Report On Audit

HOUSING AUTHORITY OF THE CITY OF LINDEN

For the Year Ended September 30, 2017

Hymanson, Parnes and Giampaolo

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Linden
1601 Dill Avenue
Linden, New Jersey 07036-1779

Report on the Financial Statements
We have audited the accompanying financial statements of the Housing Authority of the City of Linden (a governmental public corporation) in the City of Linden, New Jersey, hereafter referred to as the Authority, which comprise the statement of net position as of September 30, 2017, and the related statement of revenue, expenses and changes in net position, statement of cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's 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 auditor's 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 auditor considers internal control relevant to the Housing Authority of the City of Linden 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 Housing Authority of the City of Linden 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 Linden as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof 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 and PERS supplemental information on pages 4 through 16 and pages 56-57 be presented to supplement the basic 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 accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. 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. The Schedule of Federal Awards and the Financial Data Schedule are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued reports dated February 12, 2018 on our consideration of the Housing Authority of the City of Linden internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the City of Linden's internal control over financial reporting and compliance.

Hymanson, Parnes & Giampaolo

Lincroft, New Jersey
Date: February 12, 2018

As Management of the Housing Authority of the City of Linden (the Authority), present the following discussion and analysis which is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached financial statements. Management Discussion and Analysis is designed to focus on the current year activities, resulting changes, and current known facts. It is by necessity highly summarized, and in order to gain a thorough understanding of the Authority's financial position, the financial statements and footnotes should be viewed in their entirety beginning on page 17 of this report. New standards issued by GASB have significantly changed the format of the financial statements. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

FINANCIAL HIGHLIGHTS

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by $763,918 a decrease in the financial position of $420,941 or 36% percent as compared to the prior year.

As noted above, the net position of the Authority was $763,918 as of September 30, 2017. Of this amount, the unrestricted net position is a negative ($779,421)) representing an increase in the deficit of $424,607 or 120% percent from the previous year. During the year, the Authority had a prior period adjustment in the amount of ($212,282) while recording Net Pension Liability. Additional information on the Authority's unrestricted net positions can be found in Note 19 the financial statements, which is included in this report.

The net investment in capital assets decreased $1,699 or less than 1% percent for an ending balance of $1,537,974.

The restricted net position increased $5,365 from the previous year for an ending balance of $5,365. Additional information on the Authority's restricted net position can be found in Note 18 to the financial statements, which is included in this report.

Net position of the Authority's enterprise fund was $763,918 greater than the liabilities, a decrease in the financial position of $420,941 or 36% percent.

The Authority's unrestricted cash and cash equivalent at September 30, 2017 is $1,346,629 representing an increase of $174,060 or 15% percent from the prior fiscal year. Total restricted cash and cash equivalents increased $6,696 or 9% percent for an ending balance of $77,386. Investments in the amount of $286,750 held by the Authority at September 30, 2017, representing an increase of $7,712 from the prior year. The full detail of this amount can be found in the Statement of Cash Flow on page 20-21 of this report.

FINANCIAL HIGHLIGHTS - CONTINUED

The Authority's total assets and deferred outflows are $4,218,177 of which capital assets net book value is $1,537,974, deferred outflows is $898,272, leaving total current assets at $1,781,931. Total current assets increased from the previous year by $90,065 or 5% percent. Unrestricted cash and cash equivalents increased by $174,060, restricted cash and cash equivalents increased $6,696, investments increased by $7,712, accounts receivables decreased by $99,544, and prepaid expenses increased by $1,141.

Capital assets reported a decrease in the net book value of the capital assets in the amount of $1,699 or less than 1% percent. The major factor that contributed for the decrease was the purchase of fixed assets in the amount of $228,463, less the recording of depreciation expense in the amount of $230,162. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note – 8 Fixed Assets.

The Authority reported an increase in the deferred outflow for the pension cost in the amount of $630,257 for an ending balance of $898,272. The Authority reported a decrease in the deferred inflow for the pension cost in the amount of $27,664 for an ending balance of $34,103. A full detail of the pension reporting requirement can be found in the Notes to the Financial Statements section Note – 9 Deferred Outflows/Inflows of Resources.

The Authority's total liabilities are reported at $3420,156, of which noncurrent liabilities are stated at $3,100,920. Total liabilities increased during the year as compared to the prior year in the amount of $1,167,228 or 52% percent. Total current liabilities increased during the year by $11,071, leaving non-current liabilities for an increase of $1,156,157 as compared to the previous fiscal year.

Total current liabilities increased from the previous year by $11,071 or 4% percent. Accounts payables increased by $6,447, accrued liabilities increased by $3,292, tenant security deposit payable increased by $1,331 and unearned revenue increased $1.

Total noncurrent liabilities increased by $1,156,157 or 59% percent. Long-term obligations such as noncurrent compensated absences with an ending balance of $31,308, with no offsetting assets, increased $4,733 from the previous year.

Accrued pension and other post-employment benefits (OPEB) liabilities increased $1,151,424 or 60% percent. Additional information on the Authority's accrued pension and OPEB liabilities at September 30, 2017 can be found in Notes 16-17 to the financial statements, which is included in this report.

The Authority had total operating revenue of $5,613,851 as compared to $5,411,890 from the prior year for an increase of $201,961 or 4% percent. The Authority had total operating expenses of $6,064,825 as compared to $5,566,722 from the previous year for an increase of $498,103 or 9% percent, resulting in deficiency of revenue from operations in the amount of $450,974 as compared to excess expense from operations in the amount of $154,832 for the prior year for an increase in deficit in the amount of $296,142 or 191% percent from the previous year.

FINANCIAL HIGHLIGHTS - CONTINUED
Total capital improvements contributions from HUD were in the amount of $228,464 as compared to $56,220 from the previous year for an increase of $172,244 or 306% percent. The Authority's had capital outlays in the amount of $228,463 for the fiscal year. These expenditures were funded by grants received during the year from the U.S. Department of Housing and Urban Development. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note – 8 Fixed Assets.

The Authority's Expenditures of Federal Awards amounted to $4,822,039 for the fiscal year 2017 as compared to $4,394,934 for the previous fiscal year 2016 for an increase of $427,105 or 10% percent.

USING THIS ANNUAL REPORT
The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

1. Public and Indian Housing Program
2. Section 8 Housing Choice Voucher Program
3. Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION
This discussion and analysis are intended to serves as an introduction to the Housing Authority's basic financial statements. The basic financial statements are prepared on an entity wide basis and consist of:

1) Statement of Net Position
2) Statement of Revenue, Expenses, and Changes in Net Position
3) Statement of Cash Flow
4) Notes to the Financial Statements

The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities in the United States of America for the Enterprise Fund types. The Authority's 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 17 through 21.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

Statement of Net Position – This statement presents information on the Authority's total of assets and deferred outflow of resources, and total of liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenue, Expenses and Changes in Net Position – This statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows and cash outflows in the future periods.

Statement of Cash Flow– This statement presents information showing the total cash receipts and cash disbursements of the Housing Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt payments, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Housing Authority in prior periods and subsequently received during the current fiscal year (i.e. accounts receivable, notes receivable, etc.).

Notes to the Financial Statements - Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Housing Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Housing Authority may face. The Notes to Financial Statements can be found in this Report beginning on page 22 through 53.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Housing Authority's various programs and the required information mandated by regulatory bodies that fund the Housing Authority's various programs.

The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments and Non-profit Organizations. The schedule of Expenditures of Federal Awards can be found on pages 54-55 of this report.

The Schedule of Expenditures of Federal Award -Continued

1. **Federal Awards** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), federal award is defined as federal financial assistance and federal cost reimbursement contracts that non-federal agencies receive directly or indirectly from federal agencies or pass-through entities. Federal financial assistance is defined as assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations and other assistance.

2. **Type A and Type B Programs** - The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the levels of expenditures or expenses to be used in defining Type A and Type B Federal financial assistance programs. Type A programs for the Housing Authority of the City of Linden are those which equal or exceeded $750,000 in expenditures for the fiscal year ended September 30, 2017. Type B programs for the Housing Authority of the City of Linden are those which are less than $750,000 in expenditures for the fiscal year ended September 30, 2017.

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE)

The following summarizes the computation of Net Position between September 30, 2017 and September 30, 2016:

Computations of Net Position are as follows:

	Year Ended		Increase
	September-17	September-16	(Decrease)
Cash	$ 1,424,015	$ 1,243,259	$ 180,756
Other Current Assets	357,916	448,607	(90,691)
Capital Assets - Net	1,537,974	1,539,673	(1,699)
Deferred Outflows	898,272	268,015	630,257
Total Assets	4,218,177	3,499,554	718,623
Less: Current Liabilities	(319,236)	(308,165)	(11,071)
Less: Non Current Liabilities	(3,100,920)	(1,944,763)	(1,156,157)
Less: Deferred Inflows	(34,103)	(61,767)	27,664
Net Position	$ 763,918	$ 1,184,859	$ (420,941)
Net Investment in Capital Assets	$ 1,537,974	$ 1,539,673	$ (1,699)
Restricted Net Position	5,365	-	5,365
Unrestricted Net Position	(779,421)	(354,814)	(424,607)
Total Net Position	$ 763,918	$ 1,184,859	$ (420,941)

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) – CONTINUED

Cash increased by $180,756 or 15% percent. Net cash used by operating activities was $112,669, net cash provided by capital and related financing activities was $285,955, and net cash provided by investing activities was $7,470. The full detail of this amount can be found in the Statement of Cash Flow on pages 20-21 of this audit report.

