

1.0	PHA Information PHA Name: Passaic County Public Housing Agency _____ PHA Code: _____ NJ090 PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing <input type="checkbox"/> Standard <input checked="" type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): 01/01/2012 _____																										
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: _N/A_____ Number of HCV units: _835_____																										
3.0	Submission Type <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only																										
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 35%;">Participating PHAs</th> <th rowspan="2" style="width: 8%;">PHA Code</th> <th rowspan="2" style="width: 20%;">Program(s) Included in the Consortia</th> <th rowspan="2" style="width: 20%;">Programs Not in the Consortia</th> <th colspan="2" style="width: 19%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 8%;">PH</th> <th style="width: 11%;">HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program		PH	HCV	PHA 1:						PHA 2:						PHA 3:					
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5.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.																										
6.0	PHA Plan Update (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: The Agency's Administrative Plan was revised, updated and adopted in 2011. (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. Passaic County Public Housing Agency-100 Hamilton Plaza Suite 510 Paterson, NJ 07505																										
7.0	Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. <i>Include statements related to these programs as applicable</i> N/A.																										
8.0	Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable. N/A																										
8.1	Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing. N/A																										
8.2	Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan. N/A																										
8.3	Capital Fund Financing Program (CFFP). <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements. N/A																										
9.0	Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. N/A for Annual Plan																										

9.1	<p>Strategy for Addressing Housing Needs. Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan. N/A for Annual Plan</p>
10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan. In order to expand economic opportunities for FSS participants, the Agency has partnered with the WIB, in particular the One Stop Career center. The Career Center can assist clients with job search, schooling, and the training that they require to reach their goals. The Agency has also been hosting meetings to introduce FSS participants to a local entity which directs them to numerous support systems in the community which can assist them in realizing their goals. The Agency has also achieved its goal of improving its SEMAP score within the last year by improving its internal procedures. The environment of a higher priced rental market, and lack of available apartments coupled with the fact that the Waiting List had not been opened since 2002 has led to a greater demand for assistance within the County. The Agency completed a mail purge of the existing Waiting List and in the aftermath determined that a new pool of applicants was needed. As a result, the Waiting List was opened for a set period of time in July 2011. The new applicants will help with the Agency’s lease up rate, which has been a focus since available apartments are at a premium and other agencies have been absorbing all portable tenants that leave the jurisdiction. To promote outreach to property owners, an informational newsletter for owners was developed, advertising of available apartments was implemented on the Agency’s website, and local realtors have been contacted for services. Additionally, applications for the waiting list were distributed to every municipality in the service jurisdiction, numerous other agencies, and put on the Agency’s website to encourage easy access to apply for assistance. Applications were also sent to organizations dedicated to protecting victims of domestic violence. These efforts have been ongoing despite significant cuts in the administrative fee in the Agency’s 2011 budget. The Agency, however, will have to take additional cost saving measures that will negatively impact the administration of the program if cuts continue or are increased in the future.</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification” N/A</p>
11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

8.3 Capital Fund Financing Program (CFFP). Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

9.0 Housing Needs. Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

9.1 Strategy for Addressing Housing Needs. Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

10.0 Additional Information. Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

11.0 Required Submission for HUD Field Office Review. In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

PASSAIC COUNTY PUBLIC HOUSING AGENCY – 2012 ANNUAL PLAN

6.0 PHA PLAN ELEMENTS

- 1. Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** With the adoption of a new Administrative Plan, the Agency has implemented two local preferences: living/working in the service jurisdiction, and veteran status. Aside from the local preferences, applications are ordered chronologically by the date and time that they are received. The waiting list has been closed since 2002. After a mail purge was completed by the end of 2010, the list was condensed to half of what it was prior to the mailing and as a result the Agency determined that it needed a new pool of applicants. As a result, the waiting list was opened for a week in July 2011 to accept new applications.
- 2. Financial Resources.** The Agency is funded by the Housing Choice Voucher Program budget. The Agency also is receiving a federally funded grant for the administrative expense of operating the Family Self Sufficiency Program.
- 3. Rent Determination.** The Agency adheres to rent reasonableness study in establishing its rents for both annual lease renewals and new rental units that are being placed on the program. Comparable rents are collected from the internet, in local newspapers, and at times through information gathered from local realtors. Quality, location, size and amenities of the unit are all taken into consideration. Inspection staff has been trained to report these type of details about units when conducting inspections so the information can be used in assessing rents. Fair market rents provide a guideline on rental amounts and tenant paid utilities are also a factor. It is a balancing act to keep units within the limits of rent reasonableness and also satisfy a current market in which available apartments are at a premium.
- 4. Operation and Management.** Subsidized apartments are inspected annually at a minimum. Additional inspections are conducted if a problem is reported. In addition, the Agency conducts randomly selected units to inspect for quality assurance. Owners are required to provide the Agency with tenant registrations/certificate of occupancy upon move in. The Agency has established this requirement to ensure that units are in compliance with local municipalities in addition to Housing Quality Standards.
- 5. Grievance Procedures.** It is the goal of the Passaic County Public Housing Agency to resolve issues that arise with applicants and program participants. In applicable cases, applicants who are denied assistance are offered an informal review where they may present any oral or written documentation regarding decisions the Agency has made. Participants are offered an informal administrative hearing if staff is unable to resolve the program violation. The hearing is held in a reasonably expeditious manner and a decision is rendered within fifteen calendar days of the day it was held.

6. **Designated Housing for Elderly and Disabled Families.** N/A – Section 8 only.
7. **Community Service and Self-Sufficiency.** The Agency administers an FSS program in which there are currently 95 participants. A partnership has been formed with the County Workforce Investment Board and FSS clients are being referred to its One Stop Career Center. The Career Center assists in job search, and educational/training opportunities. The Agency also hosts meetings for FSS participants with a local agency which provides various support services to residents in the community in order to assist them in achieving their goals.
8. **Safety and Crime Prevention.** N/A – Section 8 only.
9. **Pets.** N/A – Section 8 only.
10. **Civil Rights Certification.** The Agency promotes fair housing choice and has been involved in ongoing efforts to broaden the number of Landlord participants. An informational newsletter for owners was recently developed and has been sent to both owners currently participating in the program and potential new landlords. Local municipalities have also been provided with information pertaining to the program. The Passaic County Public Housing Agency's Annual Plan is in compliance with the Consolidated Plan of the County. The County is holding fair housing workshops with the local municipalities.
11. **Fiscal Year Audit.** Financial Data Statement for fiscal year ending 12/31/10 has been submitted electronically to HUD. Audit for fiscal year 2010 is attached.
12. **Asset Management.** N/A – Section 8 only.
13. **Violence Against Women Act (VAWA).** The Agency has instituted a written agreement with participating owners stating that any tenant who is a victim of domestic violence cannot be penalized in their tenancy as a result. With the opening of the waiting list for the first time in nine years, applications were distributed to agencies within the County which assist victims of domestic violence.

**Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan**

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011**

**Certification by State or Local Official of PHA Plans Consistency with the
Consolidated Plan**

I, Anthony J. DeNova Click to Enter Official's Name the County Administrator certify that the Five Year and Annual PHA Plan of the Passaic County Public Housing Agency is consistent with the Consolidated Plan of Passaic County prepared pursuant to 24 CFR Part 91.



