costs which were previously reported in accounts payable.

The Authority's operating subsidy has decreased because HUD has not funded the Authority for the entire calendar year 2012 in order to reduce the Authority's operating reserves. HUD has taken this action with Authority's across the nation in order to reduce reserves to approximately four months of operating expenses.

The Authority's electric costs have decreased due to decreased consumption and new provided which offered a 5% discount from the previous provides rates.

Extraordinary maintenance consists of costs for water-proofing and balcony repairs.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

G Planned Housing Authority Activities

The Authority has developed plans and specifications for the expansion of the existing community and office space. The Authority was formed in 1969 to initially administer a Section 23 Leased Housing Program. Since that time two elderly/handicapped housing complexes totaling 354 units have been built and additional Housing Choice Voucher allocations have been obtained totaling 347 units. The Authority's administrative offices are outdated and inefficient as to the flow and accessibility of tenants requiring increased space and efficiencies in flow and privacy.

The Authority's elderly population has become less mobile increasing the utilization of existing community areas and services offered. The community spaces that are principally for public housing tenants have become outdated and inefficient in providing the population with the services needed.

The Authority has previously provided HUD with planned sources of funding and costs for the updating of administrative offices and increasing the community areas. The funding and proposed office and community area has also been described in the Authority's annual plans, which HUD has approved the use of replacement reserve funds for the stated purposes.

The proposed funding sources for the project are replacement reserves, capital funds and operating funds totaling \$ 2,700,000, the projected cost of the improvements.

The Authority has awarded a contract for the construction of the center as of March 31, 2012.

H Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending March 31, 2013.

1 – The state of the economy, particularly its effect on tenant incomes, which are used in determining tenant rents paid to the Authority.

2 – The need for Congress to fund the war on terrorism and the possible cut-back on HUD subsidies and grants.

3 – The use of the Authority's Unrestricted Net Assets of \$4,162,644 and Restricted Net assets of \$736,616 to fund any shortfalls rising from a possible economic turndown and reduced subsidies and grants. The Authority's Unrestricted Net Assets appear sufficient to cover any shortfall.

I Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Housing Authority of the Borough of Cliffside Park, 500 Gorge Road, Cliffside Park, New Jersey 07010, or call (201) 941-0655.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Composition of Net Assets is as follows:

	<u>Year Ended</u>	
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Cash and Other Current Assets	\$ 5,466,560	\$ 5,755,758
Capital Assets - Net	<u>8,842,936</u>	<u>8,732,445</u>
Total Assets	14,309,496	14,488,203
Less: Total Liabilities	<u>(567,300)</u>	<u>(609,260)</u>
Net Assets	<u>\$ 13,742,196</u>	<u>\$ 13,878,943</u>
Net Assets		
Invested in Capital Assets	8,842,936	8,732,445
Unrestricted Net Assets	736,616	4,338,785
Restricted Net Assets	<u>4,162,644</u>	<u>807,713</u>
Total Net Assets	<u>\$ 13,742,196</u>	<u>\$ 13,878,943</u>

Computations of Changes in Net Assets are as follows:

	<u>Year Ended</u>	
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
<u>Revenues</u>		
Tenant Revenues	\$ 1,326,595	\$ 1,314,654
HUD Subsidies	4,620,329	5,059,696
Other Income	<u>475,038</u>	<u>381,985</u>
Total Operating Revenues	<u>6,421,962</u>	<u>6,756,335</u>
<u>Expenses</u>		
Operating Expenses excluding depreciation	6,588,422	6,415,150
Depreciation Expense	<u>431,729</u>	<u>414,114</u>
Total Operating Expenses	<u>7,020,151</u>	<u>6,829,264</u>
Deficiency of Operating Revenues Over Expenses	(598,189)	(72,929)
<u>Non-Operating Revenues</u>		
Interest on Investments	<u>56,074</u>	<u>71,034</u>
Deficiency of Revenues Over Expenses Before Capital Grants Received	(542,115)	(1,895)
<u>Capital Grants</u>		
HUD Capital Grants	<u>405,368</u>	<u>924,917</u>
Excess Revenues/(Deficiency)	(136,747)	923,022
Net Assets Prior	<u>13,878,943</u>	<u>12,955,921</u>
Total Net Assets	<u>\$ 13,742,196</u>	<u>\$ 13,878,943</u>



CERTIFIED PUBLIC ACCOUNTANTS

2035 HAMBURG TURNPIKE, UNIT H
WAYNE, NEW JERSEY 07470
TELEPHONE: (973) 831-6969
FAX: (973) 831-6972
E-MAIL: POLCARICO@OPTONLINE.NET

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the Borough of Cliffside Park
Cliffside Park, New Jersey

We have audited the accompanying Comparative Statements of Net Assets of the Housing Authority of the Borough of Cliffside Park, herein referred to as the Authority, as of March 31, 2012 and 2011, and the related comparative statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2012 and 2011, and the results of its operations, changes net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards issued by the Comptroller General of the United States, we have also issued our report dated September 17, 2012 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITORS' REPORT

(Continued)

The Management's Discussion and Analysis as detailed in this report, are not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the financial statements of the Authority. The supplemental information contained in this Report is presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of the Authority. Lastly, the supplemental information on the accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 17, 2012

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
Cliffside Park, New Jersey
COMPARATIVE STATEMENTS OF NET ASSETS
At March 31, 2012 and 2011

