

HOUSING AUTHORITY OF THE
TOWN OF HARRISON
Harrison, New Jersey

COMPARATIVE FINANCIAL STATEMENTS
For the Two Years Ended March 31, 2014

Harrison, New Jersey
FINANCIAL STATEMENTS
For the Fiscal Years ended March 31, 2014 and 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS
Housing Authority of the Town of Harrison
Fiscal Year Ended March 31, 2014

As Management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2013. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

A Financial Highlights

- 1 – The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,726,973 (net position) as opposed to \$7,060,470 for the prior fiscal year.
- 2 – As of the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Position of \$485,003.
- 3 – The Authority's cash, cash equivalent and investment balances at March 31, 2014 was \$1,024,290, representing a decrease of \$33,502 from the prior fiscal year.
- 4 – The Authority had Total Operating Revenues of \$2,278,036 and Total Operating Expenses of \$2,964,219 (including depreciation \$589,119) for the year ended March 31, 2014.
- 5 – The Authority's capital outlays for the fiscal year were \$350,117.
- 6 – The Authority's Expenditures of Federal Awards amounted to \$1,060,981 for the fiscal year.

B Using the Annual Report

1 – Management's Discussion and Analysis

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

2 – Financial Statements

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

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

The Comparative Statements of Revenues, Expenses, and Changes in Net Position present information showing how the Authority's net position changed during the most recent fiscal year. All

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Housing Authority of the Town of Harrison

changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g.; depreciation and earned but unused vacation leave).

The financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 9 through 11.

3 – Notes To Financial Statements

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

4 – Supplemental Information

The schedule of expenditures of Federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The schedule of expenditures of Federal awards can be found on page 21 of this report.

C The Authority as a Whole

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

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

D Budgetary Highlights

For the year ended March 31, 2014 individual program or grant budgets were prepared by Authority management and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. (Also, the Authority adopted a comprehensive annual budget for the General Fund.) The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

As indicated by the excess of revenues over expenses, when adjusted by depreciation expense, the Authority's Net Position remained relatively constant during the fiscal year. This is indicative of the Authority operating within its budgetary limitations in total, for all its programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
Housing Authority of the Town of Harrison

E Capital Assets and Debt Administration

1 – Capital Assets

As of March 31, 2014, the Authority's investment in capital assets for its Proprietary Fund was \$6,241,970 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress.

Major capital assets purchased from grants of \$350,117 during the fiscal year pertained to expenditures made in accordance with the Authority's Capital Fund Programs. These activities are funded by grants from HUD. No capital assets were purchased with operating funds during the fiscal year ended March 31, 2014.

Additional informational on the Authority's capital assets can be found in Note 5 to the Financial Statements which is included in this Report.

2 – Long Term Debt

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

F Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending March 31, 2014.

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

2 – The need for Congress to fund other initiatives and programs of the federal government, thereby decreasing funding available to public housing programs.

3 – The use of the Authority's Unrestricted Net Position of \$485,003 to fund any shortfalls rising from a possible economic turndown and reduced subsidies and grants. The Authority's Unrestricted Net Position appears sufficient to cover any shortfall.

G Significant Changes From March 31, 2013 to March 31, 2014

During the Fiscal Year Ended March 31, 2014, Accounts Receivable from HUD increased \$69,437 because the Authority did not draw-down its approved operating subsidy before March 31, 2014. There was no receivable from HUD at March 31, 2013.

Fixed Assets increased \$350,117 because construction in progress increased the same amount. The Authority continued to improve the living conditions of its tenants.

Accounts payable increased \$40,476 primarily because a \$30,000 severance payment for the former Executive Director was accrued for and paid after March 31, 2014.

Compensated Absences increased \$33,855 primarily because of the hiring of a new Executive Director. The former Executive Director was an outsourced contractor and was not paid for unused sick and vacation time.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
Housing Authority of the Town of Harrison

Accrued Post-Employment Benefits increased \$46,698 because an additional year benefit expenses have been accrued.

Total rental revenue increased \$7,549. Tenant rental revenue decreased \$10,693, HUD operating grants increased \$4,465, and other income increased \$13,777. Other revenue consists of payments from contractors for bid documents, tenant late fees and charges for tenant damages.

The operating expenses increased \$146,431.