9/14/11

Anthony J. De Nova, County Administrator
Signed / Dated by Appropriate State or Local Official

**PHA Certifications of Compliance with the PHA Plans and Related Regulations:
Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan**

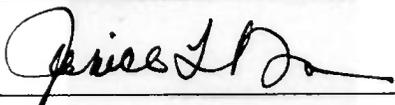
Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or ___ X Annual PHA Plan for the PHA fiscal year beginning 2012, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
 - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Passaic County Public Housing Agency NJ090
 PHA Name PHA Number/HA Code
 _____ 5-Year PHA Plan for Fiscal Years 20____ - 20____
 x Annual PHA Plan for Fiscal Years 20 12 - 20 13

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Janice L. DeJohn	Title Executive Director
Signature 	Date 9/14/11

Civil Rights Certification

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioner, I approve the submission of the Plan for the PHA of which this document is a part and make the following certification and agreement with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

Passaic County Public Housing Agency

NJ090

PHA Name

PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Janice L. DeJohn

Title

Executive Director

Signature



Date 09/14/2011

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

Passaic County Public Housing Agency

Program/Activity Receiving Federal Grant Funding

Housing Choice Voucher Program

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Janice L. DeJohn

Title

Executive Director

Signature



Date (mm/dd/yyyy)

09/14/2011

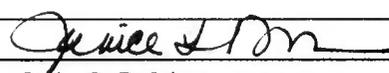
DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Passaic County Housing Agency 100 Hamilton Plaza - 510 Paterson, NJ 07505 Janice L. DeJohn, Ex Director Congressional District, if known: 4c	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: U.S. Dept. of Housing & Urban Development	7. Federal Program Name/Description: Housing Choice Vouchers CFDA Number, if applicable: <u>14.871</u>	
8. Federal Action Number, if known:	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: <u></u> Print Name: <u>Janice L. DeJohn</u> Title: <u>Executive Director</u> Telephone No.: <u>973-881-4370</u> Date: <u>9/14/11</u>	
Federal Use Only:	Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Passaic County Public Housing Agency

Program/Activity Receiving Federal Grant Funding

Housing Choice Voucher Program

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

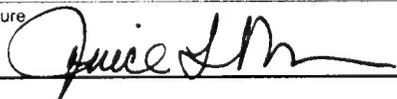
Janice L. DeJohn

Title

Executive Director

Signature

X



Date

9/14/11

PUBLIC NOTICE

In accordance with Section 511 of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, 112 Stat. 2461), the Passaic County Housing Agency's Board of Commissioners, do hereby announce that:

1) The Housing Agency's Annual Plan is currently available at the Agency's Administrative Office, 100 Hamilton Plaza, Suite 510, Paterson, New Jersey 07505, for review and inspection by the general public.

2) The Housing Agency will hold a public hearing on the Annual Plan. Said hearing is scheduled for Tuesday, September 13, 2011 at 5:15 PM, in the Freeholders Meeting Room on the second floor of the Passaic County Administration Building, 401 Grand Street, Paterson, New Jersey 07505.

Any questions regarding the above subject matter should be addressed to: Janice L. DeJohn, Executive Director, Passaic County Public Housing Agency
100 Hamilton Plaza Suite 510
Paterson, New Jersey 07505
Tel. (973)881-4369
Fax (973)684-0317

Herald News-3122641
Fee: \$14.24
July 22, 2011

PUBLIC NOTICE

The Passaic County Public Housing Agency has announced that on Tuesday, September 13, 2011 there will be a Regular Meeting of the Board of the Passaic County Public Housing Agency. Official Action will be taken at this meeting. The meeting will be held at the Passaic County Administration Building, Room #220 at 401 Grand Street, Paterson, New Jersey 07505 at 5:15 p.m.

The Passaic County Public Housing Agency administers the U.S. Department of Housing and Urban Development Choice Voucher Program (Section 8 Rent Subsidy Program) for 835 income eligible families, handicapped, and elderly residents of the County of Passaic.

The public is invited to attend.

Louis E. Imhof, III, Secretary

Herald News-3150541
Fee: \$11.03
September 10, 2011



County of Passaic

100 Hamilton Plaza • Paterson, New Jersey 07505



Janice L. DeJohn
Executive Director

**PUBLIC HOUSING AGENCY
5TH FLOOR**

**TEL: (973) 881-4369
FAX: (973) 684-0317**

RESIDENT ADVISORY BOARD MEETING

**JUNE 16, 2011
10:00 A.M.**

Present: Raymond Bonte
Sonia Bonte
Griselda Ortiz
Jaime Briggs
Jillian Hernandez
Jamiaya Johnson
Brenda Miranda
Janice DeJohn

Absent: Nisha Henry
Onalisa Stymack
Maylene Rosa
Nidia Reinoso
Veronica Davis
Jessica Van Dunk

The meeting began with an overview of what was accomplished by the Agency as a result of our planning last year. The new Administrative Plan was adopted in January 2011. In the revised policy, residency and veteran status have been given preference in regard to applicants on the waiting list.

Last year we spoke about the goal of opening the waiting list and that is now becoming a reality. A mailing purge was completed recently and as a result the list was reduced in half – down to 548 applicants. Most of the applicants are residing outside of our service jurisdiction. The Agency has determined that it needs a new pool of applicants. The procedures to open the list are now being developed. The public announcement will be printed in the Record, Herald News and one Spanish media. Between the two local Spanish papers (El Diario and El Especiato) Ms. Miranda felt that El Diario would better serve as an outreach to the community. Ms. Ortiz offered to take applications to her church in Haledon when they are available, and all members would be interested in helping distribute applications. Ms. Johnson was concerned about families sending in duplicate applications, but it was explained that the housing computer software would not accept duplicate social security numbers. All agreed that one week was sufficient time to open the list after hearing how many thousands of applications other agencies have

received after opening their lists for longer periods of time. Having a list comprised of thousands of applicants gives people false hope-all of the members of the RAB agreed it would be better to open the list again in a year or two if it became necessary to acquire another pool of applicants. All of the members were against a lottery system in regard to the waiting list. The consensus was that if the effort is made to apply, people should be given the courtesy to at least be on the list.

Currently, it seems that there is a shortage of available apartments in the County. Although everyone acknowledged this problem, no one had a solution to offer. To promote outreach to owners, the Agency is now advertising available apartments on our website. The Agency also just completed an informative newsletter for the landlords. The newsletter informs them of the website and the opportunity to list their apartments, and is an attempt to educate owners about program regulations. It will be mailed out within the next week and distributed to various offices in the County to reach out to potential new landlords. RAB Board members will receive a copy. The RAB members expressed a strong interest in seeing an informational newsletter sent out to the tenants.

Last year the RAB Board also spoke about the need to enhance our FSS Program. Since then, we have partnered with the Workforce Investment Board, specifically the One Stop Career Center, and Neighborhood Connections. The Housing Agency has been holding meetings with FSS participants and Neighborhood Connections to introduce our participants to these programs. All participants are also being referred to the Career Center. Additionally, we have coordinated with Camp Hope, a County facility in West Milford, and are sending eligible children of the FSS participants to camp for a day in July (we hope to expand this opportunity in the future). Ms. Bonte volunteered to be a chaperone as we need one chaperone for every six children. Transportation is being provided by the County.