<u>ASSETS</u>		
<u>CURRENT ASSETS</u>	March 31, 2012	March 31, 2011
Cash and Cash Equivalents - Unrestricted	\$ 627,213	\$ 1,862,545
Cash - Restricted	695,960	524,005
Cash - Tenant Security Deposits	43,141	26,057
Investments - Unrestricted	3,921,778	2,903,770
Investments - Restricted	40,656	283,576
Accounts Receivable - Tenants (Net)	103	1,192
Accrued Interest Receivable	19,633	4,748
Accounts Receivable - HUD	-	74,802
Accounts Receivable - Other	58,666	18,956
Prepaid Expenses and Other Current Assets	59,410	56,107
Total Current Assets	5,466,560	5,755,758
<u>FIXED ASSETS</u>		
Land	586,165	586,165
Buildings and Improvements	13,980,379	13,922,989
Furniture, Equipment and Machinery	1,660,977	1,566,304
Construction in Progress	2,051,035	1,597,366
Total Fixed Assets	18,278,556	17,672,824
Less: Accumulated Depreciation	(9,435,620)	(8,940,379)
Net Fixed Assets	8,842,936	8,732,445
Total Assets	\$ 14,309,496	\$ 14,488,203
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable:		
Vendors and Contractors	\$ 33,673	\$ 246,288
Due to Tenants:		
Security Deposits	43,141	26,057
Accrued Liabilities:		
Compensated Absences - current portion	19,996	18,659
Payment in Lieu of Taxes	72,601	53,920
Accrued Liabilities-Other	26,003	-
Deferred Revenues	214	3,771
Total Current Liabilities	195,628	348,695
Accrued Pension and OPEB Liabilities	191,659	92,627
Accrued Compensated Absences - Noncurrent	180,013	167,938
Total Liabilities	567,300	609,260
<u>NET ASSETS</u>		
Invested in Net Fixed Assets Net of Related Debt	8,842,936	8,732,445
Restricted Net Assets	736,616	807,713
Unrestricted Net Assets	4,162,644	4,338,785
Total Net Assets	13,742,196	13,878,943
Total Liabilities and Net Assets	\$ 14,309,496	\$ 14,488,203

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
Cliffside Park, New Jersey
COMPARATIVE STATEMENTS REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended March 31, 2012 and 2011

	For the Year Ended	
	March 31, 2012	March 31, 2011
<u>OPERATING REVENUES</u>		
Tenant Rental & Other Revenue	1,326,595	\$ 1,314,654
HUD Grants - Operating	4,620,329	5,059,696
Other Revenues	475,038	381,985
Total Revenues	6,421,962	6,756,335
<u>OPERATING EXPENSES</u>		
Administration	801,931	714,300
Housing Assistance Payments	3,719,917	3,583,525
Tenant Services	145,240	243,500
Utilities	600,392	784,159
Ordinary Maintenance & Operations	886,555	903,501
General Expense	434,387	186,165
Depreciation Expense	431,729	414,114
Total Operating Expenses	7,020,151	6,829,264
EXCESS OF OPERATING REVENUE OVER EXPENSES	(598,189)	(72,929)
Non Operating Revenues/(Expenses):		
Interest Income	56,074	71,034
Income / (Loss) Before Contributions and Transfers	(542,115)	(1,895)
Capital Grants	405,368	924,917
INCREASE IN NET ASSETS	(136,747)	923,022
Beginning Net Assets	13,878,943	12,955,921
Ending Net Assets	\$ 13,742,196	\$ 13,878,943

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
Cliffside Park, New Jersey
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2012 and 2011

	For the Year Ended	
	March 31, 2012	March 31, 2011
<u>CASH FLOWS FORM OPERATING ACTIVITIES</u>		
Cash Received:		
From Tenants for Rental & Other Income	\$ 1,324,127	\$ 1,305,058
From Government Agencies for Operating Grants	4,695,131	4,984,894
From Other Operating Revenues	435,328	376,790
Cash Paid:		
To Employees for Operations	(823,352)	(898,318)
To Suppliers for Operations	(2,103,943)	(1,656,622)
For Housing Assistance Payments	(3,719,917)	(3,578,330)
Net Cash Provided by Operating Activities	(192,626)	533,472
<u>CASH FLOWS FROM CAPITAL AND</u>		
<u>RELATED FINANCING ACTIVITIES</u>		
Capital Grants Received	405,368	924,917
Acquisition of Property and Equipment	(542,220)	(1,172,664)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(136,852)	(247,747)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Security Deposits Collected	17,084	11,568
(Purchase) Sales of Investments	(775,088)	1,113,012
Investment Income	41,189	77,102
Net Cash Provided by Investing Activities	(716,815)	1,201,682
Net increase (decrease) in Cash and Cash Equivalents	(1,046,293)	1,487,407
Cash and Equivalents at Beginning of Period	2,412,607	925,200
Cash and Equivalents at End of Period	\$ 1,366,314	\$ 2,412,607
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>		
<u>TO NET CASH PROVIDED (USED) BY OPERATIONS</u>		
Operating Income (Loss)	\$ (598,189)	\$ (72,929)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	431,729	414,114
Decrease (Increase) in Assets		
Accounts Receivable - Tenants	1,089	(1,126)
Accounts Receivable - HUD	74,802	(74,802)
Accounts Receivable - Other	(39,710)	6,162
Prepaid Expenses and Other Current Assets	(3,303)	2,086
Increase (Decrease) in Liabilities		
Accounts Payable	(212,615)	162,647
Accrued Liabilities - Other	26,003	-
Deferred Revenue	(3,557)	(8,470)
Compensated Absences	13,412	15,161
Accrued Pension and OPEB Liabilities	99,032	92,627
PILOT Payable	18,681	(1,998)
Net Cash Provided by Operating Activities	\$ (192,626)	\$ 533,472

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012

NOTE 1 –Summary of Organization, Activities and Significant Accounting Policies:

1. Organization and Activities – The Housing Authority of The Borough of Cliffside Park (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"). The Authority is governed by a board of seven members who serve five year terms. The governing board is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the State of New Jersey Department of Community Affairs. An executive director is appointed by the housing authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance and management of public housing for low and moderate income families residing in the Borough of Cliffside Park, New Jersey. Operating and modernization subsidies are provided to the Authority by the federal government. Rent subsidies are provided to eligible tenants under the Federal Housing Assistance Payments (Section 8) Program.

The Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity. The Authority has concluded that it is excluded from the Borough's reporting entity since the Borough does not designate management, does not influence operations, does not have responsibility for fiscal matters and does not have a funding relationship with the Authority.

The combined financial statements include all accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The federally funded programs administered by the Authority are detailed on the Financial Data Schedule and the Schedule of Expenditures of Federal Awards, both of which are included as Supplemental Information.

2. Significant Accounting Policies

a. Basis of Accounting – The financial statements of the Authority are prepared using the accrual basis of accounting in order to recognize the flow of economic resources. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses recognized in the period incurred, if measurable. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities. All assets, liabilities, net assets, revenue and expenses are accounted for using a single enterprise fund for the primary government.

Revenue – The major sources of revenue are various subsidies and grants received from the United States Department of Housing and Urban Development, charges to tenants and other miscellaneous revenues discussed below.

Federal Grant Revenue – Operating subsidies, Section Eight housing assistance grants and Capital Fund Program revenue received from HUD are recorded under the accrual method of accounting and are recognized in the period earned in accordance with applicable HUD guidelines. The Authority is generally entitled to receive funds from HUD under an established payment schedule or as expenditures are made under the Capital Fund Program or Comprehensive Improvements Assistance Program. Under the HCV Program, the subsidy is determined based on the prior year HAP and administrative expenditures, and the overfunded or underfunded amount, if any, is to be retained by the Authority in accordance with HUD guidelines. Advance payments received for the subsequent fiscal year are recorded as deferred revenue.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS

March 31, 2012

(Continued)

NOTE 1 – Summary of Organization, Activities and Significant Accounting Policies (Continued):

Tenant Charges – Rental charges to tenants are determined and billed monthly and are recognized as revenue when billed since they are measurable and collectible within the current period. Amounts not collected at year-end are included in the balance sheet as accounts receivable, and amounts paid by tenants for the subsequent fiscal year are recorded as deferred revenue.

Miscellaneous Income – Miscellaneous revenue consists primarily of miscellaneous service fees. The revenue is recorded as earned since it is measurable and available.

b. Report Presentation – The financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to governmental entities for Proprietary Fund Types. The Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (Statement No. 34). The Authority also adopted the provisions of Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement NO. 38 "Certain Financial Statement Note Disclosures", which supplement Statement No. 34. Statement No. 34 established standards for all state and local governmental entities that includes a statement of net assets, a statement of activities and a statement of cash flows. It requires the classification of net assets into three components – Invested in Capital Assets, Net of Related Debt; Restricted Net Assets and Unrestricted Net Assets. These classifications are defined as follows:

Invested in Capital Assets, Net of Related Debt – This component consists of land, construction in progress and depreciable assets, net of accumulated depreciation and net of the related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of Invested in Capital Assets, Net of Related Debt. Rather, that portion of the debt is included in the same net asset component as the unspent proceeds.

Restricted Net Assets – This component includes net assets subject to restrictions placed on net asset use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This component consists of net assets that do not meet the definition of Restricted Net Assets or Invested in Capital Assets, Net of Related Debt.

The adoption of Governmental Accounting Standards Board Statements 34, 37 and 38 have no significant effect on the basic financial statements, except for the classification of net assets in accordance with Statement No. 34.

Significant accounting policies are as follows:

1 – Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include cash in banks, petty cash and certificates of deposit and other investments with original maturities of less than three months from the date of purchase. Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS

March 31, 2012

(Continued)

NOTE 1 –Summary of Organization, Activities and Significant Accounting Policies (Continued):

3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight line basis. Interest costs necessary to place a Capital Asset in its intended location and condition are capitalized.

4 – Repairs funded out of operations, such as painting, roofing and plumbing, are charged against income for all programs.

5 – The Authority is subsidized by the Federal Government. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal and State income tax returns.

6 – Operating subsidies received from HUD are recorded as income when earned.

7 – The cost of accumulated unpaid compensated absences, including fringe benefits, is reported in the period earned rather than in the period paid.

8 – Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

9 – Inventories in the Proprietary Fund consist of supplies and are recorded at the lower of first-in first-out, cost or market.

10 - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

11 - The Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

12 – The Authority does not have any infrastructure assets for its Proprietary Fund.

13 – Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which the transactions are executed.

14 – Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset, and long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell. As of March 31, 2012 and 2011, the Authority has not recognized any reduction in the carrying value of its fixed assets when considering SFAS 144.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 1 – Summary of Organization, Activities and Significant Accounting Policies (Continued):

c. **Budgetary Policy and Control** – The housing authority submits its annual operating and capital budgets to the State of New Jersey Department of Community Affairs in accordance with New Jersey statute. After the New Jersey Department of Community Affairs approves the budget, it is formally adopted by resolution of the Housing Authority's Board of Commissioners. Once adopted, the Board of Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

NOTE 2 – Cash and Cash Equivalents

The Authority maintains cash and investments in local banks. These funds are covered by the Governmental Unit Deposit Protection Act of the state of New Jersey, which requires the institutions to pool collateral for all of governmental deposits and have the collateral held by an approved custodian in the authority's name.

Cash and Cash Equivalents of \$1,366,314 and \$2,412,607 at March 31, 2012 and 2011, respectively, consisted of the following:

	<u>3/31/2012</u>	<u>3/21/2011</u>
Checking Accounts	\$ 627,163	\$ 1,862,495
Cash-Restricted	695,960	524,005
Tenant Security Deposit Accounts	43,141	26,057
Petty Cash Fund	<u>50</u>	<u>50</u>
Total Cash and Equivalents	<u>\$ 1,366,314</u>	<u>\$ 2,412,607</u>

The carrying amount of the Authority's cash and cash equivalents as of March 31, 2012 was \$1,366,314 and the bank balances were \$3,825,238. Of the bank balances, \$250,000 was covered by FDIC insurance and \$1,116,315 was covered by a collateral pool maintained by the banks as required by New Jersey statutes. Cash and cash equivalents, except petty cash are held in the Authority's name.