- Administrative expenses decreased \$16,241 mainly because legal expenses decreased \$46,735 as the lawsuit related to the former Executive Director was finally settled. These savings were offset by increased administrative salaries and office expenses.
- Tenant services expenses decreased \$2,500.
- Utilities expenses increased \$29,807 because the Authority's gas expense increased \$31,871 as the winter weather was more severe than the prior fiscal year.
- Ordinary maintenance and operations increased \$58,033 because the new maintenance man was hired in December 2012. Thus, he worked only one quarter of the prior fiscal year and a full year during the current. Additional increases were incurred employee benefits and materials costs.
- General expenses increased \$46,080 primarily because of a \$30,000 severance payment made to the former Executive Director.
- Depreciation expense increased \$31,252 because \$587,273 of construction in progress was transferred to fixed assets and depreciated during the current fiscal year.

Capital grants increased \$81,820 because the Authority continued to make improvements to its housing stock using capital fund grants available from HUD.

H Budget Comparison

Comparison Budget vs. Actual - Low Income Public Housing

	Budget	Actual	Variance	% Variance
Tenant Rental & Other Revenue	\$ 1,481,430	\$ 1,482,624	\$ 1,194	0.08%
Investment Income	2,200	2,569	369	-16.77%
Other Income	60,000	15,111	(44,889)	74.82%
Total Operating Revenue	1,543,630	1,500,304	(43,326)	-2.81%
Operating Expenses:				
Administrative	415,956	684,602	(268,646)	-64.59%
Tenant Services	6,700	-	6,700	100.00%
Utilities	602,154	583,736	18,418	3.06%
Maintenance	574,387	857,752	(283,365)	-49.33%
General Expense	680,928	156,423	524,505	77.03%
Total Operating Expenses	2,280,125	2,282,513	(2,388)	-0.10%
Residual Receipts/(Deficit)	(736,495)	(782,209)	(45,714)	6.21%
Operating Subsidy	760,000	780,301	20,301	2.67%
Residual Receipts/(Deficit)	\$ 23,505	\$ (1,908)	\$ (25,413)	-108.12%

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
Housing Authority of the Town of Harrison

I Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Acting Executive Director, Housing Authority of the Borough of Harrison, Harrison & Schuyler Avenue, Harrison, New Jersey 07029-1331, or call (973) 483-1488.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
Housing Authority of the Town of Harrison

Composition of Net Position is as follows:

	<u>Year Ended</u>			
	<u>March 31, 2014</u>	<u>March 31, 2013</u>	<u>Variance</u>	<u>% Variance</u>
Cash and Other Current Assets	\$ 1,146,673	\$ 1,123,359	\$ 23,314	2.08%
Capital Assets - Net	6,241,970	6,480,972	(239,002)	-3.69%
Total Assets	<u>7,388,643</u>	<u>7,604,331</u>	<u>(215,688)</u>	<u>-2.84%</u>
Less: Total Liabilities	<u>(661,670)</u>	<u>(543,861)</u>	<u>(117,809)</u>	<u>21.66%</u>
Net Position	<u>\$ 6,726,973</u>	<u>\$ 7,060,470</u>	<u>\$ (333,497)</u>	<u>-4.72%</u>
Invested in Capital Assets	6,241,970	6,480,972	(239,002)	-3.69%
Unrestricted Net Position	<u>485,003</u>	<u>579,498</u>	<u>(94,495)</u>	<u>-16.31%</u>
Total Net Position	<u>\$ 6,726,973</u>	<u>\$ 7,060,470</u>	<u>\$ (333,497)</u>	<u>-4.72%</u>

Computations of Changes in Net Position are as follows:

	<u>Year Ended</u>			
	<u>March 31, 2014</u>	<u>March 31, 2013</u>		
<u>Revenues</u>				
Tenant Revenues	\$ 1,482,624	\$ 1,493,317	\$ (10,693)	-0.72%
HUD Subsidies	780,301	775,836	4,465	0.58%
Other Income	15,111	1,334	13,777	1032.76%
Total Operating Revenues	<u>2,278,036</u>	<u>2,270,487</u>	<u>7,549</u>	<u>0.33%</u>
<u>Expenses</u>				
Operating Expenses excluding depreciation	2,375,100	2,259,921	115,179	5.10%
Depreciation Expense	589,119	557,867	31,252	5.60%
Total Operating Expenses	<u>2,964,219</u>	<u>2,817,788</u>	<u>146,431</u>	<u>5.20%</u>
Deficiency of Operating Revenues Over Expenses	(686,183)	(547,301)	(138,882)	25.38%
<u>Non-Operating Revenues</u>				
Interest on Investments	<u>2,569</u>	<u>2,599</u>	<u>(30)</u>	<u>-1.15%</u>
Deficiency of Revenues Over Expenses Before Capital Grants Received	(683,614)	(544,702)	(138,912)	25.50%
<u>Capital Grants</u>				
HUD Capital Grants	<u>350,117</u>	<u>268,297</u>	<u>81,820</u>	<u>30.50%</u>
Excess Revenues/(Deficiency)	(333,497)	(276,405)	(57,092)	20.7%
Prior Period Adjustments	-	(13,188)	13,188	0.00%
Net Position Prior	<u>7,060,470</u>	<u>7,350,063</u>	<u>(289,593)</u>	<u>-3.94%</u>
Total Net Position	<u>\$ 6,726,973</u>	<u>\$ 7,060,470</u>	<u>\$ (333,497)</u>	<u>-4.72%</u>



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

E-MAIL: POLCARICO@OPTONLINE.NET

Board of Commissioners
Housing Authority of the Town of Harrison
Harrison, New Jersey

We have audited the accompanying financial statements of the Housing Authority of the Town of Harrison ("the Authority") as of and for the years ended March 31, 2014 and 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Harrison, as of March 31, 2014 and 2013, and the results of its operations, and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT

(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis presented on pages 1-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic 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 generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the Town of Harrison. The Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes 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*, and is also not a required part of the financial statements.

The financial data schedule and schedule of expenditures of federal awards are the responsibility of management and were derived from and directly relate to the underlying accounting and other records used to prepare the basic financial statements. Such 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 general accepted in the United States of America. In our opinion, the financial data schedule and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* We have also issued our report dated June 19, 2014 on our consideration of the Housing Authority of the Town of Harrison's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
June 19, 2014

Harrison, New Jersey
COMPARATIVE STATEMENTS OF NET POSITION
 At March 31, 2014 and 2013

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 1,024,290	\$ 1,057,792
Accounts Receivable - HUD	69,437	-
Accounts Receivable - Tenants (Net)	4,483	8,976
Inventories (Net)	7,144	8,250
Prepaid Expenses and Other Current Assets	41,319	48,341
Total Current Assets	1,146,673	1,123,359
<u>CAPITAL ASSETS</u>		
Land	188,597	188,597
Buildings and Improvements	13,818,829	13,231,556
Furniture, Equipment and Machinery	278,842	278,842
Construction in Progress	505,001	742,157
Total Fixed Assets	14,791,269	14,441,152
Less: Accumulated Depreciation	(8,549,299)	(7,960,180)
Net Fixed Assets	6,241,970	6,480,972
Total Assets	\$ 7,388,643	\$ 7,604,331

LIABILITIES

<u>CURRENT LIABILITIES</u>		
Accounts Payable:		
Vendors and Contractors	\$ 102,747	\$ 62,001
Deferred Revenue	6,397	6,927
Accrued Liabilities:		
Compensated Absences - Current Portion	103,288	95,389
Payment in Lieu of Taxes	89,889	92,849
Total Current Liabilities	302,321	257,166
Accrued Post-Employment Benefits	189,344	142,646
Accrued Compensated Absences - Noncurrent	170,005	144,049
Total Liabilities	\$ 661,670	\$ 543,861

NET POSITION

Invested in Capital Assets Net of Related Debt	6,241,970	6,480,972
Unrestricted Net Position	485,003	579,498
Total Net Position	\$ 6,726,973	\$ 7,060,470

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended March 31, 2014 and 2013

