

**Report On Audit**

**HOUSING AUTHORITY OF THE  
TOWNSHIP OF WEEHAWKEN**

**For the Year Ended  
December 31, 2014**

**Housing Authority of the Township of Weehawken**  
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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Housing Authority of the Township of Weehawken  
525 Gregory Ave  
Weehawken, New Jersey 07086

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Housing Authority of the Township of Weehawken (a governmental public corporation) in Weehawken, New Jersey, hereafter referred to as the Authority, which comprise the statement of net position as of December 31, 2014, and the related statement of revenue, expenses and changes in net position, statement of cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority of the Township of Weehawken's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Township of Weehawken's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Township of Weehawken as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 through 16 and pages 46-47 be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our 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 as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Lastly, the supplemental information on the accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a required part of the financial statements. The Schedule of Federal Awards and the Financial Data Schedule are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other financial and statistical information have not been subjected to the auditing procedures in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued reports dated July 21, 2015 on our consideration of the Housing Authority of the Township of Weehawken's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That 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.

*Hymanson, Parnes & Giampaolo*

Lincroft, New Jersey

Date: July 21, 2015

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

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

**FINANCIAL HIGHLIGHTS**

Net position of the Authority's enterprise fund was \$3,275,021 greater than the liabilities, a decrease in the financial position of \$213,184 or 6% percent.

As noted above, the net position of the Authority exceeded its liabilities by \$3,275,021 as of December 31, 2014. Of this amount, the unrestricted net position is \$158,888 representing a decrease of \$45,837 or 22% percent from the previous year. The net investment in capital assets decreased \$121,284 or 4% percent for an ending balance of \$2,978,383. The restricted net position decreased \$46,063 from the previous year for an ending balance of \$137,750. Additional information on the Authority's restricted and unrestricted net positions can be found in Note 16 & Note 17 to the financial statements, which is included in this report.

The Authority's unrestricted cash, and cash equivalent at December 31, 2014 is \$480,962 representing a decrease of \$101,607 or 17% percent from the prior year. Total restricted cash decreased \$44,434 or 19% percent for an ending balance of \$187,283. The full detail of these amounts can be found in the Statement of Cash Flow on pages 20-21 of this report.

The Authority's total assets are \$4,136,719 of which capital assets net book value is \$3,318,383, leaving total current assets at \$818,336. Total current assets decreased from the previous year by \$31,636 or 4% percent. Unrestricted cash and cash equivalents decreased by \$101,607, restricted cash and cash equivalents decreased \$44,434, account's receivables increased by \$116,589, and prepaid expenses decreased \$2,184.

Capital assets reported a decrease in the net book value of the capital assets in the amount of \$141,284 or 4% percent. The major factor that contributed for the decrease was the purchase of fixed assets in the amount of \$53,861, less the disposal of old equipment in the amount of \$19,762 with a net book value of \$-0-, less the recording of depreciation expense in the amount of \$195,145. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note - 7 Fixed Assets.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**FINANCIAL HIGHLIGHTS - CONTINUED**

The Authority's total liabilities are reported at \$861,698, of which noncurrent liabilities are stated at \$624,881. Total liabilities increased during the year as compared to the prior year in the amount of \$40,264, or 5% percent. Total current liabilities increased during the year by \$2,012, leaving non-current liabilities for an increase of \$38,252 as compared to the previous year.

Total current liabilities increased from the previous year by \$2,012 or 1% percent. Accounts payables decreased by \$6,674, accrued liabilities increased by \$6,175, tenant security deposit payable increased by \$2,480, unearned revenue increased \$31, and the current portion of mortgage payable remained the same.

Total noncurrent liabilities increased by \$38,252 or 7% percent. The increase was made up of four accounts, accrued compensated absences - long term with no offsetting assets, increased \$9,342 or 22% percent from the prior year for an ending balance of \$52,636, mortgage payable long-term decreased \$20,000 or 6% percent compared to the prior year, other liabilities - noncurrent decreased \$851, and accrued post-employment benefits (OPEB) liabilities increased by \$49,761 or 27% percent. Additional information on the Authority's accrued OPEB liability at December 31, 2014 can be found in Note 15 to the financial statements, which is included in this report.

The Authority had total operating revenue of \$3,519,611 as compared to \$3,298,392 from the prior year for an increase of \$221,219 or 7% percent. The Authority had total operating expenses of \$3,793,898 as compared to \$3,770,406 from the previous year for an increase of \$23,492 or 1% percent, resulting in a deficiency of revenue from operations in the amount of \$274,287 for the current year as compared to excess expenses over revenue from operations in the amount of \$472,014 for a decrease in expenses over revenue of \$197,727 or 42% percent from the previous year.

Total capital improvements contributions from HUD were in the amount of \$61,103 as compared to \$50,976 from the previous year for an increase of \$10,127 or 20% percent.

The Authority's had capital outlays in the amount of \$53,861 as well as principal payments made on the mortgage note in the amount of \$20,000 for the fiscal year. These expenditures were funded by grants received from the U.S. Department of Housing and Urban Development in the amount of \$61,103 and the remaining through management's reserves. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note – 7 Fixed Assets.

The Authority's Expenditures of Federal Awards amounted to \$3,140,687 for the year 2014 as compared to \$2,963,615 for the previous year 2013 for an increase of \$177,072 or 6% percent.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**USING THIS ANNUAL REPORT**

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

1. Low Rent Public Housing
2. Housing Choice Vouchers
3. Public Housing Capital Fund Program

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

**OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION**

This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The basic financial statements are prepared on an entity wide basis and consist of:

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

The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities in the United States of America for the Enterprise Fund types. The Authority's activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations. The financial statements can be found on pages 17 through 21.

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

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



**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED**

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

Notes to the Financial Statements - Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Housing Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Housing Authority may face. The Notes to Financial Statements can be found in this Report beginning on page 22 through 44.

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

The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-profit Organizations. The schedule of Expenditures of Federal Awards can be found on page 45 of this report.

- 1. Federal Awards** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal award is defined as federal financial assistance and federal cost reimbursement contracts that non-federal agencies receive directly or indirectly from federal agencies or pass-through entities. Federal financial assistance is defined as assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations and other assistance.
  
- 2. Type A and Type B Programs** - The Single Audit Act Amendments of 1996 and OMB Circular A- 133 establish the levels of expenditures or expenses to be used in defining Type A and Type B Federal financial assistance programs. Type A programs for the Housing Authority of the Township of Weehawken are those which equal or exceeded \$300,000 in expenditures for the year ended December 31, 2014. Type B programs for the Housing Authority of the Township of Weehawken are those which are less than \$300,000 in expenditures for the year ended December 31, 2014.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED**

The budget comparison of actual results to the Authority's adopted budget for the Low Income Public Housing Program can be found on page 46 the Section Eight Housing Choice Voucher Program on page 47.

**FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE)**

The following summarizes the computation of Net Position between December 31, 2014 and December 31, 2013:

	<u>Year Ended</u>		Increase
	December-14	December-13	(Decrease)
Cash	\$ 668,245	\$ 814,286	\$ (146,041)
Other Current Assets	150,091	35,686	114,405
Capital Assets - Net	3,318,383	3,459,667	(141,284)
Total Assets	4,136,719	4,309,639	(172,920)
Less: Current Liabilities	(236,817)	(234,805)	(2,012)
Less: Non Current Liabilities	(624,881)	(586,629)	(38,252)
Net Position	<u>\$ 3,275,021</u>	<u>\$ 3,488,205</u>	<u>\$ (213,184)</u>
Net Investment in Capital Assets	\$ 2,978,383	\$ 3,099,667	\$ (121,284)
Restricted	137,750	183,813	(46,063)
Unrestricted	158,888	204,725	(45,837)
Net Position	<u>\$ 3,275,021</u>	<u>\$ 3,488,205</u>	<u>\$ (213,184)</u>

Cash decreased by \$146,041 or 18% percent. Net cash used by operating activities was \$135,763, net cash used by capital and related financing activities was \$10,278, and net cash provided by investing activities was \$-0-. The full detail of these amounts can be found in the Statement of Cash Flow on pages 20-21 of this audit report.

