

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED DECEMBER 31, 2014

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 6
Management's Discussion and Analysis (MD&A)	7 - 15
FINANCIAL STATEMENTS:	
Statement of Net Position	16 - 17
Statement of Revenues, Expenses and Changes in Net Position	18
Statement of Cash Flows	19
Notes to Financial Statements	20 - 28
SUPPLEMENTARY DATA:	
Schedule of Assets, Liabilities and Net Position by Program	29 - 30
Schedule of Revenues, Expenses, and Changes in Net Position by Program	31
Schedule of Expenditures of Federal Awards	32
Financial Data Schedule	33 - 35
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	36 - 37

YEAGER & BOYD, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
5501 HIGHWAY 280
BIRMINGHAM, ALABAMA 35242
(205) 991-5506 FAX (205) 991-5450

Board of Commissioners
The Housing Authority of the City of Trenton
Trenton, New Jersey

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of The Housing Authority of the City of Trenton, New Jersey as of and for the year ended December 31, 2014, and the related notes to the 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 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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 opinions.

Opinions

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

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 15 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 performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development's information and is not a required part of the financial statements. The accompanying 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 not a required part of the basic financial statements.

The Financial Data Schedule, other supplementary data and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the 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 data and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 28, 2015 on our consideration of the Authority's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Birmingham, Alabama
April 28, 2015

Yeager & Boyd
Yeager & Boyd

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

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*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
The Housing Authority of the City of Trenton
Trenton, New Jersey

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, the financial statements of the Authority, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Authority'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Birmingham, Alabama
April 28, 2015

Yeager & Bond

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

INDEPENDENT AUDITOR'S REPORT FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
The Housing Authority of the City of Trenton
Trenton, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2014. The Authority's major federal program is 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 the Authority's major federal program 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 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 the major federal program. However, our audit does not provide a legal determination of Authority's compliance.

Opinion on the Major Program

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

Report on Internal Control Over Compliance

Management of the 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 the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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 our testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Birmingham, Alabama
April 28, 2015

Yeager & Boyd

**THE HOUSING AUTHORITY OF THE CITY OF TRENTON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2014**

The Trenton Housing Authority's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority's net position increased \$1.4 million during 2014. Net Position was \$49.4 million and \$50.8 million for 2013 and 2014, respectively.

- Revenues decreased by \$6.8 million during 2014, and were \$26.9 million and \$20.1 million for 2013 and 2014, respectively.

- The total expenses of all Authority programs decreased \$8.6 million. Total expenses were \$27.2 million and \$18.6 million for 2013 and 2014, respectively.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

*~ AUTHORITY-WIDE FINANCIAL STATEMENTS ~
~ NOTES TO FINANCIAL STATEMENTS ~*

OTHER REQUIRED SUPPLEMENTARY INFORMATION

*~ REQUIRED SUPPLEMENTARY INFORMATION ~
(OTHER THAN MD&A)*

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and "Net Position", formerly known as net assets. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, 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: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position."

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

THE AUTHORITY'S MAIN PROGRAMS

Significant Programs – The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to offer housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Revitalization of Severely Distressed Public Housing (HOPE VI) Program – The Authority's Hope VI Program was awarded \$22 million to transform distressed public housing developments into mixed-income communities. The Hope VI Program aims not only to transform the physical condition of the public housing community but also to positively impact the lives of the residents.

Other Program – In addition to the significant programs above, the Authority also maintains the following program:

- Central Office Cost Center

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1
STATEMENT OF NET POSITION

	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current Assets & Restricted Assets	\$ 7,338,050	\$ 8,620,605	\$ (1,282,555)
Capital Assets	73,204,747	73,002,328	202,419
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 80,542,797</u>	<u>\$ 81,622,933</u>	<u>\$ (1,080,136)</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 3,516,858	\$ 3,937,666	\$ (420,808)
Non-Current Liabilities	26,222,846	28,320,739	(2,097,893)
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>\$ 29,739,704</u>	<u>\$ 32,258,405</u>	<u>\$ (2,518,701)</u>
Net Position:			
Net Investment in Capital Assets	\$ 45,449,629	\$ 44,043,042	\$ 1,406,587
Restricted Net Position	204,421	204,421	-
Unrestricted Net Position	5,149,043	5,117,065	31,978
Total Net Position	<u>\$ 50,803,093</u>	<u>\$ 49,364,528</u>	<u>\$ 1,438,565</u>

Major Factors Affecting the Statement of Net Position

During 2013, there was a \$1.3 million decrease in current and restricted assets due to restricted cash expended for improvements under the Energy Performance Contract, a reduction of accounts receivable due from HUD and a reduction of prepaid insurance accrued as of year-end.

Capital assets increased due to improvements to Public Housing properties under the Energy Performance Contract and other improvements funded by the Capital Fund Program. For more detail see "Capital Assets" in Table 4.

Current liabilities decreased due mainly to a reduction of accounts payable due to vendors and contractors as of year-end.

Non-current liabilities decreased due to the extinguishment of capital debt obligations.

The increase in net investment in capital assets is a result of capital asset additions and capital debt reductions, which exceeded depreciation and the decrease in debt proceeds held for capital additions.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Position, December 31, 2013	\$ 5,117,065
Results of Operations	574,615
Principal and Interest Expended on Capital Debt from Operations	(2,208,049)
Investment Income	1,145
Home Ownership Assistance Disbursements	(273,020)
Depreciation Expense	<u>1,937,287</u>
Unrestricted Net Position, December 31, 2014	<u>\$ 5,149,043</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal years. The Authority is engaged only in Business-Type Activities.

