

LAKWOOD HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEARS ENDED DECEMBER 31, 2014 AND 2013

LAKWOOD HOUSING AUTHORITY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Financial Statements:	
Statements of Net Position	11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statements of Cash Flows	13-14
Notes to Financial Statements	15-28
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	29-30
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	31-32
Supplementary Information:	
Schedule of Expenditures of Federal Awards	33
Notes to Schedule of Expenditures of Federal Awards	34-35
Schedule of Findings and Questioned Costs	36-37
Financial Data Schedule	38-42

LAKWOOD HOUSING AUTHORITY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Financial Statements:	
Statements of Net Position	11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statements of Cash Flows	13-14
Notes to Financial Statements	15-28
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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	31-32
Supplementary Information:	
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Notes to Schedule of Expenditures of Federal Awards	34-35
Schedule of Findings and Questioned Costs	36-37
Financial Data Schedule	38-42



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lakewood Housing Authority:

Report on the Financial Statements

We have audited the financial statements of the Lakewood Housing Authority ("the Authority") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Lakewood Housing Authority's basic financial statements as listed in the 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 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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audits 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 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lakewood Housing Authority ("the Authority"), as of December 31, 2014 and 2013, and the respective changes in financial position and cash flows for the years 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 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 basic 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 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lakewood Housing Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and financial data schedule, as required by the United States Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of expenditures of federal awards and the financial data schedule ("the schedules") are the responsibility of management and were derived from and relate directly 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 4, 2015 on our consideration of the Lakewood Housing Authority'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 Lakewood Housing Authority's internal control over financial reporting and compliance.

Fallon & Larsen LLP

August 4, 2015
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LAKWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

As Management of the Lakewood Housing Authority ("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 December 31, 2014. 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 \$7,981,742 (net position) as opposed to \$7,438,708 for the prior fiscal year.
2. At the close of the current fiscal year, the Authority reported ending unrestricted net position of \$3,510,972.
3. The Authority's unrestricted cash and cash equivalents and restricted cash balances at December 31, 2014 were \$4,268,930 representing an increase of \$600,113 from the prior fiscal year.
4. The Authority had total operating revenues of \$14,145,457 and total operating expenses of \$14,001,063 for the year ended December 31, 2014.
5. The Authority's capital outlays for the fiscal year were \$378,444, all of which were purchased utilizing the Authority's capital fund program.
6. The Authority's expenditures of federal awards amounted to \$13,213,745 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 financial statements and Notes to Financial Statements included in this Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America.

**LAKWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

B. Using the Annual Report (continued)

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 Statements of Net Position, Statements of Revenues Expenses and Changes in Net Position and Statements of Cash Flows.

The 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 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 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.

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

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 11 through 14 in this Report.

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 basic financial statements. The Notes to Financial Statements can be found in this Report after the financial statements.

**LAKWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

B. Using the Annual Report (continued)

2. Financial Statements

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**LAKWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

B. Using the Annual Report (continued)

4. Supplemental Information

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. The Schedule of Expenditures of Federal awards can be found on page 33 of this report.

C. The Authority as a Whole

The Authority's net position increased during the fiscal year as detailed on the following page. 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 net investment in capital assets (e.g., land, buildings, equipment and construction in progress). The Authority uses these capital assets to provide housing services for 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.

Computations of Net Position are as follows:

	As of 12/31/2014	12/31/2013
Cash and Other Current Assets	\$ 3,984,702	\$ 3,650,391
Restricted Cash	408,845	156,816
Capital Assets - Net	5,153,336	5,177,380
Total Assets	<u>9,546,883</u>	<u>8,984,587</u>
Less: Total Liabilities	1,565,141	1,545,879
Net Position	<u>\$ 7,981,742</u>	<u>\$ 7,438,708</u>
Net Investment in Capital Assets	\$ 4,173,336	\$ 4,137,380
Restricted Net Position	297,434	73,157
Unrestricted Net Position	3,510,972	3,228,171
Net Position	<u>\$ 7,981,742</u>	<u>\$ 7,438,708</u>

**LAKESWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

C. The Authority as a Whole (continued)

Computations of Changes in Net Position are as follows:

	Year Ended	
	12/31/2014	12/31/2013
<u>Revenues</u>		
Tenant Revenues	\$ 1,088,402	\$ 1,068,616
HUD Operating Grants	12,771,323	12,453,325
Other Revenues	285,732	290,488
Total Operating Revenues	<u>14,145,457</u>	<u>13,812,429</u>
<u>Expenses</u>		
Other Operating Expenses	2,973,817	2,916,655
Housing Assistance Payments	10,624,758	11,053,098
Depreciation Expense	402,488	392,748
Total Operating Expenses	<u>14,001,063</u>	<u>14,362,501</u>
Operating Income/(Loss)	<u>144,394</u>	<u>(550,072)</u>
<u>Non-Operating Revenues & Expenses</u>		
Interest on Investments	6,752	4,312
Interest Expense	(46,556)	(48,836)
HUD Capital Grants	438,444	90,931
Total Non-Operating Revenues	<u>398,640</u>	<u>46,407</u>
Change in Net Position	543,034	(503,665)
Net Position - Beginning of Year	<u>7,438,708</u>	<u>7,942,373</u>
Net Position - End of Year	<u>\$ 7,981,742</u>	<u>\$ 7,438,708</u>

- HUD operating grants increased \$317,998 from \$12,453,325 in fiscal year 2013 to \$12,771,323 in fiscal year 2014. This was primarily due to the HCV program being over funded \$224,174 by HUD during the fiscal year. The excess funding is restricted and can only be used to pay tenant rents in the HCV program.
- HUD capital grants increased from \$90,931 in fiscal year 2013 to \$438,444 in fiscal year 2014 or \$347,513. The increase was due to the Authority fully drawing on grants from fiscal years 2010, 2011 and 2012 in the current year.

**LAKESWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

C. The Authority as a Whole (continued)

- Administrative expenses increased \$91,369 or 6.8% primarily due to increases in salaries and employee benefits.
- Utility costs decreased \$51,235 or 6.7% primarily due to reductions in usage of water and electricity.
- Protective services increased from \$61,978 in fiscal year 2013 to \$82,472 in fiscal year 2014 or \$20,494 primarily due to increased contract costs for security coverage.
- Housing assistance payments (HAP) expense decreased from \$11,053,098 in fiscal year 2013 to \$10,624,758 in fiscal year 2014 or \$428,340. This decrease in HAP expense can be attributable to the Authority having eighty-two (82) fewer months under lease as well as an increase in participant income which resulted in lower subsidy payments.
- Cash and cash equivalents (excluding restricted cash) increased from \$3,512,001 in fiscal year 2013 to \$3,860,085 in fiscal year 2014 or \$348,084 primarily due to the Authority generating cash from operations.
- Restricted cash increased \$252,028 primarily due to HUD over funding the HCV program in 2014.

D. Budgetary Highlights

For the year ended December 31, 2014, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

As indicated by the increase of revenues over expenses, the Authority's net position increased during the fiscal year.

**LAKWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

E. Capital Assets and Debt Administration

1. Capital Assets

As of December 31, 2014, the Authority's investment in capital assets, net of accumulated depreciation was \$5,153,336. This investment in capital assets includes land, buildings, equipment and construction in progress.

Major capital assets purchased during the year totaled \$378,444, all of which was purchased from the Authority's capital fund program.

Additional information on the Authority's capital assets can be found in the Notes to the Financial Statements, which is included in this Report.

The following table summarizes the change in capital assets as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Land	\$ 313,844	\$ 313,844	\$ -
Buildings and improvements	12,978,287	12,978,287	-
Furniture and equipment	270,888	270,888	-
Construction in progress	<u>447,218</u>	<u>68,774</u>	<u>378,444</u>
Total fixed assets	14,010,237	13,631,793	378,444
Less: accumulated depreciation	<u>8,856,901</u>	<u>8,454,413</u>	<u>402,488</u>
Net fixed assets	<u>\$ 5,153,336</u>	<u>\$ 5,177,380</u>	<u>\$ (24,044)</u>

2. Long Term Debt

During the fiscal year ended December 31, 2004, the Authority participated in the New Jersey HMFA Capital Fund Leveraging Bond Issue. Under the provisions of that agreement, the Authority borrowed \$1,490,000 to be used in renovating developments. The loan is repayable over 20 years from future capital fund program grants to be provided by HUD. Principal payments of \$60,000 were made in 2014 bringing the balance owed from \$1,040,000 at December 31, 2013 to \$980,000 at December 31, 2014.

**LAKWOOD HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

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 December 31, 2015:

1. The state of the economy.
2. The need for Congress to fund the war on terrorism and the continued cut-back of funding of federal programs.
3. The Authority's use of unrestricted reserves to offset the proration of subsidy from HUD.

G. 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 Mary Jo Grauso, Executive Director, Lakewood Housing Authority, 317 Sampson Avenue, Lakewood, NJ 08701.

FINANCIAL STATEMENTS

**LAKWOOD HOUSING AUTHORITY
STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2014 AND 2013**

ASSETS		
	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 3,860,085	\$ 3,512,001
Accrued interest receivable	3,047	2,077
Accounts receivable, net	67,476	78,030
Inventories	<u>54,094</u>	<u>58,283</u>
Total current assets	<u>3,984,702</u>	<u>3,650,391</u>
Non-current assets:		
Restricted cash	408,845	156,816
Capital assets, net	<u>5,153,336</u>	<u>5,177,380</u>
Total non-current assets	<u>5,562,181</u>	<u>5,334,196</u>
Total assets	<u>9,546,883</u>	<u>8,984,587</u>
LIABILITIES		
Current liabilities:		
Accounts payable	131,588	149,377
Accounts payable - HUD	81,386	107,676
Accrued expenses	35,032	28,615
Accrued compensated absences	38,786	36,185
Tenant security deposits	62,303	61,534
Prepaid tenant rents	85,849	2,650
Current portion of bonds payable	<u>70,000</u>	<u>60,000</u>
Total current liabilities	<u>504,944</u>	<u>446,037</u>
Non-current liabilities:		
Accrued compensated absences, non-current	38,786	36,183
Bonds payable, net of current portion	910,000	980,000
Other noncurrent liabilities	<u>111,411</u>	<u>83,659</u>
Total non-current liabilities	<u>1,060,197</u>	<u>1,099,842</u>
Total liabilities	<u>1,565,141</u>	<u>1,545,879</u>
NET POSITION		
Net position:		
Net investment in capital assets	4,173,336	4,137,380
Restricted	297,434	73,157
Unrestricted	<u>3,510,972</u>	<u>3,228,171</u>
Total net position	<u>\$ 7,981,742</u>	<u>\$ 7,438,708</u>

See accompanying notes to financial statements

LAKWOOD HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Tenant revenue	\$ 1,088,402	\$ 1,068,616
HUD operating grants	12,771,323	12,453,325
Other revenues	<u>285,732</u>	<u>290,488</u>
Total operating revenues	<u>14,145,457</u>	<u>13,812,429</u>
Operating expenses:		
Administrative	1,442,246	1,350,877
Tenant services	79,764	79,444
Utilities	710,905	762,140
Ordinary repairs and maintenance	497,354	513,709
Protective services	82,472	61,978
General expenses	161,076	148,507
Housing assistance payments	10,624,758	11,053,098
Depreciation	<u>402,488</u>	<u>392,748</u>
Total operating expenses	<u>14,001,063</u>	<u>14,362,501</u>
Operating income (loss)	<u>144,394</u>	<u>(550,072)</u>
Non-operating revenues (expenses):		
Interest expense	(46,556)	(48,836)
Investment income	<u>6,752</u>	<u>4,312</u>
Net non-operating revenues (expenses)	<u>(39,804)</u>	<u>(44,524)</u>
Income (loss) before capital grants	104,590	(594,596)
Capital grants	<u>438,444</u>	<u>90,931</u>
Changes in net position	543,034	(503,665)
Total net position, beginning of year	<u>7,438,708</u>	<u>7,942,373</u>
Total net position, end of year	<u>\$ 7,981,742</u>	<u>\$ 7,438,708</u>