Other current assets increased \$114,405. Account receivable increased \$116,589 and prepaid expenses decreased \$2,184. Accounts receivable showed a major increase due to increases in management and maintenance fees being owed to the Authority from various entities.

Capital assets reported a decrease in the net book value of the capital assets in the amount of \$141,284 or 4% percent. The major factor that contributed for the decrease was the purchase of fixed assets in the amount of \$53,861, less the disposal of old equipment in the amount of \$19,762 with a net book value of \$-0-, less the recording of depreciation expense in the amount of \$195,145. A full detail of capital outlays can be found in the Notes to the Financial Statements section Note - 7 Fixed Assets.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED**

Total current liabilities increased from the previous year by \$2,012 or 1% percent. Accounts payables decreased by \$6,674, accrued liabilities increased by \$6,175, tenant security deposit payable increased by \$2,480, unearned revenue increased \$31, and the current portion of mortgage payable remained the same.

Total noncurrent liabilities increased by \$38,252 or 7% percent. The increase was made up of four accounts, accrued compensated absences - long term with no offsetting assets, increased \$9,342 or 22% percent from the prior year for an ending balance of \$52,636, mortgage payable long-term decreased \$20,000 or 6% percent compared to the prior year, other liabilities - noncurrent decreased \$851, and accrued post-employment benefits (OPEB) liabilities increased by \$49,761 or 27% percent. Additional information on the Authority's accrued OPEB liability at December 31, 2014 can be found in Note 17 to the financial statements, which is included in this report.

The Authority's reported net position of \$3,275,021 is made up of three categories. The net investment in capital assets in the amount of \$2,978,383 represents 91% percent of the total account balance. The net investment in capital assets (e.g., land, buildings, vehicles, equipment, and construction in process); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide housing services to the tenants; consequently, these assets are not available for future spending. The schedule below reflects the activity in this account for the current year:

Balance December 31, 2013	\$ 3,099,667
Fixed Asset Acquisitions	53,861
Payment of Principal on Debt	20,000
Depreciation Expense	(195,145)
Balance December 31, 2014	\$ 2,978,383

The Housing Authority of the Township of Weehawken operating results for December 31, 2014 reported a decrease in unrestricted net position of \$45,837 or 22% percent for an ending balance of \$158,888.

The Authority reported restricted net position in the amount of \$137,750 which decreased \$46,063 or 25% percent compared to the prior year. A full detail of these accounts can be found in the Notes to the Financial Statements section Notes - 16 & 17.

At the end of the current year, the Authority is able to report positive balances in the three categories of net position. The same situation held true for the prior year.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED**

The following summarizes the changes in Net Position between December 31, 2014 and December 31, 2013:

Computation of Changes in Net Position are as follows:

	<u>Year Ended</u>		Increase
	December-14	December-13	(Decrease)
<u>Revenues</u>			
Tenant Revenues	\$ 343,430	\$ 349,265	\$ (5,835)
HUD Subsidies	3,079,584	2,912,639	166,945
Other Revenues	96,597	36,488	60,109
Total Operating Income	<u>3,519,611</u>	<u>3,298,392</u>	<u>221,219</u>
<u>Expenses</u>			
Operating Expenses	3,598,753	3,564,376	34,377
Depreciation Expense	195,145	206,030	(10,885)
Total Operating Expenses	<u>3,793,898</u>	<u>3,770,406</u>	<u>23,492</u>
Operating (Loss) before Non Operating Income	(274,287)	(472,014)	197,727
Interest Income	-	4	(4)
HUD Capital Grants	61,103	50,976	10,127
Change in Net Position	(213,184)	(421,034)	207,850
Net Position Prior Year	3,488,205	3,909,239	(421,034)
Total Net Position	<u>\$ 3,275,021</u>	<u>\$ 3,488,205</u>	<u>\$ (213,184)</u>

Approximately 87% percent of the Authority's total revenue was provided by HUD operating subsidy, while 10% percent resulted from tenant revenue. Charges for various services and fraud recovery provided for the remaining 3% percent of the total operating income.

The Authority operating expenses cover a range of expenses. The largest expense was for Housing Assistance Payments representing 68% percent of total operating expenses. Administrative expenses accounted for 13% percent, utilities expense accounted for 3% percent, maintenance expense accounted for 6% percent, other operating expenses accounted for 5% percent, and depreciation accounted for the remaining 5% of the total operating expenses.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED**

The Authority operating expenses exceeded its operating revenue resulting in a deficiency of revenue from operations in the amount of \$274,287 from operations as compared to excess expenses over revenue from operations of \$472,014 for the previous year. The key elements to the decrease in deficit in comparison to the prior year are as follow:

- The Authority experienced increases in HUD PHA Operating Grants in the amount of \$166,945, or 6% percent. This was due to less severe cutbacks in funding in comparison to the prior fiscal year.
- The Authority showed an increase in other revenue in the amount of \$61,912 or 179% percent. This was due to increased management fees in relation to other entities as well as reimbursement of maintenance expenses by the Township of Weehawken.
- Maintenance expenses decreased in comparison to the prior fiscal year in the amount of \$21,227 or 9% percent.
- Housing Assistance Payments increased in the amount of \$40,365 or 2% percent.

Total net cash used by operating activities during the year was \$135,763 as compared to net cash used by operating activities during 2013 in the amount of \$32,071. A full detail of this amount can be found on the Statement of Cash Flow on pages 20-21 of this report.

Overall the Authority reported a decrease in unrestricted net position of \$45,837 or a decrease of 22% percent for an ending balance of \$158,888. Additional information on the Authority's unrestricted net position can be found in Note 17 to the financial statements, which is included in this report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED**

The following are financial highlights of significant items for a four year period of time ending on December 31, 2014:

	December-14	December-13	December-12	December-11
<b>Significant Income</b>				
Total Tenant Revenue	\$ 343,430	\$ 349,265	\$ 350,534	\$ 342,032
HUD Operating Grants	3,079,584	2,912,639	2,779,188	3,208,212
HUD Capital Grants	61,103	50,976	11,046	74,668
Investment Income	-	4	10	4,601
Other Income	96,597	36,488	30,698	38,876
<b>Total</b>	<b>\$ 3,580,714</b>	<b>\$ 3,349,372</b>	<b>\$ 3,171,476</b>	<b>\$ 3,668,389</b>
<b>Payroll Expense</b>				
Administrative Salaries	\$ 185,011	\$ 198,624	\$ 205,893	\$ 180,770
Maintenance Labor	60,050	76,557	76,139	87,475
Employee Benefits Expense	237,107	206,483	150,324	115,583
<b>Total Payroll Expense</b>	<b>\$ 482,168</b>	<b>\$ 481,664</b>	<b>\$ 432,356</b>	<b>\$ 383,828</b>
<b>Other Significant Expenses</b>				
Other Administrative Expenses	\$ 151,378	\$ 159,840	\$ 152,061	\$ 132,670
Utilities Expense	127,421	118,091	121,424	134,542
Maintenance Supplies	23,845	16,760	13,624	11,057
Maintenance Contract Cost	65,745	67,634	63,043	41,510
Insurance Premiums	37,668	40,669	44,257	43,293
Severance Expense	49,761	47,512	47,512	47,512
Housing Assistance Payments	2,582,138	2,541,773	2,471,582	2,477,417
<b>Total</b>	<b>\$ 3,037,956</b>	<b>\$ 2,992,279</b>	<b>\$ 2,913,503</b>	<b>\$ 2,888,001</b>
<b>Total Operating Expenses</b>	<b>\$ 3,793,898</b>	<b>\$ 3,770,406</b>	<b>\$ 3,625,277</b>	<b>\$ 3,545,047</b>
<b>Total of Federal Awards</b>	<b>\$ 3,140,687</b>	<b>\$ 2,963,615</b>	<b>\$ 2,848,339</b>	<b>\$ 3,282,880</b>

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**THE AUTHORITY AS A WHOLE**

The Authority's revenues consist primarily of rents and subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. The Authority's revenues were not sufficient to cover all expenses excluding depreciation expense. The Authority's unrestricted net position appears sufficient to cover any foreseeable shortfall rising from a possible economic turndown and reduced subsidies and grants.