	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 5,099,490	\$ 5,119,578	\$ (20,088)
Operating Grants	12,037,258	10,474,307	1,562,951
Capital Grants	2,539,423	10,905,881	(8,366,458)
Investment Income	1,145	572	573
Other Revenue	399,522	386,926	12,596
Total Revenues	<u>\$ 20,076,838</u>	<u>\$ 26,887,264</u>	<u>\$ (6,810,426)</u>
Expenses and Effect of Change in Accounting Principle:			
Administrative Expenses	\$ 4,258,895	\$ 3,875,661	\$ 383,234
Tenant Services	545,909	628,830	(82,921)
Utilities	3,501,332	3,245,935	255,397
Maintenance & Operations	4,399,738	4,723,085	(323,347)
Protective Services	1,224,355	1,198,805	25,550
General Expense	1,094,139	983,789	110,350
Interest Expense	392,607	414,048	(21,441)
Depreciation	1,937,287	1,880,025	57,262
Home Ownership Assistance Expense	273,020	183,903	89,117
HOPE VI Project Expense	1,010,991	10,109,155	(9,098,164)
Effect of Change in Accounting Principle	-	993,777	(993,777)
Total Expenses and Effect of Change in Accounting Principle	<u>\$ 18,638,273</u>	<u>\$ 28,237,013</u>	<u>\$ (9,598,740)</u>
Excess (Deficiency) of Revenues Over Expenses and the Effect of the Change in Accounting Principle	<u>\$ 1,438,565</u>	<u>\$ (1,349,749)</u>	<u>\$ 2,788,314</u>

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position

Operating grants increased due to increased subsidies recognized under the Public Housing, Capital Fund and HOPE VI Programs. Capital grants decreased significantly, due to decreased modernization activity of the HOPE VI revitalization project and a reduction of improvement activity on the Authority's Public Housing properties.

There was an overall decrease in expenses. Administrative expenses increased due primarily to an increase in personnel and related costs. Utility expenses increased due mainly to increased gas costs incurred. Maintenance and operations expense decreased due predominantly to a reduction of external contracting costs. HOPE VI project expense decreased during the year due to a significant decrease of disbursements to fund development costs of the Miller Homes Site Revitalization Project.

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position - Continued

The effect of the change in accounting principle recognized during 2013 was a result of the Authority's adoption of GASBS No. 65, *Items Previously Reported as Assets and Liabilities*, an accounting pronouncement which states that debt issuance costs should be recognized as an expense in the period incurred. As a result of the adoption, the Authority no longer accounted for previously incurred debt issuance costs as an asset, and recognized an effect of the change in accounting principle. No effect of the change in accounting principle was necessary during 2014.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the Authority had \$73.2 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions and depreciation) of \$.2 million from the end of last year.

**TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 1,993,866	\$ 1,993,866	\$ -	0%
Buildings	130,328,996	128,611,080	1,717,916	1%
Furniture & Equipment	6,365,492	6,365,492	-	0%
Construction in Process	29,913,902	29,492,112	421,790	1%
Accumulated Depreciation	<u>(95,397,509)</u>	<u>(93,460,222)</u>	<u>(1,937,287)</u>	<u>2%</u>
Net Capital Assets	<u>\$73,204,747</u>	<u>\$73,002,328</u>	<u>\$ 202,419</u>	<u>0%</u>

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, January 1, 2014	\$ 73,002,328
Additions:	
Capital Fund Program - Improvements	933,432
Energy Project Expenditures - Improvements	1,206,274
Depreciation Expense	<u>(1,937,287)</u>
Ending Balance, December 31, 2014	<u>\$ 73,204,747</u>

DEBT OUTSTANDING

As of year-end, the Authority had \$28.2 million in debt (bonds, notes, etc.) outstanding.

TABLE 6

OUTSTANDING DEBT, AT YEAR-END

<u>Business Type</u>	<u>2014</u>	<u>2013</u>
Capital Fund Revenue Bonds	\$ 8,300,000	\$ 8,875,000
Energy Performance Contract - Capital Debt	<u>19,875,333</u>	<u>21,292,912</u>
Total	<u>\$ 28,175,333</u>	<u>\$ 30,167,912</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Herbert T. Brown, Executive Director, Trenton Housing Authority, at (609) 278-5042. Specific requests may be submitted to Trenton Housing Authority, 875 New Willow Street, Trenton, New Jersey 08638.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY
STATEMENT OF NET POSITION
DECEMBER 31, 2014

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 5,743,640
Accounts Receivable - HUD	303,237
Tenants Accounts Receivable (Allowance for Doubtful Accounts)	80,573 (10,532)
Notes Receivable	1,671
Prepaid Insurance	425,474
Inventory, Net of Allowance	169,351
Total Current Assets	<u>6,713,414</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>624,636</u>
Total Restricted Assets	<u>624,636</u>
<u>Capital Assets</u>	
Land	1,993,866
Buildings and Improvements	130,328,996
Furniture & Equipment	6,365,492
Construction in Progress	<u>29,913,902</u>
	168,602,256
(Less): Accumulated Depreciation	<u>(95,397,509)</u>
Net Capital Assets	<u>73,204,747</u>
Total Assets	<u>80,542,797</u>
Deferred Outflows of Resources	<u>-</u>
Total Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 80,542,797</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY
 STATEMENT OF NET POSITION
 DECEMBER 31, 2014

LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 634,140
Accrued Payroll	130,390
Accrued Compensated Absences	150,130
Accrued Interest Payable	98,014
Tenant Security Deposits	363,543
Current Portion of Debt	2,102,620
Unearned Revenue	38,021
Total Current Liabilities	<u>3,516,858</u>
<u>Long-Term Liabilities</u>	
Capital Debt	26,072,713
Accrued Compensated Absences	150,133
Total Long-Term Liabilities	<u>26,222,846</u>
Total Liabilities	<u>29,739,704</u>
Deferred Inflows of Resources	-
Total Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>29,739,704</u>
<u>Net Position</u>	
Net Investment in Capital Assets	45,449,629
Restricted Net Position	204,421
Unrestricted Net Position	5,149,043
Total Net Position	<u>50,803,093</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 80,542,797</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 5,099,490
Operating Grants	12,037,258
Other Income	399,522
Total Operating Revenues	<u>17,536,270</u>
<u>Operating Expenses</u>	
Administrative	4,258,895
Tenant Services	545,909
Utilities	3,501,332
Maintenance & Operations	4,399,738
Protective Services	1,224,355
General Expense	1,094,139
Depreciation	1,937,287
Total Operating Expenses	<u>16,961,655</u>
Operating Income (Loss)	<u>574,615</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	1,145
Interest Expense	(392,607)
Home Ownership Assistance Expense	(273,020)
HOPE VI Project Expense	(1,010,991)
Total Non-Operating Rev/(Exp)	<u>(1,675,473)</u>
Increase (Decrease) before Capital Contributions	<u>(1,100,858)</u>
Capital Contributions	<u>2,539,423</u>
Increase (Decrease) in Net Position	1,438,565
Net Position, Beginning	49,364,528
Net Position, Ending	<u>\$ 50,803,093</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 4,993,806
Cash Received from Operating Grants	12,074,146
Cash Received from Other Sources	420,593
Cash Payments for Salaries and Benefits	(6,294,353)
Cash Payments to Vendors	(9,094,310)
Net Cash flows provided (used) by operating activities	<u>2,099,882</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Outlay	(1,744,143)
Capital Grants Received	1,492,481
Principal and Interest payments on Capital Debt	(2,809,247)
Net cash flows provided (used) by capital and related financing activities	<u>(3,060,909)</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	1,145
Grants received to Fund HOPE VI Loan Agreement	1,442,253
Home Ownership Assistance Disbursements	(273,020)
Disbursements on HOPE VI Loan Agreement	(1,016,814)
Net cash flows provided (used) by investing activities	<u>153,564</u>
Net Increase (decrease) in cash and cash equivalents	(807,463)
<u>Cash and cash equivalents, beginning of year:</u>	<u>7,175,739</u>
<u>Cash and cash equivalents, end of year:</u>	<u>\$ 6,368,276</u>
<u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u>	
Operating Income (Loss)	\$ 574,615
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	1,937,287
Bad Debts (Tenants)	104,050
Change in Accounts Receivable - Grants	36,888
Change in Tenants Accounts Receivable	(105,684)
Change in Accounts Receivable - Other	16,153
Change in Prepaid Expenses	107,861
Change in Inventory	(64,983)
Change in Accounts Payable	(544,706)
Change in Accrued Expenses	33,483
Change in Tenant Security Deposits	4,918
Net cash provided by (used in) operating activities	<u>\$ 2,099,882</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board.

Cash

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other accounts receivable consists of amounts due from HUD for Grant Income.

Prepaid Items and Inventory

Prepaid items and inventory consists of payments made to vendors for services and materials that will benefit future periods.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue. These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings	30 years
Improvements	10 - 15 years
Furniture fixtures and equipment	5 - 10 years

Indirect Costs Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center, and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Directors. The applicable jurisdictions appoint the Board of Directors. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Directors and submitted to the New Jersey Division of Local Government Services (DLGS). The Authority's budget is not funded by DLGS, but rather the U.S. Department of Housing and Urban Development (HUD) based upon performance funding and program and capital grants. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has no component units. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

NOTE C - CASH DEPOSITS

Custodial Credit Risk – The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally-insured investments.

The Housing Authority's cash and cash equivalents consist of funds held in interest bearing checking accounts totaling \$5,947,561, and \$420,215 invested in US Treasury Money Market Funds which is restricted for modernization. The remaining \$500 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

	<u>Per Book</u>	<u>Per Bank</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Investments held in U.S. Treasury Obligations	420,215	420,215
Collateralized with an Irrevocable Standby Letter of Credit	5,697,561	5,760,955
Uncollateralized	-	-
	<u>\$ 6,367,776</u>	<u>\$ 6,431,170</u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of December 31, 2014 as follows:

Type of Commitment:

Renovations/ Modernizations	\$ 836,300
Professional Services	<u>203,422</u>
Total Outstanding Contractual Commitments	<u>\$ 1,039,722</u>

NOTE E - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE F - CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE G - RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

NOTE H - INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at the fiscal year end consisted of the following:

Central Office Cost Center	\$ 97,186
Public Housing	<u>(97,186)</u>
	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I - PENSION PLAN

The Housing Authority participates in the Public Employees Retirement System (PERS). This is a cost sharing multiple employer employees' retirement system established and administered by the State of New Jersey. The Authority contributes an amount annually to fund the normal contributions and accrued liability components as actuarially determined by the State of New Jersey Pension Trust Funds. The PERS, which covers various groups in the State, does not maintain separate records for each employer member, and accordingly, the fund assets and value of invested benefits for employees who participate in the plan and the annual rate of return are not available. Employees are required to contribute 5.5% of their annual salary to the plan. Total employer contributions to the plan for the year were \$588,000, which represents 100% of the required contributions for the year. Employer contributions for 2012 and 2013 were \$463,706 and \$490,250 respectively, which represented 100% of their required contributions for the respective years.

The unfunded obligation is being amortized over future pension contributions, which meets GASB #27 requirements for non-accrual of the unfunded obligation.

NOTE J – OTHER POST EMPLOYMENT BENEFITS

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* (OPEB). The Authority is a member of and makes contributions to a cost-sharing multiple-employer OPEB plan, which is administered as a trust. All of the Authority's eligible retirees receive health insurance benefits through this plan. Eligible retirees are all employees who retire from the Authority on or after attaining the age of sixty (60) with at least twenty-five (25) years of service. The Authority provides post employment benefits in accordance with the terms of the New Jersey Health Benefit Plan. Under this plan, benefits, risks and liabilities are pooled (shared), and plan net assets received from participating employers are legally used to pay benefits to participating retirees. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the various employers. A single actuarial valuation covers all plan members, and the same contribution rate applies for each employer. The total expenditures for post employment health care benefits were \$540,080, which represents 100% of the required contributions for the year. Contributions for 2012 and 2013 were \$427,519 and \$485,937 respectively, which represented 100% of their required contributions for the respective years.