See accompanying notes to financial statements

LAKWOOD HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Cash received from tenants	\$ 1,366,329	\$ 1,362,004
Cash received from grantors	12,828,232	12,589,728
Cash paid to employees	(963,122)	(932,329)
Cash paid to vendors	<u>(12,590,552)</u>	<u>(13,042,220)</u>
Net cash flows provided (used) by operating activities	<u>640,887</u>	<u>(22,817)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from capital grants	438,444	90,931
Property and equipment purchases	(378,444)	(589,575)
Interest paid on long-term debt	(46,556)	(48,836)
Payments on long term debt	<u>(60,000)</u>	<u>(60,000)</u>
Net cash flows provided (used) by capital and related financing activities	<u>(46,556)</u>	<u>(607,480)</u>
Cash Flows from Investing Activities		
Investment income	<u>5,782</u>	<u>4,312</u>
Net cash flows provided/(used) by investing activities	<u>5,782</u>	<u>4,312</u>
Net increase (decrease) in cash	600,113	(625,985)
Cash and cash equivalents at beginning of year	<u>3,668,817</u>	<u>4,294,802</u>
Cash and cash equivalents at end of year	<u>\$ 4,268,930</u>	<u>\$ 3,668,817</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position:		
Cash and cash equivalents	\$ 3,860,085	\$ 3,512,001
Restricted cash	<u>408,845</u>	<u>156,816</u>
Cash and cash equivalents at end of year	<u>\$ 4,268,930</u>	<u>\$ 3,668,817</u>

See accompanying notes to financial statements

LAKWOOD HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 144,394	\$ (550,072)
Items which did not use cash:		
Depreciation	402,488	392,748
Bad debts	19,128	10,884
Changes in assets and liabilities which provided (used) cash:		
Accounts receivable	(8,574)	24,653
Inventories	4,189	715
Accounts payable	(44,079)	132,156
Tenant security deposits	769	(76)
Accrued expenses	11,621	6,035
Family self sufficiency escrows	27,752	(35,311)
Prepaid tenant rents	<u>83,199</u>	<u>(4,549)</u>
Net cash provided (used) by operating activities	<u>\$ 640,887</u>	<u>\$ (22,817)</u>

See accompanying notes to financial statements

**LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Lakewood Housing Authority ("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") 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 Lakewood, New Jersey. The Authority is responsible for operating certain low-rent housing programs in the Township under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The governing board is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development ("HUD") and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority's Board to manage the day-to-day operations of the Authority.

The Authority maintains its accounting records by program. The following programs are operated by the Authority:

Section 8 Housing Choice Voucher

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

Low Rent Public Housing

The public housing program is designed to provide low-cost housing within the Township of Lakewood. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Public Housing Capital Fund

The Capital Fund Program provides funds annually, via a formula, to public housing agencies for capital and management activities including modernization and development of public housing units.

Supportive Housing for Persons with Disabilities

The Supportive Housing Program provides Federal capital advances under Section 811 of the National Affordable Housing Act ("NAHA") for development of housing projects serving persons with disabilities; and provides tenant-based rental assistance to low income persons with disabilities for payments of housing on the private market.

LAKESWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Organization (continued)

Shelter Plus Care Program ("SPC")

Shelter Plus Care is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters.

Supportive Housing Program

The Supportive Housing Program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of supportive housing to homeless persons so they can live as independently as possible.

B. Reporting Entity

In accordance with Statement No. 61 of the Government Accounting Standards Board ("GASB"), the Authority's basic financial statements include those of the Lakewood Housing Authority and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Authority. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria.

C. Basis of Accounting

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

LAKESWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

The Authority has also adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The Statement establishes accounting and financial reporting standards for nonexchange transactions including financial or capital resources. The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

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

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

D. Cash, Cash Equivalents and Investments

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

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, when the funds are secured in accordance with the act.

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 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. 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 state and HUD requirements.

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Accounts Receivable

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

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

F. Prepaid Expenses

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

G. Inventory

The Authority's inventory is comprised of office supplies and maintenance materials and supplies. Inventory is valued at cost and the Authority uses the first-in, first-out (FIFO) flow assumption in determining cost. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. At December 31, 2014 and 2013, inventory is shown net of an allowance for obsolescence of \$12,070 and \$13,341.

H. Capital Assets, net

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

- Furniture and Equipment 3 - 5 Years
- Buildings and Improvements 15 - 40 Years

The Authority has established a capitalization threshold of \$1,000.

I. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net zero. In accordance with GASB Statement No. 34, interprogram receivables and payables are eliminated for financial statement purposes.

LAKESWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Compensated Absences

The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued at the balance sheet date for which payment is probable. Compensated absences represent amounts to which employees are entitled to based on accumulated leave earned 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 based on the unused accrued leave. Employees may be compensated for sick leave at retirement or termination at 50% of accumulated sick time up to a maximum of \$15,000.

K. Prepaid Tenant Rents

The Authority's prepaid tenant rents consists of the prepayment of rent by residents that is due in future periods.

L. Operating Revenues and Expenses

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

M. Taxes

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

N. Use of Management Estimates

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

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Equity Classifications

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

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

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

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

P. Economic Dependency

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

Q. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

The Public Housing Program prepares its budget annually. The Board of Commissioners adopts the budget through passage of a budget resolution and submits it to HUD at least ninety days prior to the beginning of the program year.

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2. CASH AND CASH EQUIVALENTS

As of December 31, 2014 and 2013, the Authority had funds on deposit in checking, statement savings and money market accounts.

For the fiscal years ended December 31, 2014 and 2013, the carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$4,268,930 and \$3,668,817, respectively, and the bank balances approximated \$4,399,765 and \$3,604,786, respectively.

Of the bank balances, \$700,290 and \$645,413 were covered by federal depository insurance and the remaining \$3,699,475 and \$2,959,373 were collateralized with the pledging financial institution for the fiscal years ended December 31, 2014 and 2013, respectively.