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

**THE HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN PROGRAMS**

Public Housing Program:

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

Housing Choice Voucher Program:

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

Capital Fund Program:

The public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments and homes to keep them clean, safe and in good condition.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**BUDGETARY HIGHLIGHTS**

For the year ended December 31, 2014, individual program or grant budgets were prepared by the Authority and adopted by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

The budget for the Low Rent Public Housing was adopted on the basis of accounting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which differ in some respects from generally accepted accounting principles. The full detail can be found in the Budget comparison to actual results for the Low Rent Public Housing Program on page 46 of this report.

The budget for the Housing Choice Voucher Program was adopted on the basis of accounting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which differ in some respects from generally accepted accounting principles. The Housing Choice Voucher program Housing Assistance Payments (HAP) funds were approved by the U.S. Department of Housing and Urban Development (HUD) on a basis consistent with the grant application covering HAP programs. The full detail can be found in the Budget comparison to actual results for the Housing Choice Voucher Program on page 47 of this report.

**NEW INITIATIVES**

For the year 2014 the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 88% percent of its revenue from the Department of Housing and Urban Development, (2013 was 88% percent), the Authority is constantly monitoring for any appropriation changes especially since it appears the nation is continuing an era of need for additional public assistance to help families meet the challenges of a very tumultuous economy.

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



**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

1 – Capital Assets

The Authority's investment in capital assets as of December 31, 2014 was \$3,318,383 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, equipment, and construction in progress. The total decrease during the year in the Authority's net investment in capital assets for the current calendar year was \$141,284 or 4%. Major capital expenditures of \$53,861 were made during the year offset by the recording of depreciation expense in the amount of \$195,145. Major capital assets events during the calendar year included the following:

- New Compressor
- Ranges and Refrigerators
- Apartment Renovations and Upgrades
- New Computers

	December-14	December-13	Increase (Decrease)
Land	\$ 250,000	\$ 250,000	\$ -
Building	6,317,660	6,307,772	9,888
Furniture, Equipment - Dwelling	608,584	608,584	-
Furniture, Equipment - Administration	128,280	145,172	(16,892)
Construction in Process	860,776	819,673	41,103
Total Fixed Assets	\$ 8,165,300	\$ 8,131,201	\$ 34,099
Accumulated Depreciation	(4,846,917)	(4,671,534)	(175,383)
Net Book Value	\$ 3,318,383	\$ 3,459,667	\$ (141,284)

Additional information on the Authority's capital assets can be found in Note 7 to the financial statements, which is included in this report.

2 - Debt Administration

The Authority has participated in the New Jersey pooled leveraging program. Through this financing of majority capital projects will be completed on an expedited basis. Restricted Cash relating to the bonded debt stood at \$137,750 at the end of the fiscal year, with Capital Project Bond payable of \$340,000 in outstanding debt. A full disclosure of loans payable at December 31, 2014 can be found in Note 14.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AT DECEMBER 31, 2014**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority of Township of Weehawken is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The need for Congress to fund the war on terrorism and other impending military activities, and the impact these activities may have on federal funds available for HUD subsidies and grants.

The capital budgets for the 2015 year have already been submitted to HUD for approval and no major changes are expected. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing property including administrative fees involved in the modernization.

The following factors were considered in preparing the Authority's budget for the year ending December 31, 2015.

- State of New Jersey economy including the impact on tenant income. Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income. Tenant rental payments are based on tenant income.
- The need for Congress to fund the Department of Defense and Homeland Security due to the war on terrorism and other impending military activities will probably result in reduced appropriations for all other domestic program spending.
- Continued increases in health care insurance are expected to impact employee benefits cost over the next several years.
- Inflationary pressure on utility rates, supplies and other cost.
- Trends in the housing market which affect rental housing available for the Section 8 tenants, along with the amount of the rents charged by the private landlords, are expected to have a continued impact on Section 8 HAP payments.
- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Robert A. DiVincent, Executive Director, Housing Authority of the Township of Weehawken, 525 Gregory Avenue, Weehawken, N.J. 07086, or call (201) 330-1808.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**  
**STATEMENT OF NET POSITION - 1**  
**AS OF DECEMBER 31, 2014**

	December 31, 2014
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents - Unrestricted	\$ 480,962
Cash and Cash Equivalents - Restricted	187,283
Accounts Receivables, Net of Allowances	150,091
Total Current Assets	818,336
<b>Noncurrent Assets</b>	
Capital Assets	
Land	250,000
Building	6,317,660
Furniture, Equipment - Dwelling	608,584
Furniture, Equipment - Administration	128,280
Construction in Process	860,776
Total Capital Assets	8,165,300
Less: Accumulated Depreciation	(4,846,917)
Net Book Value	3,318,383
Total Assets	4,136,719
<b>Deferred Outflow of Resources</b>	
Total Deferred Outflows of Resources	-
Total Assets and Deferred Outflow of Resources	\$ 4,136,719

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**  
**STATEMENT OF NET POSITION - 2**  
**AS OF DECEMBER 31, 2014**

	December 31, 2014
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts Payable	\$ 157,823
Accrued Liabilities	26,855
Tenant Security Deposit Payable	32,102
Unearned Revenue	37
Long Term Debt - Current Portion	20,000
Total Current Liabilities	236,817
<b>Noncurrent Liabilities</b>	
Note Payable - Long Term	320,000
Other Liabilities - Noncurrent	17,431
Accrued Compensated Absences - Long-Term	52,636
Accrued Other Post-Employment Benefits Liabilities	234,814
Total Noncurrent Liabilities	624,881
Total Liabilities	861,698
<b>Deferred Inflow of Resources</b>	
Total Deferred Inflow of Resources	-
<b>Net Position:</b>	
Net Investment in Capital Assets	2,978,383
Restricted	137,750
Unrestricted	158,888
Total Net Position	3,275,021
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 4,136,719

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP WEEHAWKEN  
STATEMENT OF REVENUE, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

	December 31, 2014
<b>Revenue:</b>	
Tenant Rental Revenue	\$ 343,430
HUD PHA Operating Grants	3,079,584
Other Revenue	96,597
Total Revenue	3,519,611
 <b>Operating Expenses:</b>	
Administrative Expense	505,845
Utilities Expense	127,421
Maintenance Expense	217,291
Insurance Expense	37,668
Other Operating Expenses	128,390
Housing Assistance Payments	2,582,138
Depreciations Expense	195,145
Total Operating Expenses	3,793,898
 Excess Expenses Over Revenue From Operations	(274,287)
 <b>Non Operating Income and (Expenses):</b>	
Capital Grants	61,103
 <b>Change in Net Position</b>	(213,184)
 Beginning Net Position	3,488,205
 Ending Net Position	\$ 3,275,021