Other current assets decreased $90,691. Account receivable decreased $99,544 mainly due to a prior year receivable being collected; prepaid expenses increased $1,141 mainly due to an adjustment in the prepaid insurance premium. Investments increased $7,712.

Capital assets reported a decrease in the net book value of the capital assets in the amount of $1,699 or less than 1% percent. The major factor that contributed for the decrease was the purchase of fixed assets in the amount of $228,463, less the recording of depreciation expense in the amount of $230,162.

The Authority reported an increase in the deferred outflow for the pension cost in the amount of $630,257 for an ending balance of $898,272. The Authority reported a decrease in the deferred inflow for the pension cost in the amount of $27,664 for an ending balance of $34,103.

Total current liabilities increased from the previous year by $11,071 or 4% percent. Accounts payables increased by $6,447, accrued liabilities increased by $3,292, tenant security deposit payable increased by $1,331 and unearned revenue increased $1.

Total noncurrent liabilities increased by $1,156,157 or 59% percent. Long-term obligations such as noncurrent compensated absences with an ending balance of $31,308, with no offsetting assets, increased $4,733 from the previous year.

Accrued pension and other post-employment benefits (OPEB) liabilities increased $1,151,424 or 60% percent. Additional information on the Authority's accrued pension and OPEB liabilities at September 30, 2017 can be found in Notes 16-17 to the financial statements, which is included in this report.

The Authority's reported net position of $763,918 is made up of three categories. The net investment in capital assets in the amount of $1,537,974 represents majority of the total account balance. The net investment in capital assets (e.g., land, buildings, vehicles, equipment, and construction in process); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide housing services to the tenants; consequently, these assets are not available for future spending. The schedule below reflects the activity in this account for the current fiscal year:

Balance September 30, 2016	$ 1,539,673
Depreciation Expense	(230,162)
Purchase of Equipment	228,463
Balance September 30, 2017	$ 1,537,974

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The Housing Authority of the City of Linden operating results for September 30, 2017 reported a decrease in unrestricted position of $424,607 or 120% percent for an ending balance of a deficit ($779,421). A full detail of this account can be found in the Notes to the Financial Statements section Notes – 19 Unrestricted Net Position.

The Authority reported restricted net position in the amount of $5,365 which increased $5,365 compared to the prior fiscal year. A full detail of this account can be found in the Notes to the Financial Statements section Notes – 18.

The following summarizes the changes in Net Position between September 30, 2017 and September 30, 2016:

Computation of Changes in Net Position are as follows:

	Year Ended		Increase
	September-17	September-16	(Decrease)
Revenues			
Tenant Revenues	$ 789,916	$ 790,265	$ (349)
HUD Subsidies	4,593,575	4,338,714	254,861
Other Revenues	230,360	282,911	(52,551)
Total Operating Income	5,613,851	5,411,890	201,961
Expenses			
Operating Expenses	5,834,663	5,187,080	647,583
Depreciation Expense	230,162	379,642	(149,480)
Total Operating Expenses	6,064,825	5,566,722	498,103
Operating Income before Non Operating Income	(450,974)	(154,832)	(296,142)
Interest Income	13,851	13,964	(113)
Extraordinary Maintenance	-	(10,990)	10,990
HUD Capital Grants	228,464	56,220	172,244
Change in Net Position	(208,659)	(95,638)	(113,021)
Net Position Prior Year	1,184,859	956,468	228,391
Prior Period Adjustment	(212,282)	324,029	(536,311)
Total Net Position	$ 763,918	$ 1,184,859	$ (420,941)

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

Approximately 82% percent of the Authority's total operating revenue was provided by HUD operating subsidy, while 14% percent resulted from tenant revenue. Charges for various services provided the remaining 4% percent of the total operating income.

The Housing Authority of the City of Linden received from the capital fund program $228,464 in grant money an increase of $172,244 from the prior fiscal year. The Authority had capital expenditures of $228,463 which was funded through the capital fund program. The current year additions included new generator fence, bathroom and kitchen improvements, and apartment improvements.

The Authority's operating expenses cover a range of expenses. The largest expense was for housing assistance payment expenses representing 61% percent of total operating expenses. Administrative expenses accounted for 19% percent, tenant services expense accounted for 1% percent, utilities expense accounted for 6% percent, maintenance expense accounted for 7% percent, other operating expenses accounted for 2% percent, and depreciation accounted for the remaining 4% percent of the total operating expenses.

The Authority operating expenses exceeded its operating revenue resulting in excess expenses from operations in the amount of $450,974 as compared to excess of expenses from operations of $154,832 for the previous year. The key elements for the change in the operating deficit in comparison to the prior year are as follow:

- The Authority reported an increase in HUD PHA operating grants in the amount of $254,861 or 6% percent, due to an increase in Federal funding subsidy by HUD in comparison to the past few fiscal years.

- Administrative expenses increased $310,003 or 38% percent.

- Housing Assistance Payments expense increased $284,534 or 8% percent, due to a reduction in family income and an increase in the payment standards.

- Overall employee benefit costs increased as well due to increases in the liabilities for OPEB and Net Pension Liability.

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The following are financial highlights of significant items for a four year period of time ending on September 30, 2017:

	September-17	September-16	September-15	September-14
Significant Income				
Total Tenant Revenue	$ 789,916	$ 790,265	$ 779,009	$ 786,759
HUD Operating Grants	4,593,575	4,338,714	3,860,972	4,159,298
HUD Capital Grants	228,464	56,220	32,099	-
Investment Income	13,851	13,964	33,259	15,340
Other Income	141,101	138,096	160,088	234,492
Portability Income (HCV Program)	89,259	144,815	122,435	269,767
Total	$ 5,856,166	$ 5,482,074	$ 4,987,862	$ 5,465,656
Payroll Expense				
Administrative Salaries	$ 486,983	$ 360,074	$ 494,015	$ 481,749
Tenant Services Salaries	49,754	68,131	57,861	46,987
Utilities Labor	53,340	55,053	57,547	58,084
Maintenance Labor	160,021	165,159	172,641	174,253
Employee Benefits Expense	551,238	332,211	370,488	360,351
Total Payroll Expense	$ 1,301,336	$ 980,628	$ 1,152,552	$ 1,121,424
Other Significant Expenses				
Other Administrative Expenses	$ 257,447	$ 244,907	$ 217,630	$ 165,973
Utilities Expense	283,093	267,754	267,677	269,773
Maintenance Materials Cost	58,317	67,855	43,791	56,854
Maintenance Contract Cost	67,800	47,894	38,882	64,831
Insurance Premiums	77,902	74,938	76,209	76,047
Housing Assistance Payments	3,620,980	3,327,963	3,129,562	3,172,837
HAP Portability Expense	89,259	97,742	114,901	253,400
Total	$ 4,454,798	$ 4,129,053	$ 3,888,652	$ 4,059,715
Total Operating Expenses	$ 6,064,825	$ 5,566,722	$ 5,504,170	$ 5,647,186
Total of Federal Awards	$ 4,822,039	$ 4,394,934	$ 3,893,071	$ 4,159,298

THE AUTHORITY AS A WHOLE

The Authority's revenues consist primarily of rents and 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 revenue was not sufficient to cover all expenses. The Authority's unrestricted net position does not appear sufficient to cover any foreseeable shortfall rising from a possible economic turndown and reduced subsidies and grants.

THE AUTHORITY AS A WHOLE -CONTINUED

By far, the largest portion of the Authority's net position reflects its net 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 reported as "Net Investment in Capital Assets" and are not available for future spending. The unrestricted position of the Authority is available for future use to provide program services.

HOUSING AUTHORITY OF THE CITY OF LINDEN PROGRAMS

Public and Indian Housing Program:

Under the Public and Indian Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD's rent subsidy program provides housing assistance to low income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a $50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) the Housing Authority of the City of Linden flat rent amount.

Public Housing Capital Fund Program:

The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments to keep them clean, safe and in good condition.

Section 8 Housing Choice Voucher Program

Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a contract that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

Resident Opportunity and Support Services – ROSS:

This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

BUDGETARY HIGHLIGHTS

For the year ended September 30, 2017, individual program or grant budgets were prepared by the Authority and adopted by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

The 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.

NEW INITIATIVES

For the fiscal year 2017 the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 82% percent of its revenue from the Department of Housing and Urban Development, (2016 fiscal year was 80% percent), the Authority is constantly monitoring for any appropriation changes, especially since it appears the nation is continuing an era of need for additional public assistance to help families meet the challenges of a very tumultuous economy.

The current administration of the Authority is determined to improve the financial results of the Authority's operations. The Authority has made steady progress in various phases of our operations, all the while maintaining a strong occupancy percentage in the public housing units and a high utilization rate in Housing Assistance Programs. Interactions with the residents are a constant reminder of the need of the services. Regardless of the constraints (financial or regulatory) placed on this Housing Authority, the Authority will continuously look for ways to better provide or expand housing and housing assistance to qualified residents of the City of Linden all the while being mindful of their responsibility to be good stewards of the public's tax dollars.