<u>Cash Account</u>	<u>2014</u>	<u>2013</u>
Insured:		
FDIC	\$ 700,290	\$ 645,413
Collateralized:		
Collateralized amount held by pledging financial institution	<u>3,699,475</u>	<u>2,959,373</u>
	<u>\$ 4,399,765</u>	<u>\$ 3,604,786</u>

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of December 31, 2014, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following at December 31, 2014 and 2013:

<u>Description</u>	<u>2014</u>	<u>2013</u>
Accounts receivable - HUD	\$ 1,253	\$ 8,181
Accounts receivable - tenants, net	8,129	7,828
Accounts receivable - other government	1,257	5,417
Accounts receivable - fraud recovery, net	47,452	47,452
Accounts receivable - miscellaneous	<u>9,385</u>	<u>9,152</u>
Total accounts receivable, net	<u>\$ 67,476</u>	<u>\$ 78,030</u>

Accounts Receivable - HUD

Accounts receivable - HUD represent amounts due to the Authority for operating and capital grants receivable. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts.

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3. ACCOUNTS RECEIVABLE (continued)

Accounts Receivable - tenants, net

Tenant accounts receivable are stated net of an allowance of \$8,129 and \$7,828 at December 31, 2014 and 2013, respectively.

Accounts Receivable - other government

Accounts receivable - other government represents amounts due from other housing authorities related to management services performed. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts.

Accounts Receivable - fraud recovery, net

Accounts receivable - fraud recovery, net represents amounts owed from tenants or other program participants who committed fraud or mis-representation and now owe additional rent or retroactive rent. The amount is shown net of an allowance of \$292,371 and \$294,390, respectively.

Accounts Receivable - miscellaneous

Accounts receivable - miscellaneous consists of amounts due from an insurance reimbursement, tenant repayment agreements and from managed properties. The amount is shown net of an allowance of \$1,946 and \$4,368, respectively

NOTE 4. RESTRICTED CASH

Restricted cash consists of the following at December 31, 2014 and 2013:

<u>Cash Category</u>	<u>2014</u>	<u>2013</u>
Housing assistance payments reserve	\$ 297,112	\$ 72,938
Debt leveraging funds	322	219
Family Self Sufficiency program escrows	<u>111,411</u>	<u>83,659</u>
	<u>\$ 408,845</u>	<u>\$ 156,816</u>

Debt leveraging funds consists of unspent proceeds from the Capital Fund Debt Leveraging Pool which is restricted to fund future capital improvements in accordance with the Authority's approved annual plan.

Housing assistance payment reserves are restricted for use only in the Housing Choice Voucher Program for future housing assistance payments.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Housing Choice Voucher Program by FSS program participants.

At December 31, 2014 and 2013, the carrying amount of the Authority's restricted cash approximated its bank balance.

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 5. CAPITAL ASSETS, NET

A summary of the changes in land, structures and equipment during the past two years is as follows:

Description	December 31, 2013	Additions	Dispositions	Transfers	December 31, 2014
<u>Non-depreciable:</u>					
Land	\$ 313,844	-	-	-	\$ 313,844
Construction in progress	<u>68,774</u>	<u>378,444</u>	<u>-</u>	<u>\$ -</u>	<u>447,218</u>
Total	<u>382,618</u>	<u>378,444</u>	<u>-</u>	<u>-</u>	<u>761,062</u>
<u>Depreciable:</u>					
Buildings and improvements	12,978,287	-	-	-	12,978,287
Furniture and equipment	<u>270,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,888</u>
Total	13,249,175	-	-	-	13,249,175
Less: accum. depreciation	<u>8,454,413</u>	<u>402,488</u>	<u>-</u>	<u>-</u>	<u>8,856,901</u>
Total deprec. assets, net	<u>4,794,762</u>	<u>(402,488)</u>	<u>-</u>	<u>-</u>	<u>4,392,274</u>
Net capital assets	<u>\$ 5,177,380</u>	<u>\$ (24,044)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,153,336</u>

Description	December 31, 2012	Additions	Dispositions	Transfers	December 31, 2013
<u>Non-depreciable:</u>					
Land	\$ 313,844	-	-	-	\$ 313,844
Construction in progress	<u>37,843</u>	<u>\$ 30,931</u>	<u>-</u>	<u>\$ -</u>	<u>68,774</u>
Total	<u>351,687</u>	<u>30,931</u>	<u>-</u>	<u>-</u>	<u>382,618</u>
<u>Depreciable:</u>					
Buildings and improvements	12,434,139	544,148	-	-	12,978,287
Furniture and equipment	<u>256,392</u>	<u>14,496</u>	<u>-</u>	<u>-</u>	<u>270,888</u>
Total	12,690,531	558,644	-	-	13,249,175
Less: accum. depreciation	<u>8,061,665</u>	<u>392,748</u>	<u>-</u>	<u>-</u>	<u>8,454,413</u>
Total deprec. assets, net	<u>4,628,866</u>	<u>165,896</u>	<u>-</u>	<u>-</u>	<u>4,794,762</u>
Net capital assets	<u>\$ 4,980,553</u>	<u>\$ 196,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,177,380</u>

Depreciation expense for the years ended December 31, 2014 and 2013 amounted to \$402,488 and \$392,748, respectively.

NOTE 6. NON-CURRENT LIABILITIES

During 2004, 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, 2004 Series A on December 23, 2004. The Authority's share of funds from the bond issue pool amounted to \$1,490,000.

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 6. NON-CURRENT LIABILITIES (continued)

Repayment of the funds leveraged shall be budgeted from Capital Fund allocations received by the Authority from the Department of Housing and Urban Development. Interest accrues at 4.12% and is payable semi-annually on May 1st and November 1st.