	<u>For the Year Ended</u>	
	<u>March 31, 2014</u>	<u>March 31, 2013</u>
<u>OPERATING REVENUES</u>		
Tenant Rental & Other Revenue	\$ 1,482,624	\$ 1,493,317
HUD Grants - Operating	780,301	775,836
Other Income	15,111	1,334
Total Revenues	<u>2,278,036</u>	<u>2,270,487</u>
<u>OPERATING EXPENSES</u>		
Administration	684,602	700,843
Tenant Services	-	2,500
Utilities	583,736	553,929
Ordinary Maintenance & Operations	857,752	799,719
General Expense	249,010	202,930
Depreciation Expense	589,119	557,867
Total Operating Expenses	<u>2,964,219</u>	<u>2,817,788</u>
EXCESS OF OPERATING REVENUE OVER EXPENSES	(686,183)	(547,301)
Non Operating Revenues/(Expenses):		
Interest Income	<u>2,569</u>	<u>2,599</u>
Income/(Loss) Before Contributions and Transfers	(683,614)	(544,702)
Capital Grants	<u>350,117</u>	<u>268,297</u>
CHANGE IN NET POSITION	(333,497)	(276,405)
Beginning Net Position	7,060,470	7,350,063
Prior Period Adjustments	<u>-</u>	<u>(13,188)</u>
Ending Net Position	<u>\$ 6,726,973</u>	<u>\$ 7,060,470</u>

HARRISON, NEW JERSEY
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2014 and 2013

	For the Year Ended	
	March 31, 2014	March 31, 2013
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received:		
From Tenants for Rental & Other Income	\$ 1,486,587	\$ 1,489,739
From Government Agencies for Operating Grants	710,864	775,836
For Other Operating Revenues	15,111	1,334
Cash Paid:		
To Employees for Operations	(788,930)	(705,568)
To Suppliers for Operations	(1,459,703)	(1,548,580)
Net Cash Provided by Operating Activities	(36,071)	12,761
<u>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</u>		
Capital Grants Received	350,117	268,297
Acquisition of Property and Equipment	(350,117)	(268,297)
Net Cash Provided/(Used) by Capital and Financing Activities	-	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment Income	2,569	2,599
Net Cash Provided by Investing Activities	2,569	2,599
Net Increase/(Decrease) in Cash and Cash Equivalents	(33,502)	15,360
Cash and Equivalents at Beginning of Period	1,057,792	1,042,432
Cash and Equivalents at End of Period	\$ 1,024,290	\$ 1,057,792
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operations		
Operating Income/(Loss)	\$ (686,183)	\$ (547,301)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities		
Depreciation	589,119	557,867
Decrease/(Increase) in Assets		
Accounts Receivable - Tenants	4,493	(1,967)
Accounts Receivable - HUD	(69,437)	-
Inventories	1,106	(2,234)
Prepaid Expenses and Other Current Assets	7,022	(27,880)
Increase/(Decrease) in Liabilities		
Accounts Payable	40,746	808
Deferred Revenue - Tenant Prepaid Rent	(530)	(1,611)
Compensated Absences	33,855	19,354
Accrued Post-Employment Benefits	46,698	12,469
PILOT Payable	(2,960)	3,256
Net Cash Provided by Operating Activities	\$ (36,071)	\$ 12,761

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

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

1. Organization and Activities – The Housing Authority of The Town of Harrison (the Authority) is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J., S.A. 4A: 12A-1, et. Seq., the “Housing Authority Act”). The Authority is governed by a board of seven members who serve five year terms. The governing board is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the State of New Jersey Department of Community Affairs. An executive director is appointed by the housing authority’s Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance and management of public housing for low and moderate income families residing in the Town of Harrison, New Jersey. Operating and modernization subsidies are provided to the Authority by the federal government.

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

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

2. Significant Accounting Policies

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

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

Federal Grant Revenue – Operating subsidies and Capital Fund Program revenue received from HUD are recorded under the accrual method of accounting and are recognized in the period earned in accordance with applicable HUD guidelines. The Authority is generally entitled to receive funds from HUD under an established payment schedule or as expenditures are made under the Capital Fund Program.

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

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(Continued)

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

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

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

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

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

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

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

Significant accounting policies are as follows:

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

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

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

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

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(Continued)

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

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

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

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

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

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

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

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

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

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

14 – Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell. As of March 31, 2014, the Authority has not recognized any reduction in the carrying value of its fixed assets when considering SFAS 144.

