



BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

Brown & Company CPAs and

Firm Name: **Management Consultants, PLLC**

Engagement: **EQ2014-009-P1-HMFA**

For Quarter Ending: **3/31/15**

Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
A.	General Info		
1.	Recipient of funding	NJ Housing Mortgage and Finance Agency (NJHMFA)	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	HUD	
3.	State Funding (if applicable)	Not applicable	
4.	Award Type	HUD Community Development Block Grant (CDGB) - Disaster Recovery	
5.	Award Amount	\$103,101,114	
6.	Contract/Program Person/Title	Director, NJHMFA Division of Credit & Business Development	

No.	Recipient Data Elements	Response	Comments
7.	Brief Description, Purpose and Rationale of Project/Program	<p>The Department of Treasury (Treasury), on behalf of the New Jersey Housing and Mortgage Finance Agency (NJHMFA) engaged Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) pursuant to the “Prequalification Pools: Auditing and Other Related Services in Support of Disaster Recovery” contract (T2939) from prequalified contractors. The State retained the services of Brown & Company to provide a Program and Process Management Auditor to NJHMFA to audit the Fund for Restoration of Multi-Family Rental Housing (FRM) and associated contracts and the Sandy Special Needs Housing Fund (SSNHF) programs, for the purpose of minimizing risk and preventing or rectifying duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance and mismanagement of funds.</p> <p>The NJHMFA FRM program assists in the creation of rental projects in the nine most impacted New Jersey counties and provides the funding for forgivable subordinated mortgages. Those counties have been identified as Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union. The program awards subsidies in the form of loans to both not-for-profit and for-profit developers; owners capable of managing large multifamily housing developments; and low- and moderate-income households.</p> <p>As of this report, NJHMFA has approved 16 loan contracts (Attachment A).</p>	
8.	Contract/Program Location	Various counties in New Jersey	
9.	Amount Expended to Date	\$85,738,623	
10.	Amount Provided to other State or Local Entities	Not applicable	
11.	Completion Status of Contract or Program	83% of funds have been expended	
12.	Expected Contract End Date/Time Period	Funds should be expended by October 31, 2016.	

No.	Recipient Data Elements	Response	Comments
B. Monitoring Activities			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Not applicable	
14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	<p>No site visits. Brown & Company received information from NJHMFA.</p> <p>We received an update on the contracts from NJHMFA. Brown & Company reviewed the status of funds for the 16 contracts. (See Attachment A).</p>	
15.	Brief Description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.	<p>Brown & Company’s integrity oversight monitoring activity for the fourth quarter (January 1, 2016 – March 31, 2016) focused on Tasks C, D, and Task E.</p> <p>Brown & Company reviewed the status of funds for the sixteen contracts.</p> <p>We discussed the status of the contracts with NJHMFA.</p>	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	Under Task D, Integrity Oversight Monitoring, Brown & Company tracked, tested, and reviewed contractor invoices submitted to NJHMFA. We reviewed updated schedules that reported activity. Booker T Washington Apts. and Keyport Legion Apts. closed and had drawn funds.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	Yes, payment requisition were reviewed during the quarter ending March 31, 2016. We requested the itemized list of disbursements or “CDBG Construction Disbursement Summary Disbursement from Inception to Date” report. We	

No.	Recipient Data Elements	Response	Comments
		selected disbursement samples from each contract for testing. We obtained and examined supporting documentation. The test results noted no exceptions.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	The first essential step in preventing and detecting waste, fraud, and abuse in government programs is to review and evaluate the comprehensiveness and effectiveness of existing policies, procedures, and controls in place to manage and mitigate the risks inherent in government loan programs. Brown & Company's monitoring activities this quarter included reviewing updated FRM-PHA report and reviewing and testing the "CDBG Construction Disbursement Summary Disbursement from Inception to Date" report.	
19.	Provide details of any integrity issues/findings	We selected payment requisition for testing during the reporting period, there were no findings to report.	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	None	
21.	Provide details on any other items of note that have occurred in the past quarter	None	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	Not applicable	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See Attachment B	

No.	Recipient Data Elements	Response	Comments
24	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	None	

Name of Integrity Monitor: Brown & Company CPAs and Management Consultants, PLLC

Name of Report Preparer: Gail Jenifer, CPA

Signature: 

Date: July 1, 2016

ATTACHMENT A – APPROVED LOAN CONTRACTS VALUED AT \$5 MILLION OR MORE

The 16 loan contracts listed in the table below make up Brown & Company’s Task C Scope of Work.

FRM-PHA as of 4-1-2016					CDBG-DR Funding		
HMFA ID #	Project Name	County	Municipality	Type	FRM	FRM Expended to Date	Commit Date
00369	Keyport Legion Apts.	Monmouth	Keyport Borough	Rehab	\$4,567,315	\$0	07/01/14
02927	Booker T. Washington Apts.	Hudson	Jersey City	Rehab	\$8,253,624	\$2,262,371	11/14/2013 Recommitted: 5/21/2015
02704	Conifer Village at Rittenberg / Rittenberg Manor	Atlantic	Egg Harbor City	New	\$5,412,163	\$5,412,163	01/27/14
02861	Egg Harbor Hotel Conversion / Atrium Apartments at Egg Harbor	Atlantic	Egg Harbor City	Rehab	\$5,549,899	\$5,549,899	05/15/13
02859	Carolina Crescent and Connecticut Crescent	Atlantic	Atlantic City	New	\$5,145,721	\$5,145,721	01/27/14
02683	The Beachview Residence	Atlantic	Atlantic City	New	\$5,642,518	\$5,642,518	11/14/13
02772	The Meadows (Atlantic City HOPE VI)	Atlantic	Atlantic City	New	\$5,783,923	\$5,783,923	08/29/13
02869	Wesmont Station	Bergen	Wood-Ridge Borough	New	\$5,477,486	\$5,477,486	05/15/13
02837	Meadow Lark Run	Cape May	Middle Township	New	\$5,086,261	\$5,086,261	01/27/14
02508	Green Heron Pointe	Cape May	Middle Township	New	\$5,102,748	\$5,102,748	01/27/14
02844	Heritage Village at Bloomfield	Essex	Bloomfield Township	New	\$5,310,554	\$5,310,554	01/27/14
02599	Willows at Waretown	Ocean	Ocean Township	New	\$9,097,970	\$9,097,970	10/03/13
02885	Franklin Manor	Essex	Belleville Township	New	\$10,118,157	\$7,174,139	12/03/13
02853	Catherine Todd Senior Living Center	Hudson	Jersey City	Rehab	\$5,692,775	\$5,692,775	05/15/13
02878	The Residences at Willow Pond Village (formerly Delaney Homes)	Middlesex	Perth Amboy City	New	\$5,840,000	\$5,840,000	05/15/13
02874	Heritage Village at Oakhurst	Monmouth	Ocean Township	New	\$11,020,000	\$7,160,095	10/03/13
Total					\$103,101,114	\$85,738,623	

ATTACHMENT B – Level of Effort and Expenses

Quarter ending March 31, 2016.

Hours Incurred For Quarterly Activities

Member	38
Manager	0
Supervisor	23
Seniors (3)	<u>106</u>
Total Hours	<u>167</u>

Expenses Incurred For Quarterly Activities

Travel	\$ 0
Other Direct Costs	\$ 0