The following is a schedule of required principal and interest payments for the next five years and in five year increments thereafter:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 70,000	\$ 44,043	\$ 114,043
2016	75,000	40,981	115,981
2017	75,000	37,700	112,700
2018	80,000	34,309	114,309
2019	85,000	30,809	115,809
2020-2024	485,000	90,844	575,844
2025	<u>110,000</u>	<u>3,888</u>	<u>113,888</u>
	<u>\$ 980,000</u>	<u>\$ 282,574</u>	<u>\$ 1,262,574</u>

Long-term debt activity for the years ended December 31, 2014 and 2013 consisted of the following:

<u>Description</u>	<u>December 31,</u> <u>2013</u>	<u>Additions</u>	<u>Payments</u>	<u>December 31,</u> <u>2014</u>	<u>Amounts</u> <u>due within</u> <u>one Year</u>
Compensated absences	\$ 72,368	\$ 108,941	\$ (103,737)	\$ 77,572	\$ 38,786
Capital fund revenue bonds	1,040,000	-	(60,000)	980,000	70,000
Family self sufficiency escrows	<u>83,659</u>	<u>54,089</u>	<u>(26,337)</u>	<u>111,411</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,196,027</u>	<u>\$ 163,030</u>	<u>\$ (190,074)</u>	<u>\$ 1,168,983</u>	<u>\$ 108,786</u>

<u>Description</u>	<u>December 31,</u> <u>2012</u>	<u>Additions</u>	<u>Payments</u>	<u>December 31,</u> <u>2013</u>	<u>Amounts</u> <u>due within</u> <u>one Year</u>
Compensated absences	\$ 69,355	\$ 98,796	\$ (95,783)	\$ 72,368	\$ 36,185
Capital fund revenue bonds	1,100,000	-	(60,000)	1,040,000	60,000
Family self sufficiency escrows	<u>118,790</u>	<u>4,465</u>	<u>(39,596)</u>	<u>83,659</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,288,145</u>	<u>\$ 103,261</u>	<u>\$ (195,379)</u>	<u>\$ 1,196,027</u>	<u>\$ 96,185</u>

LAKESWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7. PENSION PLAN

A. Public Employee's Retirement System

Description of Plans - All required employees of the Authority are covered by the Public Employees' Retirement System which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions- The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements- The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for the PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

LAKESWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7. PENSION PLAN (continued)

B. Supplemental Pension Plan

The Authority also participates in a defined contribution pension plan. The plan is for all employees over 21 years of age with at least 1,000 hours of service. Employer contributions are based on 4.3% of employee compensation which vests over a seven year period. There is no employee contribution. For the years ended December 31, 2014, 2013, and 2012, the Authority contributed \$91,626, \$73,267, and \$97,460, respectively, to the plan and is included in the employee fringe benefit account.

NOTE 8. POST-RETIREMENT BENEFITS

The Authority participates in New Jersey State Health Benefits Program ("the SHBP"), which qualifies as a cost-sharing, multiple-employer plan in accordance with GASB Statement 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions" ("OPEB"). The SHBP is administered by the State of New Jersey, Department of Treasury, Division of Pension and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents.

A retiree may also receive Authority-paid health benefits in accordance with labor agreements if they have twenty-five (25) or more years enrolled in the pension system.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the SHBP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The SHBP is established under the authority of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. The required contribution rate is determined on an annual pay as you go basis. The following were the required contributions:

<u>Year</u>	<u>Amount</u>
2014	\$ <u>215,784</u>
2013	\$ <u>215,847</u>
2012	\$ <u>218,489</u>

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 9. PAYMENTS IN LIEU OF TAXES

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. Under the Cooperation Agreement, the Authority must pay the Township the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal years ended December 31, 2014 and 2013, PILOT expense amounted to \$37,749 and \$30,648, respectively.

NOTE 10. RESTRICTED NET POSITION

As of December 31, 2014 and 2013, restricted net position consisted of the following:

	<u>2014</u>	<u>2013</u>
Debt leveraging proceeds	\$ 322	\$ 219
Housing assistance payment reserves	<u>297,112</u>	<u>72,938</u>
	<u>\$ 297,434</u>	<u>\$ 73,157</u>

Debt leveraging funds consists of unspent proceeds from the Capital Fund Debt Leveraging Pool which is restricted to fund future capital improvements in accordance with the Authority's approved annual plan.

Accumulated earnings in connection with the overpayment of housing assistance payments are restricted for rent payments to landlords as part of the Housing Choice Voucher Program.

NOTE 11. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of December 31, 2014 and 2013, the Authority estimates that no material liabilities will result from such audits other than what has been disclosed herein.

LAKWOOD HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 12. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Authority is a member of the New Jersey Public Housing Authorities Joint Insurance Fund (JIF). The joint insurance pool is both an insured and self-administered group of housing authorities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage except for deductibles for the previous three years.

NOTE 13. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through August 4, 2015 (the date the financial statements were available to be issued) 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.



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

To the Board of Commissioners
Lakewood Housing Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Lakewood Housing Authority ("the Authority") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Lakewood Housing Authority's basic financial statements, and have issued our report thereon dated August 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lakewood Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lakewood Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Lakewood Housing Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fallon & Larsen LLP

August 4, 2015
Toms River, New Jersey



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

To the Board of Commissioners
Lakewood Housing Authority:

Report on Compliance for Each Major Federal Program

We have audited the compliance of Lakewood Housing Authority ("the Authority"), with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lakewood Housing Authority's major federal programs for the year ended December 31, 2014. Lakewood Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lakewood Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lakewood Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lakewood Housing Authority's compliance.