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

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(Continued)

NOTE 2 – Cash and Cash Equivalents

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

Cash and Cash Equivalents of \$1,024,290 and \$1,057,792 at March 31, 2014 and 2013, respectively, consisted of the following:

	<u>3/31/2014</u>	<u>3/31/2013</u>
Checking Accounts	\$ 1,023,090	\$ 1,056,592
Petty Cash Fund	<u>1,200</u>	<u>1,200</u>
Total Cash and Equivalents	<u>\$ 1,024,290</u>	<u>\$ 1,057,792</u>

The carrying amount of the Authority's cash and cash equivalents held in banks as of March 31, 2014 was \$1,024,290 and the bank balances were \$1,031,975. Of the bank balances, \$250,000 was covered by FDIC insurance and \$781,975 was covered by a collateral pool maintained by the banks as required by New Jersey statutes. Cash equivalents, except petty cash are held in the Authority's name. The Authority's cash and cash equivalents are categorized as prescribed in GASB 40 to give an indication of the level of risk assumed by the Authority. As described above, \$250,000 of the authority's deposits exceeded FDIC insurance and was covered under New Jersey's Governmental Unit Deposit Protection Act (GUDPA) which collateralizes securities held by the pledging institutions trust department but are not in the Authority's name.

NOTE 3 – Deferred Revenue

Deferred revenue of \$6,397 at and \$6,927 March 31, 2014 and 2013, respectively, represents prepaid tenant rent.

NOTE 4 – Tenant Accounts Receivable

Tenant accounts receivable are stated net of an allowance for doubtful accounts. Management has determined that an allowance for doubtful accounts of \$1,495 was required at March 31, 2014 and \$2,992 was required at March 31, 2013.

NOTE 5 - Fixed Assets

Fixed assets consist primarily of expenditures to acquire, construct, place in operation and improve the facilities of the Authority and are stated at cost, less accumulated depreciation.

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

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(Continued)

NOTE 5 - Fixed Assets (Continued)

The following is a summary of the changes in fixed assets for the fiscal year ended March 31, 2014 and 2013:

	Balance Apr. 1, 2013	Additions	Disposals	Transfers/ Other	Balance Mar. 31, 2014
Land	\$ 188,597	\$ -	\$ -	\$ -	\$ 188,597
Buildings	11,851,984	-	-	587,273	12,439,257
Equipment	278,842	-	-	-	278,842
Leasehold Improvements	1,379,572	-	-	-	1,379,572
Construction in Progress	742,157	350,117	-	(587,273)	505,001
Total Fixed Assets	14,441,152	350,117	-	-	14,791,269
Accumulated Depreciation	(7,960,180)	(589,119)	-	-	(8,549,299)
Net Fixed Assets	\$ 6,480,972	\$ (239,002)	\$ -	\$ -	\$ 6,241,970

	Balance Apr. 1, 2012	Additions	Disposals	Transfers/ Other	Balance Mar. 31, 2013
Land	\$ 188,597	\$ -	\$ -	\$ -	\$ 188,597
Buildings	11,218,013	-	-	633,971	11,851,984
Equipment	278,842	-	-	-	278,842
Leasehold Improvements	1,379,572	-	-	-	1,379,572
Construction in Progress	1,107,831	268,297	-	(633,971)	742,157
Total Fixed Assets	14,172,855	268,297	-	-	14,441,152
Accumulated Depreciation	(7,402,313)	(557,867)	-	-	(7,960,180)
Net Fixed Assets	\$ 6,770,542	\$ (289,570)	\$ -	\$ -	\$ 6,480,972

Depreciation expense for the fiscal years ended March 31, 2014 and 2013 amounted to \$589,119 and \$557,867, respectively.

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

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

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(Continued)

NOTE 6 – Payment in Lieu of Taxes (PILOT)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the Town. Under the Cooperation Agreement, the Authority must pay the Town the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended March 31, 2014 and 2013, PILOT expense was accrued in the amount of \$89,889 and \$92,849 respectively.

NOTE 7 – Accrued Compensated Absences

Accrued compensated absences of \$273,293 and \$239,438 at March 31, 2014 and 2013, respectively, represent amounts of accumulated leave for which employees are entitled to receive payment in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service. Vacation leave may be carried to the next succeeding calendar year only. Employees may be compensated for sick leave at retirement based on one-half of the unused sick leave, payable at the salary rate earned at the time of separation.