The goal to reorganize and train staff is ongoing. This year another staff person attended training and was certified in rent calculation. The Agency has downsized staff (there have been significant budget cuts in administrative fees this year) but continues to streamline duties to provide more efficiency. Staff has also been out in the field more frequently when tenants and/or applicants require assistance to complete required paperwork. The inspection process has been improved upon. We recently hired an inspector who has previous housing experience and is HQS certified. As an improved service to the Landlords, the Agency has begun to print HAP checks in house (starting January 1, 2011) to provide better customer service by avoiding delinquency in mailing.

The RAB Board expressed an interest to meet before the Waiting List is opened. We will schedule the next meeting accordingly.

Meeting Adjourned 11:40 A.M.

Respectfully Submitted,

Janice DeJohn, Executive Director

A handwritten signature in black ink, appearing to read "Janice DeJohn", written over the typed name.



County of Passaic

100 Hamilton Plaza • Paterson, New Jersey 07505



PUBLIC HOUSING AGENCY
5TH FLOOR

TEL: (973) 881-4369

FAX: (973) 684-0317

Janice L. DeJohn
Executive Director

Resident Advisory Board Meeting

June 16, 2011

Signature Sheet

1. Ray Bonte . Raymond Bonte
2. Jaime Briggs . Jaime Briggs
3. Jillian Hernandez . Jillian Hernandez
4. Jamiaya Johnson . Jamiaya Johnson
5. Brenda Miranda . Brenda Miranda
6. Guiselda Ortiz . Guiselda Ortiz
7. Sonia Bonte . Sonia Bonte

Janice DeJohn



County of Passaic

100 Hamilton Plaza • Paterson, New Jersey 07505



Janice L. DeJohn
Executive Director

**PUBLIC HOUSING AGENCY
5TH FLOOR**

**TEL: (973) 881-4369
FAX: (973) 684-0317**

RESIDENT ADVISORY BOARD MEETING

**JULY 15, 2011
9:30 A.M.**

PRESENT: Janice L. DeJohn, Executive Director
Raymond Bonte
Jillian Hernandez
Jamiaya Johnson
Gricelda Ortiz

EXCUSED: Brenda Miranda

ABSENT: Nidia Reinoso, Commissioner
Jaime Briggs
Veronica Davis
Nisha Henry
Mayla Rosa
Onalisa Stymack
Jessica VanDunk

The meeting began with a review of the proposed Annual Plan for 2012.

The RAB Board members all were in agreement that with the current state of the economy, available rental units are at a minimum. Mr. Bonte feels that the renter population has grown since families cannot afford to buy a home. Ms. Johnson expressed a concern about landlords trying to rent their units for extraordinarily high prices in this market. She also believes that owners are under the impression that Section 8 may provide higher rents. To that end, the rent reasonableness procedure was discussed. The Agency has lost several rentals due to failure to negotiate a rent that was acceptable. We are currently trying to lease up approximately twenty families.

The Agency has also been promoting outreach to owners through the newsletter and online advertising of rental units.

All members were also very pleased that 28 children of our FSS participants will be attending Camp Hope (a County operated facility) on July 21, 2011. Mr. Bonte's wife will be assisting in chaperoning. The Agency hopes to expand this opportunity next summer.

The opening of the Waiting List was discussed and there were a few questions asked. Ms. Johnson wanted to know how applications were sorted on the list. The Preference System was reviewed and the computer software automatically sorts the data. Additionally, the Agency prints a new list periodically and it is manually compared with the previous list to track movement of applicants as a control system.

Another obstacle which the County encounters is that it will be receiving a lot of applications from residents who live in towns that are not in its service jurisdiction. In the future, the Agency may have to adjust its strategy in regard to application intake.

No other comments were made by the RAB Board.

Meeting Adjourned 10:35 A.M.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Janice L. DeJohn", with a long horizontal line extending to the right.

Janice L. DeJohn
Executive Director

/bp

PASSAIC COUNTY HOUSING AGENCY
MINUTES

September 13, 2011
5:15 PM

A regular meeting of the Passaic County Public Housing Agency was held this day in the Freeholder's Board Room.

Louis E. Imhof, III, Clerk of the Board, read the announcement on the Open Public Meeting Law.

Roll Call:

Commissioners Present
Ciambrone
Duffy
O'Connell
Hannigan
James

Members Absent
Pat Lepore
Nidia Ortega DeReinoso

Motion made by Commissioner James, seconded by Commissioner Ciambrone to approve the minutes of June 28, 2011, which motion was carried on roll call with five (5) votes in the affirmative with Chairwoman DeReinoso and Commissioner Lepore being absent.

At this time Janice DeJohn, Executive Director gave an overview of the 2012 Annual Plan for the Passaic County Housing Agency.

Motion made by Commissioner Ciambrone, seconded by Commissioner O'Connell to open the Public Hearing on the 2012 Annual Plan for Passaic County Housing.

ROLL CALL: Ciambrone, Yes: Duffy, Yes: Lepore, Absent: O'Connell,
Yes: Hannigan, Yes: James, Yes, Nidia Ortega
DeReinoso, Absent:

There was no one to appear before Board.

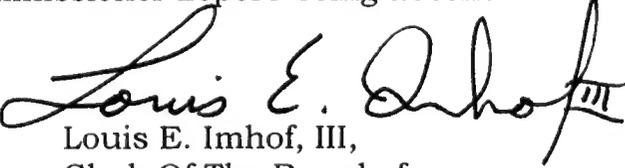
Motion made by Commissioner James, seconded by Commissioner Hannigan to close the public hearing.

ROLL CALL: Ciambrone, Yes: Duffy, Yes: Lepore, Absent: O'Connell,
Yes: Hannigan, Yes: James, Yes, Nidia Ortega
DeReinoso, Absent:

Consent Agenda Resolutions:

Motion made by Commissioner O'Connell, seconded by Commissioner Hannigan that Resolution H-11-02, be adopted which motion was carried on roll call with five (5) votes in the affirmative with Chairwoman DeReinoso and Commissioner Lepore being absent.

Motion made by Commissioner O'Connell, seconded by Commissioner Hannigan, that the meeting be adjourned, which motion was unanimously carried on roll call with five (5) votes in the affirmative with Chairwoman DeReinoso and Commissioner Lepore being absent.

A handwritten signature in black ink that reads "Louis E. Imhof, III". The signature is written in a cursive style with a prominent "L" and "I".