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

Opinion on Each Major Federal Program

In our opinion, Lakewood Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of Lakewood Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lakewood Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lakewood Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Fallon & Larsen LLP

August 4, 2015
Toms River, New Jersey

LAKEWOOD HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Program Title	Federal CFDA Number	State Pass-through Number	Grant Period From / To	Grant Award	Fiscal Year Cash Receipts	Fiscal Year Expenditures	Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u>							
Low Rent Public Housing:							
NJ054-00000114D	14.850	N/A	1/1/14 12/31/14	\$ 662,359	\$ 662,359	\$ 662,359	\$ 662,359
NJ054-00000214D	14.850	N/A	1/1/14 13/31/14	420,454	420,454	420,454	420,454
Grant subtotal				<u>1,082,813</u>	<u>1,082,813</u>	<u>1,082,813</u>	<u>1,082,813</u>
Section 8 Housing Choice Voucher Program:							
NJ054-2FPH-2014	14.871	N/A	1/1/14 12/31/14	10,805,106	10,805,106	10,809,084	10,809,084
Public Housing Capital Fund Program:							
NJ39P054501-10	14.872	N/A	7/15/10 7/14/14	340,741	84,004	84,004	340,741
NJ39P054501-11	14.872	N/A	8/3/11 8/2/15	290,529	143,606	143,606	290,529
NJ39P054501-12	14.872	N/A	3/12/12 3/11/16	264,102	134,550	134,550	264,102
NJ39P054501-13	14.872	N/A	9/9/13 9/8/17	278,622	153,601	153,601	153,601
NJ39P054501-14	14.872	N/A	5/13/14 5/12/18	320,560	23,178	23,178	23,178
Grant subtotal				<u>1,494,554</u>	<u>538,939</u>	<u>538,939</u>	<u>1,072,151</u>
Supportive Housing for Persons with Disabilities Program:							
NJ054-MIS-2014	14.181	N/A	1/1/14 12/31/14	727,837	727,837	727,837	727,837
Shelter Plus Care Program:							
NJ0301C2F101000	14.218	N/A	2/1/12 X/X/X	65,820	9,189	9,189	24,863
NJ0299C2F101000	14.218	N/A	2/1/12 X/X/X	104,700	16,334	16,334	43,898
NJ0121C2F100800	14.218	N/A	3/4/10 X/X/X	62,040	8,626	8,626	36,113
Grant subtotal				<u>232,560</u>	<u>34,149</u>	<u>34,149</u>	<u>104,874</u>
Supportive Housing Program:							
NJ0302B2F101000	14.235	N/A	3/29/12 5/31/15	34,057	9,735	9,735	21,315
NJ0300B2F101000	14.235	N/A	3/29/12 9/30/14	30,504	11,102	11,102	27,124
NJ0120L2F101202	14.235	N/A	8/6/13 5/31/14	14,481	86	86	7,356
Grant subtotal				<u>79,042</u>	<u>20,923</u>	<u>20,923</u>	<u>55,795</u>
				<u>\$ 14,421,912</u>	<u>\$ 13,209,767</u>	<u>\$ 13,213,745</u>	<u>\$ 13,852,554</u>

LAKWOOD HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Lakewood Housing Authority under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Lakewood Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Lakewood Housing Authority.

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 principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribes, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3. SUBRECIPIENTS

The Authority did not pass-through any federal awards to subrecipients.

NOTE 4. NON-CASH FEDERAL ASSISTANCE

The Authority did not receive any non-cash Federal assistance for the year ended December 31, 2014.

LAKWOOD HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED DECEMBER 31, 2014

NOTE 5. NOTES TO SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

1) The total amount of Capital Fund Program Costs and Advances incurred and earned by the Lakewood Housing Authority as of and for the year ended December 31, 2014 are provided herein.

	<u>501-10</u>	<u>501-11</u>	<u>501-12</u>	<u>501-13</u>	<u>501-14</u>	<u>Totals</u>
Budget	\$ <u>340,741</u>	\$ <u>290,529</u>	\$ <u>264,102</u>	\$ <u>278,622</u>	\$ <u>320,560</u>	\$ <u>1,494,554</u>
<u>Advances:</u>						
Cumulative through 12/31/13	\$ 256,737	\$ 146,924	\$ 129,552	\$ -	\$ -	\$ 533,213
Current Year	<u>84,004</u>	<u>143,605</u>	<u>134,550</u>	<u>153,602</u>	<u>22,343</u>	<u>538,104</u>
Cumulative through 12/31/14	<u>340,741</u>	<u>290,529</u>	<u>264,102</u>	<u>153,602</u>	<u>22,343</u>	<u>1,071,317</u>
<u>Costs:</u>						
Cumulative through 12/31/13	256,737	146,924	129,552	-	-	533,213
Current Year	<u>84,004</u>	<u>143,605</u>	<u>134,550</u>	<u>153,602</u>	<u>23,178</u>	<u>538,939</u>
Cumulative through 12/31/14	<u>340,741</u>	<u>290,529</u>	<u>264,102</u>	<u>153,602</u>	<u>23,178</u>	<u>1,072,152</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(835)</u>	\$ <u>(835)</u>

**LAKESWOOD HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

I. Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

- | | | |
|----|---|------------|
| 1. | Dollar threshold used to distinguish Type A Programs from Type B Programs: | \$396,412 |
| 2. | Auditee qualified as low-risk Auditee? | Yes |
| 3. | Type of auditors' report on compliance for major programs: | Unmodified |
| 4. | Internal Control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| | c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? | No |
| 5. | Identification of major programs: | |

CFDA Number

Name of Federal Program

14.871
14.872
14.181

Section 8 Housing Choice Voucher Program
Capital Fund Program
Supportive Housing for Persons with Disabilities Program

LAKWOOD HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED DECEMBER 31, 2014

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

None reported.

IV. Summary of Prior Audit Findings

None reported.

Lakewood Housing Authority

NJ054

Financial Data Schedule (FIDS)