The Authority's cash and cash equivalents are categorized as prescribed in GASB 40 to give an indication of the level of risk assumed by the Authority. As described above, \$1,116,315 of the authority's deposits exceeded FDIC insurance and were covered under New Jersey's Governmental Unit Deposit Protection Act (GUDPA) which collateralizes securities held by the pledging institutions trust department but are not in the Authority's name.

NOTE 3 – Investments

Investments of \$3,962,434 consist solely of certificates of deposit with maturities in excess of three months from the date of purchase. This includes \$40,656 of restricted assets which represents a replacement reserve established through the capital fund program. These investments are covered by the Governmental Unit Deposit Protection Act of the state of New Jersey, which requires the institutions to pool collateral for all of governmental deposits and have the collateral held by an approved custodian in the authority's name.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 4 – Restricted Net Assets

As of March 31, 2012 the Authority had restricted net assets of \$736,616 which is comprised of a checking account for a replacement reserve of \$373,309 in accordance with the approved Capital Fund budgets, and \$363,307 which represents the excess HAP revenue.

NOTE 5 – Tenant Accounts Receivable

Tenant accounts receivable are stated net of an allowance for doubtful accounts. At March 31, 2012 and 2011 the allowance for doubtful accounts was \$286.

NOTE 6 - Fixed Assets

Fixed assets consist primarily of expenditures to acquire, construct, place in operation and improve the facilities of the Authority and are stated at cost, less accumulated depreciation. The following is a summary of the changes in general fixed assets for the fiscal year ended March 31, 2012 and 2011 respectively:

	Balance Apr. 1, 2011	Additions	Disposals	Transfers/ Other	Balance Mar. 31, 2012
Land	\$ 586,165	\$ -	\$ -	\$ -	\$ 586,165
Buildings and Improvements	13,922,989	57,390	-	-	\$ 13,980,379
Dwelling Equipment	693,753	-	-	-	693,753
Furniture and Equipment	872,551	31,161	-	63,512	967,224
Construction in Progress	1,597,366	453,669	-	-	2,051,035
Total Fixed Assets	17,672,824	542,220	-	63,512	18,278,556
Accumulated Depreciation	(8,940,379)	(431,729)	-	(63,512)	(9,435,620)
Net Fixed Assets	<u>\$ 8,732,445</u>	<u>\$ 110,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,842,936</u>

	Balance Apr. 1, 2010	Additions	Disposals	Transfers/ Other	Balance Mar. 31, 2011
Land	\$ 586,165	\$ -	\$ -	\$ -	\$ 586,165
Buildings and Improvements	13,046,746	70,115	-	806,128	\$ 13,922,989
Dwelling Equipment	544,241	149,512	-	-	693,753
Furniture and Equipment	872,551	-	-	-	872,551
Construction in Progress	1,450,457	953,037	-	(806,128)	1,597,366
Total Fixed Assets	16,500,160	1,172,664	-	-	17,672,824
Accumulated Depreciation	(8,526,265)	(414,114)	-	-	(8,940,379)
Net Fixed Assets	<u>\$ 7,973,895</u>	<u>\$ 758,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,732,445</u>

Depreciation expense for the fiscal years ended March 31, 2012 and 2011 amounted to \$431,729 and \$414,114, respectively.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 6 - Fixed Assets - Continued

Expenditures are capitalized when they meet the Authority's Capitalization policy. Under that policy, assets purchased or constructed at a cost not exceeding \$1,000 are expenses when incurred.

Depreciation of Fixed Assets is provided using the straight-line method for reporting purposes at rates based upon the following estimated useful lives:

	<u>Years</u>
Buildings	40
Improvements	15
Furniture	5
Equipment	5
Vehicles	5
Computers	3

NOTE 7 – Payment in Lieu of Taxes (PILOT)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the Borough. Under the Cooperation Agreement, the Authority must pay the Borough the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended March 31, 2012 and 2011, PILOT expense was accrued in the amount of \$72,601 and \$53,920 respectively.

NOTE 8 – Accrued Compensated Absences

Accrued compensated absences of \$200,009 and \$186,597 at March 31, 2012 and 2011, respectively, represent amounts of accumulated leave for which employees are entitled to receive payment 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. Employees may be compensated for sick leave at retirement at a rate of one-half of the eligible employee's rate of pay, subject to a maximum sick leave payment of \$15,000.

NOTE 9 – Pension Plan

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. It is a cost sharing, multiple-employer defined benefit pension plan. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide coverage, including post-retirement health care, for substantially all full time employees of the state, its counties, municipalities, school districts or public agencies, provided the employee is not a member of another state administered retirement system.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 9 – Pension Plan - Continued

Membership is mandatory for such employees. Contributions to the plan are made by both the employee and the Authority. Required employee contributions to the system are based on a flat rate determined by the New Jersey Division of Pensions for active plan members. Benefits paid to retired employees are based on length of service, latest earnings and veteran status. Authority contributions to the system are determined by PERS and are billed annually to the Authority. The Authority was required to pay \$90,257 and \$82,052 into the plan during the fiscal years ended March 31, 2012 and 2011 respectively.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0925.