Louis E. Imhof, III,
Clerk Of The Board of
Chosen Freeholders/Secretary to
the Passaic County Housing Agency

Prepared by: Arndra Lisa Hill

**RESOLUTION
ADOPTING THE 2012 ANNUAL HOUSING AGENCY PLAN**

H-11-02
9-13-2011

WHEREAS, Janice L. DeJohn serves as Executive Director of the Passaic County Public Housing Agency; and

WHEREAS, the Passaic County Public Housing Agency is required to adopt an Annual Agency Plan effective January 1, 2012 through December 31, 2012 and

WHEREAS, a public hearing in regard to the Agency's Annual Plan was properly noticed in a newspaper of local circulation with said hearing being held on September 13, 2011 in the Passaic County Administration Building, 401 Grand Street Room 220, Paterson, New Jersey (see attached); and

WHEREAS, adoption of this Plan requires action by the Passaic County Public Housing Agency's Board of Commissioners; and

WHEREAS, the adoption of said Plan also requires the submission of a Certificate of Compliance with PHA Plans and related regulations, all stated in the attached Standard PHA Plan Certification Form;

NOW THEREFORE BE IT RESOLVED by the Passaic County Public Housing Agency's Board of Commissioners that it hereby adopts the Annual Housing Agency Plan; and

BE IT FURTHER RESOLVED that Janice L. DeJohn is hereby authorized to prepare, execute and submit all necessary

APPROVED AS TO FORM AND
LEGALITY:



JANICE L. De JOHN, DIRECTOR
PUBLIC HOUSING AGENCY



WILLIAM J. PASCARELL, III
COUNTY COUNSEL

RECORD OF VOTE:

	Y	N	NV	ABS	RES	SEC
Commissioner Duffy	✓	—	—	—	—	—
Commissioner Hannigan	✓	—	—	—	✓	—
Commissioner James	✓	—	—	—	—	—
Commissioner Lepore	—	—	✓	—	—	—
Commissioner Ciambrone	✓	—	—	—	—	—
Commissioner O'Connell	✓	—	—	—	—	✓
Commissioner Reinoso	—	—	✓	—	—	—

Dated: September 13, 2011

PASSAIC COUNTY PUBLIC HOUSING AGENCY

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
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FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Passaic County Public Housing Agency:

We have audited the accompanying financial statements of the Passaic County Public Housing Agency ("the Agency") as of and for the years ended December 31, 2010 and 2009, as listed in the accompanying table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Passaic County Public Housing Agency as of December 31, 2010 and 2009, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2011 on our consideration of the Passaic County Public Housing Agency's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

INDEPENDENT AUDITORS' REPORT (continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis contained on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 of the Passaic County Public Housing Agency taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development. The schedule of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 financial statements as a whole.

July 30, 2011
Hazlet, New Jersey

Fallon & Larsen LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

As Management of the Passaic County Public Housing Agency (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the Agency's financial statements as presented elsewhere in this report.

A – Financial Highlights

1. For the fiscal year ended December 31, 2010, the assets of the Agency exceeded its liabilities by \$9,813,370, (net assets). This represents an increase from the previous year when assets exceeded liabilities by \$8,975,544.
2. For the fiscal year December 31, 2010 the Agency reported ending unrestricted net assets of \$5,504,151. The unrestricted net assets decreased \$214,564 from the prior year.
3. The Agency had total operating revenues of \$9,757,597 and total operating expenses of \$8,941,309 for the year ended December 31, 2010.
4. The Agency had no capital outlays for the fiscal year ended December 31, 2010.
5. The Agency's expenditures of federal awards amounted to \$8,938,909 for the fiscal year.

B – Using the Annual Report

1. Management's Discussion and Analysis

The Management's Discussion and Analysis is intended to serve as an introduction to the Agency's financial statements. The Agency's financial statements and notes to the financial statements included in this report were prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), applicable to the Governmental entities for Proprietary Fund types.

2. Financial Statements

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

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

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

B – Using the Annual Report (continued)

2. Financial Statements (continued)

The Statements of Revenues, Expenses and Changes in Net Assets presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in the net assets are included, regardless of when cash is received or paid.

The Statements of Cash Flows presents relevant information about the Agency's cash receipts and cash payments during the year.

The financial statements report on the Agency's activities. The activities are primarily supported by HUD subsidies and grants. The Agency'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 7 through 10 included in this report.

3. Notes To Financial Statements

The accompanying notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements begin on page 11 of this report.

C – Budgetary Highlights

For the fiscal year ended December 31, 2010, the Agency prepared a budget for its Housing Choice Voucher Program. The budget was prepared in accordance with the accounting procedures prescribed by HUD. The budget is a management tool and has no legal stature.

D – The Agency as a Whole

The Agency's net assets increased during the fiscal year as detailed below. The Agency's revenues include subsidies and grants received from HUD. The Agency receives subsidies each month based on a pre-authorized funding level. The Agency's revenues were sufficient to cover all expenses during the fiscal year.

The following table provides a summary of the Agency's net assets:

	<u>2010</u>	<u>2009</u>
Cash and other current assets	\$ 5,829,415	\$ 6,867,270
Capital assets, net	4,389	6,789
Restricted cash	<u>4,770,908</u>	<u>3,618,999</u>
Total assets	<u>\$ 10,604,712</u>	<u>\$ 10,493,058</u>

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

D – The Agency as a Whole (continued)

	<u>2010</u>	<u>2009</u>
Liabilities	\$ 791,342	\$ 1,517,514
Net assets:		
Invested in capital assets, net	4,389	6,789
Restricted	4,304,830	3,250,040
Unrestricted	<u>5,504,151</u>	<u>5,718,715</u>
Total net assets	<u>9,813,370</u>	<u>8,975,544</u>
Total net assets & liabilities	<u>\$ 10,604,712</u>	<u>\$ 10,493,058</u>

The following table provides a summary of the Agency's changes in net assets:

	<u>2010</u>	<u>%</u>	<u>2009</u>	<u>%</u>
<u>Revenues:</u>				
HUD grants	\$ 9,614,216	98.31	\$ 8,841,476	97.39
Other revenues	143,381	1.47	190,277	2.10
Investment income	<u>21,538</u>	0.22	<u>46,435</u>	.51
Total revenues	<u>9,779,135</u>	100.00	<u>9,078,188</u>	100.00
<u>Expenses:</u>				
Other operating expenses	908,757	10.16	862,512	9.49
HAP Expenses	<u>8,032,552</u>	89.84	<u>8,222,612</u>	90.51
Total expenses	<u>8,941,309</u>	100.0	<u>9,085,124</u>	100.00
Change in net assets	837,826		(6,936)	
Beginning net assets	<u>8,975,544</u>		<u>8,982,480</u>	
Ending net assets	<u>\$ 9,813,370</u>		<u>\$ 8,975,544</u>	

E – Capital Assets and Long-term Debt

The Agency purchased no capital assets for the year ended December 31, 2010 and as of December 31, 2010 has incurred no long-term debt. A summary of capital assets can be found in note of the financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

F – Significant Changes From Year Ended December 31, 2009 to December 31, 2010

Restricted cash increased \$1,151,909 due to the Agency receiving \$1,054,790 more in HAP subsidy from the U.S. Department of HUD than assistance payment expenses incurred. Additionally, FSS escrow receipts exceeded disbursements by \$97,119.

Accounts payable decreased \$87,607 as the Agency made substantial payments to the Passaic County government for expense reimbursement.

Accounts payable – HUD decreased \$730,158 as the Agency utilized fiscal year 2010 Housing Choice Voucher program funds which were received in 2009.