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**  
**STATEMENT OF CASH FLOW - 1**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

	December 31, 2014
<b>Cash Flow From Operating Activities</b>	
Receipts from Tenants	\$ 343,586
Receipts from Federal Grants	3,076,517
Receipts from Misc. Sources	96,598
Payments to Vendors and Suppliers	(538,397)
Payments for Housing Assistance Payments	(2,582,138)
Payments to Employees	(245,061)
Payment of Employee Benefits	(286,868)
Net Cash (Used) by Operating Activities	(135,763)
<b>Cash Flow From Capital and Related Financing Activities</b>	
Receipts from Capital Grants	61,103
Acquisitions and Construction of Capital Assets	(53,861)
Principal Payments made on Mortgage	(20,000)
(Payment) of Tenant Security Deposits	2,480
Net Cash (Used) by Capital and Related Financing Activities	(10,278)
<b>Cash Flow From Investing Activities</b>	
Interest Income	-
Net Cash Provided by Investing Activities	-
Net (Decrease) in Cash and Cash Equivalents	(146,041)
<b>Beginning Cash</b>	814,286
<b>Ending Cash</b>	\$ 668,245
<u>Reconciliation of Cash Balances:</u>	
Cash and Cash Equivalents - Unrestricted	\$ 480,962
Tenant Security Deposit	32,102
CFP Leveraging Cash	137,750
FSS Escrow Account	17,431
Total Ending Cash	\$ 668,245

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**  
**STATEMENT OF CASH FLOW - 2**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

	December 31, 2014
<b>Reconciliation of Operating Income to Net Cash</b>	
(Used) by Operating Activities	
Excess of Expenses Over Revenue	\$ (274,287)
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:	
Depreciation Expense - net of adjustments	195,145
(Increase) Decrease in:	
Accounts Receivables	(116,589)
Prepaid Expenses	2,184
Increase (Decrease) in:	
Accounts Payable	(6,674)
Accrued Liabilities	6,175
Unearned Revenue	31
Noncurrent Liabilities - Other	(851)
Compensated Absences - Non current	9,342
Accrued Other Post-Employment Benefits Liabilities	49,761
Net Cash (Used) by Operating Activities	\$ (135,763)

See accompanying notes to the financial statements.

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

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

**1. Organization** - The Authority is a governmental, public corporation which was organized under the laws public corporation created under federal and state housing laws as defined by State statute (N.J., S.A. 4A: the Housing Authority Act) for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the Township of Weehawken in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD).

The Authority is governed by a Board of Commissioners which is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the State of New Jersey Department of Community Affairs. An Executive Director is appointed by the Housing Authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance, and management of public housing for low and moderate income families residing in the Township of Weehawken. Operating and modernization subsidies are provided to the Authority by the federal government.

The financial statements include all the accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The Authority is not included in any governmental "reporting entity" since its board members; while they are appointed primarily by the Mayor of Weehawken and Township Council, the Board of Commissioners have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters. The Authority has also concluded that it is excluded from the Township of Weehawken reporting entity.

Based on the following criteria, the Authority has not identified any entity which should be subject to evaluation for inclusion in the Authority's reporting entity. The criteria for including or excluding a component unit relationship as set forth in Section 2100 of GASB's Codification of governmental Accounting and Financial Reporting Standards, include whether:

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



# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **2. Significant Accounting Policies**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Authority has determined that the applicable measurement focus (flow of economic resources) and accounting basis (accrual) is similar to that of a commercial enterprise. As such, the use of proprietary funds best reflects the activities of the Authority. Entities using this method observe all Financial Accounting Standards Board (FASB) Statements and Interpretations in the preparation of financial statements, unless the GASB has specifically addressed the accounting issue in one of its own pronouncements. GASB-20-“Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting” addresses the applicability of the various FASB’s, and allows several options in the use of the FASB’s. The Authority has elected to use Alternative 2 of GASB-20 which states that “a proprietary activity may also apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Authority follows GASB-45-“Accounting for Pensions by State and Local Governmental Employers.”

### **Basis of Accounting –**

The financial statements of the Authority are prepared under the accrual basis of accounting in order to recognize the flow of economic resources. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Revenues and expenses are recognized on the accrual basis, with revenues recognized in the accounting period in which they are earned and become measurable, and expenses recognized in the period incurred, if measurable. Operating revenue and expenses consist of those revenue and expenses that result from ongoing principal operations of the Authority. All assets, liabilities, net positions, revenue, and expenses are accounting for through a single enterprise fund for the primary government.

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

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

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **Basis of Accounting – Continued**

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

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

Tenants dwelling rental charges are determined and billed monthly and are recognized as revenue when assessed because they are measurable and are collectible within the current period. The amounts not received by December 31, are considered to be accounts receivable and any amounts received for subsequent period are recorded as deferred revenue.

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

HUD Section 8 Housing Choice Voucher Assistance Program receives from HUD an Annual Budget Amount (ABA) during the year in accordance with applicable HUD program guidelines. As of January 1, 2005 excess funds disbursed by HUD to the Authority for the payment of HAP's that are not utilized are not returned to HUD, but become part of the undesignated fund balance and may only be used to assist additional families up to the number of units under contract.

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

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

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

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **Basis of Accounting – Continued**

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

### **Report Presentation -**

The Authority's basic financial statements are presented on an entity-wide basis consisting of various housing programs. The financial statements included in this report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America. In accordance with GASB Statement No. 34, the report includes Management's Discussion and Analysis. The Authority has implemented the general provisions of GASB Statement No. 34.

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

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

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

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

### Net Investment in Capital Assets.

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

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **Report Presentation – Continued**

#### Restricted Net Position

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

#### Unrestricted Net Position

The net position consists of net assets that do not meet the definition of Restricted Net Position or Invested in Capital Assets, Net of Related Debt.

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

### **Other accounting policies are as follows**

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

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

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

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

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

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

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

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

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **Other accounting policies - Continued**

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

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

11- Advertising cost is charged to expense when incurred.

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

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

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

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **Other accounting policies - Continued**

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

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

### **Budgetary and Policy Control –**

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

Budgetary Comparison under GASB No. 34, budgetary comparison information is required to be presented for the Low Rent Housing Program and the Housing Choice Voucher Program which the Board of Commissions has legally adopted the budget during the year. The budgetary comparison schedules have been provided for these programs to demonstrate compliance with the budgets. The comparison of actual results to the Authority's for the Low Income Public Housing Program found on page 46 the Section Eight Housing Choice Voucher Program on page 47.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements  
December 31, 2014

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

<u>Program</u>	<u>CFDA #</u>	<u>Project #</u>	<u>Units Authorized</u>
<u>Public Housing</u>			
Low Rent Housing	14.850	NJ-77	99
Capital Fund	14.872		N/A
<u>Section 8</u>			
Housing Choice Vouchers	14.871	NJ-77-	350

Low Rent Public Housing Program

The Low Rent Public Housing Program is designed to provide low-cost housing within the Township of Weehawken. Funding is provided by eligible residents who are charged monthly rent based on family size, family income and other determinants, as well as by subsidies provided by HUD.

Capital Fund Programs

Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. These programs are financed by HUD subsidies. The capital fund programs are now merged into the low rent public housing program.

Housing Choice Vouchers Program

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

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

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

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

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

1. The ability of the Board to exercise supervision of a component unit's financial independence.
2. The Board's governing authority extends to financial decision making authority and is held primarily accountable for decisions.
3. The Board appoints the management of the Authority who is responsible for the day-to-day operations and this management are directly accountable to the Board.
4. The ability of the Board to significantly influence operations through budgetary approvals, signing and authorizing contracts, exercising control over facilities, and approving the hiring or retention of key managerial personnel.
5. The ability of the Board to have absolute authority over all funds of the Authority and have accountability in fiscal matters.