Activity in the long-term liabilities for the fiscal year consisted of the following:

	<u>April 1, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>March 31, 2014</u>	<u>Amounts Due Within 1 Year</u>
Accrued Compensated Absences	\$ 239,438	\$ 67,710	\$ (33,855)	\$ 273,293	\$ 103,288
Other Post-Employment Benefits	<u>142,646</u>	<u>-</u>	<u>-</u>	<u>142,646</u>	<u>-</u>
	<u>\$ 382,084</u>	<u>\$ 67,710</u>	<u>\$ (33,855)</u>	<u>\$ 415,939</u>	<u>\$ 103,288</u>

NOTE 8 – Pension Plan

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), a cost-sharing multiple employer defined benefit pension plan administered by the New Jersey Division of Pensions and Benefits within the Department of Treasury, State of New Jersey. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide retirement, death and disability benefits, as well as medical benefits for certain qualified members and beneficiaries. Benefits paid to retired employees are based on length of service, latest earnings and veteran status.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues a publicly available financial report that includes the financial statements and required supplementary information. The report may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, CN-285, (609) 777-1777.

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 participating employers. Plan member and employee contributions may be amended by State of New Jersey legislation. Employer's contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 5% of the 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 was required to make contributions of \$120,114 and \$117,889 to the system for the fiscal years ended March 31, 2014 and 2013, respectively.

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(Continued)

NOTE 9 – Other Post-Employment Benefits (OPEB)

ANNUAL OPEB COST AND NET OPEB OBLIGATION

The housing authority provides subsidized benefits at retirement for medical, dental, vision, life insurance and reimbursement for Medicare Part B premium reimbursement for individuals meeting eligibility requirements for the coverage. All benefits are provided for the lifetime of the retiree except for vision coverage which terminates at age 65. The funding policy for the Authority's OPEB contributions was established by and may be amended only by Board resolution.

The Authority's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the 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 of the working lifetime of the individual employee. The following table shows the components of the Authority's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Authority's net OPEB obligation to the plan:

Annual Required Contribution	\$126,141
Interest on Net OPEB Obligation	\$ 7,132
Adjustment to Annual Required Contribution	\$(11,770)
Annual OPEB Cost (Expense)	\$121,503
Contributions Made	\$(74,805)
Increase in Net OPEB Obligation	\$46,698
Net OPEB Obligation – Beginning of Year	\$142,646
Net OPEB Obligation – End of Year	\$189,344

The Authority's annual OPEB cost; the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2013 fiscal year and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% Annual OPEB Cost Contributed	Net OPEB Obligation
3/31/2012	\$140,393	51.24%	\$68,453
3/31/2013	\$99,439	87.46%	\$142,646
3/31/2014	\$121,503	61.57%	\$189,344

FUNDED STATUS AND FUNDING PROGRESS

As of April 1, 2013, the most recent valuation date, the plan was 0.0% funded. The actuarial liability for benefits was \$2,574,814, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAL) of \$2,574,814.

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 increases or decreases over time relative to the actuarial accrued liabilities for benefits.

HOUSING AUTHORITY OF THE TOWN OF HARRISON
 NOTES TO FINANCIAL STATEMENTS
 MARCH 31, 2014
 (Continued)

NOTE 9 – Other Post-Employment Benefits (OPEB) (Continued)

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.

The results were prepared and based on the Projected Unit Credit method. Valuation assumptions are based on a discount rate of 6% and the annual health care cost inflation rates of 9% declining to 1% per year to an ultimate trend assumption of 5%. The results are based on reviewing electronic census information (record-by-record review), retiree plan information, benefit cost information, and other summary information of retiree benefits and eligibility.

Actuarial Value of Assets: Market Value
 Amortization of Initial UAAL: Amortized over thirty years.

Reconciliation of Plan Participation as of April 1, 2012

ACTIVE EMPLOYEES

	April 1, 2013	April 1, 2012
A. Average Age at Hire	42.2	38.8
B. Average Service	11.1	10.7
C. Average Current Age	53.3	48.5

Detailed summaries of assumptions, benefit provisions and demographic census information including in the actuarial report are prepared by Aquarius Capital. The opining actuary, Michael Frank, President at Aquarius Capital, is a member of the American Academy of Actuaries, Associate of the Society of Actuaries, and Fellow of the Conference of Consulting Actuaries, and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion the Housing Authority of the Town of Harrison.