December 31, 2014

Line Item #	Account Description	Projects	Housing Choice Vouchers	Supportive Housing for Persons with Disabilities	Shelter Plus Care	Supportive Housing Program	Business Activities	Community Development Block Grant/Entitlement Grants	Elimination	TOTAL
ASSETS:										
CURRENT ASSETS:										
111	Cash - unrestricted	\$ 2,434,090	\$ 1,074,326	\$ -	\$ -	\$ -	\$ 127,980	\$ -	\$ -	\$ 3,616,396
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	532	408,523	-	-	-	-	-	-	408,845
114	Prepaid expenses	62,103	-	-	-	-	-	-	-	62,303
115	Cash - restricted for payment of current liabilities	-	-	81,386	-	-	-	80,000	-	161,386
100	Total cash	2,496,715	1,482,849	81,386	-	-	127,980	80,000	-	4,208,930
Accounts and notes receivable:										
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	835	-	-	-	-	-	-	-	1,258
124	Accounts receivable - other government	-	1,257	-	418	-	-	-	-	1,675
125	Accounts receivable - miscellaneous	5,417	1,107	-	-	-	-	-	-	6,524
126	Accounts receivable - tenants	16,258	-	-	-	-	-	-	-	16,258
126.1	Allowance for doubtful accounts - tenants	(18,129)	-	-	-	-	-	-	-	(18,129)
127	Allowance for doubtful accounts - other	(3,892)	-	-	-	-	-	-	-	(3,892)
128	Accounts receivable - current	14,781	325,042	-	-	-	-	-	-	339,823
128.1	Allowance for doubtful accounts - fund	(14,781)	(277,500)	-	-	-	-	-	-	(292,271)
129	Accrued interest receivable	2,393	654	-	-	-	-	-	-	3,047
120	Total receivables, net of allowance for doubtful accounts	18,720	50,530	-	418	-	-	-	-	69,668
Current investments										
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	655	-	-	-	-	-	-	-	855
143	Investments	66,164	-	-	-	-	-	-	-	66,164
143.1	Investments for obsolete (or obsolete)	(12,070)	-	-	-	-	-	-	-	(12,070)
144	Intergovernmental	-	418	-	-	-	-	-	(418)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	2,570,384	1,533,797	81,386	418	-	127,980	80,000	-	4,393,547
NONCURRENT ASSETS:										
Fixed assets:										
161	Land	-	-	-	-	-	-	-	-	-
162	Buildings	313,844	-	-	-	-	-	-	-	313,844
163	Furniture, equipment & machinery - dwelling	12,246,245	-	-	-	-	-	-	-	12,246,245
164	Furniture, equipment & machinery - administration	268,652	2,865	-	-	-	-	-	-	270,888
165	Leased improvements	732,042	-	-	-	-	-	-	-	732,042
166	Leased improvements	(8,854,050)	(2,865)	-	-	-	-	-	-	(8,856,901)
167	Construction in progress	447,218	-	-	-	-	-	-	-	447,218
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	5,153,336	-	-	-	-	-	-	-	5,153,336
Other non-current assets:										
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-
175	Undistributed debts	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	5,153,336	-	-	-	-	-	-	-	5,153,336
190	TOTAL ASSETS	7,723,720	1,533,797	81,386	418	-	127,980	80,000	-	9,546,883

Lakewood Housing Authority										
N.J.054										
Financial Data Schedule (FDS)										
December 31, 2014										
Line Item #	Account Description	Projects	Housing Choice Vouchers	Supportive Housing for Persons with Disabilities	Shelter Plus Care	Supportive Housing Program	Business Activities	Community Development Block Grant/Entitlement Grants	Elimination	TOTAL
LIABILITIES AND EQUITY										
Liabilities										
311	Current Liabilities:									
312	Rent receivable - 60 days	21,112	50,446							71,558
313	Accounts payable - 90 days past due									
321	Accrued wage payroll taxes payable	22,089	12,943							35,032
322	Accrued compensated absences - current portion	15,381	23,405							38,786
324	Accrued contingency liability									
325	Accrued interest payable									
331	Accounts payable - HUD FHA programs		148	81,386						81,534
332	Accounts payable - FFA project									
333	Accounts payable - other government	37,749								37,749
341	Tenant security deposits	62,303								62,303
342	Deferred revenue	5,849								5,849
343	Current portion of LT debt - capital projects	70,000						80,000		150,000
344	Current portion of LT debt - operating borrowing									
345	Other current liabilities									
346	Accrued liabilities - other	22,133								22,133
347	Interprogram - due to				418					418
310	TOTAL CURRENT LIABILITIES:	256,616	86,942	81,386	418			80,000	(418)	504,944
NONCURRENT LIABILITIES										
351	Long-term debt, net of current - capital projects	910,000								910,000
352	Long-term debt, net of current - operating borrowing									
353	Noncurrent liabilities - other		111,411							111,411
354	Accrued compensated absences - noncurrent	15,381	23,405							38,786
355	Long-term debt - current									
356	FASB 51 liabilities									
357	Accrued pension and OPEB liabilities									
350	TOTAL NONCURRENT LIABILITIES:	925,381	134,816	81,386	418			80,000	(418)	1,066,197
300	TOTAL LIABILITIES	1,181,997	221,758	81,386	418			80,000	(418)	1,565,141
EQUITY										
508.1	Invested in Capital Assets, Net of Related Debt	4,173,336								4,173,336
511.1	Restricted Net Assets	297,112								297,112
512.1	Unrestricted Net Assets	2,368,065	1,014,927				127,980			3,510,972
513	TOTAL EQUITY	6,838,513	1,312,039				127,980			8,178,532
600	TOTAL LIABILITIES AND EQUITY	7,723,720	1,535,797	81,386	418		127,980	80,000	(418)	9,546,883
Printed on concept										