### **NOTE 2 - ESTIMATES**

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

### **NOTE 3 - PENSION PLAN**

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

Membership is mandatory for such employees. Contributions to the plan are made by both the employee and the Authority. Required employee contributions to the system are based on a flat rate determined by the New Jersey Division of Pensions for active plan members. Benefits paid to retired employees are based on length of service, latest



# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **NOTE 3 - PENSION PLAN - CONTINUED**

earnings, and veteran status. Authority contributions to the system are determined by PERS and are billed annually to the Authority.

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

On the web:

<http://www.state.nj.us/treasury/pensions/pdf/financial/2014divisioncombined.pdf>

#### Post Employment Retirement Benefits

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

#### Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and Chapter 115, P.L. of 1998, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employer's contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 6.64% of base wages. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments, the cost of medical premiums after retirement for qualified retirees, and noncontributory death benefits. The Authority's contribution for 2014 amounted to \$34,159.

### **NOTE 4 - CASH, CASH EQUIVALENTS**

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 4 - CASH, CASH EQUIVALENTS - CONTINUED**

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority. These funds at various banks are collateral pledge under the New Jersey Government Code of the Banking Law.

Collateral for Deposits

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

The Authority has total unrestricted cash, cash equivalents at December 31, 2014 in the amount of \$480,962 and restricted cash in the amount of \$187,283 which consists of the following:

	<u>December-14</u>
Wells Fargo	\$ 397,266
Bank of New Jersey	270,779
Petty Cash	200
Total Cash, Cash Equivalents	<u>\$ 668,245</u>

Below is the detail of the restricted cash amounts for December 31, 2014 in the amount of \$187,283:

	<u>December-14</u>
FSS Escrow Account	\$ 17,431
Tenant Security Deposits	32,102
CFP Leveraging Account	137,750
Total Restricted Cash	<u>\$ 187,283</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 4 – CASH, CASH EQUIVALENTS -CONTINUED**

**Risk Disclosures**

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At December 31, 2014, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

Credit Risk

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

The custodial credit risk categories are described as follows:

<u>Depository Accounts</u>	
	<u>December-14</u>
Insured	\$ 500,200
Collateralized held by pledging bank's trust department in the Authority's name	168,045
Total Cash	<u>\$ 668,245</u>

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements  
December 31, 2014

**NOTE 5 - ACCOUNTS RECEIVABLE**

Accounts Receivable at December 31, 2014 consisted of the following:

	<u>December-14</u>
Accounts Receivable - Town of Weehawken	57,525
Accounts Receivable - Salaries and Management Fees	92,398
Accounts Receivable - Tenants	168
Total Accounts Receivable	<u>\$ 150,091</u>

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

**NOTE 6 - INTERFUND ACTIVITY**

Interfund activity is reported as short term loans, services provided during the course of operations, reimbursements, or transfers. Short term loans are reported as interfund short term receivables and payable as appropriate. The amounts between the various programs administered by the Authority at December 31, 2014 are detailed on the Financial Data Schedule of this report. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

**NOTE 7 - FIXED ASSETS**

Fixed assets consist primarily of expenditures to acquire, construct, place in operations, and improve the facilities of the Authority and are stated at cost as determined by an appraisal. Expenditures for repairs, maintenance and minor renewals are charged against income in the year they are incurred. Major renewals and betterment are capitalized. Expenditures are capitalized when they meet the Capitalization Policy requirements. Under the policy, assets purchased or constructed at a cost not exceeding \$1,000 are expensed when incurred.

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

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

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements  
December 31, 2014

**NOTE 7 - FIXED ASSETS - CONTINUED**

The Housing Authority of the Township of Weehawken has given consideration to the GASBS #42, Accounting for the Impairment or Disposal of Long-Lived Assets, in the preparation of these financial statements.

The carrying value of long-live assets in accordance with GASBS #42, when indications of an impairment are present, the recoverability of the carrying value of the asset in question are assessed based on the future undiscounted cash flow expected to result from their use. If the carrying value cannot be recovered, impairment losses would be recognized to the extent the carrying value exceeds fair value. The Authority has not recognized any impairment in the carry value of its fixed assets at December 31, 2014.

Below is a schedule of changes in fixed assets for the twelve months ended December 31, 2014:

	December-13	Additions	Deletion	December-14
Land	\$ 250,000	\$ -	\$ -	\$ 250,000
Building	6,307,772	9,888	-	6,317,660
Furniture, Equipment - Dwelling	608,584	-	-	608,584
Furniture, Equipment - Administration	145,172	2,870	(19,762)	128,280
Construction in Process	819,673	41,103	-	860,776
Total Fixed Assets	8,131,201	53,861	(19,762)	8,165,300
Accumulated Depreciation	(4,671,534)	(195,145)	19,762	(4,846,917)
Net Book Value	\$ 3,459,667	\$ (141,284)	\$ -	\$ 3,318,383

Below is a schedule of the net book value of the fixed assets for the Authority as of December 31, 2014:

	December-14
Land	\$ 250,000
Building	2,199,947
Furniture, Equipment - Dwelling	-
Furniture, Equipment - Administration	7,660
Construction in Process	860,776
Net Book Value	\$ 3,318,383

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 8 – ACCOUNTS PAYABLE**

The Authority reported accounts payable on its Statement of Net Position as of December 31, 2014. Accounts payable vendors are amount owed to creditors as a result of delivered goods and completed services. Accounts payable at December 31, 2014 consist of the following:

	<u>December-14</u>
Accounts Payable Vendors	\$ 32,547
Accounts Payable - Other Government	19,414
Excess Shortfall Funding Payable to HUD	105,862
Total Accounts Payable	<u>\$ 157,823</u>

**NOTE 9 – ACCOUNTS PAYABLE – OTHER GOVERNMENT (PILOT PAYABLE)**

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the Township of Weehawken. Under the Cooperation Agreements, the Authority must pay the municipality the littlest of 10% of its net shelter rent or the approximate full real property taxes. PILOT payable at December 31, 2014 consist of the following:

	<u>December-14</u>
Balance Beginning of Year	\$ (2,184)
P.I.L.O.T. Accrued	21,598
Less: Payments Made	-
Total P.I.L.O.T. Payable	<u>\$ 19,414</u>

**NOTE 10 – ACCRUED EXPENSES**

The Authority reported accrued expenses on its Statement of Net Position. Accrued expenses are liabilities incurred on or before December 31. Accrued liabilities at December 31, 2014 consist of the following:

	<u>December-14</u>
Compensated Absences - Current Portion	\$ 5,848
Accrued Wages/Payroll Taxes	4,778
Accrued Interest Payable	2,748
Accrued Liabilities - Vendor Invoices	13,481
Total Accrued Liabilities	<u>\$ 26,855</u>

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **NOTE 11 – ACCRUED COMPENSATED ABSENCES**

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

An employee may not carry over unused vacation days in which the vacation days are earned. When an employee's employment terminated, the employee will be entitled to receive payment for any unused accumulated vacation time earned within the previous 12 month time period.

Unused sick leave may be carried to future periods and used in the event of extended illness. In the event of voluntary resignation of employment, an employee shall be entitled to be paid for half (1/2) of unused sick time, not to exceed \$15,000.

For December 31, 2014 the Authority has determined that the potential liability for accumulated vacation time, sick leave, and terminal pay to be as follows:

	<u>December-14</u>
Accumulated Sick Time	\$ 35,578
Accumulated Vacation Time	18,748
Total	<u>54,326</u>
FICA Expense	4,158
Total Compensated Absences	<u>58,484</u>
Compensated Absences - Current Portion	<u>(5,848)</u>
Total Compensated Absences - Noncurrent	<u>\$ 52,636</u>

### **NOTE 12 – UNEARNED REVENUE**

The Authority reported unearned revenues on its Statement of Net Position. Unearned revenues arise when resources are received by the Authority before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized. The unearned revenue account balance at December 31, 2014 is \$37 consists of prepaid rents for January 2015.