HUD grants increased \$772,740 as the Agency received more HAP subsidy than HAP expenses incurred. In accordance with HUD regulations, those funds are restricted and to be used in future years only for HAP expenses.

Administrative expenses increased \$22,060 or 2.6% as there was a moderate increase in payroll and related benefit costs.

Interest income decreased \$24,897 due to the decline of interest rates.

Other revenues decreased by \$46,896 as the Agency received less funds from FSS program forfeitures.

G – Economic Factors and Next Year's Budgets and Rates

The state of the Federal budget and continuing appropriations required to fund the War on Terror remain a significant factor in planning the Budget. The Section 8 HAP subsidies have been experiencing slow growth and administrative fees are being funded at a level less than 100% per year.

The Agency's unrestricted net assets of \$5,504,151 appear sufficient to cover any shortfall that may occur in 2010.

H – Contacting the Agency's Financial Management

The financial report is designed to provide a general overview of the Agency'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 Janice DeJohn, Executive Director Passaic County Housing Agency, 100 Hamilton Plaza, Suite 510, Paterson, NJ 07505.

FINANCIAL STATEMENTS

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2010 AND 2009**

ASSETS		<u>2010</u>	<u>2009</u>
Current assets:			
Cash and cash equivalents		\$ 5,803,860	\$ 6,833,801
Accounts receivable -miscellaneous		24,727	31,987
Accrued interest receivable		<u>828</u>	<u>1,482</u>
Total current assets		<u>5,829,415</u>	<u>6,867,270</u>
Non-current assets			
Restricted cash and cash equivalents		4,770,908	3,618,999
Capital assets, net		<u>4,389</u>	<u>6,789</u>
Total non-current assets		<u>4,775,297</u>	<u>3,625,788</u>
Total assets		<u>\$ 10,604,712</u>	<u>\$ 10,493,058</u>
LIABILITIES			
Current liabilities:			
Accounts payable		\$ 266,093	\$ 353,700
Accounts payable - HUD		-	730,158
Accounts payable - other government		-	5,715
Accrued compensated absences, current		<u>5,917</u>	<u>18,980</u>
Total current liabilities		<u>272,010</u>	<u>1,108,553</u>
Non-current liabilities:			
Accrued compensated absences, noncurrent		53,255	40,002
Non-current liabilities, other		<u>466,077</u>	<u>368,959</u>
Total non-current liabilities		<u>519,332</u>	<u>408,961</u>
Total liabilities		<u>791,342</u>	<u>1,517,514</u>
NET ASSETS			
Net assets:			
Invested in capital assets, net		4,389	6,789
Restricted		4,304,830	3,250,040
Unrestricted		<u>5,504,151</u>	<u>5,718,715</u>
Total net assets		<u>\$ 9,813,370</u>	<u>\$ 8,975,544</u>

See accompanying notes to financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
 STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Operating revenues:		
HUD grants	\$ 9,614,216	\$ 8,841,476
Other revenues	<u>143,381</u>	<u>190,277</u>
Total operating revenue	<u>9,757,597</u>	<u>9,031,753</u>
Operating expenses:		
Administrative	857,203	835,143
Ordinary maintenance and operations	1,415	-
General expenses	47,739	24,558
Housing assistance payments	8,032,552	8,222,612
Depreciation	<u>2,400</u>	<u>2,811</u>
Total operating expenses	<u>8,941,309</u>	<u>9,085,124</u>
Operating gain (loss)	<u>816,288</u>	<u>(53,371)</u>
Non-operating revenues:		
Investment income	<u>21,538</u>	<u>46,435</u>
Changes in net assets	837,826	(6,936)
Total net assets, beginning of year	<u>8,975,544</u>	<u>8,982,480</u>
Total net assets, end of year	<u>\$ 9,813,370</u>	<u>\$ 8,975,544</u>

See accompanying notes to financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Cash received from tenants	\$ 133,901	\$ 185,813
Cash received from grantors	8,890,083	8,934,285
Cash paid to suppliers	(8,386,541)	(9,138,523)
Cash paid to employees	<u>(537,667)</u>	<u>(557,345)</u>
Net cash flows provided (used) by operating activities	<u>99,776</u>	<u>(575,770)</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>22,192</u>	<u>59,820</u>
Net cash flows provided by investing activities	<u>22,192</u>	<u>59,820</u>
Net increase (decrease) in cash	121,968	(515,950)
Cash and cash equivalents, beginning of year	<u>10,452,800</u>	<u>10,968,750</u>
Cash and cash equivalents, end of year	<u>\$ 10,574,768</u>	<u>\$ 10,452,800</u>

	<u>2010</u>	<u>2009</u>
A reconciliation of cash and cash equivalents to Statements of Net Assets is as follows:		
Cash and cash equivalents	\$ 5,803,860	\$ 6,833,801
Restricted cash and cash equivalents	<u>4,770,908</u>	<u>3,618,999</u>
	<u>\$ 10,574,768</u>	<u>\$ 10,452,800</u>

See accompanying notes to financial statements.

PASSAIC COUNTY PUBLIC HOUSING AGENCY
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Reconciliation of operating gain (loss) to net cash provided by operating activities:		
Operating gain (loss)	\$ 816,288	\$ (53,371)
Items which did not use cash:		
Depreciation	2,400	2,811
Bad debts	5,000	4,000
Changes in operating assets and liabilities:		
Accounts receivable - other government	11,740	92,809
Fraud recovery receivables	(9,480)	(8,464)
Accounts payable	(87,607)	-
Accounts payable -HUD	(730,158)	(1,058,636)
Accounts payable - other government	(5,715)	(257,548)
Accrued compensated absences	190	(14,561)
Deferred revenues	-	703,125
Other liabilities	<u>97,118</u>	<u>14,065</u>
Net cash provided (used) by operating activities	<u>\$ 99,776</u>	<u>\$ (575,770)</u>

See accompanying notes to financial statements.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Passaic County Public Housing Agency ("the Agency") was created by resolution of the Board of Chosen Freeholders of the County of Passaic to administer the County's Section 8 rental assistance programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Agency is governed by the County of Passaic's board of members who appoint an executive director to manage the day-to-day operations of the Agency.

B. Description of Programs

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

C. Reporting Entity

In accordance with Statement No. 39 of the Government Accounting Standards Board ("GASB"), the Agency's basic financial statements include those of the Passaic County Public Housing Agency and any component units. Component units are legally separate, tax-exempt organizations that meet all of the following criteria:

1. The economic resources received by the separate organization are almost entirely for the direct benefit of the Agency.
2. The Agency has the ability to access a majority of the economic resources held by the separate organization.
3. The economic resources referred to in No. 2 are significant to the Agency.

Based upon the application of these criteria, this report includes all programs and activities operated by the Agency. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year.

However, the Agency is a component unit of the County of Passaic ("the County") and as such is included in the Comprehensive Annual Financial Report of the County.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

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

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities that use Proprietary Fund Accounting*, the Agency has elected to apply all Financial Accounting Standards Board pronouncements, Accounting Principle Board Opinions and Accounting Research Bulletins issued that do not conflict with or contradict GASB pronouncements.