CAPITAL ASSETS AND DEBT ADMINISTRATION

1 – Capital Assets

The Authority's net investment in capital assets as of September 30, 2017 was $1,537,974 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and construction in progress. The total decrease during the year in the Authority's investment in capital assets was $1,699 or less than 1% percent. Major capital expenditures of $228,463 were made during the year. Major capital assets events during the fiscal year included the following:

- Apartment improvements
- Fence around the Generator
- Kitchen and Bathroom Improvements

	September-17	September-16	Increase (Decrease)
Land	$ 1	$ 1	$ -
Building	10,702,267	10,702,267	-
Furniture, Equipment - Dwelling	532,102	532,102	-
Furniture, Equipment - Administratio	371,578	371,578	-
Construction In Process	245,065	16,602	228,463
Total Fixed Assets	11,851,013	11,622,550	228,463
Accumulated Depreciation	(10,313,039)	(10,082,877)	(230,162)
Net Book Value	$ 1,537,974	$ 1,539,673	$ (1,699)

Additional information on the Authority's capital assets can be found in Note 8 to the financial statements, which is included in this report.

2 - Debt Administration

The Authority has no outstanding debt at September 30, 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority of the City of Linden is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs.

The capital budgets for the 2018 fiscal year have already been submitted to HUD for approval and no major changes are expected. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing property including administrative fees involved in the modernization.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES -CONTINUED
The following factors were considered in preparing the Authority's budget for the fiscal year ending September 30, 2018.

- State of New Jersey economy including the impact on tenant income. Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income. Tenant rental payments are based on tenant income.

- The need for Congress to fund the war on terrorism and other impending military activities, and the impact these activities may have on federal funds available for HUD subsidies and grants.

- Continued increases in health care insurance are expected to impact employee benefits cost over the next several years.

- Inflationary pressure on utility rates, supplies and other cost.

- Trends in the housing market which affect rental housing available for the Section 8 tenants, along with the amount of the rents charged by the private landlords, are expected to have a continued impact on Section 8 HAP payments.

- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs.

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 Mrs. Ann J. Ferguson, Executive Director, Housing Authority of the City of Linden, 1601 Dill Avenue, Linden, N.J. 07036-1779, or call (908) 298-3820.

HOUSING AUTHORITY OF THE CITY OF LINDEN
STATEMENT OF NET POSITION - 1
AS OF SEPTEMBER 30, 2017

		2017
Assets		
Current Assets:		
Cash and Cash Equivalents - Unrestricted	$	1,346,629
Cash and Cash Equivalents - Restricted		77,386
Investments		286,750
Accounts Receivables, Net of Allowances		53,217
Prepaid Expenses		17,949
Total Current Assets		1,781,931
Noncurrent Assets		
Capital Assets		
Land		1
Building		10,702,267
Furniture, Equipment - Dwelling		532,102
Furniture, Equipment - Administration		371,578
Construction In Process		245,065
Total Capital Assets		11,851,013
Less: Accumulated Depreciation		(10,313,039)
Net Book Value		1,537,974
Total Assets		3,319,905
Deferred Outflow of Resources		
State of New Jersey P.E.R.S.		898,272
Total Assets and Deferred Outflow of Resources	$	4,218,177

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF LINDEN
STATEMENT OF NET POSITION - 2
AS OF SEPTEMBER 30, 2017

		2017
Liabilities		
Current Liabilities:		
Accounts Payable	$	93,826
Accrued Liabilities		153,388
Tenant Security Deposit Payable		72,021
Unearned Revenue		1
Total Current Liabilities		319,236
Noncurrent Liabilities		
Accrued Compensated Absences - Long-Term		31,308
Accrued Pension and Other Post-Employment Benefits (OPEB)		3,069,612
Total Noncurrent Liabilities		3,100,920
Total Liabilities		3,420,156
Deferred Inflow of Resources		
State of New Jersey P.E.R.S.		34,103
Net Position:		
Net Investment in Capital Assets		1,537,974
Restricted		5,365
Unrestricted		(779,421)
Total Net Position		763,918
Total Liabilities, Deferred Inflow of Resources, and Net Position	$	4,218,177

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF LINDEN
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

	2017
Revenue:	
Tenant Rental Revenue	$ 789,916
HUD PHA Operating Grants	4,593,575
Other Revenue	230,360
Total Revenue	5,613,851
Operating Expenses:	
Administrative Expense	1,123,514
Tenant Services	68,673
Utilities Expense	372,432
Maintenance Expense	409,555
Other Operating Expenses	150,250
Housing Assistance Payments	3,710,239
Depreciations Expense	230,162
Total Operating Expenses	6,064,825
Excess Expenses Over Revenue From Operations	(450,974)
Non Operating Income and (Expenses):	
Investment Income	13,851
Capital Grant Contributions	228,464
Total Non Operating Income	242,315
Change in Net Position	(208,659)
Beginning Net Position	1,184,859
Prior Period Adjustment - Due to GASB 68	(212,282)
Beginning Net Position - Restated	972,577
Ending Net Position	$ 763,918

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF LINDEN
STATEMENT OF CASH FLOW - 1
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

		2017
Cash Flow From Operating Activities		
Receipts from Tenants	$	789,666
Receipts from Federal Grants		4,593,575
Receipts from Misc. Sources		230,360
Payments to Vendors and Suppliers		(431,902)
Housing Assistance Payments		(3,710,239)
Payment of Utilities Cost		(282,793)
Payments to Employees		(750,098)
Payment of Employee Benefits		(551,238)
Net Cash (Used) by Operating Activities		(112,669)
Cash Flow From Capital and Related Financing Activities		
Receipts from Capital Grants		228,464
Acquisitions and Construction of Capital Assets		(228,463)
Payment in Compensated Absences - Long term		4,733
Increase in Accrued Pension and Other Post-Employment Benefits (OPEB) Liabilities		1,151,424
Net Effect of Deferred Inflows and Outflows		(657,921)
Prior Period Adjustment		(212,282)
Net Cash Provided by Capital and Related Financing Activities		285,955
Cash Flow From Investing Activities		
Interest Income		13,851
(Purchase) of Investments		(7,712)
Increase of Tenant Security Deposit		1,331
Net Cash Provided by Investing Activities		7,470
Net Increase in Cash and Cash Equivalents		180,756
Beginning Cash		1,243,259
Ending Cash	$	1,424,015
Reconciliation of Cash Balances:		
Cash and Cash Equivalents - Unrestricted	$	1,346,629
Security Deposits		72,021
Section 8 HCV HAP Reserves		5,365
Total Ending Cash, Cash Equivalents	$	1,424,015

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF LINDEN
STATEMENT OF CASH FLOW - 2
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

		2017
Reconciliation of Operating Income to Net Cash		
(Used) by Operating Activities		
Excess of Expenses Over Revenue	$	(450,974)
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:		
Depreciation Expense		230,162
(Increase) Decrease in:		
Accounts Receivables		99,544
Prepaid Expenses		(1,141)
Increase (Decrease) in:		
Accounts Payable		6,447
Accrued Expenses		3,292
Unearned Revenue		1
Net Cash (Used) By Operating Activities	$	(112,669)

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF ORGANIZATION, ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization - The Authority is a governmental public corporation which was organized under the laws public corporation created under federal and state housing laws as defined by State statute (N.J., S.A. 40A:12A-1 et al 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 the City of Linden in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD).

The Authority is governed by a Board of Commissioners which 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 City of Linden. Operating and modernization subsidies are provided to the Authority by the federal government.

The financial statements include all the 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 Authority is not included in any governmental "reporting entity" since its board members; while they are appointed primarily by the Mayor of Linden and City Council, the Board of Commissioners have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters. The Authority has also concluded that it is excluded from the City of Linden reporting entity.

Based on the following criteria, the Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity. The criteria for including or excluding a component unit relationship as set forth in GASB's #61 *The financial Reporting Entity* and Financial Reporting Standards, include whether:

A. The organization is legally separate.
B. The organization is fiscal dependency on the primary government.
C. The organization has potential to impose a financial benefit or burden on the primary government.
D. The organization meets the financial accountability criteria for inclusion as a component unit of the primary government.
E. The primary government is able to impose its will on the organization.

2. Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Authority has determined that the applicable measurement focus (flow of economic resources) and accounting basis (accrual) is similar to that of a commercial enterprise. As such, the use of proprietary funds best reflects the activities of the Authority.

The Authority has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.* The Statement establishes accounting and financial reporting standards for non-exchange transactions including financial or capital resources. The Authority's primary source of non-exchange revenue relates to grants and subsidies. 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.

In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority incorporates FASB and AICPA guidance into GASB authoritative literature.

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

Significant Accounting Policies -Continued
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.

Basis of Accounting –
In Enterprise fund, activities are recorded using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The major sources of revenue are tenants dwelling rentals, HUD operating subsidy, capital grants, and other revenue.

HUD's rent subsidy program provides housing to low income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a $50 minimum; it cannot exceed the greater of the following amounts:

(a) 30% of the family's adjusted monthly income,
(b) 10% of the family's monthly income, or
(c) Housing Authority of the City of Linden's flat rent amount.