### **NOTE 13 – LONG TERM DEBT**

At December 31, 1999, the Authority's Long Term Debt (guaranteed by HUD), in accordance with HUD's GAAP Conversion Guide, the Long Term Debt and related debt service accounts were written off.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 14 – LONG TERM DEBT – MORTGAGE PAYABLE**

During the fiscal year ended December 31, 2007 the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency issued tax exempt, twenty year Capital Fund Program Revenue Bonds, 2007 Series A. The Authority's share of the funds from the bond issue pool amounted to \$450,000. The bond matures in twenty years from the date issued and carries an interest rate of 4.50%.

The net funds received from the leveraging pool are restricted and must be spent in accordance with the Authority's Capital Fund Budget within four years. The opening balance of \$433,518 was recorded as restricted cash until such time the funds are expended in accordance with the Authority's Capital Fund budget. The balance at December 31, 2014 is \$340,000.

The annual debt service requirements to maturity, including principal and interest are as follows:

Year	Principal	Interest	Total Payment
2015	\$ 20,000	\$ 16,250	\$ 36,250
2016	20,000	15,350	35,350
2017	20,000	14,450	34,450
2018	20,000	13,500	33,500
2019	25,000	12,375	37,375
Subtotal	105,000	71,925	176,925
2020 - 2024	135,000	42,625	177,625
2025 - 2027	100,000	7,750	107,750
Subtotal	235,000	50,375	285,375
Total	\$ 340,000	\$ 122,300	\$ 462,300



**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION**

The Authority’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of employer (“ARC”) , an amount actuarially determined in accordance with parameters of GASB Statement No. 45 . The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years.

The following table shows the components of the Authority’s annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Authority’s net OPEB obligation to the plan:

	<u>December-14</u>
Annual Required Contribution (ARC)	\$ 45,920
Interest on net OPEB obligation	9,253
Adjustment to ARC	<u>25,422</u>
Annual OPEB cost (expense)	80,595
Contributions made	<u>(30,834)</u>
Increase in net OPEB obligation	49,761
Net OPEB Obligation – beginning of year	<u>185,053</u>
Net OPEB Obligation – end of year	<u><u>\$ 234,814</u></u>

The Authority’s annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2014 fiscal year is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December-12	\$ 82,685	42.5%	\$ 47,512
December-13	\$ 82,685	42.5%	\$ 47,512
December-14	\$ 80,595	38.3%	\$ 49,761

**FUNDED STATUS AND FUNDING PROGRESS**

As of January 1, 2014, the most recent valuation date, the plan was 0.0% funded. The actuarial liability for benefits was \$925,528, and the actuarial value of assets was \$-0-, resulting in an unfunded accrued liability (UAL) of \$925,828.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION – CONTINUED**

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

EFFECT OF A 1% CHANGE IN HEALTHCARE TREND RATES

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase to \$1,068,345 or by 15.4% and the corresponding Normal Cost would increase to \$6,486 or by 22.7%.

ACTUARIAL METHODS AND ASSUMPTIONS

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

- Actuarial Cost Method Projected Unit Credit
  - Investment Rate of Return 5.00% per annum
  - Healthcare Cost Trend Assumption:
- |                  | Year          | Pre - 65 | Post - 65 |
|------------------|---------------|----------|-----------|
| Initial Trend    | 2015          | 8.00%    | 8.00%     |
| Ultimate Trend   | 2019 or Later | 5.00%    | 5.00%     |
| Grading per Year |               | 1.00%    | 1.00%     |
- Actuarial Value of Assets: Market Value
  - Amortization of UAAL: Amortized as fixed dollar basis over 30 years at transition
  - Remaining Amortization Period: 26 years at January 1, 2014

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION – CONTINUED**

Reconciliation of Plan Participation (As of January 1, 2014) Active Employees:

	<u>December-14</u>
Number of Active Employees	7
Average Age - Actives	64.3
Average Years of Service - Actives	11.4
Number of Retired Employees	2
Average Age - Retirees	62.5

SUMMARY OF CHANGES TO UNFUNDED ACCRUED LIABILITY

Below is a schedule the items that caused the increase in the UAL from the initial actuarial valuation of the unfunded accrued liability as of January 1, 2014:

Initial Valuation of UAL January 1, 2010	\$ 494,392
Impact due to incremental fees and costs of healthcare reform	53,218
Impact due to changes in employee counts	244,615
Impact from prior valuations	49,808
Impact due to changes in retiree contributions rates/demographics	83,495
Total UAL as of January 1, 2014	<u>\$ 925,528</u>

**NOTE 16 – RESTRICTED NET ASSETS**

The Authority restricted net position account balance at December 31, 2014 is \$137,750. The portion that is attributed to the State Leveraging Bond fund is \$137,750.

Housing Choice Voucher Program HUD Held Reserves Funds

Effective January 1, 2012, HUD was required to control the disbursement of funds in such a way that the Authority does not receive funds before they are needed, resulting in the re-establishment of HUD held program reserves to comply with the Treasury requirements. HUD held reserve is a holding account at the HUD level that maintains the excess of HAP funds that have been obligated (ABA) but undisbursed to the Authority. The excess HAP funds will remain obligated but not disbursed to the Authority. HUD will hold these funds until needed by the Authority. The amount of HUD held reserves for the Authority at December 31, 2014 was \$61,121.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**

Notes to Financial Statements

December 31, 2014

**NOTE 17 – UNRESTRICTED NET POSITION**

The Authority’s unrestricted net position account balance at December 31, 2014 is \$158,888. The detail of the account balance is as follows:

	LIH Program Reserves	HCV ADM Reserves	Total
Balance December 31, 2012	\$ 318,155	\$ 35,017	\$ 353,172
Decrease During the Year	(116,579)	(31,868)	(148,447)
Balance December 31, 2013	201,576	3,149	204,725
Increase During the Year	-	28,726	28,726
Decrease During the Year	(74,563)	-	(74,563)
Balance December 31, 2014	\$ 127,013	\$ 31,875	\$ 158,888

Housing Choice Voucher Program - Reserves

Administrative fee paid by HUD to the Authority in excess of administrative expenses are also part of the undesignated fund balance and are considered to be administrative fee reserves. Administrative fee reserves accumulated prior to January 1, 2005 are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR 982.155 – i.e. other housing purposes permitted by state and local law. Excess administrative fees earned in 2005 and subsequent years must be used for activities related to the provision of tenant based rental assistance authorized under Section 8 of the United States Housing Act of 1937, including related development activities.

The Authority has \$1,158 pre-2004 administrative fee equity for the Housing Choice Voucher Program.

**NOTE 18 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. During the year ended December 31, 2014, the Authority’s risk management program, in order to deal with the above potential liabilities, purchased various insurance policies for fire, general liability, crime, auto, employee bond, worker’s compensation, and public-officials errors omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its buildings for the purpose of determining potential liability issues.

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **NOTE 19 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES**

Pursuant to the Annual Contribution Contract, HUD makes annual debt service contributions to the Authority for each permanently financed project in the amount equal to the debt service on its bonds, plus, if necessary, an amount to fully amortize the Authority's indebtedness represented by permanent notes or project notes. Accrued HUD contributions for the year ended December 31, 2014 were \$ - 0 -.