NOTE 10 – Post Employment Retirement Benefits

The Authority also provides post employment health care benefits to all eligible retirees. Eligibility requires that employees have 25 years of service.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Authority's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of employer ("ARC"), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years. The following table shows the components of the Authority's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Authority's net OPEB obligation to the plan:

Annual Required Contribution	\$ 186,759
Interest on net OPEB obligation	\$ 4,631
Adjustment to annual required contribution	\$ 0
Annual OPEB cost (expense)	\$ 191,390
Contributions made	\$ 92,358
Increase in net OPEB obligation	\$ 99,032
Net OPEB Obligation – beginning of year	\$ 92,627
Net OPEB Obligation – end of year	\$ 191,659

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 9— Other Post Employee Retirement Benefits (OPEB) - Continued

The Authority's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2012 fiscal year and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
3/31/2010	N/A	N/A	N/A
3/31/2011	\$181,921	49.1%	\$92,627
3/31/2012	\$191,390	48.1%	\$191,659

FUNDED STATUS AND FUNDING PROGRES

As of April 1, 2011, the most recent valuation date, the plan was 0.0% funded. The actuarial liability for benefits was \$ 2,559,884, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 2,559,884.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

EFFECT OF 1% CHANGE IN HEALTHCARE TREND RATES

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase 15.2% or \$2,948,986 for March 31, 2012.

ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by employer and plan members) and include the types of benefits provided at the time each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 9– Other Post Employee Retirement Benefits (OPEB) - Continued

Actuarial Cost Method: Projected Unit Credit
Investment Rate of Return: 6.00% per annum

<u>Year</u>	<u>Medical Including Prescription</u>
2008	Costs are Known
2009	Costs are Known
2010	Costs are Known
2011	Costs are Known
2012	8.0%
2013	7.0%
2014	6.0%
2015	5.0%

Actuarial Value of Assets: Market Value
Amortization of UAAL: Amortized as level dollar amount over 30 years at transition
Remaining Amortization Period: 29 years at April 1, 2011

Reconciliation of Plan Participation (As of April 1, 2011)

Active Employees	April 1,2011	April 1,2010
A. Average Service	8.0	7.0
B. Average Current Age	49.1	48.1

NOTE 11 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. During the year ended March 31, 2012 and 2011, the Authority's risk management program, in order to deal with potential liabilities, consisted of various insurance policies for fire, general liability, crime, auto and public-officials errors and omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its Projects for the purpose of determining potential liability issues. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Settled claims relating to the commercial insurance have not exceeded the amount of insurance in any of the past three fiscal years.

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 12 – Construction Commitments

At March 31, 2012 and 2011, the Authority's outstanding construction commitments pertaining to its Capital Fund Programs were not material. The costs pertaining to such commitments will be paid by grants approved and committed to the Authority by the U.S. Department of Housing and Urban Development.

NOTE 13 – Economic Dependency

For the year ended March 31, 2012, a substantial portion of the Authority's revenues were received from the United States Department of Housing and Urban Development, which are subject to availability of funds and Congressional approval, as well as the Authority's compliance with Federal rules and regulations.

NOTE 14 – Subsequent Events

The Authority has evaluated subsequent events through September 17, 2012, the date on which the financial statements were available to be issued.

NOTE 15 – Restricted Net Assets

Prior to January 1, 2005 excess funds advanced by HUD to the Authority for the payment of housing assistance payments were returned to HUD at the end of the Authority's fiscal year. In accordance with HUD's PIH Notice 2006-03, starting January 1, 2005 excess funds disbursed by HUD to the Authority for the payment of Housing Assistance Payments that are not so utilized are not returned to HUD, but become part of the undesignated fund balance and may only be used to assist additional families up to the number of units under contract. As of November 2007, HUD is reverting to treating these funds as restricted in order to comply with generally accepted accounting principles. HUD has indicated that any HAP amounts received by a PHA and not expended should be reported as restricted cash and restricted net assets.

Administrative fees paid by HUD to the Authority in excess of administrative expenses are also part of the undesignated fund balance and are considered to be "administrative fee reserves". Administrative fee reserves accumulated prior to January 1, 2005 are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR982.155 – i.e. "other housing purposes permitted by state or local law". Excess administrative fees earned in 2005 and subsequent years must be used for activities related to the provision of tenant-based rental assistance authorized under Section 8 of the United States Housing Act of 1937, including related development activities.

The undesignated fund balance also includes interest income on HAP investments, family self sufficiency program forfeitures and fraud recoveries. The housing authority's portion of fraud recoveries (i.e., the higher of 50% of the amount collected or the reasonable and necessary costs that the PHA incurred related to the collection) must continue to be used for activities related to the provision of voucher assistance authorized under Section 8 of the United States Housing Act of 1937. The balance of the recovery amount must be maintained in the undesignated fund balance account as excess HAP.

In accordance with HUD requirements, the Agency's undesignated fund balance of the Voucher Program consists of the following components as of March 31, 2012 and 2011:

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
NOTES TO FINANCIAL STATEMENTS
March 31, 2012
(Continued)

NOTE 15 – Restricted Net Assets - Continued

Administrative Fee Reserves included in Unrestricted Net Assets

Administrative Fee Reserves at March 31, 2011	\$ 962,486	
Administrative Fee Revenues Earned FYE March 31, 2012	(61,107)	
Interest income on administrative fee reserves	10,292	
50% of Fraud Recoveries	<u>18,670</u>	
		<u>\$ 930,341</u>

Housing Assistance Payments Reserves included in Restricted Net Assets

Housing Assistance Payments Reserves at March 31, 2011	\$ 387,647	
Unexpended Housing Assistance Payments FYE March 31, 2012	(47,212)	
Interest income on housing assistance payments reserves	4,203	
50% of Fraud Recoveries	<u>18,670</u>	
		<u>\$ 363,308</u>

Administrative Fee Reserves included in Unrestricted Net Assets

Administrative Fee Reserves at March 31, 2010	\$ 908,454	
Administrative Fee Revenues Earned FYE March 31, 2011	45,113	
Interest income on administrative fee reserves	4,278	
50% of Fraud Recoveries	<u>4,641</u>	
		<u>\$ 962,486</u>