Lakewood Housing Authority											
NJ054											
Financial Data Schedule (FDS)											
December 31, 2014											
Line Item #	Account Description	Operating Fund	Capital Fund	Housing Choice Vouchers	Supportive Housing for Persons with Disabilities	Shelter Plus Care	Supportive Housing Program	Business Activities	Community Development Block Grant/Fund/Entitlement Grants	Elimination	TOTAL
	REVENUE:										
70300	Net tenant rental revenues	\$ 1,073,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,073,663
70400	Tenant revenue - other	14,739	-	-	-	-	-	-	-	-	14,739
70500	Total tenant revenue	1,088,402	-	-	-	-	-	-	-	-	1,088,402
70600	HUD PIHA grants	1,082,813	100,495	10,805,106	727,837	34,149	20,923	-	-	-	12,771,323
70610	Capital grants	-	438,444	-	-	-	-	-	-	-	438,444
70800	Other government grants	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	5,718	-	1,034	-	-	-	-	-	-	6,752
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	20,690	-	89,520	-	-	-	-	-	-	110,210
71500	Other revenue	75,117	-	35,405	-	-	-	65,000	-	-	175,522
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-
70600	TOTAL REVENUE	2,272,740	538,939	10,931,065	727,837	34,149	20,923	65,000	-	-	14,590,653
	EXPENSES:										
	Administrative										
91100	Administrative salaries	370,195	-	401,142	38,847	-	-	24,164	-	-	784,348
91200	Auditing fees	2,944	-	10,776	1,000	-	-	-	-	-	14,720
91300	Outside management fee	-	-	-	-	-	-	-	-	-	-
91310	Book-keeping fee	-	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	1,246	-	-	-	-	-	-	-	-	1,246
91500	Employee benefit contributions- Administrative	102,633	-	268,559	12,950	-	-	1,849	-	-	385,991
91600	Office expense	55,430	-	91,137	7,896	-	-	-	-	-	154,463
91700	Legal expenses	8,541	-	19,740	1,716	-	-	-	-	-	29,997
91800	Travel	1,493	-	123	11	-	-	-	-	-	1,627
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-
91900	Other	4,670	46,981	16,757	1,457	-	-	-	-	-	69,865
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-
	tenant services										
92100	Laundry services - salaries	-	-	45,071	-	-	-	-	-	-	45,071
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions-tenant service	-	-	20,029	-	-	-	-	-	-	20,029
92400	Tenant services - other	14,664	-	-	-	-	-	-	-	-	14,664

Lakewood Housing Authority											
NJ054											
Financial Data Schedule (FDS)											
December 31, 2014											
Line Item #	Account Description	Operating Fund	Capital Fund	Housing Choice Vouchers	Supportive Housing for Persons with Disabilities	Shelter Plus Care	Supportive Housing Program	Business Activities	Community Development Block Grant/Entitlement Grants	Elimination	TOTAL
	Utilities										
93100	Water	178,355	-	-	-	-	-	-	-	-	178,355
93200	Electricity	182,040	-	-	-	-	-	-	-	-	182,040
93300	Gas	266,007	-	-	-	-	-	-	-	-	266,007
93400	Fuel	-	-	-	-	-	-	-	-	-	-
93500	Labor	59,641	-	-	-	-	-	-	-	-	59,641
93600	Sewer	-	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions- health	24,862	-	-	-	-	-	-	-	-	24,862
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-
	Ordinary maintenance & operator										
94100	Ordinary maintenance and operations - labor	139,162	-	-	-	-	-	-	-	-	139,162
94200	Ordinary maintenance and operations - materials & other	136,301	2,958	-	-	-	-	-	-	-	139,259
94300	Ordinary maintenance and operations - contract cost	137,106	-	-	-	-	-	-	-	-	137,106
94500	Employee benefit contributions-ordinary maintenance	61,827	-	-	-	-	-	-	-	-	61,827
	Protective services										
95100	Protective services- labor	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract cost	79,188	-	-	-	-	-	-	-	-	79,188
95300	Protective services- other	3,284	-	-	-	-	-	-	-	-	3,284
95500	Employee benefit contributions- protective service	-	-	-	-	-	-	-	-	-	-
	General expenses										
96100	Insurance premium	72,538	-	13,669	1,188	-	-	-	-	-	87,395
96200	Other general expense	-	-	11,601	-	-	-	-	-	-	11,601
96210	Compensated absences	1,477	-	3,299	287	-	-	-	-	-	5,203
96300	Payments in lieu of taxes	37,979	-	-	-	-	-	-	-	-	37,979
96400	Bad debt - tenant rents	191,128	-	-	-	-	-	-	-	-	191,128
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	46,556	-	-	-	-	-	-	-	46,556
96700	Interest expense	-	-	-	-	-	-	-	-	-	-
96710	Amortization of bond issue cost	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-
96900		1,930,670	96,495	901,903	65,332	-	-	26,013	-	-	3,020,373
97000		342,110	442,444	10,029,162	662,505	34,149	20,923	38,987	-	-	11,570,280
	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES										
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payment	-	-	9,899,345	662,505	34,149	20,923	-	-	-	10,616,922
97350	HAP Forfeiture - in	-	-	7,836	-	-	-	-	-	-	7,836
97400	Depreciation expense	402,488	-	-	-	-	-	-	-	-	402,488
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-
97600	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
97800		2,333,118	96,495	10,809,084	727,837	34,149	20,923	26,013	-	-	14,047,619
99000	TOTAL EXPENSES										

Lakewood Housing Authority											
NJ054											
Financial Data Schedule (FDS)											
December 31, 2014											
Line Item #	Account Description	Operating Fund	Capital Fund	Housing Choice Vouchers	Supportive Housing for Persons with Disabilities	Shelter Plus Care	Supportive Housing Program	Business Activities	Community Development Block Grant/Fund/Entitlement Grants	Elimination	TOTAL
	OTHER FINANCING SOURCES (USES)										
10010	Operating transfers in	4,000	-	-	-	-	-	-	-	(4,000)	-
10020	Operating transfers out	-	(4,000)	-	-	-	-	-	-	4,000	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	4,000	(4,000)	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(50,378)	438,444	121,981	-	-	-	38,987	-	-	543,634
MEMO ACCOUNT INFORMATION:											
11020	Required annual debt principal payments	-	60,000	-	-	-	-	-	-	-	60,000
11030	Beginning equity	6,598,101	(438,444)	1,190,058	-	-	-	88,993	-	-	7,438,708
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	1,014,927	-	-	-	-	-	-	1,014,927
11180	Housing assistance payments equity	-	-	297,112	-	-	-	-	-	-	297,112
11190	Unit months available	3,161	-	9,186	816	36	23	-	-	-	13,192
11210	Number of unit months leased	3,107	-	8,772	810	36	23	-	-	-	12,748
	Equity Roll Forward Test:										
	Calculation from R/E Statement	\$ 6,541,723	\$ -	\$ 1,312,039	\$ -	\$ -	\$ -	\$ 127,980	\$ -	\$ -	\$ 7,981,742
	B/S Line 513	\$ 6,541,723	\$ -	\$ 1,312,039	\$ -	\$ -	\$ -	\$ 127,980	\$ -	\$ -	\$ 7,981,742
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -