

*Report of Audit*  
*on the*  
*Financial Statements*  
*of the*  
*Westfield Senior Citizens*  
*Housing Corporation*  
*for the*  
*Years Ended*  
*March 31, 2010 and 2009*

1



WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

I N D E X

	<u>PAGE NUMBER</u>
Independent Auditor's Report	1-2
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	3-4
Independent Auditor's Report on Compliance with Requirements Applicable to Major Federal Financial Assistance Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	5-6
<u>EXHIBITS</u>	
"A" - Statements of Financial Position, March 31, 2010 and 2009	7
"B" - Statements of Activities for the Years Ended March 31, 2010 and 2009	8
"C" - Statements of Cash Flows for the Years Ended March 31, 2010 and 2009	9
Notes to Financial Statements – March 31, 2010 and 2009	10-16
<u>SCHEDULES</u>	
"1" - Schedule of Rental Income Years Ended March 31, 2010 and 2009	17
"2" - Schedule of Other Income Years Ended March 31, 2010 and 2009	17
"3" - Schedule of Administrative Expenses Years Ended - March 31, 2010 and 2009	18
"4" - Schedule of Salaries and Related Costs Years Ended - March 31, 2010 and 2009	18
"5" - Schedule of Maintenance and Repairs Years Ended March 31, 2010 and 2009	19
"6" - Schedule of Maintenance Contracts Years Ended March 31, 2010 and 2009	19
"7" - Schedule of Utilities Expenses Years Ended March 31, 2010 and 2009	20
"8" - Schedule of Changes in Fixed Assets Years Ended March 31, 2010 and 2009	21
"9" - Schedule of Tax Liability Under Tax Abatement Agreement Years Ended March 31, 2010 and 2009	22
"10" - Schedule of Related Party Transactions March 31, 2010	23



WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

INDEX (CONTINUED)

	<u>PAGE NUMBER</u>
<u>SCHEDULES (CONTINUED)</u>	
"11" - Schedule of Expenditures of Federal Awards for the Year Ended March 31, 2010	24
"12" - Schedule of Expenditures of State Awards for the Year Ended March 31, 2010	25
Notes to the Schedules of Expenditures of Federal and State Awards for the Year Ended March 31, 2010	26
Schedule of Findings and Questioned Costs for the Year Ended March 31, 2010	27-28
Schedule of Prior Audit Findings for the Year Ended March 31, 2010	29





# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

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## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Westfield Senior Citizens  
Housing Corporation  
Westfield, New Jersey 07090

We have audited the accompanying Statements of Financial Position of Westfield Senior Citizens Housing Corporation as of March 31, 2010 and 2009 and the related Statements of Activities, and Cash Flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of State, Local Government and Non-Profit Organizations." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Westfield Senior Citizens Housing Corporation as of March 31, 2010 and 2009, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

**SUPLEE, CLOONEY & COMPANY**

In accordance with Government Auditing Standards, we have also issued a report dated June 21, 2010, on our consideration of the Westfield Senior Citizens Housing Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 is important for considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the supplementary schedules is presented for purposes of additional analysis and is not a required part of the financial statements, but is presented as additional analytical data. Such information has been subjected to tests and other auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects to the financial statements taken as a whole.

June 21, 2010

A handwritten signature in black ink that reads "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.





# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## 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

The Board of Trustees  
Westfield Senior Citizens  
Housing Corporation  
Westfield, New Jersey 07090

We have audited the financial statements of the Westfield Senior Citizens Housing Corporation as of and for the year ended March 31, 2010, and have issued our report thereon dated June 21, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Westfield Senior Citizens Housing Corporation's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Westfield Senior Citizens Housing Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Westfield Senior Citizens Housing Corporation's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Westfield Senior Citizen Housing Corporation's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

# SUPLEE, CLOONEY & COMPANY

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Westfield Senior Citizens Housing Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

This report is intended for the information of the Westfield Senior Citizens Housing Corporation and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

June 21, 2010

A handwritten signature in black ink that reads "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

The Board of Trustees  
Westfield Senior Citizens  
Housing Corporation  
Westfield, New Jersey 07090

Compliance

We have audited the compliance of Westfield Senior Citizens Housing Corporation with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2010. Westfield Senior Citizens Housing Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Westfield Senior Citizens Housing Corporation's management. Our responsibility is to express an opinion on Westfield Senior Citizens Housing Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of State Local Governments and Non-Profit Organizations." Those standards and provisions 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 Westfield Senior Citizens Housing Corporation'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. Our audit does not provide a legal determination on the Westfield Senior Citizens Housing Corporation's compliance with those requirements.

## SUPLEE, CLOONEY & COMPANY

In our opinion, the Westfield Senior Citizens Housing Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2010.

### Internal Control Over Compliance

The management of the Westfield Senior Citizens Housing Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Westfield Senior Citizens Housing Corporation's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on 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 Westfield Senior Citizens Housing Corporation'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 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 state program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of Westfield Senior Citizens Housing Corporation and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

June 21, 2010



## WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

STATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2008</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 485,166	\$ 911,428
Investments	10,586,142	8,262,745
Accounts Receivable	262,815	60,788
Prepaid Expenses	62,477	35,207
Accrued Interest Receivable	16,607	40,952
	<u>11,413,207</u>	<u>9,311,120</u>
<b>Non-Current Assets:</b>		
Tenants' Security Deposits Held by Management	\$ 73,452	\$ 75,179
Mortgage Receivable	6,219,125	6,153,042
<b>Fixed Assets:</b>		
Building	\$ 10,476,362	\$ 10,048,272
Equipment, Furniture and Fixtures	903,112	862,173
	<u>11,379,474</u>	<u>10,910,445</u>
Less: Accumulated Depreciation	(7,385,938)	(6,959,025)
	<u>3,993,536</u>	<u>3,951,420</u>
<b>TOTAL NET FIXED ASSETS</b>		
	<u>\$ 3,993,536</u>	<u>\$ 3,951,420</u>
<b>TOTAL ASSETS</b>		
	<u>\$ 21,699,320</u>	<u>\$ 19,490,761</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable - Trade	\$ 96,414	\$ 75,054
Tenants' Security Deposits	73,452	75,179
Payment in Lieu of Tax Payable	50,364	43,117
	<u>220,230</u>	<u>193,350</u>
<b>TOTAL CURRENT LIABILITIES</b>		
	<u>\$ 220,230</u>	<u>\$ 193,350</u>
<b>NET ASSETS</b>		
Net Assets - Unrestricted	<u>\$ 21,479,090</u>	<u>\$ 19,297,411</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	<u>\$ 21,699,320</u>	<u>\$ 19,490,761</u>

See Notes to Financial Statements

WESTFIELD SENIOR CITIZENS HOUSING CORPORATIONSTATEMENTS OF ACTIVITIES  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>INCOME:</u>		
Rental Income	\$ 2,524,406	\$ 2,438,931
Other Operating Income	<u>574,541</u>	<u>844,007</u>
<u>TOTAL REVENUES FROM OPERATIONS</u>	<u>\$ 3,098,947</u>	<u>\$ 3,282,938</u>
<u>EXPENSES:</u>		
Administrative Expenses	\$ 187,026	\$ 180,716
Salaries and Related Costs	813,089	771,588
Maintenance and Repairs	97,846	84,063
Maintenance Contracts	97,360	85,156
Utilities Expenses	281,415	331,939
Congregate Program	210,824	205,281
Store	24,386	26,371
Payment in Lieu of Tax	184,587	181,224
Insurance	85,361	85,357
Depreciation	<u>426,913</u>	<u>393,709</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 2,408,807</u>	<u>\$ 2,345,404</u>
<u>INCOME FROM OPERATIONS</u>	\$ 690,140	\$ 937,534
<u>OTHER INCOME (EXPENSES)</u>		
Unrealized Gain (Loss) on Investments	\$ 1,491,334	\$ (1,450,280)
Other Income	<u>205</u>	<u>483</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	\$ 2,181,679	\$ (512,263)
Net Assets, Beginning of Year	<u>19,297,411</u>	<u>19,809,674</u>
Net Assets, End of Year	<u>\$ 21,479,090</u>	<u>\$ 19,297,411</u>

See Notes to Financial Statements

WESTFIELD SENIOR CITIZENS HOUSING CORPORATIONSTATEMENTS OF CASH FLOWS  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>OPERATING ACTIVITIES</u>		
Net Increase (Decrease) in Net Assets	\$ 2,181,679	\$ (512,263)
Add (Deduct) Expenses and Income Not Using Working Capital:		
Depreciation	426,913	393,709
Add (Deduct) Changes in Non-Cash Working Capital:		
Accounts Receivable	(202,027)	11,761
Prepaid Expenses	(27,270)	1,156
Accrued Interest Receivable	24,345	(13,844)
Mortgage Receivable	(66,083)	(43,024)
Accounts Payable	21,360	10,774
Payment in Lieu of Tax Payable	7,247	(42,395)
Tenant's Security Deposits	1,727	(2,140)
Unrealized (Gain) Loss on Investments	(1,491,334)	1,450,280
Net Cash Provided by Operating Activities	\$ <u>876,557</u>	\$ <u>1,254,014</u>
<u>INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	\$ (469,029)	\$ (558,761)
Sale (Purchase) of Investments	(832,063)	(2,815,406)
Tenant's Security Deposits	(1,727)	2,140
Net Cash Used in Investing Activities	\$ <u>(1,302,819)</u>	\$ <u>(3,372,027)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	\$ (426,262)	\$ (2,118,013)
Cash and Cash Equivalents, Beginning of Year	\$ <u>911,428</u>	\$ <u>3,029,441</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>485,166</u></u>	\$ <u><u>911,428</u></u>

See Notes to Financial Statements

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 AND 2009

ORGANIZATION

Westfield Senior Citizens Housing Corporation (the "Corporation" or "Westfield") is a New Jersey Corporation chartered for the purpose of providing housing for low and moderate income families. The Corporation receives a subsidy in the form of Section 8 Housing Assistance Payments from the U.S. Department of Housing and Urban Development.

The Corporation is a not-for-profit housing corporation and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The purpose of the Corporation is to acquire, construct, develop, maintain and operate a 173-unit apartment complex for rental to senior citizens of low and moderate income. The apartment project is located in the Town of Westfield, New Jersey.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies:

Basis of Financial Statements

The financial statements of the Corporation have been prepared on the accrual basis in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Investments

Investments consist primarily of U.S. Treasury Notes, U.S. Government Agency securities, and Corporate Bonds. Investment securities are stated at fair value.

Depreciation

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three (3) to forty (40) years. For the years ended March 31, 2010 and 2009 respectively, \$426,913 and \$393,709 have been charged to expense.



WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 AND 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Income

The Corporation earns a portion of its revenue through grants from the State of New Jersey. Revenue under state funded grants is recognized as expenses are incurred. Funds received in advance under these grants are deferred and subsequently recognized in the applicable grant period.

The grant program may be subject to audit by the State of New Jersey. Management believes that amounts disallowed by the grantor, if any, would not have a material impact on the Corporation.

Repairs and Maintenance Expenditures

Expenditures for maintenance, repairs and minor renewals are expensed as incurred; expenditures which are made for improvements, replacements and major renewals are capitalized.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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. Actual results could differ from those estimates.

(2) CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Corporation at current values, are as follows:

	March 31, <u>2010</u>	March 31, <u>2009</u>
Checking Accounts	\$ 485,037	\$ 911,299
Petty Cash	<u>129</u>	<u>129</u>
	<u>\$ 485,166</u>	<u>\$ 911,428</u>

The checking accounts are maintained at the same bank. Balances on deposit are insured by the Federal Deposit Insurance Corporation in the amount of \$250,000 in each bank depository.

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 AND 2009

(3) INVESTMENTS

Investments at fair values at March 31, 2010 are as follows. Fair value is determined by quoted market prices or prices which are provided by investment managers. Alternative investments include financial instruments subject to market risk.