Tenants dwelling rental charges are determined and billed monthly and are recognized as revenue when assessed because they are measurable and are collectible within the current period. Amounts not received by September 30, are considered to be accounts receivable and any amounts received for subsequent period are recorded as unearned revenue.

Basis of Accounting – Continued
HUD operating, capital grants which finance capital and current operations are susceptible to accrual and recognized during the year earned in accordance with applicable HUD program guidelines. The Capital Fund Grant program income are expenditure driven grants with the revenue from the grant classified based on the expenditure. If the funds were expended for capital activities, the revenue is reported as capital contribution; if the funds are expended for other than capital, the revenue is reported as operating revenue.

Administrative fee paid by HUD to the Authority in excess of administrative expenses are a part of the undesignated fund balance and are considered to be administrative fee reserves.

Other revenue composed primarily of miscellaneous services fees and residents late charges. The revenue is recorded as earned since it is measurable and available.

Non-operating revenue and expenses consist of revenues and expenses that are related to financing and investing activities and result from non-exchange transactions or ancillary activities.

Financial transactions are recorded and organized in accordance with the purpose of the transaction. Each program is an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements. Because the Authority's activity is considered self-financing and does not rely on specific taxes or fines (i.e. property taxes, sales and use tax etc.) no activity will be maintained as governmental funds but will be recorded as proprietary funds under the Enterprise Fund.

Report Presentation -
The Authority's financial statements are prepared in accordance with GASB Statement No. 34 (as amended), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("Statement"). The Statement 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 a Statement of Cash Flows. The Statement also requires the Authority to include Management's Discussion and Analysis as part of Required Supplementary Information.

Report Presentation - Continued
Also the Authority adopted the provisions of Statement No. 37 "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments" Statement No.38 "Certain Financial Statement Note Disclosures", and Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" which supplements GASB Statement No. 34.

GASB Statement No. 34 established standards for external financial reporting for all State and Local Governments entities that includes a statement of net assets, a statement of revenue, expenses, and changes in net assets, and a statement of cash flow.

GASB Statement No. 63 requires the classification of "net assets" into "net position" which consists of three components, Net Investment in Capital Assets, Restricted, and Unrestricted.

The adoptions of Statement No. 34, Statement No. 37, Statement No. 38, and Statement No. 63 have no significant effect on the financial statements except, for the classification of net position in accordance with Statement No. 63.

Net Investment in Capital Assets
The net position consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

Restricted Net Position
The net position less that are subject to constraints on their use by creditors, grantors, contributors, legislation, or other governmental laws or regulations.

Unrestricted Net Position
The net position consists of net assets that do not meet the definition of Restricted Net Position or Net Investment in Capital Assets.

The federally funded programs administered by the Authority are detailed in the Financial Data Schedule and the Schedule of Expenditures of Federal Awards; both are which are included as Supplemental information.

Other 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.

Other accounting policies - Continued

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

3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight line basis.

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

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

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

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

8 - 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.

9 – The Authority does not have any infrastructure assets for its Enterprise Fund.

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

11- Advertising cost is charged to expense when incurred.

12- When expenses are incurred where both restricted and unrestricted net assets are available the Authority will first use the restricted funds until they are exhausted and then the unrestricted net assets will be used.

13- Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized. Liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site-specific costs. Generally, such recognition coincides with the Authority's commitment to a formal plan of action.

Other accounting policies - Continued
14- Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Authority but which will only be resolved when one or more future events occur or fail to occur. The Authority's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Authority or unasserted claims that may result in such proceedings, the Authority's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Authority's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

15- Fair Value Measurements – Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Generally accepted accounting principles defined a three-tier hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which requires the Authority to develop assumptions.

The carrying amounts reported for cash and short-term investments approximate fair value.

Budgetary and Policy Control –
The Authority submits its annual operating budget and capital budget to HUD. The Authority also 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.

Activities - The only programs or activities administered by the Authority were:

Program	CFDA #	Project #	Units Authorized
Public Housing			
Public and Indian Housing	14.850	NJ-66	200
Capital Fund	14.872		
Resident Opportunity and Supportive Services	14.870		
Section 8 Housing			
Housing Choice Vouchers	14.871	NJ-39V0-66	357

A. Public and Indian Housing
The Public and Indian housing program is designed to provide low-cost housing within the City of Linden. Funding is provided by eligible residents who are charged monthly rent based on family size, family income and other determinants, as well as by subsidies provided by HUD.

B. Public Housing Capital Fund Program:
The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments to keep them clean, safe and in good condition.

Activities -Continued

C. Section 8 Housing Choice Vouchers Program
Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the 1landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD.

D. Resident Opportunity and Support Services – ROSS:
This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Taxes - Under federal, state, and local law, the Authority's program are exempt from income, property and excise taxes. However, the Authority is required to make payments in lieu of taxes (PILOT) for the low-income housing program in accordance with the provision of a Cooperation Agreement. Under the Cooperation Agreement, the Authority must pay the municipality the lesser of 10% of its net shelter rent or the approximate full real property taxes.

Board of Commissioners - The criteria used in determining the scope of the entity for financial reporting purposes are as follows:

1. The ability of the Board to exercise supervision of a component unit's financial independence.

2. The Board's governing authority extends to financial decision making authority and is held primarily accountable for decisions.

3. The Board appoints the management of the Authority who is responsible for the day-to-day operations and this management are directly accountable to the Board.

4. The ability of the Board to significantly influence operations through budgetary approvals, signing and authorizing contracts, exercising control over facilities, and approving the hiring or retention of key managerial personnel.

5. The ability of the Board to have absolute authority over all funds of the Authority and have accountability in fiscal matters.

Grants - The Authority receives reimbursement from various grantors for the cost of sponsored projects, including administrative cost. Grant revenues are recognized as income when earned. Grant expenditures are recognized on the accrual basis.

NOTE 2 – ESTIMATES

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectibility of accounts receivable, the use, and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

NOTE 3 - 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.

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.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and Chapter 115, P.L. of 1998, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employer's contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 6.92% of base wages. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments, the cost of medical premiums after retirement for qualified retirees, and noncontributory death benefits. The Authority's contribution for 2017 amounted to $76,897.

NOTE 3 - PENSION PLAN -CONTINUED

Post Employment Retirement Benefits

The Authority provides post-employment health care benefits and life insurance for its eligible retirees. Eligibility requires that employees be 55 years or older with various years of service.

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.

On the web:
http://www.state.nj.us/treasury/pensions/pdf/financial/2017divisioncombined.pdf

Further information on the Pension Plan and its effects do to the adoption of GASB 68 can be found in Note 17– Accrued Pension Liability.

NOTE 4 – CASH, CASH EQUIVALENTS

The Authority's cash, cash equivalents are stated at cost, which approximates market. Cash, cash equivalents and investment includes cash in banks, petty cash and a money market checking account and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. 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 time of purchase. It is the Authority's policy to maintain collateralization in accordance with the State of New Jersey and HUD requirements.

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC 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. These funds at various banks are collateral pledge under the New Jersey Government Code of the Banking Law.

NOTE 4 – CASH, CASH EQUIVALENTS - CONTINUED
The book balances for unrestricted cash at September 30, 2017 of $1,346,629, restricted cash of $77,386 and investments of $286,750 as discussed below:

	September-17
Union County Savings Bank	$ 488,346
TD Bank, NA	295,178
Northfield	102,297
Santander Bank	752,623
Bank of America	72,021
Petty Cash	300
Total Cash, Cash Equivalents and Investments	$ 1,710,765

The Authority's restricted cash at September 30, 2017 in the amounts of $72,021 is held as security deposits for the tenants of the Public Housing program. The remaining $5,365 pertains to the Section 8 Housing Choice Vouchers program.

Risk Disclosures

Collateral for Deposits

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.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, when the funds are secured in accordance with the act. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. The market value of the pledged securities must equal at least 110% of the Authority's deposits.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At September 30, 2017, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

NOTE 4 – CASH, CASH EQUIVALENTS - CONTINUED

Credit Risk

This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities. The Authority's checking accounts are categorized to give indication of the level of credit risk assumed by the Authority. Custodial credit risk is the risk in the event of a bank failure, the Authority's deposits may not be returned to it. The custodial credit risk categories are described as follows:

Depository Accounts		September-17
Insured	$	924,618
Collateralized held by pledging bank's trust department in the Authority's name		786,147
Total	$	1,710,765

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts Receivable at September 30, 2017 consisted of the following:

		September-17
Tenants Accounts Receivable - Present	$	250
Less: Allowance for Doubtful Accounts		(217)
Net Tenants Accounts Receivable		33
Other Receivable -HUD		46,575
Other Receivable -State of NJ		311
Accrued Interest Income		6,298
Net Other Receivables		53,184
Total Accounts Receivable	$	53,217

The Housing Authority of the City of Linden carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Authority evaluates its accounts receivable and establishes an allowance for doubtful accounts based on history of past write off's, collections, and current credit conditions. Accounts are written off as uncollectible when management determines that a sufficient period of time has elapsed without receiving payment and the individual do not exhibit the ability to meet their obligations.