Housing Assistance Payments Reserves included in Restricted Net Assets

Housing Assistance Payments Reserves at March 31, 2010	\$ 295,662	
Unexpended Housing Assistance Payments FYE March 31, 2011	74,512	
Interest income on housing assistance payments reserves	12,833	
50% of Fraud Recoveries	<u>4,640</u>	
		<u>\$ 387,647</u>

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
Cliffside Park, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2012

DIRECT FEDERAL ASSISTANCE - DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LOW INCOME HOUSING PROGRAM

Operating Subsidy (CFDA# 14.850a)	\$ 729,633
Capital Fund Program (CFDA# 14.872)	<u>482,810</u>
Subtotal	<u>1,212,443</u>

<u>COMMUNITY DEVELOPMENT BLOCK GRANT (CFDA#14.218)</u>	<u>169,349</u>
--	----------------

HOUSING ASSISTANCE PAYMENTS PROGRAM

Section 8 Voucher Program (CFDA # 14.871)	<u>3,763,254</u>
Subtotal	<u>3,763,254</u>

TOTAL FEDERAL FINANCIAL ASSISTANCE	<u>\$ 5,145,046</u>
------------------------------------	---------------------

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation - The Schedule of Expenditures of Federal Awards is presented in accordance with generally accepted accounting principles and is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.
2. There were no subrecipient activities during the audit period.

Cliffside Park Housing Authority (NJ070)
CLIFFSIDE PARK, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2012

	Project Total	14,871 Housing Choice Vouchers	14,218 Community Development Block Grants/Entitlement Grants	Subtotal	Total
111 Cash - Unrestricted	\$627,213			\$627,213	\$627,213
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	\$373,308	\$322,652		\$695,960	\$695,960
114 Cash - Tenant Security Deposits	\$43,141			\$43,141	\$43,141
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$1,043,662	\$322,652	\$0	\$1,366,314	\$1,366,314
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects			\$58,666	\$58,666	\$58,666
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$0			\$0	\$0
126 Accounts Receivable - Tenants	\$389			\$389	\$389
126.1 Allowance for Doubtful Accounts - Tenants	-\$286			-\$286	-\$286
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$19,305	\$328		\$19,633	\$19,633
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$19,408	\$328	\$58,666	\$78,402	\$78,402
131 Investments - Unrestricted	\$2,925,454	\$996,324		\$3,921,778	\$3,921,778
132 Investments - Restricted		\$40,656		\$40,656	\$40,656
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$59,410			\$59,410	\$59,410
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From	\$58,666			\$58,666	\$58,666
145 Assets Held for Sale					
150 Total Current Assets	\$4,106,600	\$1,359,960	\$58,666	\$5,525,226	\$5,525,226
161 Land	\$586,165			\$586,165	\$586,165
162 Buildings	\$13,980,379			\$13,980,379	\$13,980,379
163 Furniture, Equipment & Machinery - Dwellings	\$693,753			\$693,753	\$693,753
164 Furniture, Equipment & Machinery - Administration	\$903,712	\$63,512		\$967,224	\$967,224
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$9,372,108	-\$63,512		-\$9,435,620	-\$9,435,620
167 Construction in Progress	\$2,001,035		\$50,000	\$2,051,035	\$2,051,035
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$8,792,936	\$0	\$50,000	\$8,842,936	\$8,842,936
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$8,792,936	\$0	\$50,000	\$8,842,936	\$8,842,936
190 Total Assets	\$12,899,536	\$1,359,960	\$108,666	\$14,368,162	\$14,368,162
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$24,866			\$24,866	\$24,866
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$8,807			\$8,807	\$8,807

Cliffside Park Housing Authority (NJ070)
CLIFFSIDE PARK, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2012

	Project Total	14,871 Housing Choice Vouchers	14,218 Community Development Block Grants/Entitlement Grants	Subtotal	Total
322 Accrued Compensated Absences - Current Portion	\$16,857	\$3,139		\$19,996	\$19,996
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$72,601			\$72,601	\$72,601
341 Tenant Security Deposits	\$43,141			\$43,141	\$43,141
342 Deferred Revenues	\$214			\$214	\$214
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other	\$26,003			\$26,003	\$26,003
347 Inter Program - Due To			\$58,666	\$58,666	\$58,666
348 Loan Liability - Current					
310 Total Current Liabilities	\$192,489	\$3,139	\$58,666	\$254,294	\$254,294
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$151,744	\$28,269		\$180,013	\$180,013
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities	\$156,756	\$34,903		\$191,659	\$191,659
350 Total Non-Current Liabilities	\$308,500	\$63,172	\$0	\$371,672	\$371,672
300 Total Liabilities	\$500,989	\$66,311	\$58,666	\$625,966	\$625,966
508.1 Invested in Capital Assets, Net of Related Debt	\$8,792,936	\$0	\$50,000	\$8,842,936	\$8,842,936
509.2 Fund Balance Reserved					
511.2 Unreserved, Designated Fund Balance					
511.1 Restricted Net Assets	\$373,308	\$363,308	\$0	\$736,616	\$736,616
512.1 Unrestricted Net Assets	\$3,232,303	\$930,341	\$0	\$4,162,644	\$4,162,644
512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets	\$12,398,547	\$1,293,649	\$50,000	\$13,742,196	\$13,742,196
600 Total Liabilities and Equity/Net Assets	\$12,899,536	\$1,359,960	\$108,666	\$14,368,162	\$14,368,162

Cliffside Park Housing Authority (NJ070)
CLIFFSIDE PARK, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2012