NOTE K – COMPENSATED ABSENCES

The Authority's policy allows employees to accumulate and carry-over up to one year of earned vacation. This policy also allows for full payment of earned leave upon termination.

The sick leave policy, which is in accordance with state laws, allows employees to accumulate unused sick leave. Upon normal retirement under the Public Employees Retirement System, employees shall be entitled to receive a lump sum payment as supplemental compensation for each full day of earned and unused accumulated sick leave of one-half (1/2) of the eligible employee's daily rate of pay. No lump sum payment shall exceed \$15,000. Leave accrued but not yet paid as of December 31, 2014, is shown as a liability allocated between current and noncurrent.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L – LONG TERM DEBT

The Housing Authority pledged a portion of its annual Capital Fund Grant from HUD to secure the Authority's allocable portion of Bonds issued jointly by the Authority and other participating New Jersey housing authorities. The Authority's allocable share of the net proceeds, \$12,453,954 was used to acquire, construct, equip, renovate and improve public housing developments owned and operated by the Authority for rental to, and occupancy by qualified tenants under the applicable HUD rules and regulations. The Bonds are designated "Capital Fund Program Revenue Bonds, 2004 Series A." The entire proceeds of \$12,815,000 were deposited with the Trustee (Bank of New York), which has been authorized and directed to apply and disburse such monies for the purposes and in the order specified in the Master Trust Indenture. The Bonds bear interest at a rate not to exceed 4.7% and are paid semi-annually. Interest expense incurred during the year was \$392,607. The principal balance at December 31, 2014 was \$8,300,000. The Bonds are payable as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2015	\$ 595,000	\$ 373,052	\$ 7,705,000
2016	625,000	346,693	7,080,000
2017	650,000	319,130	6,430,000
2018	680,000	290,364	5,750,000
2019	710,000	260,077	5,040,000
2020 - 2024	4,100,000	769,743	940,000
2025	940,000	33,135	-
	<u>\$ 8,300,000</u>	<u>\$ 2,392,194</u>	<u>\$ -</u>

In March of 2009 the Authority obtained financing, under a lease purchase agreement, from TD Bank in the amount of \$10,464,440 to fund the installation & maintenance of energy efficient equipment and fixtures in the Authority's public housing units. In October of 2012, the Authority refinanced the principal balance of \$20,549,025 payable under the original lease purchase agreement with a \$22,971,265 lease purchase agreement with TD Bank. The agreement bears interest at a rate of 2.12%. Monthly principal and interest payments are payable through 2024. The agreement is secured by the equipment and fixtures. Interest expenditures capitalized during the year under the original and existing agreements were \$417,863. The principal balance at December 31, 2014 was \$19,875,333. Debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2015	\$ 1,507,620	\$ 406,764	\$ 18,367,713
2016	1,607,542	373,835	16,760,171
2017	1,711,991	338,744	15,048,180
2018	1,819,998	301,405	13,228,182
2019	1,933,934	261,718	11,294,248
2020 - 2024	11,294,248	631,210	-
	<u>\$ 19,875,333</u>	<u>\$ 2,313,676</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L – LONG TERM DEBT - CONTINUED

A summary of long term liabilities is as follows at December 31, 2014:

	January 1, 2014 Balance	Increase	Decrease	December 31, 2014 Balance	Due Within One Year
Bonds Payable	\$ 8,875,000	\$ -	\$ 575,000	\$ 8,300,000	\$ 595,000
EPC Lease Purchase Agreement	21,292,912	-	1,417,579	19,875,333	1,507,620
Compensated Absences	290,812	159,494	150,043	300,263	150,130
Less: Current portion	(2,137,985)			(2,252,750)	
Long Term Liabilities	<u>\$ 28,320,739</u>	<u>\$ 159,494</u>	<u>\$ 2,142,622</u>	<u>\$ 26,222,846</u>	<u>\$ 2,252,750</u>

NOTE M – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE N – RESTRICTED CASH AND RESTRICTED NET POSITION

The Authority's restricted cash consists of the following as of the end of the fiscal year:

Debt Proceeds Restricted for Development	\$ 420,215
Other Funds Restricted for Development	204,421
Total Restricted Cash	<u>\$ 624,636</u>

Other Funds Restricted for Development consists of sales proceeds from the disposition of Kearney Homes (Project NJ005004) during 2006. The proceeds are to be used for redevelopment purposes and there is no off-setting liability. Due to the restriction of these assets by HUD, they are reported as Restricted in the Net Position portion of the Statement of Net Position.

NOTE O – HOPE VI PROJECT EXPENSE

During 2014, the Authority loaned \$1,010,991 to Carl Miller Associates, LLC to fund development costs of the Miller Homes Site Revitalization Project, under three non-interest bearing Loan Agreements dated in December of 2012. The 2014 disbursements consist of HOPE VI grant funds. As of December 31, 2014, the Authority has loaned a total of \$13,195,831 to Carl Miller Associates, LLC. Upon expiration of the 90 year Land Lease (see Note P below), ownership of any remaining structures and improvements will transfer to the Authority. Due to uncertainties regarding collectability, the advances have been fully reserved. The advances are reflected in the Statement of Revenues, Expenses and Changes in Net Position, as HOPE VI Project Expense. Any assets received as reimbursement of this loan will be recognized as revenue upon receipt.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – CAPITAL ASSETS

A summary of Capital Assets at December 31, 2014 is as follows:

	PUBLIC HOUSING & COCC	CAPITAL FUND	TOTAL
Land	\$ 1,993,866	\$ -	\$ 1,993,866
Building and Improvements	130,328,996	-	130,328,996
Furniture, Fixtures and Equipment	6,365,492	-	6,365,492
Construction in Process	26,820,186	3,093,716	29,913,902
Less Accumulated Depreciation	<u>(95,397,509)</u>	<u>-</u>	<u>(95,397,509)</u>
Total Capital Assets	<u>\$ 70,111,031</u>	<u>\$ 3,093,716</u>	<u>\$ 73,204,747</u>