NOTE 10 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. During the year ended March 31, 2014, the Authority's risk management program, in order to deal with potential liabilities, consisted of various insurance policies for fire, general liability, crime, auto and public-officials errors and omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its Projects for the purpose of determining potential liability issues. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Settled claims relating to the commercial insurance have not exceeded the amount of insurance in any of the past three fiscal years.

HOUSING AUTHORITY OF THE TOWN OF HARRISON
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(Continued)

NOTE 11 – Construction Commitments

At March 31, 2014, the Authority's outstanding construction commitments pertained to its Capital Fund Programs. The costs pertaining to such commitments will be paid by grants approved and committed to the Authority by the U.S. Department of Housing and Urban Development.

NOTE 12 – Prior Period Adjustments

During the fiscal year ended March 31, 2014, there was a prior period adjustment to transfer capital fund costs to operations. The operating transfer in on public housing and operating transfer out on capital fund result in a net \$0 impact on the Authority's financial results.

During the fiscal year ended March 31, 2013, management the Authority recorded an adjustment to decrease opening net position by \$13,188. The entry was recorded to correct the valuation of insurance deposits recorded in prior years.

NOTE 13 – Economic Dependency

For the year ended March 31, 2014, a substantial portion of the Authority's revenues were received from the United States Department of Housing and Urban Development, which are subject to availability of funds and Congressional approval, as well as the Authority's compliance with Federal rules and regulations.

NOTE 14 – Subsequent Events

The Authority has evaluated subsequent events through June 19, 2014 the date on which the financial statements were available to be issued.

HOUSING AUTHORITY OF THE TOWN OF HARRISON
Harrison, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2014

	<u>Beginning Balance</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Ending Balance</u>
<u>LOW INCOME HOUSING PROGRAM</u>				
Operating Subsidy (CFDA# 14.850)	\$ -	\$ 577,990	\$ 577,990	\$ -
Capital Fund Program (CFDA# 14.872)	<u>-</u>	<u>482,991</u>	<u>482,991</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE	<u>\$ -</u>	<u>\$ 1,060,981</u>	<u>\$ 1,060,981</u>	<u>\$ -</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Harrison, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 3/31/2014

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$1,024,290	\$1,024,290	\$1,024,290
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$1,024,290	\$1,024,290	\$1,024,290
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$69,437	\$69,437	\$69,437
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$5,978	\$5,978	\$5,978
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,495	-\$1,495	-\$1,495
126.2 Allowance for Doubtful Accounts - Other	\$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	\$73,920	\$73,920	\$73,920
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$41,319	\$41,319	\$41,319
143 Inventories	\$8,405	\$8,405	\$8,405
143.1 Allowance for Obsolete Inventories	-\$1,261	-\$1,261	-\$1,261
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$1,146,673	\$1,146,673	\$1,146,673
161 Land	\$188,597	\$188,597	\$188,597
162 Buildings	\$12,325,844	\$12,325,844	\$12,325,844
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$278,842	\$278,842	\$278,842
165 Leasehold Improvements	\$1,492,985	\$1,492,985	\$1,492,985
166 Accumulated Depreciation	-\$8,549,299	-\$8,549,299	-\$8,549,299
167 Construction in Progress	\$505,001	\$505,001	\$505,001
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,241,970	\$6,241,970	\$6,241,970
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	\$6,241,970	\$6,241,970	\$6,241,970
190 Total Assets	\$7,388,643	\$7,388,643	\$7,388,643

Harrison, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 3/31/2014

	Project Total	Subtotal	Total
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$7,388,643	\$7,388,643	\$7,388,643
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$102,747	\$102,747	\$102,747
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion	\$103,288	\$103,288	\$103,288
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$89,889	\$89,889	\$89,889
341 Tenant Security Deposits			
342 Unearned Revenue	\$6,397	\$6,397	\$6,397
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$302,321	\$302,321	\$302,321
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	\$170,005	\$170,005	\$170,005
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities	\$189,344	\$189,344	\$189,344
350 Total Non-Current Liabilities	\$359,349	\$359,349	\$359,349
300 Total Liabilities	\$661,670	\$661,670	\$661,670
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$6,241,970	\$6,241,970	\$6,241,970
511.4 Restricted Net Position	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$485,003	\$485,003	\$485,003
513 Total Equity - Net Assets / Position	\$6,726,973	\$6,726,973	\$6,726,973
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	\$7,388,643	\$7,388,643	\$7,388,643