HUD also contributes an additional operating subsidy approved in the operating budget under the Annual Contribution Contract. Additional operating subsidy contributions for the year ended December 31, 2014 was in the amount of \$292,157.

Annual Contributions Contracts for the Section 8 Housing Choice Voucher Program to provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low income families. The programs provide for such payment with respect to existing housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expense. HUD contributions for the Housing Choice Voucher for December 31, 2014 were in the amount of \$2,764,338.

### **NOTE 20 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

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

Governmental Accounting Standards Boards Statements (GASBS) requires disclosure in financial statements of a situation where one entity provides more than 10% percent of the audited entity's revenues. Total financial support by HUD was \$3,140,687 to the Authority which represents approximately 88% percent of the Authority's total revenue for the year ended December 31, 2014.

# HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN

## Notes to Financial Statements

December 31, 2014

### **NOTE 21 - CONTINGENCIES**

Litigation – At December 31, 2014, the Authority was not involved in any threatening litigation.

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

### **NOTE 22 – SUBSEQUENT EVENTS**

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued, must be evaluated for recognition or disclosed. The effects of subsequent events that provide evidence about conditions that existed after the Statement of Net Position's date required disclosure in the accompanying notes. Management has evaluated the activity of the Authority thru July 21, 2015; the date which the financial statements were available for issue and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

Programs funded by the U.S. Department of Housing  
and Urban Development: Subject to Annual Contribution Contract

	<u>CFDA#</u>	<u>Expenditures</u>
<u>PHA Owned Housing</u>		
Low Rent Public Housing	14.850	\$ 292,157
Public Housing Capital Fund Program	14.872	84,192
Subtotal		<u>376,349</u>
 <u>Rental Assistance Housing Programs</u>		
Housing Choice Vouchers	14.871	2,764,338
Subtotal		<u>2,764,338</u>
Total Awards		<u>\$ 3,140,687</u>

**Note 1. Presentation:**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of the Township of Weehawken. The information in this schedule is presented in accordance with those requirements of OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of the Housing Authority of the Township of Weehawken, it is not intended to and does not present the financial position, change in net position, or cash flow of the Housing Authority of the Township of Weehawken.

**Note 2. Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowed or limited as to reimbursement.

**Note 3. Loans Outstanding:**

The Housing Authority of the Township of Weehawken had \$340,000 as a loan balance outstanding at December 31, 2014. Note 14 presented on page 38 of this report have full disclosure regarding the loan activity for the Housing Authority of the Township of Weehawken.

**Note 4. Sub recipients:**

Of the federal expenditures presented in the schedule above, the Housing Authority of the Township of Weehawken did not provide federal awards to any sub recipients.

**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN**  
**BUDGETARY COMPARISON SCHEDULE**  
**LOW RENT PUBLIC HOUSING PROGRAM**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

	Actual Results	Budget Approved Amount	Variance to Budget Positive (Negative)
<b>Revenue:</b>			
Tenant Rental Revenue	\$ 343,430	\$ 348,190	\$ (4,760)
HUD PHA Operating Grants	315,245	280,287	34,958
Other Revenue	82,837	24,000	58,837
Total Revenue	<u>741,512</u>	<u>652,477</u>	<u>89,035</u>
<b>Operating Expenses:</b>			
<b>Administration:</b>			
Administrative Salaries	85,564	94,570	9,006
Audit Fee's	12,500	12,500	-
Employee Benefit Contributions	110,209	63,355	(46,854)
Other Operating Administrative Expenses	126,296	98,850	(27,446)
Total Administrative Expenses	<u>334,569</u>	<u>269,275</u>	<u>(65,294)</u>
<b>Tenant Services:</b>			
Tenant Services Other	583	7,500	6,917
Total Tenant Services	<u>583</u>	<u>7,500</u>	<u>6,917</u>
<b>Utilities:</b>			
Water	24,494	25,300	806
Electricity	76,958	74,490	(2,468)
Sewer	25,969	24,710	(1,259)
Total Utilities	<u>127,421</u>	<u>124,500</u>	<u>(2,921)</u>
<b>Maintenance:</b>			
Maintenance Labor	60,050	73,240	13,190
Materials	23,845	15,000	(8,845)
Maintenance Contract Cost	65,745	56,000	(9,745)
Employee Benefit Contributions	67,651	49,065	(18,586)
Total Maintenance	<u>217,291</u>	<u>193,305</u>	<u>(23,986)</u>
<b>Other Operating Expenses:</b>			
Insurance	33,770	36,400	2,630
Payment in Lieu of Taxes	21,598	22,370	772
Other General Expenses	51,176	1,200	(49,976)
Total Other Operating Expenses	<u>106,544</u>	<u>59,970</u>	<u>3,402</u>
Total Operating Expenses	<u>786,408</u>	<u>654,550</u>	<u>(81,882)</u>
Excess Revenue Over Expenses From Operations	<u>(44,896)</u>	<u>(2,073)</u>	<u>(42,823)</u>
<b>Other Income and (Expenses):</b>			
Investment Income - Unrestricted	-	2,200	(2,200)
Principal Payment of Debt	(20,000)	-	(20,000)
Transfer to Restricted Net Assets	(4)	-	(4)
Purchase of Equipment	(9,663)	(10,000)	337
Total Other (Expenses) and Income	<u>(29,667)</u>	<u>(7,800)</u>	<u>(21,867)</u>
Excess Expenses Over Revenue	<u>\$ (74,563)</u>	<u>\$ (9,873)</u>	<u>\$ (64,690)</u>

See accompanying notes to the financial statements.



**HOUSING AUTHORITY OF THE TOWNSHIP OF WEEHAWKEN  
BUDGETARY COMPARISON SCHEDULE  
HOUSING CHOICE VOUCHER PROGRAM  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

	Actual Results	Budget Approved Amount	Variance to Budget Positive (Negative)
<b>Revenue - Annual Contribution Required</b>			
Housing Assistance Payments	\$ 2,522,634	\$ 2,525,000	\$ (2,366)
Ongoing Administrative Fees Earned	241,704	226,500	15,204
Other Revenue	13,761	1,500	12,261
Total Revenue	<u>2,778,099</u>	<u>2,753,000</u>	<u>25,099</u>
<b>Operating Expenses:</b>			
Administration:			
Administrative Salaries	89,447	94,390	4,943
Audit Fee's	2,500	2,500	-
Employee Benefit Contributions	59,247	62,000	2,753
Other Operating Administrative Expenses	20,082	37,850	17,768
Total Administrative Expenses	<u>171,276</u>	<u>196,740</u>	<u>25,464</u>
Other Operating Expenses:			
Other General Expenses	42,026	31,600	(10,426)
Housing Assistance Payments	2,582,138	2,525,000	(57,138)
Total Other Operating Expenses	<u>2,624,164</u>	<u>2,556,600</u>	<u>(67,564)</u>
Total Operating Expenses	<u>2,795,440</u>	<u>2,753,340</u>	<u>(42,100)</u>
Excess Expenses Over Revenue From Operations	<u>(17,341)</u>	<u>(340)</u>	<u>(17,001)</u>
Other Income and (Expenses):			
Interest Income	-	1,000	(1,000)
Transfer In From HAP Reserve	46,067	-	46,067
Total Other Income and (Expenses)	<u>46,067</u>	<u>1,000</u>	<u>(1,000)</u>
Excess Revenue Over Expenses	<u>\$ 28,726</u>	<u>\$ 660</u>	<u>\$ 28,066</u>

See accompanying notes to the financial statements.

## Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14,871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$281,856	\$199,106	\$480,962	\$480,962
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted	\$137,750	\$17,431	\$155,181	\$155,181
114 Cash - Tenant Security Deposits	\$32,102		\$32,102	\$32,102
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$451,708	\$216,537	\$668,245	\$668,245
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government	\$57,525		\$57,525	\$57,525
125 Accounts Receivable - Miscellaneous	\$61,553	\$30,845	\$92,398	\$92,398
126 Accounts Receivable - Tenants	\$168		\$168	\$168
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$119,246	\$30,845	\$150,091	\$150,091
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 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$570,954	\$247,382	\$818,336	\$818,336
161 Land	\$250,000		\$250,000	\$250,000
162 Buildings	\$6,317,660		\$6,317,660	\$6,317,660
163 Furniture, Equipment & Machinery - Dwellings	\$608,584		\$608,584	\$608,584
164 Furniture, Equipment & Machinery - Administration	\$128,280		\$128,280	\$128,280
165 Leasehold Improvements	\$0		\$0	\$0
166 Accumulated Depreciation	-\$4,846,917		-\$4,846,917	-\$4,846,917
167 Construction in Progress	\$860,776		\$860,776	\$860,776
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,318,383	\$0	\$3,318,383	\$3,318,383
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$3,318,383	\$0	\$3,318,383	\$3,318,383

See accompanying notes to the financial statements

## Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14,871 Housing Choice Vouchers	Subtotal	Total
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$3,889,337	\$247,382	\$4,136,719	\$4,136,719
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$32,547		\$32,547	\$32,547
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$3,547	\$1,231	\$4,778	\$4,778
322 Accrued Compensated Absences - Current Portion	\$4,929	\$919	\$5,848	\$5,848
324 Accrued Contingency Liability				
325 Accrued Interest Payable	\$2,748		\$2,748	\$2,748
331 Accounts Payable - HUD PHA Programs		\$105,862	\$105,862	\$105,862
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$19,414		\$19,414	\$19,414
341 Tenant Security Deposits	\$32,102		\$32,102	\$32,102
342 Unearned Revenue	\$37		\$37	\$37
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$20,000		\$20,000	\$20,000
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other	\$13,481		\$13,481	\$13,481
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$128,805	\$108,012	\$236,817	\$236,817
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$320,000		\$320,000	\$320,000
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other		\$17,431	\$17,431	\$17,431
354 Accrued Compensated Absences - Non Current	\$44,364	\$8,272	\$52,636	\$52,636
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities	\$153,022	\$81,792	\$234,814	\$234,814
350 Total Non-Current Liabilities	\$517,386	\$107,495	\$624,881	\$624,881
300 Total Liabilities	\$646,191	\$215,507	\$861,698	\$861,698
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$2,978,383		\$2,978,383	\$2,978,383
511.4 Restricted Net Position	\$137,750	\$0	\$137,750	\$137,750
512.4 Unrestricted Net Position	\$127,013	\$31,875	\$158,888	\$158,888
513 Total Equity - Net Assets / Position	\$3,243,146	\$31,875	\$3,275,021	\$3,275,021
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,889,337	\$247,382	\$4,136,719	\$4,136,719

See accompanying notes to the financial statements

## Weehawken Housing Authority (NJ077)

WEEHAWKEN, NJ

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End:

12/31/2014

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	\$343,430		\$343,430	\$343,430
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$343,430	\$0	\$343,430	\$343,430
70600 HUD PHA Operating Grants	\$315,246	\$2,764,338	\$3,079,584	\$3,079,584
70610 Capital Grants	\$61,103		\$61,103	\$61,103
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted				
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$82,836	\$13,761	\$96,597	\$96,597
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$802,615	\$2,778,099	\$3,580,714	\$3,580,714
91100 Administrative Salaries	\$95,564	\$89,447	\$185,011	\$185,011
91200 Auditing Fees	\$12,500	\$2,500	\$15,000	\$15,000
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$110,209	\$59,247	\$169,456	\$169,456
91600 Office Expenses	\$115,643	\$20,082	\$135,725	\$135,725
91700 Legal Expense	\$389		\$389	\$389
91800 Travel	\$264		\$264	\$264
91810 Allocated Overhead				
91900 Other				
91000 Total Operating - Administrative	\$334,569	\$171,276	\$505,845	\$505,845
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$583		\$583	\$583
92500 Total Tenant Services	\$583	\$0	\$583	\$583
93100 Water	\$24,494		\$24,494	\$24,494
93200 Electricity	\$76,958		\$76,958	\$76,958
93300 Gas				
93400 Fuel				
93500 Labor				

See accompanying notes to the financial statements

## Weehawken Housing Authority (NJ077)

WEEHAWKEN, NJ

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End:

12/31/2014

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
93600 Sewer	\$25,969		\$25,969	\$25,969
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$127,421	\$0	\$127,421	\$127,421
94100 Ordinary Maintenance and Operations - Labor	\$60,050		\$60,050	\$60,050
94200 Ordinary Maintenance and Operations - Materials and Other	\$23,845		\$23,845	\$23,845
94300 Ordinary Maintenance and Operations Contracts	\$65,745		\$65,745	\$65,745
94500 Employee Benefit Contributions - Ordinary Maintenance	\$67,651		\$67,651	\$67,651
94000 Total Maintenance	\$217,291	\$0	\$217,291	\$217,291
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$16,885		\$16,885	\$16,885
96120 Liability Insurance	\$8,442		\$8,442	\$8,442
96130 Workmen's Compensation	\$8,443	\$3,898	\$12,341	\$12,341
96140 All Other Insurance				
96100 Total Insurance Premiums	\$33,770	\$3,898	\$37,668	\$37,668
96200 Other General Expenses	\$729	\$26,567	\$27,296	\$27,296
96210 Compensated Absences	\$10,638	\$1,609	\$12,247	\$12,247
96300 Payments in Lieu of Taxes	\$21,598		\$21,598	\$21,598
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense	\$39,809	\$9,952	\$49,761	\$49,761
96000 Total Other General Expenses	\$72,774	\$38,128	\$110,902	\$110,902
96710 Interest of Mortgage (or Bonds) Payable	\$16,905		\$16,905	\$16,905
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$16,905	\$0	\$16,905	\$16,905
96900 Total Operating Expenses	\$803,313	\$213,302	\$1,016,615	\$1,016,615
97000 Excess of Operating Revenue over Operating Expenses	-\$698	\$2,564,797	\$2,564,099	\$2,564,099
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$2,568,929	\$2,568,929	\$2,568,929
97350 HAP Portability-In		\$13,209	\$13,209	\$13,209
97400 Depreciation Expense	\$195,145		\$195,145	\$195,145
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				

See accompanying notes to the financial statements

## Weehawken Housing Authority (NJ077)

WEEHAWKEN, NJ

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End:

12/31/2014

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$998,458	\$2,795,440	\$3,793,898	\$3,793,898
10010 Operating Transfer In	\$2,903		\$2,903	\$2,903
10020 Operating transfer Out	-\$2,903		-\$2,903	-\$2,903
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$195,843	-\$17,341	-\$213,184	-\$213,184
11020 Required Annual Debt Principal Payments	\$20,000	\$0	\$20,000	\$20,000
11030 Beginning Equity	\$3,438,989	\$49,216	\$3,488,205	\$3,488,205
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity		\$32,103	\$32,103	\$32,103
11180 Housing Assistance Payments Equity		-\$228	-\$228	-\$228
11190 Unit Months Available	1188	4200	5388	5388
11210 Number of Unit Months Leased	1173	3440	4613	4613
11270 Excess Cash	\$238,926		\$238,926	\$238,926
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$41,103		\$41,103	\$41,103
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0	\$0
11650 Leasehold Improvements Purchases	\$0		\$0	\$0
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$20,000		\$20,000	\$20,000
13901 Replacement Housing Factor Funds	\$0		\$0	\$0

See accompanying notes to the financial statements