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

Both administrative fee and HAP revenues 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 Agency recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

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

E. Cash and cash equivalents

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

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and cash equivalents (continued)

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

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 Agency's policy to maintain collateralization in accordance with HUD requirements.

F. Accounts Receivable - tenants, net

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

G. Prepaid Expenses

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

H. Capital Assets, net

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

- | | |
|---------------------------|-------------|
| • Furniture and Equipment | 3 - 5 Years |
| • Buildings | 40 Years |

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

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

Accumulated unpaid leave time is accrued at the estimated amounts of future benefits attributable to services already rendered. Unused sick leave may be carried to future periods and used in the event of extended illness. In the event of termination, retirement or death an employee is compensated for one-half of the unused sick days up to a maximum of \$12,000 under the Agency's current personnel policy. Generally unused vacation may not be carried to future periods unless approved. The Agency's sick leave policy, in accordance with New Jersey State law, allows employees to carry over unused sick leave without penalty.

J. Deferred Revenue

The Agency's deferred revenue primarily consists of the prepayment of rent by residents and the receipt of HUD and other governmental program funding applicable to future periods.

K. Operating Revenues and Expenses

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

L. Equity Classifications

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

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

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

Unrestricted net assets — All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Economic Dependency

The Section 8 Housing Choice Voucher Program of the Agency is economically dependent on operating grants and subsidies from HUD.

N. Taxes

The Agency is a unit of local government and is exempt from real estate, sales and income taxes.

O. Use of Management Estimates

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

P. Equity Classifications

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

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

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

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Q. Economic Dependency

The Section 8 and Low Rent Housing programs of the Agency are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Budgets and Budgetary Accounting

The Agency is required by contractual agreements to adopt annual, appropriated operating budgets for its Housing Choice Voucher program. The budget is prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant period.

S. Risk Management

Significant losses are covered by commercial insurance for all major programs. There have been no reductions in insurance coverage for 2010, 2009, and 2008. Settlement amounts have not exceeded insurance coverage except for deductibles.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2010 and 2009, the Agency had funds on deposit in checking and money market accounts.

For the fiscal years ended December 31, 2010 and 2009, the carrying amount of the Agency's cash (including restricted cash) was \$10,574,768 and \$10,452,800 and the bank balances were \$7,080,811 and \$6,520,764, respectively.

Of the bank balances, \$914,974 and \$500,000 were covered by federal depository insurance and the remaining \$6,165,837 and \$6,020,764 were collateralized with the pledging financial institution for the fiscal years ended December 31, 2010 and 2009, respectively.

<u>Cash Account</u>	<u>2010</u>	<u>2009</u>
Insured:		
FDIC	\$ 914,974	\$ 500,000
Collateralized:		
Collateralized amount held by pledging financial institution	<u>6,165,837</u>	<u>6,020,764</u>
	<u>\$ 7,080,811</u>	<u>\$ 6,520,764</u>

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Agency does not have a formal policy for custodial credit risk. As of December 31, 2010 and 2009, the Agency's bank balances were not exposed to custodial credit risk.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 3. ACCOUNTS RECEIVABLE - MISCELLANEOUS

As of December 31, 2010 and 2009, Accounts receivable - miscellaneous represents amounts due to the Agency from other local governments for portable tenants and amounts due from tenants for fraud recovery. The amounts are shown net of an allowance for doubtful accounts of \$15,000 and \$10,000, respectively.

NOTE 4. CAPITAL ASSETS, NET

A summary of the changes in capital assets during the year ended December 31, 2010 were as follows:

Description	December 31, 2009	Additions	Dispositions	December 31, 2010
Depreciable capital assets:				
Furniture and equipment	\$ 194,409	\$ -	\$ -	\$ 194,409
Total	194,409	-	-	194,409
Less: accumulated depreciation	187,620	2,400	-	190,020
Net capital assets	\$ 6,789	\$ (2,400)	\$ -	\$ 4,389

A summary of the changes in capital assets during the year December 31, 2009 were as follows:

Description	December 31, 2008	Additions	Dispositions	December 31, 2009
Depreciable capital assets:				
Furniture and equipment	\$ 194,409	\$ -	\$ -	\$ 194,409
Total	194,409	-	-	194,409
Less: accumulated depreciation	184,809	2,811	-	187,620
Net capital assets	\$ 9,600	\$ (2,811)	\$ -	\$ 6,789

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 5. RESTRICTED CASH

Restricted cash consists of the following at December 31, 2010 and 2009:

<u>Cash Category</u>	<u>2010</u>	<u>2009</u>
Housing assistance payments	\$ 4,304,830	\$ 3,250,040
Family self sufficiency program escrows	<u>466,078</u>	<u>368,959</u>
	<u>\$ 4,770,908</u>	<u>\$ 3,618,999</u>

Housing assistance payment reserves are restricted for use only in the Housing Choice Voucher Program for tenant rents.

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

NOTE 6. ACCOUNTS PAYABLE - HUD

Accounts payable - HUD consists of Section 8 Housing Choice Voucher assistance grants for the subsequent fiscal year received in the current fiscal year. At December 31, 2010 and 2009 these amounts totaled \$0 and \$730,518, respectively.

NOTE 7. COMPENSATED ABSENCES

The Agency uses the vesting method for the recording of compensated absences whereas benefits are accrued at the balance sheet date for which payment is probable. As of December 31, 2010 and 2009, the Agency had accrued approximately \$59,172 and \$58,982 of which \$5,917 and \$18,980 was the current portion, respectively. Compensated absence expenses are included as other general expenses in the statement of revenues, expenses, and changes in net assets. Compensated absences activity for the year ended December 31, 2010 consisted of the following:

	<u>2010</u>	<u>2009</u>
Beginning accumulated compensated absences	\$ 58,982	\$ 73,543
Compensated absences expense	20,006	19,126
Redemption of compensated absences	<u>(19,816)</u>	<u>(33,687)</u>
Ending accumulated compensated absences	59,172	58,982
Less: current portion of accumulated compensated absences	<u>5,917</u>	<u>18,980</u>
Accumulated compensated absences, net of current portion	<u>\$ 53,255</u>	<u>\$ 40,002</u>

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 8. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of Family Self Sufficiency ("FSS") program escrows held on behalf of program participants. Program funds are disbursed to program participants upon successful completion of the program. In the event of program termination, the funds are returned and split between the Agency and HUD.

For the years ended December 31, 2010 and 2009, the following changes occurred in the Agency's FSS escrow account:

	<u>2010</u>	<u>2009</u>
Beginning accumulated FSS escrows	\$ 368,959	\$ 354,894
Deposits	127,508	207,034
Withdrawals	<u>(30,390)</u>	<u>(192,969)</u>
Ending accumulated FSS escrows	<u>\$ 466,077</u>	<u>\$ 368,959</u>

Management considers all FSS escrows amounts to be non-current liabilities.

NOTE 9. PENSION PLAN

A. Public Employee's Retirement System

The Agency participates in the Public Employees Retirement System (PERS), a cost-sharing multiple employer defined benefit pension plan administered by the Division of Pensions within the Department of Treasury, State of New Jersey. PERS provides retirement, death and disability benefits, as well as medical benefits for certain qualified members and beneficiaries. The PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. The PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of New Jersey, Division of Pensions CN-285, Trenton, NJ 08625, (609) 777-1777.