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 3/31/2014

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$1,457,564	\$1,457,564	\$1,457,564
70400 Tenant Revenue - Other	\$25,060	\$25,060	\$25,060
70500 Total Tenant Revenue	\$1,482,624	\$1,482,624	\$1,482,624
70600 HUD PHA Operating Grants	\$780,301	\$780,301	\$780,301
70610 Capital Grants	\$350,117	\$350,117	\$350,117
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	\$2,569	\$2,569	\$2,569
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	\$15,111	\$15,111	\$15,111
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$2,630,722	\$2,630,722	\$2,630,722
91100 Administrative Salaries	\$307,119	\$307,119	\$307,119
91200 Auditing Fees	\$12,600	\$12,600	\$12,600
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$3,826	\$3,826	\$3,826
91500 Employee Benefit contributions - Administrative	\$173,780	\$173,780	\$173,780
91600 Office Expenses	\$61,000	\$61,000	\$61,000
91700 Legal Expense	\$56,388	\$56,388	\$56,388
91800 Travel	\$5,689	\$5,689	\$5,689
91810 Allocated Overhead			
91900 Other	\$64,200	\$64,200	\$64,200
91000 Total Operating - Administrative	\$684,602	\$684,602	\$684,602
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$131,036	\$131,036	\$131,036
93200 Electricity	\$208,474	\$208,474	\$208,474

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 3/31/2014

	Project Total	Subtotal	Total
93300 Gas	\$188,116	\$188,116	\$188,116
93400 Fuel			
93500 Labor	\$33,998	\$33,998	\$33,998
93600 Sewer			
93700 Employee Benefit Contributions - Utilities	\$22,112	\$22,112	\$22,112
93800 Other Utilities Expense			
93000 Total Utilities	\$583,736	\$583,736	\$583,736
94100 Ordinary Maintenance and Operations - Labor	\$447,813	\$447,813	\$447,813
94200 Ordinary Maintenance and Operations - Materials and Other	\$72,212	\$72,212	\$72,212
94300 Ordinary Maintenance and Operations Contracts	\$44,687	\$44,687	\$44,687
94500 Employee Benefit Contributions - Ordinary Maintenance	\$293,040	\$293,040	\$293,040
94000 Total Maintenance	\$857,752	\$857,752	\$857,752
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
96110 Property Insurance	\$30,647	\$30,647	\$30,647
96120 Liability Insurance	\$20,840	\$20,840	\$20,840
96130 Workmen's Compensation	\$31,293	\$31,293	\$31,293
96140 All Other Insurance	\$9,807	\$9,807	\$9,807
96100 Total Insurance Premiums	\$92,587	\$92,587	\$92,587
96200 Other General Expenses			
96210 Compensated Absences	\$33,855	\$33,855	\$33,855
96300 Payments in Lieu of Taxes	\$89,889	\$89,889	\$89,889
96400 Bad debt - Tenant Rents	\$2,679	\$2,679	\$2,679
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense	\$30,000	\$30,000	\$30,000
96000 Total Other General Expenses	\$156,423	\$156,423	\$156,423
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,375,100	\$2,375,100	\$2,375,100
97000 Excess of Operating Revenue over Operating Expenses	\$255,622	\$255,622	\$255,622
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 3/31/2014

	Project Total	Subtotal	Total
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$589,119	\$589,119	\$589,119
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$2,964,219	\$2,964,219	\$2,964,219
10010 Operating Transfer In	\$36,874	\$36,874	\$36,874
10020 Operating transfer Out	-\$36,874	-\$36,874	-\$36,874
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$333,497	-\$333,497	-\$333,497
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$7,060,470	\$7,060,470	\$7,060,470
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	3204	3204	3204
11210 Number of Unit Months Leased	3190	3190	3190
11270 Excess Cash	\$609,856	\$609,856	\$609,856
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$937,390	\$937,390	\$937,390
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0