	January 1, 2014 Balance	Additions	Transfers & Deletions	December 31, 2014 Balance
Land	\$ 1,993,866	\$ -	\$ -	\$ 1,993,866
Construction in Process	<u>29,492,112</u>	<u>2,139,706</u>	<u>(1,717,916)</u>	<u>29,913,902</u>
Total Assets not being depreciated	31,485,978	2,139,706	(1,717,916)	31,907,768
Buildings and Improvements	128,611,080	-	1,717,916	130,328,996
Furniture and Equipment	<u>6,365,492</u>	<u>-</u>	<u>-</u>	<u>6,365,492</u>
Total Capital Assets	166,462,550	2,139,706	-	168,602,256
Less Accumulated Depreciation				
Buildings and Improvements	(91,460,360)	(1,832,157)	-	(93,292,517)
Furniture and Equipment	<u>(1,999,862)</u>	<u>(105,130)</u>	<u>-</u>	<u>(2,104,992)</u>
Net Book Value	<u>\$ 73,002,328</u>	<u>\$ 202,419</u>	<u>\$ -</u>	<u>\$ 73,204,747</u>

Land Lease: In April of 2010, the Authority entered into a 90 year land lease in which the Authority leased land, with a book value of \$510,000, to Carl Miller Associates, LLC for a one-time rental payment of \$10 (see Note O for additional information).

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE Q – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through April 28, 2015, the date the financial statements were issued.

THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
DECEMBER 31, 2014

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Public Housing Program	COCC	Capital Fund Program	HOPE VI	Elimination	Total
<u>Current Assets</u>						
Cash and Cash Equivalents	\$ 3,612,490	\$ 1,866,004	\$ -	\$ 265,146	\$ -	\$ 5,743,640
Accounts Receivable - HUD	554,356	-	-	103,572	(354,691)	303,237
Tenants Accounts Receivable	80,573	-	-	-	-	80,573
(Allowance for Doubtful Accounts)	(10,532)	-	-	-	-	(10,532)
Notes Receivable	1,671	-	-	-	-	1,671
Prepaid Insurance	-	425,474	-	-	-	425,474
Inventory, Net of Allowance	169,351	-	-	-	-	169,351
Interprogram Receivable	-	97,186	-	-	(97,186)	-
Total Current Assets	4,407,909	2,388,664	-	368,718	(451,877)	6,713,414
<u>Restricted Assets</u>						
Cash and Cash Equivalents	624,636	-	-	-	-	624,636
Total Restricted Assets	624,636	-	-	-	-	624,636
<u>Capital Assets</u>						
Land	1,976,466	17,400	-	-	-	1,993,866
Buildings and Improvements	129,941,984	387,012	-	-	-	130,328,996
Furniture & Equipment	4,195,218	2,170,274	-	-	-	6,365,492
Construction in Progress	26,820,186	-	3,093,716	-	-	29,913,902
	162,933,854	2,574,686	3,093,716	-	-	168,602,256
(Less): Accumulated Depreciation	(93,084,104)	(2,313,405)	-	-	-	(95,397,509)
Net Capital Assets	69,849,750	261,281	3,093,716	-	-	73,204,747
Total Assets	74,882,295	2,649,945	3,093,716	368,718	(451,877)	80,542,797
<u>Deferred Outflows of Resources</u>						
Deferred Outflows of Resources	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 74,882,295	\$ 2,649,945	\$ 3,093,716	\$ 368,718	\$ (451,877)	\$ 80,542,797

**THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
DECEMBER 31, 2014**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>Public Housing Program</u>	<u>COCC</u>	<u>Capital Fund Program</u>	<u>HOPE VI</u>	<u>Elimination</u>	<u>Total</u>
<u>Current Liabilities</u>						
Accounts Payable	\$ 574,220	\$ 45,893	\$ -	\$ 14,027	\$ -	\$ 634,140
Accrued Payroll	86,489	43,901	-	-	-	130,390
Accrued Compensated Absences	78,539	71,591	-	-	-	150,130
Accrued Interest Payable	98,014	-	-	-	-	98,014
Tenant Security Deposits	363,543	-	-	-	-	363,543
Current Portion of Debt	2,102,620	-	-	-	-	2,102,620
Unearned Revenue	38,021	-	-	354,691	(354,691)	38,021
Interprogram Payable	97,186	-	-	-	(97,186)	-
Total Current Liabilities	<u>3,438,632</u>	<u>161,385</u>	<u>-</u>	<u>368,718</u>	<u>(451,877)</u>	<u>3,516,858</u>
<u>Long-Term Liabilities</u>						
Capital Debt	26,072,713	-	-	-	-	26,072,713
Accrued Compensated Absences	78,541	71,592	-	-	-	150,133
Total Long-Term Liabilities	<u>26,151,254</u>	<u>71,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,222,846</u>
Total Liabilities	<u>29,589,886</u>	<u>232,977</u>	<u>-</u>	<u>368,718</u>	<u>(451,877)</u>	<u>29,739,704</u>
<u>Deferred Inflows of Resources</u>						
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>29,589,886</u>	<u>232,977</u>	<u>-</u>	<u>368,718</u>	<u>(451,877)</u>	<u>29,739,704</u>
<u>Net Position</u>						
Net Investment in Capital Assets	42,094,632	261,281	3,093,716	-	-	45,449,629
Restricted Net Position	204,421	-	-	-	-	204,421
Unrestricted Net Position	2,993,356	2,155,687	-	-	-	5,149,043
Total Net Position	<u>45,292,409</u>	<u>2,416,968</u>	<u>3,093,716</u>	<u>-</u>	<u>-</u>	<u>50,803,093</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 74,882,295</u>	<u>\$ 2,649,945</u>	<u>\$ 3,093,716</u>	<u>\$ 368,718</u>	<u>\$ (451,877)</u>	<u>\$ 80,542,797</u>

THE HOUSING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY
SCHEDULE OF INCOME, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2014