NOTE 6 – PREPAID EXPENSES
Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items. All purchases of insurance premiums are written off on a monthly basis. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed. Prepaid expenses at September 30, 2017 consisted of prepaid insurance in the amount of $17,949.

NOTE 7 – INTERFUND ACTIVITY
Interfund activity is reported as short term loans, services provided during the course of operations, reimbursements, or transfers. Short term loans are reported as interfund short term receivables and payable as appropriate. The amounts between the various programs administered by the Authority at September 30, 2017 are detailed on the Financial Data Schedule of this report. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

NOTE 8 - FIXED ASSETS
Fixed assets consist primarily of expenditures to acquire, construct, place in operations, and improve the facilities of the Authority and are stated by an appraisal value.

Expenditures for repairs, maintenance and minor renewals are charged against income in the year they are incurred. Major renewals and betterment are capitalized. Expenditures are capitalized when they meet the Capitalization Policy requirements. Under the policy, assets purchased or constructed at a cost not exceeding $1,000 are expensed when incurred.

Donated fixed assets are stated at their fair value on the date donated. Depreciation is provided using the straight line method over the estimated useful lives of the assets.

1. Building and Structure	40 years
2. Office Improvements	7 years
3. Site Improvements	15 years
4. Building Components	15 years
5. Office Equipment	5 years

NOTE 8 - FIXED ASSETS – CONTINUED
The Housing Authority of the City of Linden reviews its rental property for impairment whenever events or changes in circumstances Indicate that the carrying value of an asset may not be recoverable. When recovery s reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No Impairment loss has been recognized during the year ended September 30, 2017.

Below is a schedule of changes in fixed assets for the twelve months ending September 30, 2017:

	September-16	Additions	September-17
Land	$ 1	$ -	$ 1
Building	10,702,267	-	10,702,267
Furniture, Equipment - Dwelling	532,102	-	532,102
Furniture, Equipment - Administration	371,578	-	371,578
Construction in Process	16,602	228,463	245,065
Total Fixed Assets	11,622,550	228,463	11,851,013
Accumulated Depreciation	(10,082,877)	(230,162)	(10,313,039)
Net Book Value	$ 1,539,673	$ (1,699)	$ 1,537,974

Below is a schedule of the net book value of the fixed assets for the Authority as of September 30, 2017:

Net Book Value	September-17
Land	$ 1
Building	1,131,037
Furniture, Equipment - Dwelling	159,410
Furniture, Equipment - Administration	2,461
Construction in Process	245,065
Net Book Value	$ 1,537,974

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A deferred outflow is an outflow of resources, which is a consumption of net assets by the government that is applicable to the reporting period. A deferred inflow is an inflow of resources, which is an acquisition of net assets by the government that is applicable to the reporting period.

The Pension Liability discussed in Note 17 resulted in the Authority incurring deferred outflows and inflows. The difference between expected and actual experience with regard to economic and demographic factors, when the actuary calculated the net pension liability, is amortized over a five-year closed period for PERS, reflecting the average remaining service life of members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

The Authority's deferred outflows and inflows are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experiences	$ 47,675	$ -
Changes in Assumptions	531,043	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	97,753	34,103
Changes in Proportion	137,895	-
Contributions Subsequent to the Measurement Date	83,906	-
Total	$ 898,272	$ 34,103

Difference in Expected and Actual Experience

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a five year closed period reflecting the average remaining service life of the plan members (active and inactive), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $47,675.

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-CONTINUED

Changes in Assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over a five year closed period, reflecting the average remaining service life of the plan members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $531,043.

Net Difference between Projected and Actual Investments Earnings on Pension Plan Investments

The difference between the System's expected rate of return of and the actual investment earnings on pension plan investments is amortized over a five year closed period in accordance with GASB 68. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $97,753 and $34,103.

Changes in Proportion

The change in employer proportionate share is the amount of difference between the employer proportionate share of net pension liability in the prior year compared to the current year. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a *five* year closed period, reflecting the average remaining service life of the plan members active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow or resources. The changes in proportion and differences between employer contributions and proportionate share of contributions for the fiscal year are $137,895 and $-0-.

NOTE 10 – ACCOUNTS PAYABLE

The Authority reported accounts payable on its Statement of Net Position as of September 30, 2017. Accounts payable vendors are amount owing to creditors as a result of delivered goods and completed services. The Authority accounts payable at September 30, 2017 in the amount of $93,826 consist of the following:

	September-17
Accounts Payable Vendors	$ 45,067
Accounts Payable - Other Government	45,378
Accounts Payable - Other Authorities	3,381
Total Accounts Payable	$ 93,826

NOTE 11 – ACCOUNTS PAYABLE – OTHER GOVERNMENT (PILOT PAYABLE)
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 City of Linden. Under the Cooperation Agreements, the Authority must pay the municipality the littlest of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended September 30, 2017, PILOT expense of $45,378 was incurred and remain payable at year end.

NOTE 12 – ACCRUED EXPENSES
The Authority reported accrued expenses on its Statement of Net Position. Accrued expenses are liabilities covering expenses incurred on or before September 30. Accrued expenses at September 30, 2017 consisted of the following:

	September-17
Compensated Absences - Current Portion	$ 3,478
Accrued Wages and Payroll Taxes	16,063
Accrued Invoices Linden Housing Corporation	133,847
Total Accrued Liabilities	$ 153,388

NOTE 13 – UNEARNED REVENUE
The Authority reported unearned revenues on its Statement of Net Position. Unearned revenues arise when resources are received by the Authority before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized. The unearned revenue for September 30, 2017 is $1.

NOTE 14 – ACCRUED COMPENSATED ABSENCES
Compensated absences are those for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the Authority will be accounted for in the period in which such services were rendered.

Unused sick leave may be carried to future periods and used in the event of extended illness. In the event of retirement, an employee is compensated for one for three unused sick days up to a maximum of $25,000 under the Authority's current personnel policy.

The Authority has determined that the potential liability for accumulated vacation time, sick leave, and terminal pay for September 30, 2017 is $34,786. The Authority's management estimated that ten percent (10%) is a reasonable amount for the current portion of accrued compensated absences.

	September-17
Compensated Absences - Sick Time	$ 32,314
Payroll Taxes	2,472
Total Compensated Absences	34,786
Less: Current Portion	(3,478)
Noncurrent Compensated Absences	$ 31,308

NOTE 15 – LONG TERM DEBT
At September 30, 1999, the Authority's Long Term Debt (guaranteed by HUD), in accordance with HUD's GAAP Conversion Guide, the Long Term Debt and related debt service accounts were written off.

NOTE 16 – ACCRUED PENSION AND OPEB LIABILITIES
The Authority as of September 30, 2017 reported accrued pension and OPEB liability amounts as follows:

	September-17
Accrued OPEB Liability	$ 506,004
Accrued Pension Liability	2,563,608
Total OPEB and Pension Liability	$ 3,069,612

NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

OPEB Liability

These amounts arose due to adoption of GASB 45 several years ago as well as GASB 68 which was just adopted this fiscal year. This note will discuss the liability associated with GASB 45, which is accrued other postemployment benefits. Note 17 will discuss the effect of GASB 68 and the liability which arose from that.

OPEB Liability

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:

	September-17
Annual Required Contribution	$ 86,175
Interest on net OPEB obligation	15,183
Adjustment to annual required contribution	2,124
Annual OPEB cost (expense)	103,482
Contributions made	(11,022)
Increase in net OPEB obligation	92,460
Net OPEB Obligation – beginning of year	413,544
Net OPEB Obligation – end of year	$ 506,004

The Authority's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2017 fiscal year is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September-15	$ 95,738	11%	$ 85,683
September-16	$ 88,339	11%	$ 78,930
September-17	$ 103,482	11%	$ 92,460

NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION - CONTINUED

FUNDED STATUS AND FUNDING PROGRESS

As of October 1, 2013, the most recent valuation date, the plan was 0.0% funded. The actuarial liability for benefits was $827,932, and the actuarial value of assets was $-0-, resulting in an unfunded accrued liability (UAL) of $827,932.

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 A 1% CHANGE IN HEALTHCARE TREND RATES

In the event of that healthcare trend rates were 1% percent higher than forecast and employee contributions were to increase at the forecast rates, the Accrued Liability would increase to $1,057,310 or by 27.7% percent and the corresponding Normal Cost would increase to $95,444 or by 38.7% percent.

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.

- Actuarial Cost Method — Projected Unit Credit
- Investment Rate of Return — 5.00% per annum
- Healthcare Trend Rates:

	Year	Pre - 65	Post - 65
Initial Trend	January-15	8.00%	8.00%
Ultimate Trend	2021 & Later	5.00%	5.00%
Grading per Year		0.50%	0.50%

NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION - CONTINUED

- Actuarial Value of Assets: Market Value
- Amortization of UAAL: Amortized as fixed dollar basis over 30 years at transition
- Remaining Amortization Period: 30 years at October 1, 2010

Reconciliation of Plan Participation (As of October 1, 2013) Employees:

	October 1, 2013
Number of Active Employees	25
Average Age - Actives	44.3
Average Years of Service - Actives	7.7
Actives Elegible for Benefits	0
Number of Retired Employees	1

SUMMARY OF CHANGES TO UNFUNDED ACCRUED LIABILITY

Below is a schedule the items that caused the increase in the UAL from the prior actuarial valuation of the unfunded accrued liability as of October 1, 2013:

Prior Valuation UAL	$ 594,309
Increase in UAL since Valuation as of October 1, 2010	197,872
Impact due to the incremental fees and costs of healthcare reform	79,309
Impact due to decreases in employee headcounts	(196,256)
Impact due to changes in demographics, health plan costs, other assumptions	152,698
Total UAL as of October 1, 2013	$ 827,932

NOTE 17 – ACCRUED PENSION LIABILITY

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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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 Authority participates in the State of New Jersey, Public Employees' Retirement System (PERS).