	Project Total	14,871 Housing Choice Vouchers	14,218 Community Development Block Grants/Entitlement Grants	Subtotal	Total
70300 Net Tenant Rental Revenue	\$1,305,065			\$1,305,065	\$1,305,065
70400 Tenant Revenue - Other	\$21,530			\$21,530	\$21,530
70500 Total Tenant Revenue	\$1,326,595	\$0	\$0	\$1,326,595	\$1,326,595
70600 HUD PHA Operating Grants	\$857,075	\$3,763,254	\$119,349	\$4,739,678	\$4,739,678
70610 Capital Grants	\$355,368		\$50,000	\$405,368	\$405,368
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$39,902	\$10,292		\$50,194	\$50,194
71200 Mortgage Interest Income	\$0			\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0			\$0	\$0
71310 Cost of Sale of Assets	\$0			\$0	\$0
71400 Fraud Recovery	\$0	\$37,340		\$37,340	\$37,340
71500 Other Revenue	\$65,316	\$253,033		\$318,349	\$318,349
71600 Gain or Loss on Sale of Capital Assets	\$0			\$0	\$0
72000 Investment Income - Restricted	\$1,677	\$4,203		\$5,880	\$5,880
70000 Total Revenue	\$2,645,933	\$4,068,122	\$169,349	\$6,883,404	\$6,883,404
91100 Administrative Salaries	\$193,006	\$174,437		\$367,443	\$367,443
91200 Auditing Fees	\$5,377	\$5,378		\$10,755	\$10,755
91300 Management Fee	\$0			\$0	\$0
91310 Book-keeping Fee	\$0			\$0	\$0
91400 Advertising and Marketing	\$0			\$0	\$0
91500 Employee Benefit contributions - Administrative	\$140,943	\$116,349		\$257,292	\$257,292
91600 Office Expenses	\$73,321	\$52,011		\$125,332	\$125,332
91700 Legal Expense	\$19,200	\$12,800		\$32,000	\$32,000
91800 Travel	\$5,220	\$3,889		\$9,109	\$9,109
91810 Allocated Overhead	\$0			\$0	\$0
91900 Other					
91000 Total Operating - Administrative	\$437,067	\$364,864	\$0	\$801,931	\$801,931
92000 Asset Management Fee	\$0			\$0	\$0
92100 Tenant Services - Salaries	\$6,882		\$119,349	\$126,231	\$126,231
92200 Relocation Costs	\$0			\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$442			\$442	\$442
92400 Tenant Services - Other	\$18,567			\$18,567	\$18,567
92500 Total Tenant Services	\$25,891	\$0	\$119,349	\$145,240	\$145,240
93100 Water	\$76,280			\$76,280	\$76,280
93200 Electricity	\$339,857			\$339,857	\$339,857
93300 Gas	\$113,455			\$113,455	\$113,455
93400 Fuel	\$0			\$0	\$0
93500 Labor	\$40,800			\$40,800	\$40,800
93600 Sewer	\$0			\$0	\$0
93700 Employee Benefit Contributions - Utilities	\$30,000			\$30,000	\$30,000
93800 Other Utilities Expense	\$0			\$0	\$0
93000 Total Utilities	\$600,392	\$0	\$0	\$600,392	\$600,392

Cliffside Park Housing Authority (NJ070)
CLIFFSIDE PARK, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2012

	Project Total	14,871 Housing Choice Vouchers	14,218 Community Development Block Grants/Entitlement Grants	Subtotal	Total
94100 Ordinary Maintenance and Operations - Labor	\$387,910			\$387,910	\$387,910
94200 Ordinary Maintenance and Operations - Materials and Other	\$60,724			\$60,724	\$60,724
94300 Ordinary Maintenance and Operations Contracts	\$184,666			\$184,666	\$184,666
94500 Employee Benefit Contributions - Ordinary Maintenance	\$253,255			\$253,255	\$253,255
94000 Total Maintenance	\$886,555	\$0	\$0	\$886,555	\$886,555
95100 Protective Services - Labor	\$0			\$0	\$0
95200 Protective Services - Other Contract Costs	\$0			\$0	\$0
95300 Protective Services - Other	\$0			\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0			\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$45,000			\$45,000	\$45,000
96120 Liability Insurance	\$30,000			\$30,000	\$30,000
96130 Workmen's Compensation	\$17,182	\$6,172		\$23,354	\$23,354
96140 All Other Insurance	\$0			\$0	\$0
96100 Total Insurance Premiums	\$92,182	\$6,172	\$0	\$98,354	\$98,354
96200 Other General Expenses	\$80,304	\$27,907		\$108,211	\$108,211
96210 Compensated Absences	\$9,603	\$5,746		\$15,349	\$15,349
96300 Payments in Lieu of Taxes	\$72,601			\$72,601	\$72,601
96400 Bad debt - Tenant Rents	\$610			\$610	\$610
96500 Bad debt - Mortgages	\$0			\$0	\$0
96600 Bad debt - Other	\$0			\$0	\$0
96800 Severance Expense	\$0			\$0	\$0
96000 Total Other General Expenses	\$163,118	\$33,653	\$0	\$196,771	\$196,771
96710 Interest of Mortgage (or Bonds) Payable	\$0			\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0			\$0	\$0
96730 Amortization of Bond Issue Costs	\$0			\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,205,205	\$404,689	\$119,349	\$2,729,243	\$2,729,243
97000 Excess of Operating Revenue over Operating Expenses	\$440,728	\$3,663,433	\$50,000	\$4,154,161	\$4,154,161
97100 Extraordinary Maintenance	\$139,262			\$139,262	\$139,262
97200 Casualty Losses - Non-capitalized	\$0			\$0	\$0
97300 Housing Assistance Payments	\$0	\$3,479,913		\$3,479,913	\$3,479,913
97350 HAP Portability-In	\$0	\$240,004		\$240,004	\$240,004
97400 Depreciation Expense	\$431,729			\$431,729	\$431,729
97500 Fraud Losses	\$0			\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0			\$0	\$0
90000 Total Expenses	\$2,776,196	\$4,124,606	\$119,349	\$7,020,151	\$7,020,151
10010 Operating Transfer In	\$127,442			\$127,442	\$127,442
10020 Operating transfer Out	\$-127,442			\$-127,442	\$-127,442
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit	\$0			\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					