	Public Housing Program	COCC	Capital Fund Program	HOPE VI	Elimination	Total
Operating Revenues						
Dwelling Rent	\$ 5,099,490	\$ -	\$ -	\$ -	\$ -	\$ 5,099,490
Operating Grants	9,214,170	-	1,608,603	1,214,485	-	12,037,258
Other Income	398,425	1,837,587	-	-	(1,836,490)	399,522
Total Operating Revenues	14,712,085	1,837,587	1,608,603	1,214,485	(1,836,490)	17,536,270
Operating Expenses						
Administrative	3,662,128	1,801,323	220,142	411,792	(1,836,490)	4,258,895
Tenant Services	16,236	-	-	529,673	-	545,909
Utilities	3,459,756	41,576	-	-	-	3,501,332
Maintenance & Operations	4,359,844	39,894	-	-	-	4,399,738
Protective Services	1,224,355	-	-	-	-	1,224,355
General Expense	957,465	118,328	18,346	-	-	1,094,139
Depreciation	1,901,205	36,082	-	-	-	1,937,287
Total Operating Expenses	15,580,989	2,037,203	238,488	941,465	(1,836,490)	16,961,655
Operating Income (Loss)	(868,904)	(199,616)	1,370,115	273,020	-	574,615
Non-Operating Revenues (Expenses)						
Investment Income	995	150	-	-	-	1,145
Interest Expense	-	-	(392,607)	-	-	(392,607)
Home Ownership Assistance Expense	-	-	-	(273,020)	-	(273,020)
HOPE VI Project Expense	-	-	-	(1,010,991)	-	(1,010,991)
Total Non-Operating Rev/(Exp)	995	150	(392,607)	(1,284,011)	-	(1,675,473)
Increase (Decrease) before Capital Contributions and Transfers	(867,909)	(199,466)	977,508	(1,010,991)	-	(1,100,858)
Capital Contributions	-	-	1,528,432	1,010,991	-	2,539,423
Operating Transfers In (Out)	977,508	-	(977,508)	-	-	-
Increase (Decrease) in Net Position	109,599	(199,466)	1,528,432	-	-	1,438,565
Net Position, Beginning	42,869,895	2,616,434	3,878,199	-	-	49,364,528
Net Position Transfers	2,312,915	-	(2,312,915)	-	-	-
Net Position, Ending	\$ 45,292,409	\$ 2,416,968	\$ 3,093,716	\$ -	\$ -	\$ 50,803,093

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2014

EXPENDITURES

Low Rent Public Housing Expenditures Total CFDA Number 14.850a	<u>\$ 9,214,170</u>
Revitalization of Severely Distressed Public Housing Total CFDA Number 14.866	<u>2,225,476</u>
Public Housing Capital Fund Program Total CFDA Number 14.872	<u>3,137,035</u>
TOTAL HUD EXPENDITURES	<u>14,576,681</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 14,576,681</u>

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY
FINANCIAL DATA SCHEDULE
DECEMBER 31, 2014

	PUBLIC HOUSING 14.850a	COCC	CFP 14.872	HOPE VI 14.866	ELIMINATION	TOTAL
ASSETS						
CURRENT ASSETS						
CASH						
111	CASH UNRESTRICTED	3,248,947	1,866,004	-	265,146	5,380,097
115	CASH RESTRICTED FOR PAYMENT OF S/T DEBT	-	-	-	-	-
112	CASH RESTRICTED MODERNIZATION AND DEV	420,215	-	-	-	420,215
113	CASH OTHER RESTRICTED	204,421	-	-	-	204,421
114	CASH TENANT SECURITY DEPOSIT	363,543	-	-	-	363,543
100	TOTAL CASH	4,237,126	1,866,004	-	265,146	6,368,276
ACCOUNTS AND NOTES RECEIVABLE						
121	A/R - PHA PROJECTS	-	-	-	-	-
122	A/R - HUD PROJECTS	554,356	-	-	103,572	303,237
124	A/R - OTHER GOVT	-	-	-	-	-
125	A/R - MISC	-	-	-	-	-
126	A/R - TENANTS DWELLING RENT	80,573	-	-	-	80,573
126.1	ALLOWANCE FOR D A - TENANTS	(10,532)	-	-	-	(10,532)
126.2	ALLOWANCE FOR D A - OTHER	-	-	-	-	-
127	NOTES AND MORTGAGES RECEIVABLE	1,671	-	-	-	1,671
128	FRAUD RECOVERY	-	-	-	-	-
128.1	ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-
129	ACCRUED INTEREST RECEIVABLE	-	-	-	-	-
120	TOTAL RECEIVABLES NET OF ALLOW	626,068	-	-	103,572	374,949
CURRENT INVESTMENTS						
131	INVESTMENTS - UNRESTRICTED	-	-	-	-	-
135	INVESTMENTS RESTRICTED PYMT S/T DEBT	-	-	-	-	-
132	INVESTMENTS - RESTRICTED	-	-	-	-	-
142	PREPAID INSURANCE	-	425,474	-	-	425,474
143	INVENTORIES - MATERIALS	182,107	-	-	-	182,107
143.1	ALLOWANCE FOR OBSOLETE INV	(12,756)	-	-	-	(12,756)
144	INTERPROGRAM DUE FROM	-	97,186	-	-	97,186
146	AMOUNTS TO BE PROVIDED	-	-	-	-	-
150	TOTAL CURRENT ASSETS	5,032,545	2,388,664	-	368,718	7,338,050
NONCURRENT ASSETS						
FIXED ASSETS						
161	LAND	1,976,466	17,400	-	-	1,993,866
168	INFRASTRUCTURE	-	-	-	-	-
162	BUILDINGS	129,941,984	387,012	-	-	130,328,996
163	FURNITURE & EQUIPMENT - DWELLINGS	3,240,000	-	-	-	3,240,000
164	FURNITURE & EQUIPMENT - ADMINISTR	955,218	2,170,274	-	-	3,125,492
165	LEASEHOLD IMPROVEMENTS	-	-	-	-	-
167	CONSTRUCTION IN PROGRESS	26,820,186	-	3,093,716	-	29,913,902
166	ACCUMULATED DEPRECIATION	(93,084,104)	(2,313,405)	-	-	(95,397,509)
160	TOTAL FIXED ASSETS, NET OF DEPR	69,849,750	261,281	3,093,716	-	73,204,747
171	NOTES & MORTGAGES RECEIVABLE - N/C	-	-	-	-	-
172	NOTES & MORTGAGES RECEIVABLE - PD	-	-	-	-	-
173	GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-
174	OTHER ASSETS	-	-	-	-	-
176	INVESTMENT IN JOINT VENTURES	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	69,849,750	261,281	3,093,716	-	73,204,747
190	TOTAL ASSETS	74,882,295	2,649,945	3,093,716	368,718	80,542,797
LIABILITIES AND NET POSITION						
CURRENT LIABILITIES						
311	BANK OVERDRAFT	-	-	-	-	-
312	A/P < 90 DAYS	102,051	42,413	-	14,027	158,491
313	A/P > 90 DAYS	-	-	-	-	-
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	86,489	43,901	-	-	130,390
322	ACCRUED COMPENSATED ABSENCES	78,539	71,591	-	-	150,130
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-
325	ACCRUED INTEREST PAYABLE	98,014	-	-	-	98,014
331	ACCOUNTS PAYABLE - HUD PHA PROGRAMS	-	-	-	-	-
332	ACCOUNTS PAYABLE - PHA PROJECTS	-	-	-	-	-
333	ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-
341	TENANT SECURITY DEPOSIT	363,543	-	-	-	363,543
342	UNEARNED REVENUE	38,021	-	-	354,691	38,021
343	CURRENT PORTION OF LT DEBT CAPITAL	2,102,620	-	-	-	2,102,620
344	CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-
348	LOAN LIABILITIES - CURRENT	-	-	-	-	-
345	OTHER CURRENT LIABILITIES	164,129	-	-	-	164,129
346	ACCRUED LIABILITIES - OTHER	308,040	3,480	-	-	311,520
347	INTERPROGRAM DUE TO	97,186	-	-	-	97,186
310	TOTAL CURRENT LIABILITIES	3,438,632	161,385	-	368,718	3,516,858