NOTE 17 – ACCRUED PENSION LIABILITY - CONTINUED

Contributions

The local employers' contribution amounts are based on an 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 the 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.

Measurement Date

The net pension liability for fiscal year ending September 30, 2017 is determined at a measurement date of June 30, 2016. The June 30, 2017 pension report was not made available at the time of issuance of this report. The total pension liability as of June 30, 2016 was determined by rolling forward the Plan's total pension liability as of July 1, 2015 to June 30, 2016. The plan fiduciary net position is the market value of plan assets as of June 30, 2016.

Net Pension Liability Information

The Authority as of September 30, 2017 reported a net pension liability in the amount of $2,563,608 due to the adoption of GASB 68.

The component of the current year net pension liability of the Authority as of June 30, 2016, the last evaluation date, is as follows:

	PERS
Employer Total Pension Liability	$ 4,282,445
Plan Net Position	(1,718,837)
Employer Net Pension Liability	$ 2,563,608

The Authority allocation percentage is 0.0086558280% as of June 30, 2016.

Allocation Percentage Methodology

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

NOTE 17 – ACCRUED PENSION LIABILITY - CONTINUED

Allocation Percentage Methodology -continued

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2016 and 2015 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2016 and 2015, respectively. For this year there was a change in allocation percentage from June 30, 2015 to June 30, 2016.

Discount Rate

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 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 plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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.

Long-Term Expected Rate of Return

The arithmetic mean return on the portfolio was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 17 – ACCRUED PENSION LIABILITY - CONTINUED

Long-Term Expected Rate of Return- continued
Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016. The capital market assumptions are per Buck's investment consulting practice for 2016.

The determination of each employer's projected long term contribution effort is accomplished by computing the actuarially determined indexed present value of future compensation using census data as of June 30, 2016. The indexed present value of future compensation for each employer is calculated by multiplying the present value of future projected compensation for current employees (that is, on a closed basis) by the applicable cost index for each participant.

The present value of future compensation for a participant incorporates:

1) Current employee demographics, including age, years of service, and salary,
2) Projected salary increases, and
3) Decrements (probabilities of retirement, death, and withdrawal).

The cost indexes are designed to reflect the relative cost of benefits for groups of employees with a common benefit in relation to other groups within each GASB plan. These cost indexes are also used in the determination of annual required contributions. The cost indexes are based on a new entrant valuation where the most recent set of new members to

1) An PERS regular plan (retirement eligibility based on age and service),
2) An PERS special plan (retirement eligibility based on service alone), and

These new entrant rates are the employer contribution rates that would be paid over the employee's career assuming all valuation assumptions are realized without gains or losses. The ratio of new entrant rates between plans establishes the relative plan lucrativeness, or index.

Sensitivity of the Net Pension Liability to the Discount Rate Assumption
The following presents the current-period net pension liability of the employers calculated using the current-period discount rate assumption of 3.98% percent, as well as what 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 assumption (in thousands).

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Sensitivity of the Net Pension Liability to the Discount Rate Assumption -continued

Sensitivity of the Authority's proportionate share of the Net Pension Liability due to change in the Discount Rate:

	1% Decrease (2.98%)	Current Discount (3.98%)	1% Increase (4.98%)
Authority's Proprortionate Share of the Net Pension Liability (Asset)	$ 3,141,402	$ 2,563,608	$ 2,086,589

Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions

The change in employer proportionate share is the amount of difference between the employer proportionate shares of net pension liability in the prior year compared to the current year. The difference between employer contributions and proportionate share of contributions is the difference between the total amount of employer contributions and the amount of the proportionate share of employer contributions. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a six-year closed period for PERS, reflecting the average remaining service life of PERS members (active and inactive members), respectively.

The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow or resources or a deferred inflow of resources.

Actuarial Assumptions

The total pension liability for June 30, 2016 measurement dates were determined by using an actuarial valuation as of July 1, 2015, with update procedures used to roll forward the total pension liability to June 30, 2016. The actuarial valuations used the following actuarial assumptions:

Inflation	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%

NOTE 17 – ACCRUED PENSION LIABILITY - CONTINUED

Actuarial Assumptions -Continued

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 7 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality form the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements 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).

The actuarial assumptions used in the July 1, 2015 evaluation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities were higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 17 – ACCRUED PENSION LIABILITY - CONTINUED

Actuarial Assumptions -Continued

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 as summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Equities	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	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	100%	

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

Year Ending June 30, 2017	$	152,301
Year Ending June 30, 2018	$	152,301
Year Ending June 30, 2019	$	176,446
Year Ending June 30, 2020	$	148,241
Year Ending June 30, 2021	$	47,182

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the period ended September 30, 2017 is $265,357.

NOTE 18 – RESTRICTED NET POSITION

The Authority restricted net position account balance at September 30, 2017 is $5,365. The restricted net position consisted of HAP Reserves.

Housing Choice Voucher Program HUD Held Reserves Funds

Effective January 1, 2012, HUD was required to control the disbursement of funds in such a way that the Authority does not receive funds before they are needed, resulting in the re-establishment of HUD held program reserves to comply with the Treasury requirements. HUD held reserve is a holding account at the HUD level that maintains the excess of HAP funds that have been obligated (ABA) but undisbursed to the Authority. The excess HAP funds will remain obligated but not disbursed to the Authority. HUD will hold these funds until needed by the Authority. The amount of HUD held reserves for the Authority at June 30, 2017 was $93,120, September 30, 2017 amount was not available.

NOTE 19 – UNRESTRICTED NET POSITION

The Authority's unrestricted net position account balance at September 30, 2017 is a deficit of ($779,421). The detail of the account balance is as follows:

	LIH Program Reserves	HCV Adm Reserves	Business Reserves	Total
Balance September 30, 2016	$ (219,583)	$ (423,898)	$ 288,667	$ (354,814)
Increase During the Year	-	-	241	241
(Decrease) During the Year	(408,731)	(16,117)	-	(424,848)
Prior Period Adjustment	(212,282)	-	-	(212,282)
Balance September 30, 2017	$ (628,314)	$ (440,015)	$ 288,908	$ (779,421)

The Authority unrestricted net position reflects a negative ($779,421) balance, as of September 30, 2017, because of the requirement to adopt GASB #45 (OPEB) and GASB #68 pension liability. The Authority recorded OPEB liability to date of $506,004 which has a direct effect on the reserves. The Authority recorded an accrued pension liability to date of $2,563,608 which also has a direct effect on the reserves. GASB #45 and GASB #68 do not require the Authority to fund the liability.

NOTE 20 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. During the year ended September 30, 2017, the Authority's risk management program, in order to deal with the above potential liabilities, purchased various insurance policies for fire, general liability, crime, auto, employee bond, worker's compensation, and public-officials errors omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its senior building for the purpose of determining potential liability issues.

NOTE 21 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES

Pursuant to the Annual Contribution Contract, HUD makes annual debt service contributions to the Authority for each permanently financed project in the amount equal to the debt service on its bonds, plus, if necessary, an amount to fully amortize the Authority's indebtedness represented by permanent notes or project notes. Accrued HUD contributions for the year ended September 30, 2017 were $ - 0 -.

HUD also contributes an additional operating subsidy approved in the operating budget under the Annual Contribution Contract. Additional operating subsidy contributions for the Public and Indian Housing Program for the year ended September 30, 2017 were $477,376.

Annual Contributions Contracts for the Section 8 Housing Choice Voucher Program to provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low income families. The programs provide for such payment with respect to existing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expense. HUD contributions for the section 8 Housing Choice Voucher for September 30, 2017 were $3,993,699.

NOTE 22 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS
The Authority operations are concentrated in the low income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Total financial support by HUD was $4,822,039 to the Authority which represents approximately 82% percent of the Authority's total revenue for the fiscal year September 30, 2017.

NOTE 23 - CONTINGENCIES
Litigation – At September 30, 2017, the Authority is subject to several legal proceeding arising in the ordinary course of business. The Authority's insurance carrier and legal counsel are handing these cases. While the outcome of this matter is currently undeterminable, management does not expect that the ultimate cost to resolve this matter will have a material adverse effect on the Authority's financial position, results of operation or cash flows.

Grants Disallowances – The Authority participates in federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits performed by the federal government could lead to adjustments for disallowed claims, including amounts already collected, and reimbursement by the Authority for expenditures disallowed under the terms of the grant. The Authority's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 24- PRIOR PERIOD ADJUSTMENTS
For year ending September 30, 2017
As of September 30, 2017 the Authority had a prior period adjustment in the amount of ($212,282) while recording Net Pension Liability. This adjustment was due to the implementation of GASB 68.