B. 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 5% 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 Agency's contribution for December 31, 2010 and 2009 amounted to \$32,271 and \$32,570, respectively

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 9. PENSION PLAN (continued)

C. Post Employment Retirement Benefits

As part of PERS, the Agency also provides post employment health care benefits and life insurance to all eligible retirees. Eligibility requires that employees be 55 years or older with at least 25 years of service.

Participants are contractually required to contribute at a rate assessed each year by the SHBP, currently 5.5 percent of annual covered payroll. The SHBP sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Expenditures are recognized based on an actuarial study and report of the SHBP and are recorded as the contractually required premiums are incurred. For the years ended December 31, 2010 and 2009, the Authority incurred \$8,127 and \$6,500, respectively for post employment health care benefits.

The State of New Jersey, Department of Treasury, Division of Pension and Benefits, issues 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 or link to the following website address at:

<http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

NOTE 10. RESTRICTED NET ASSETS

As of December 31, 2010 and 2009, restricted net assets consisted of the following:

	<u>2010</u>	<u>2009</u>
Housing assistance payments	\$ 4,304,830	\$ 3,250,040

Housing assistance payments reserves are restricted for rent payments to landlords as part of the Housing Choice Voucher Program.

NOTE 11. SUBSEQUENT EVENTS

We have evaluated the existence of subsequent events at the Agency for the period December 31, 2010 through July 30, 2011, the day our financial statements were available to be issued. There were no subsequent events to report.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 12. CONTINGENCIES

The Agency receives financial assistance from HUD in the form of grants and subsidies. entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of December 31, 2010 and 2009, the Agency estimates that no material liabilities will result from such audits.

NOTE 13. COMMITMENTS

During the fiscal year ended December 31, 2003 the Agency's Board of Commissioners, by resolution, designated up to \$3,300,000 of its unrestricted net assets to be set aside for the development of affordable housing units within its jurisdiction. The fund is known as the "Passaic County Affordable Housing Development Fund". Through December 31, 2010, the Agency has not spent any of these funds.



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

To the Board of Commissioners
Passaic County Public Housing Agency:

We have audited the financial statements of Passaic County Public Housing Agency ("the Agency") as of and for the year ended December 31, 2010, and have issued our report therein dated July 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

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

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

July 30, 2011
Hazlet, New Jersey

Fallon & Larsen LLP



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners
Passaic County Public Housing Agency:

Compliance

We have audited the compliance of Passaic County Public Housing Agency ("the Agency"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (continued)**

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control 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 that is more than inconsequential will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

July 30, 2011
Hazlet, New Jersey

Fallon & Larsen LLP

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

<u>Federal and State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Choice Vouchers	14.871	\$ <u>8,938,909</u>

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Passaic County Public Housing Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2. NON-CASH FEDERAL ASSISTANCE

The Agency did not receive any non-cash Federal assistance for the year ended December 31, 2010.

NOTE 3. LOAN GUARANTEES

At December 31, 2010, the Agency is not the guarantor of any loans outstanding.

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2010**

I. Summary of Auditor's Results

Financial Statement Section

- | | | |
|----|---|-------------|
| 1. | Type of auditor's report issued: | Unqualified |
| 2. | Internal control over financial reporting | |
| a. | Material Weakness(es) identified? | No |
| b. | Were significant deficiencies identified
not considered to be material weaknesses? | No |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|--|-------------|
| 1. | Dollar threshold used to determine Type A Programs: | \$ 300,000 |
| 2. | Dollar threshold used to determine Type B Programs: | \$ 100,000 |
| 3. | Auditee qualified as low-risk Auditee? | Yes |
| 4. | Type of auditor's report on compliance
for major programs: | Unqualified |
| 5. | Internal Control over compliance: | |
| a. | Material weakness(es) identified? | No |
| b. | Were significant deficiencies identified
not considered to be material weaknesses? | No |
| c. | Any audit findings disclosed that are required
to be reported in accordance with OMB Circular
A-133 (section .510(a))? | No |
| 6. | Identification of major programs: | |

CFDA Number

Name of Federal Program

14.871

Housing Choice Voucher Program

**PASSAIC COUNTY PUBLIC HOUSING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
DECEMBER 31, 2010**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with government auditing standards generally accepted in the United States of America.

III. Federal Award Findings and Questioned Costs

There were no findings or questions costs relating to federal awards.

IV. Summary of Prior Audit Findings

None reported.

Passaic County Public Housing Agency				
NJ090				
Financial Data Schedule (FDS)				
December 31, 2010				
Line Item #	Account Description	Housing Choice Vouchers (4.87)	Elimination	TOTAL
ASSETS:				
CURRENT ASSETS:				
Cash:				
111	Cash - unrestricted	\$ 5,803,860	\$ -	\$ 5,803,860
112	Cash - restricted - modernization and development	-	-	-
113	Cash - other restricted	4,770,908	-	4,770,908
114	Cash - tenant security deposits	-	-	-
115	Cash - restricted for payment of current liabilities	-	-	-
100	Total cash	10,574,768	-	10,574,768
Accounts and notes receivables:				
121	Accounts receivable - PHA projects	-	-	-
122	Accounts receivable - HUD other projects	-	-	-
124	Accounts receivable - other government	-	-	-
125	Accounts receivable - miscellaneous	-	-	-
126	Accounts receivable- tenants	-	-	-
126.1	Allowance for doubtful accounts - tenants	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-
127	Notes and mortgages receivable- current	-	-	-
128	Fraud recovery	39,727	-	39,727
128.1	Allowance for doubtful accounts - fraud	(15,000)	-	(15,000)
129	Accrued interest receivable	828	-	828
120	Total receivables, net of allowances for doubtful accounts	25,555	-	25,555
Current investments				
131	Investments - unrestricted	-	-	-
132	Investments - restricted	-	-	-
135	Investments - restricted for payment of current liability	-	-	-
142	Prepaid expenses and other assets	-	-	-
143	Inventories	-	-	-
143.1	Allowance for obsolete inventories	-	-	-
144	Interprogram - due from	-	-	-
145	Assets held for sale	-	-	-
150	TOTAL CURRENT ASSETS	10,600,323	-	10,600,323
NONCURRENT ASSETS:				
Fixed assets:				
161	Land	-	-	-
162	Buildings	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-
164	Furniture, equipment & machinery - administration	194,409	-	194,409
165	Leasehold improvements	-	-	-
166	Accumulated depreciation	(190,020)	-	(190,020)
167	Construction in Progress	-	-	-
168	Infrastructure	-	-	-
160	Total fixed assets, net of accumulated depreciation	4,389	-	4,389
Other non-current assets:				
171	Notes and mortgages receivable - non-current	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-
174	Other assets	-	-	-
175	Undistributed debits	-	-	-
176	Investment in joint ventures	-	-	-
180	TOTAL NONCURRENT ASSETS	4,389	-	4,389
190	TOTAL ASSETS	\$ 10,604,712	\$ -	\$ 10,604,712