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY
FINANCIAL DATA SCHEDULE
DECEMBER 31, 2014

	PUBLIC HOUSING 14.850a	COCC	CFP 14.872	HOPE VI 14.866	ELIMINATION	TOTAL	
NONCURRENT LIABILITIES							
351	LONG TERM DEBT NET OF CURRENT CAPITAL	26,072,713	-	-	-	26,072,713	
352	LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	
354	LONG TERM PORTION OF COMPENSATED ABSENCES	78,541	71,592	-	-	150,133	
355	LOAN LIABILITIES - OTHER	-	-	-	-	-	
353	NONCURRENT LIABILITIES OTHER	-	-	-	-	-	
350	TOTAL NONCURRENT LIABILITIES	26,151,254	71,592	-	-	26,222,846	
300	TOTAL LIABILITIES	29,589,886	232,977	-	368,718	(451,877)	29,739,704
NET POSITION							
508.1	NET INVESTMENT IN CAPITAL ASSETS	42,094,632	261,281	3,093,716	-	-	45,449,629
511.1	RESTRICTED NET POSITION	204,421	-	-	-	-	204,421
512.1	UNRESTRICTED NET POSITION	2,993,356	2,155,687	-	-	-	5,149,043
513	TOTAL NET POSITION	45,292,409	2,416,968	3,093,716	-	-	50,803,093
600	TOTAL LIABILITIES AND NET POSITION	74,882,295	2,649,945	3,093,716	368,718	(451,877)	80,542,797
703	NET TENANT RENTAL REVENUE	4,887,484	-	-	-	-	4,887,484
704	TENANT REVENUE - OTHER	212,006	-	-	-	-	212,006
705	TOTAL TENANT REVENUE	5,099,490	-	-	-	-	5,099,490
706	HUD PHA GRANTS	9,214,170	-	1,608,603	1,214,485	-	12,037,258
706.1	CAPITAL GRANTS RECEIVED	-	-	1,528,432	1,010,991	-	2,539,423
707	MANAGEMENT FEES	-	1,557,467	-	-	(1,557,467)	-
70720	ASSET MANAGEMENT FEE	-	139,800	-	-	(139,800)	-
70730	BOOK-KEEPING FEE	-	139,223	-	-	(139,223)	-
70750	OTHER FEES	-	-	-	-	-	-
708	OTHER GOVT GRANTS	-	-	-	-	-	-
710	SEC 8 INCOME	-	-	-	-	-	-
711	INVESTMENT INCOME - UNRESTRICTED	174	150	-	-	-	324
712	MORTGAGE INTEREST INCOME	-	-	-	-	-	-
714	FRAUD RECOVERY	-	-	-	-	-	-
715	OTHER REVENUE	398,425	1,097	-	-	-	399,522
716	GAIN OR LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-	-
720	INVESTMENT INCOME - RESTRICTED	821	-	-	-	-	821
700	TOTAL REVENUE	14,713,080	1,837,737	3,137,035	2,225,476	(1,836,490)	20,076,838
EXPENSES							
ADMINISTRATIVE							
911	ADMINISTRATIVE SALARIES	953,261	1,052,203	-	109,740	-	2,115,204
912	AUDITING FEES	38,080	-	-	-	-	38,080
913	MANAGEMENT FEE	1,249,476	-	220,142	87,849	(1,557,467)	-
913.1	BOOK-KEEPING FEE	139,223	-	-	-	(139,223)	-
914	ADVERTISING AND MARKETING	-	-	-	-	-	-
915	EMPLOYEE BENEFIT CONTRIBUTION	626,517	530,492	-	31,114	-	1,188,123
916	OTHER OPERATING ADMINISTRATIVE	178,283	47,601	-	-	-	225,884
917	LEGAL FEES	152,620	38,253	-	-	-	190,873
918	TRAVEL	540	15,369	-	-	-	15,909
919	OTHER ADMIN	184,328	117,405	-	183,089	-	484,822
920	ASSET MANAGEMENT FEE	139,800	-	-	-	(139,800)	-
TENANT SERVICES							
921	TENANT SERVICES SALARIES	-	-	-	219,367	-	219,367
922	RELOCATION COSTS	-	-	-	-	-	-
923	EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	77,881	-	77,881
924	TENANT SERVICES OTHER	16,236	-	-	232,425	-	248,661
UTILITIES							
931	WATER	347,962	1,086	-	-	-	349,048
932	ELECTRICITY	1,491,159	34,197	-	-	-	1,525,356
933	GAS	956,238	6,015	-	-	-	962,253
934	FUEL	324,467	-	-	-	-	324,467
936	SEWER	266,364	278	-	-	-	266,642
937	EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-
938	OTHER UTILITIES	73,566	-	-	-	-	73,566
ORDINARY MAINTENANCE & OPERATION							
941	ORDINARY MAINT AND OP LABOR	1,099,700	-	-	-	-	1,099,700
942	ORDINARY MAINTENANCE AND OP MATERIALS	368,199	1,253	-	-	-	369,452
943	ORDINARY MAINTENANCE AND OP CONTRACT	2,174,817	38,641	-	-	-	2,213,458
945	EMPLOYEE BENEFIT CONTRIBUTION	717,128	-	-	-	-	717,128
PROTECTIVE SERVICES							
951	PROTECTIVE SERVICES - LABOR	493,531	-	-	-	-	493,531
952	PROTECTIVE SERVICES - OTHER CONTRACT COSTS	404,722	-	-	-	-	404,722
953	PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-
955	EMPLOYEE BENEFIT CONTRIBUTION PS	326,102	-	-	-	-	326,102