NOTE 25 – SUBSEQUENT EVENTS

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued, must be evaluated for recognition or disclosed. The effects of subsequent events that provide evidence about conditions that existed after the Statement of Net Position date required disclosure in the accompanying notes. Management has evaluated the activity of the Authority thru February 12, 2018; the date which the financial statements were available for issue 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.

HOUSING AUTHORITY OF THE CITY OF LINDEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

Programs funded by:
U.S. Department of Housing and Urban Development

	CFDA #'s	Grant Period From	Grant Period To	Grant Award	Fiscal Year Cash Receipts	Fiscal Year Expenditures	Cumulative Expenditures
Public and Indian Housing							
NJ066-00000116D	14.850	1/1/2016	12/31/2016	$ 482,851	$ 122,151	$ 122,151	$ 482,188
NJ066-00000117D	14.850	1/1/2017	12/31/2017	474,899	355,225	355,225	355,225
Grant Subtotal				957,750	477,376	477,376	837,413
Resident Opportunity & Self Sufficiency							
NJ066RPS062A015	14.870	3/24/2016	3/24/2019	243,000	75,926	75,926	77,044
Grant Subtotal				243,000	75,926	75,926	77,044
Public Housing Capital Fund Program							
NJ39P066501-15	14.872	4/13/2015	4/12/2019	182,471	96,007	96,007	182,471
NJ39P066501-16	14.872	4/13/2016	4/12/2020	189,450	178,655	178,655	178,655
NJ39P066501-17	14.872	4/13/2017	4/12/2021	195,030	376	376	376
Grant Subtotal				566,951	275,038	275,038	361,50[illegible]
Section 8 Housing Choice Vouchers							
NJ39P066	14.871	10/1/2016	9/30/2017	3,993,699	3,993,699	3,993,699	3,993,699
Grant Subtotal				3,993,699	3,993,699	3,993,699	3,993,699
Total Awards				$ 5,761,400	$ 4,822,039	$ 4,822,039	$ 5,269,658

HOUSING AUTHORITY OF THE CITY OF LINDEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

Note 1. Presentation:
The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Housing Authority of the City of Linden is under programs of the federal government for the year ended September 30, 2017. 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). Because the Schedule presents only a selected portion of the operations of the Housing Authority of the City of Linden, it is not intended to and does not present the financial position, change in net position, or cash flow of the Housing Authority of the City of Linden.

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 cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Housing Authority of the City of Linden has not elected to use the 10 percent de minimis indirect cost rate as allowable under the Uniform Guidance.

Note 3. Loans Outstanding:
The Housing Authority of the City of Linden had no loans outstanding at September 30, 2017.

Note 4. Non- Cash Federal Assistance:
The Authority did not receive any non-cash Federal assistance for the year ended September 30, 2017.

Note 5. Sub recipients:
Of the federal expenditures presented in the schedule above, the Housing Authority of the City of Linden did not provide federal awards to any sub recipients.

HOUSING AUTHORITY OF THE CITY OF LINDEN

Schedule of Proportionate Share of the Net Pension Liability
Of the Public Employee Retirement System (PERS)
September 30, 2017

REQUIRED SUPPLEMENTAL INFORMATION

GASB 68 requires supplementary information which includes the Authority's share of the net pension liability along with related ratios as listed below.

The schedule below displays the Authority's proportionate share of Net Pension Liability.

	2017	2016	2015
Housing Authority's proportion of the net pension liability	0.00865583%	0.00670280%	0.00836746%
Housing Authority's proportionate share of the net pension liability	$ 2,563,608	$ 1,504,644	$ 1,566,617
Housing Authority's covered employee payroll	$ 750,098	$ 648,417	$ 782,064
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	341.77%	232.05%	200.32%
Plan fiduciary net position as a percentage of the total pension liability	59.86%	52.07%	52.08%

**The amounts determined for each fiscal year were determined as of June 30.*

Schedule of Proportionate Share of the Net Pension Liability
Of the Public Employee Retirement System (PERS)
September 30, 2017

REQUIRED SUPPLEMENTAL INFORMATION - CONTINUED

The schedule below displays the Authority's contractually required contributions along with related ratios.

	2017	2016	2015
Contractually required contribution	$ 76,897	$ 63,088	$ 75,646
Contribution in relation to the contractually required contribution	(76,897)	(63,088)	(75,646)
Contribution deficiency (excess)	$ -	$ -	$ -
Authority's covered payroll	$ 750,098	$ 648,417	$ 782,064
Contribution as a percentage of covered employee payroll	10.25%	9.73%	9.67%

**The amounts determined for each fiscal year were determined as of June 30.*

HOUSING AUTHORITY OF THE CITY OF LINDEN
STATEMENT AND CERTIFICATION OF
ACTUAL CAPITAL FUND GRANT COST
AS OF SEPTEMBER 30, 2017

	NJ39P066501-15		
	Budget	Actual Cost	Overrun
Operations	$ 45,617	$ 45,617	$ -
Management Improvements	16,239	16,239	-
Administration	18,245	18,245	-
Fees and Costs	10,000	10,000	-
Dwelling Structure	86,007	86,007	-
Non-Dwelling Equipment	6,363	6,363	-
Total	$ 182,471	$ 182,471	$ -

Funds Advanced	$ 182,471
Funds Expended	182,471
Excess of Funds Advanced	$ -

1. The distribution of cost by project and account classification accompanying the Actual Capital Fund Cost Certificates submitted to HUD for approval were in agreement with the Authority's records.

2. All Capital Fund cost have been paid and all related liabilities have been discharged through payment.

3. The Capital Fund Program 501-15 was completed on August 18, 2017

4. There were no budget overruns noted.

See accompanying notes to the financial statements.

Housing Authority City of Linden (NJ066)
LINDEN, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2017

	Project Total	14.870 Resident Opportunity and	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
111 Cash - Unrestricted	$823,135		$234,586	$288,908	$1,346,629	$1,346,629
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted			$5,365		$5,365	$5,365
114 Cash - Tenant Security Deposits	$72,021				$72,021	$72,021
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	$895,156	$0	$239,951	$288,908	$1,424,015	$1,424,015
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	$46,264	$311			$46,575	$46,575
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous	$311				$311	$311
126 Accounts Receivable - Tenants	$250				$250	$250
126.1 Allowance for Doubtful Accounts -Tenants	-$217				-$217	-$217
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	$6,298				$6,298	$6,298
120 Total Receivables, Net of Allowances for Doubtful Accounts	$52,906	$311	$0	$0	$53,217	$53,217
131 Investments - Unrestricted	$286,750				$286,750	$286,750
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	$16,948		$1,001		$17,949	$17,949
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From	$0				$0	$0
145 Assets Held for Sale						
150 Total Current Assets	$1,251,760	$311	$240,952	$288,908	$1,781,931	$1,781,931
161 Land	$1				$1	$1
162 Buildings	$10,702,267				$10,702,267	$10,702,267
163 Furniture, Equipment & Machinery - Dwellings	$532,102				$532,102	$532,102
164 Furniture, Equipment & Machinery - Administration	$371,578				$371,578	$371,578
165 Leasehold Improvements						
166 Accumulated Depreciation	-$10,313,039				-$10,313,039	-$10,313,039
167 Construction in Progress	$245,065				$245,065	$245,065
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	$1,537,974	$0	$0	$0	$1,537,974	$1,537,974
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	$1,537,974	$0	$0	$0	$1,537,974	$1,537,974
200 Deferred Outflow of Resources	$635,363		$262,909		$898,272	$898,272
290 Total Assets and Deferred Outflow of Resources	$3,425,097	$311	$503,861	$288,908	$4,218,177	$4,218,177
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	$42,493	$311	$2,263		$45,067	$45,067
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	$16,063				$16,063	$16,063
322 Accrued Compensated Absences - Current Portion	$2,440		$1,038		$3,478	$3,478
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects			$3,381		$3,381	$3,381
333 Accounts Payable - Other Government	$45,378				$45,378	$45,378
341 Tenant Security Deposits	$72,021				$72,021	$72,021
342 Unearned Revenue	$1				$1	$1

Housing Authority City of Linden (NJ066)
LINDEN, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 09/30/2017

	Project Total	14.870 Resident Opportunity and	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other	$133,847				$133,847	$133,847
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	$312,243	$311	$6,682	$0	$319,236	$319,236
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	$21,964		$9,344		$31,308	$31,308
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	$2,157,108		$912,504		$3,069,612	$3,069,612
350 Total Non-Current Liabilities	$2,179,072	$0	$921,848	$0	$3,100,920	$3,100,920
300 Total Liabilities	$2,491,315	$311	$928,530	$0	$3,420,156	$3,420,156
400 Deferred Inflow of Resources	$24,122		$9,981		$34,103	$34,103
508.4 Net Investment in Capital Assets	$1,537,974	$0	$0		$1,537,974	$1,537,974
511.4 Restricted Net Position		$0	$5,365		$5,365	$5,365
512.4 Unrestricted Net Position	-$628,314	$0	-$440,015	$288,908	-$779,421	-$779,421
513 Total Equity - Net Assets / Position	$909,660	$0	-$434,650	$288,908	$763,918	$763,918
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$3,425,097	$311	$503,861	$288,908	$4,218,177	$4,218,177

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2017

	Project Total	14.870 Resident Opportunity and	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
70300 Net Tenant Rental Revenue	$769,833				$769,833	$769,833
70400 Tenant Revenue - Other	$20,083				$20,083	$20,083
70500 Total Tenant Revenue	$789,916	$0	$0	$0	$789,916	$789,916
70600 HUD PHA Operating Grants	$523,950	$75,926	$3,993,699		$4,593,575	$4,593,575
70610 Capital Grants	$228,464				$228,464	$228,464
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	$13,851				$13,851	$13,851
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery			$15,141		$15,141	$15,141
71500 Other Revenue	$59,344		$145,333	$10,542	$215,219	$215,219
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	$1,615,525	$75,926	$4,154,173	$10,542	$5,856,166	$5,856,166
91100 Administrative Salaries	$288,900		$198,083		$486,983	$486,983
91200 Auditing Fees	$5,700		$5,700		$11,400	$11,400
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing						
91500 Employee Benefit contributions - Administrative	$208,019		$171,065		$379,084	$379,084
91600 Office Expenses	$97,596		$40,270		$137,866	$137,866
91700 Legal Expense	$71,946		$12,352	$1,000	$85,298	$85,298
91800 Travel						
91810 Allocated Overhead						
91900 Other	$6,329	$13,734		$2,820	$22,883	$22,883
91000 Total Operating - Administrative	$678,490	$13,734	$427,470	$3,820	$1,123,514	$1,123,514
92000 Asset Management Fee						
92100 Tenant Services - Salaries		$49,754			$49,754	$49,754
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services		$12,438			$12,438	$12,438
92400 Tenant Services - Other				$6,481	$6,481	$6,481
92500 Total Tenant Services	$0	$62,192	$0	$6,481	$68,673	$68,673
93100 Water	$54,436				$54,436	$54,436
93200 Electricity	$133,122				$133,122	$133,122
93300 Gas	$66,056				$66,056	$66,056
93400 Fuel						
93500 Labor	$53,340				$53,340	$53,340
93600 Sewer	$29,179				$29,179	$29,179
93700 Employee Benefit Contributions - Utilities	$36,299				$36,299	$36,299
93800 Other Utilities Expense						
93000 Total Utilities	$372,432	$0	$0	$0	$372,432	$372,432
94100 Ordinary Maintenance and Operations - Labor	$160,021				$160,021	$160,021
94200 Ordinary Maintenance and Operations - Materials and Other	$58,317				$58,317	$58,317
94300 Ordinary Maintenance and Operations Contracts	$67,800				$67,800	$67,800
94500 Employee Benefit Contributions - Ordinary Maintenance	$123,417				$123,417	$123,417
94000 Total Maintenance	$409,555	$0	$0	$0	$409,555	$409,555
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						

See accompanying notes to the financial statements

Housing Authority City of Linden (NJ066)
LINDEN, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2017

	Project Total	14.870 Resident Opportunity and	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
95000 Total Protective Services	$0	$0	$0	$0	$0	$0
96110 Property Insurance	$38,131				$38,131	$38,131
96120 Liability Insurance	$18,752				$18,752	$18,752
96130 Workmen's Compensation	$9,458		$3,913		$13,371	$13,371
96140 All Other Insurance	$7,648				$7,648	$7,648
96100 Total insurance Premiums	$73,989	$0	$3,913	$0	$77,902	$77,902
96200 Other General Expenses			$21,713		$21,713	$21,713
96210 Compensated Absences	$3,667		$1,590		$5,257	$5,257
96300 Payments in Lieu of Taxes	$45,378				$45,378	$45,378
96400 Bad debt - Tenant Rents						
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	$49,045	$0	$23,303	$0	$72,348	$72,348
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0	$0
96900 Total Operating Expenses	$1,583,511	$75,926	$454,686	$10,301	$2,124,424	$2,124,424
97000 Excess of Operating Revenue over Operating Expenses	$32,014	$0	$3,699,487	$241	$3,731,742	$3,731,742
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments			$3,620,980		$3,620,980	$3,620,980
97350 HAP Portability-In			$89,259		$89,259	$89,259
97400 Depreciation Expense	$230,162				$230,162	$230,162
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	$1,813,673	$75,926	$4,164,925	$10,301	$6,064,825	$6,064,825
10010 Operating Transfer In	$22,000				$22,000	$22,000
10020 Operating transfer Out	-$22,000				-$22,000	-$22,000
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$198,148	$0	-$10,752	$241	-$208,659	-$208,659
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0
11030 Beginning Equity	$1,320,090	$0	-$423,898	$288,667	$1,184,859	$1,184,859
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$212,282				-$212,282	-$212,282
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						

See accompanying notes to the financial statements

Housing Authority City of Linden (NJ066)
LINDEN, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit | Fiscal Year End: 09/30/2017

	Project Total	14.870 Resident Opportunity and	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
11170 Administrative Fee Equity			-$440,015		-$440,015	-$440,015
11180 Housing Assistance Payments Equity			$5,365		$5,365	$5,365
11190 Unit Months Available	2400		4284		6684	6684
11210 Number of Unit Months Leased	2390		4204		6594	6594
11270 Excess Cash	$792,658				$792,658	$792,658
11610 Land Purchases	$0				$0	$0
11620 Building Purchases	$0				$0	$0
11630 Furniture & Equipment - Dwelling Purchases	$228,464				$228,464	$228,464
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

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

Board of Commissioners
Housing Authority of the City of Linden
1601 Dill Avenue
Linden, New Jersey 07036-1779

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, the financial statements of the Housing Authority of the City of Linden as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Housing Authority of the City of Linden basic financial statements, and have issued our report thereon dated February 12, 2018.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Housing Authority of the City of Linden 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 Housing Authority of the City of Linden's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Linden 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 Housing Authority of the City of Linden 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 results 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.

Hymanson, Parnes & Giampaolo

Lincroft, New Jersey

Date: February 12, 2018

Hymanson, Parnes & Giampaolo
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Unmodified Opinion on Compliance for Each Major Program: No Material Weakness or Significant Deficiencies in Internal Control Over Compliance Identified)

Board of Commissioners
Housing Authority of the City of Linden
1601 Dill Avenue
Linden, New Jersey 07036-1779

Report on Compliance for Each Major Federal Program

We have audited Housing Authority of the City of Linden compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Housing Authority of the City of Linden major federal programs for the year ended September 30, 2017. Housing Authority of the City of Linden 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Housing Authority of the City of Linden 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). 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 Housing Authority of the City of Linden compliance with those requirements and performing such other procedures as we consider 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 Housing Authority of the City of Linden compliance.

Opinion on Each Major Federal Program

In our opinion, Housing Authority of the City of Linden 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 September 30, 2017.

Report on Internal Control Over Compliance

Management of Housing Authority of the City of Linden 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 Housing Authority of the City of Linden'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 Housing Authority of the City of Linden 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.

Hymanson, Parnes & Giampaolo

Lincroft, New Jersey
Date: February 12, 2018

HOUSING AUTHORITY OF THE CITY OF LINDEN
Schedule of Findings and Questioned Cost
Year Ended September 30, 2017

Prior Audit Findings
None reported

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control over Financial Reporting:

Material Weakness (es) Identified?	____ yes	X no
Significant Deficiency(ies) identified that are 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 Deficiency(ies) identified that are considered to be material weakness(es)?	____ yes	X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements,	____ yes	X no

Identification of Major Programs

CFDA#	Name of Federal Program	Amount
14.872	Public Housing Capital Fund Program	$ 275,038
14.871	Section 8 Housing Choice Vouchers	$ 3,993,699

Dollar threshold used to Distinguish between Type A and Type B Programs $ 750,000

Auditee qualified as a low-risk auditee	X yes	____ no

FINDINGS – FINANCIAL STATEMENT AUDIT
None reported

FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAM AUDIT
None reported

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Linden
1601 Dill Avenue
Linden, New Jersey 07036-1779

We have performed the procedure described in the second paragraph of this report, which was agreed to by Housing Authority of the City of Linden and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Guidance reporting package. Housing Authority of the City of Linden is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), by Housing Authority of the City of Linden as of and for the year ended September 30, 2017, and have issued our reports thereon dated February 12, 2018. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated September 30, 2017, was expressed in relation to the basic financial statements of Housing Authority of the City of Linden taken as a whole.

A copy of the reporting package required by OMB Uniform Guidance, which includes the auditor's reports, is available in its entirety from Housing Authority of the City of Linden. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report is intended solely for the information and use of Housing Authority of the City of Linden and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Hymanson, Parnes & Giampaolo
Lincroft, New Jersey
February 12, 2018

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule,all CFDAs	●	○
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	●	○
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	●	○
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	●	○
5	General information (data element series G2000,G2100,G2200,G9000,G9100)	OMB Data Collection Form*	●	○
6	Financial statement report information (data element G3000-010 to G3000-050	Schedule of Findings and Questioned costs,Part 1 and OMB Data Collection Form*	●	○
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs,Part 1 and OMB Data Collection Form*	●	○
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form*	●	○
9	Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	●	○