Passaic County Public Housing Agency

NJ090

Financial Data Schedule (FDS)

December 31, 2010

Line Item #	Account Description	Housing Choice Vouchers 14,871	Elimination	TOTAL
LIABILITIES AND EQUITY				
Liabilities:				
Current Liabilities:				
311	Bank overdraft	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	266,093	-	266,093
313	Accounts payable > 90 days past due	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-
322	Accrued compensated absences - current portion	5,917	-	5,917
324	Accrued contingency liability	-	-	-
325	Accrued interest payable	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-
332	Accounts payable - PHA projects	-	-	-
333	Accounts payable - other government	-	-	-
341	Tenant security deposits	-	-	-
342	Deferred revenue	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-
345	Other current liabilities	-	-	-
346	Accrued liabilities - other	-	-	-
347	Interprogram - due to	-	-	-
310	TOTAL CURRENT LIABILITIES	272,010	-	272,010
NONCURRENT LIABILITIES				
351	Long-term debt, net of current - capital projects	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-
353	Non-current liabilities- other	466,077	-	466,077
354	Accrued compensated absences - noncurrent	53,255	-	53,255
355	Loan Liability - Non Current	-	-	-
356	FASB 5 Liabilities	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-
350	TOTAL NONCURRENT LIABILITIES	519,332	-	519,332
300	TOTAL LIABILITIES	791,342	-	791,342
EQUITY:				
508.1	Invested in Capital Assets, Net of Related Debt	4,389	-	4,389
511.1	Restricted Net Assets	4,304,830	-	4,304,830
512.1	Unrestricted Net Assets	5,504,151	-	5,504,151
513	TOTAL EQUITY	9,813,370	-	9,813,370
600	TOTAL LIABILITIES AND EQUITY	\$ 10,604,712	\$ -	\$ 10,604,712
	Proof of concept	-	-	-

Passaic County Public Housing Agency

NJ090

Financial Data Schedule (FDS)

December 31, 2010

Line Item #	Account Description	Housing Choice Vouchers 14.871	Elimination	TOTAL
REVENUE:				
70300	Net tenant rental revenue	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-
70500	Total tenant revenue	-	-	-
70600	HUD PHA grant:	9,614,216	-	9,614,216
70610	Capital grant:	-	-	-
70710	Management fee:	-	-	-
70720	Asset management fee:	-	-	-
70730	Book keeping fee:	-	-	-
70750	Other fees:	-	-	-
70800	Other government grant:	-	-	-
71100	Investment income - unrestricted	12,923	-	12,923
71200	Mortgage interest income	-	-	-
71300	Proceeds from disposition of asseets held for sal	-	-	-
71301	Cost of sale of asset:	-	-	-
71400	Fraud recovery	53,912	-	53,912
71500	Other revenue:	89,469	-	89,469
71600	Gain or loss on sale of fixed asset	-	-	-
72000	Investment income - restricte	8,615	-	8,615
70000	TOTAL REVENUE	9,779,135	-	9,779,135
EXPENSES:				
Administrative				
91100	Administrative salarie:	537,857	-	537,857
91200	Auditing fees:	11,980	-	11,980
91300	Outside management fee:	-	-	-
91310	Book-keeping fee:	-	-	-
91400	Advertising and marketin:	-	-	-
91500	Employee benefit contributions- administrativ	112,000	-	112,000
91600	Office expenses:	193,282	-	193,282
91700	Legal expenses:	-	-	-
91800	Travel:	-	-	-
91810	Allocated overhear	-	-	-
91900	Other	2,084	-	2,084
92000	Asset Management Fee	-	-	-
Tenant services				
92100	Tenant services - salarie:	-	-	-
92200	Relocation costs:	-	-	-
92300	Employee benefit contributions- tenant service	-	-	-
92400	Tenant services - othe:	-	-	-

Passaic County Public Housing Agency			
NJ090			
Financial Data Schedule (FDS)			
December 31, 2010			
Line Item #	Account Description	Housing Choice Vouchers 14.871	TOTAL
	Utilities		
93100	Water	-	-
93200	Electricity	-	-
93300	Gas	-	-
93400	Fuel	-	-
93500	Labor	-	-
93600	Sewer	-	-
93700	Employee benefit contributions- utilitie	-	-
93800	Other utilities expense	-	-
	Ordinary maintenance & operatio		
94100	Ordinary maintenance and operations - labo	-	-
94200	Ordinary maintenance and operations - materials & oth	1,415	1,415
94300	Ordinary maintenance and operations - contract cos	-	-
94500	Employee benefit contributions- ordinary maintenanc	-	-
	Protective services:		
95100	Protective services - labo	-	-
95200	Protective services- other contract cost	-	-
95300	Protective services - othe	-	-
95500	Employee benefit contributions- protective service	-	-
	General expense:		
96100	Insurance premium:	-	-
96200	Other general expense:	42,550	42,550
96210	Compensated absence:	189	189
96300	Payments in lieu of tax:	-	-
96400	Bad debt - tenant rent:	-	-
96500	Bad debt- mortgage:	-	-
96600	Bad debt - other:	5,000	5,000
96700	Interest expense	-	-
96710	Amortization of bond issue cost	-	-
96800	Severance expense	-	-
96900	TOTAL OPERATING EXPENSES	906,357	906,357
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	8,872,778	8,872,778
97100	Extraordinary maintenanc	-	-
97200	Casualty losses - non capitalize	-	-
97300	Housing assistance payment	7,949,542	7,949,542
97350	HAP Portability - ii	83,010	83,010
97400	Depreciation expense	2,400	2,400
97500	Fraud losse:	-	-
97800	Dwelling units rent expense	-	-
90000	TOTAL EXPENSES	8,941,309	8,941,309

Passaic County Public Housing Agency

NJ090

Financial Data Schedule (FDS)

December 31, 2010

Line Item #	Account Description	Housing Choice Vouchers 14.871	Elimination	TOTAL
OTHER FINANCING SOURCES (USES)				
10010	Operating transfers in	-	-	-
10020	Operating transfers out	-	-	-
10030	Operating transfers from/to primary government	-	-	-
10040	Operating transfers from/to component unit	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-
10080	Special items (net gain/loss)	-	-	-
10091	Inter Project excess cash transfer in	-	-	-
10092	Inter Project excess cash transfer out	-	-	-
10093	Transfers between program and project in	-	-	-
10094	Transfers between program and project out	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	837,826	-	837,826
MEMO ACCOUNT INFORMATION:				
11020	Required annual debt principal payments	-	-	-
11030	Beginning equity	8,975,544	-	8,975,544
11040	Prior period adjustments and equity transfers	-	-	-
11170	Administrative fee equity	5,508,540	-	5,508,540
11180	Housing assistance payments equity	4,304,830	-	4,304,830
		9,813,370	-	9,813,370
11190	Unit months available	10,020	-	10,020
11210	Number of unit months leased	9,938	-	9,938
Equity Roll Forward Test:				
	Calculation from R/E Statement	\$ 9,813,370	\$ -	\$ 9,813,370
	B/S Line 513	\$ 9,813,370	\$ -	\$ 9,813,370
		\$ -	\$ -	\$ -