THE HOUSING AUTHORITY OF THE CITY OF
TRENTON, NEW JERSEY
FINANCIAL DATA SCHEDULE
DECEMBER 31, 2014

	PUBLIC HOUSING 14.850a	COCC	CFP 14.872	HOPE VI 14.866	ELIMINATION	TOTAL
GENERAL EXPENSES	-	-	-	-	-	-
961 INSURANCE PREMIUMS	642,378	74,436	-	-	-	716,814
962 OTHER GENERAL EXPENSE	-	-	18,346	-	-	18,346
962.1 COMPENSATED ABSENCES	46,908	43,892	-	-	-	90,800
963 PAYMENTS IN LIEU OF TAXES	164,129	-	-	-	-	164,129
964 BAD DEBT - TENANT	104,050	-	-	-	-	104,050
965 BAD DEBT - MORTGAGES	-	-	-	-	-	-
966 BAD DEBT - OTHER	-	-	-	1,284,011	-	1,284,011
967 INTEREST EXPENSE	-	-	392,607	-	-	392,607
968 SEVERANCE EXPENSE	-	-	-	-	-	-
969 TOTAL OPERATING EXPENSES	13,679,784	2,001,121	631,095	2,225,476	(1,836,490)	16,700,986
970 EXCESS OPERATING REVENUE OVER OP EXP	1,033,296	(163,384)	2,505,940	-	-	3,375,852
971 EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-
972 CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	-
973 HAF	-	-	-	-	-	-
974 DEPRECIATION EXPENSE	1,901,205	36,082	-	-	-	1,937,287
975 FRAUD LOSSES	-	-	-	-	-	-
976 CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-
977 DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-
978 DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-
900 TOTAL EXPENSES	15,580,989	2,037,203	631,095	2,225,476	(1,836,490)	18,638,273
1001 OPERATING TRANSFERS IN	977,508	-	-	-	(977,508)	-
1002 OPERATING TRANSFERS OUT	-	-	(977,508)	-	977,508	-
1003 OPERATING TRANSFER TO/FROM PRIMARY GOVERNMENT	-	-	-	-	-	-
1006 PROCEEDS FROM PROPERTY SALES	-	-	-	-	-	-
1007 EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-
1008 SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-
1010 TOTAL OTHER FINANCING SOURCES (USES)	977,508	-	(977,508)	-	-	-
1000 EXCESS REVENUE OVER EXPENSES	109,599	(199,466)	1,528,432	-	-	1,438,565
1103 BEGINNING NET POSITION	42,869,895	2,616,434	3,878,199	-	-	49,364,528
1104 NET POSITION TRANSFERS	2,312,915	-	(2,312,915)	-	-	-
ENDING NET POSITION	45,292,409	2,416,968	3,093,716	-	-	50,803,093
1120 GROSS # UNITS	16,820	-	-	-	-	16,820
1121 # UNIT MONTHS LEASED	16,400	-	-	-	-	16,400
1162 BUILDING PURCHASES	-	-	933,432	-	-	933,432
1102 REQ ANNUAL DEBT PRINCIPAL PYMT	1,417,580	-	595,000	-	-	2,012,580
1390 REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
TRENTON, NEW JERSEY

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2014

Section I: Summary of Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes No

Are significant deficiencies that are not considered
to be material weaknesses identified?

Yes None
 Reported

Is noncompliance that could have a material effect
on the financial statements identified?

Yes No

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified?

Yes No

Are significant deficiencies that are not considered
to be material weaknesses identified?

Yes None
 Reported

Type of report issued on compliance with requirements
applicable to each major program:

Unmodified

Are there any audit findings that are required to be
reported in accordance with Section 510(a) of OMB
Circular A-133?

Yes No

Identification of major programs:

Name of Federal Program

CFDA No.

Public Housing Program

14.850a

Dollar threshold used to distinguish between type A and type B programs: \$437,300

Is the auditee identified as a low-risk auditee?

Yes No

THE HOUSING AUTHORITY OF THE CITY OF TRENTON
TRENTON, NEW JERSEY

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2014

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

Section III: Federal Award Findings and Questioned Costs:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None