Cliffside Park Housing Authority (NJ070)
CLIFFSIDE PARK, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2012

	Project Total	14,871 Housing Choice Vouchers	14,218 Community Development Block Grants/Entitlement Grants	Subtotal	Total
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0			\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0			\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0			\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0			\$0	\$0
10093 Transfers between Program and Project - In	\$0			\$0	\$0
10094 Transfers between Project and Program - Out	\$0			\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$130,263	-\$56,484	\$50,000	-\$136,747	-\$136,747
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$12,528,810	\$1,350,133	\$0	\$13,878,943	\$13,878,943
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$0		\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$930,341		\$930,341	\$930,341
11180 Housing Assistance Payments Equity		\$363,308		\$363,308	\$363,308
11190 Unit Months Available	4212	4164	0	8376	8376
11210 Number of Unit Months Leased	4205	4079	0	8284	8284
11270 Excess Cash	\$3,297,036			\$3,297,036	\$3,297,036
11610 Land Purchases	\$0			\$0	\$0
11620 Building Purchases	\$355,368			\$355,368	\$355,368
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0	\$0
11650 Leasehold Improvements Purchases	\$0			\$0	\$0
11660 Infrastructure Purchases	\$0			\$0	\$0
13510 CFFP Debt Service Payments	\$0			\$0	\$0
13901 Replacement Housing Factor Funds	\$0			\$0	\$0

HOUSING AUTHORITY OF THE BOROUGH OF CLIFFSIDE PARK
Cliffside Park, New Jersey
STATEMENT AND CERTIFICATION OF COMPLETED MODERNIZATION GRANTS
As of March 31, 2012

	<u>NJ39 P070 501-08</u> <u>CFP 2008 GRANT</u>
Funds Approved	\$ 544,988
Funds Expended	<u>544,988</u>
Excess/(Deficiency) Approved	<u>\$ -</u>
 Funds Advanced	 \$ 544,988
Funds Expended	<u>544,988</u>
Excess/(Deficiency) of Advances	<u>\$ -</u>

1. All modernization work done in connection with this program has been completed.
2. All modernization costs have been paid and all related liabilities have been discharged through payment.
3. The distribution of cost by project and account classification accompanying the Financial Status Reports and Actual Modernization Cost Certificates submitted to HUD for approval on 09/23/2010 were in agreement with the PHA's records.



CERTIFIED PUBLIC ACCOUNTANTS

2035 HAMBURG TURNPIKE, UNIT H
WAYNE, NEW JERSEY 07470
TELEPHONE: (973) 831-6969
FAX: (973) 831-6972
E-MAIL: POLCARICO@OPTONLINE.NET

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

Board of Commissioners
Housing Authority of the Borough of Cliffside Park
Cliffside Park, New Jersey

We have audited the financial statements of the Housing Authority of the Borough of Cliffside Park as of and for the year ended March 31, 2012 and have issued our report thereon dated September 17, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the Borough of Cliffside Park's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the Borough of Cliffside Park's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, the Board of Commissioners, and the U.S. Department of Housing and Urban Development and the New Jersey Department of Community Affairs, Division of Local Government Services and is not intended to be and should not be used by anyone other than these specified parties.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 17, 2012



CERTIFIED PUBLIC ACCOUNTANTS

2035 HAMBURG TURNPIKE, UNIT H
WAYNE, NEW JERSEY 07470
TELEPHONE: (973) 831-6969
FAX: (973) 831-6972
E-MAIL: POLCARICO@OPTONLINE.NET

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Housing Authority of the Borough of Cliffside Park
Cliffside Park, New Jersey

Compliance

We have audited the Housing Authority of the Borough of Cliffside Park's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Entity's major federal programs for the year ended March 31, 2012. The Housing Authority of the Borough of Cliffside Park's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the Borough of Cliffside Park's management. Our responsibility is to express an opinion on the housing authority's compliance based on our audit.

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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the housing authority'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. Our audit does not provide a legal determination of the Housing Authority of the Borough of Cliffside Park's compliance with those requirements.

In our opinion, the Housing Authority of the Borough of Cliffside Park complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2012.

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Internal Control Over Compliance

The management of the Housing Authority of the Borough of Cliffside Park is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the housing authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency* in an entity's 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 the 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 control 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information of management, the Board of Commissioners, the U. S. Department of Housing and Urban Development, and the State of New Jersey Department of Community Affairs, Division of local Government Services and is not intended to be and should not be used by anyone other than these specified parties.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 17, 2012

HOUSING AUTHORITY OF BOROUGH OF CLIFFSIDE PARK
Cliffside Park, New Jersey
March 31, 2012

STATUS OF PRIOR AUDIT FINDINGS

The prior audit contained no findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION 1 - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control over Financial Reporting:

Material Weakness(es) Identified? _____ yes X no

Significant Deficiencies identified that are
not considered to be material weakness(es)? _____ yes X none reported

Noncompliance Material to Financial Statements Noted? _____ yes X no

Federal Awards

Internal Control over Major Programs:

Material Weakness(es) Identified? _____ yes X no

significant Deficiencies identified that are
not considered to be material weakness(es)? _____ yes X none reported

Type of audit report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with section 510(a) of
Circular A-133 _____ yes X no

Identification of Major Programs

CFDA

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Vouchers Program
14.218	Community Development Block Grants Program

Dollar Threshold used to distinguish between type A
and type B Programs

\$300,000

Auditee qualified as low-risk? X yes _____ no

SECTION 2 – FINANCIAL STATEMENT FINDINGS

None.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.