	<u>Cost</u>	<u>Fair Value</u>
Money Market Funds – Level 1	\$ 973,476	\$ 973,476
Certificates of Deposit – Level 1	2,657,546	2,741,199
Equities – Level 1	1,809,962	1,885,748
Fixed Income – Level 1	2,916,649	2,975,769
Government Securities – Level 1	65,000	64,784
Mutual Funds – Level 1	1,306,199	1,353,641
Alternative Investments – Level 3	<u>553,412</u>	<u>591,525</u>
	<u>\$10,282,244</u>	<u>\$10,586,142</u>

Investments are stated at fair value. The fair value of all debt and equity securities with a readily determinable fair value are based on quotations obtained from national securities exchanges (Level 1 measurements). The alternative investments, which are not readily marketable or have little or no market activity, are carried at estimated fair values as provided by the investment managers (Level 3 measurements). These valuations include assumptions and methods that were reviewed by the Corporation's management. The Corporation believes that the carrying amount of its alternative investments is a reasonable estimate of fair value. Those estimated fair values may differ from the values that would have been used had a ready market for these securities existed.

The primary objective of the Corporation's investments is capital appreciation and absolute return without undue exposure to risk. Investment funds are selected to support long-term goals.

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 AND 2009

(4) ACCOUNTS RECEIVABLE

Accounts receivable are detailed as follows at March 31:

	<u>2010</u>	<u>2009</u>
Congregate Participant Receivable	\$ 13,653	\$ 12,446
NJ Grant Receivable	23,330	23,282
Miscellaneous	39,708	22,702
Air Conditioners	3,891	2,358
Investment Distribution Receivable	<u>182,233</u>	<u>- 0 -</u>
	<u>\$ 262,815</u>	<u>\$ 60,788</u>

(5) PREPAID EXPENSES

Prepaid expenses include the following:

	<u>2010</u>	<u>2009</u>
Insurance	<u>\$62,477</u>	<u>\$35,207</u>
	<u>\$62,477</u>	<u>\$35,207</u>

(6) FIXED ASSETS

Fixed Assets are recorded at cost and depreciated on a straight line basis over their estimated use life.

	<u>March 31,</u> <u>2009</u>	<u>Additions</u>	<u>March 31,</u> <u>2010</u>
Building and Improvements	\$ 10,048,272	\$ 428,090	\$ 10,476,362
Equipment and Furnishings	<u>862,173</u>	<u>40,939</u>	<u>903,112</u>
	10,910,445	469,029	11,379,474
Accumulated Depreciation	<u>6,959,025</u>	<u>426,913</u>	<u>7,385,938</u>
	<u>\$ 3,951,420</u>	<u>\$ 42,116</u>	<u>\$ 3,993,536</u>

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 AND 2009

(7) TENANT SECURITY DEPOSITS

Security deposits in the amount of \$73,452 and \$75,179 represent deposits held in an interest bearing account as of March 31, 2010 and 2009 respectively. These represent liability to tenants for security deposits collected from them.

(8) ACCOUNTS PAYABLE

Accounts payable is detailed as follows, as of March 31:

	<u>2010</u>	<u>2009</u>
Administrative	\$ 10,734	\$ 3,526
Employee Benefits	13,254	23,958
Utilities	22,471	21,769
Legal Fees	- 0 -	5,753
Maintenance	2,930	2,341
Congregate Expenses	3,867	4,987
Salaries and Wages	23,475	12,720
Donation	5,000	- 0 -
Fixed Assets	<u>14,683</u>	<u>- 0 -</u>
	<u>\$96,414</u>	<u>\$75,054</u>

(9) HOUSING ASSISTANCE PAYMENT CONTRACT

The Corporation has been approved for a Housing Assistance Payment (HAP) contract under the United States Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payment Program. Under the program, the projects' rents are partially subsidized by the federal government.

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 AND 2009

(10) MORTGAGE RECEIVABLE

In 1995 Westfield Senior Citizen Urban Renewal Partnership L.P. ("WSC II"), a limited partnership, completed the construction of additional low cost housing apartment units on the site adjacent to the Corporation's current location. The site for the new units was provided by the Town of Westfield. A mortgage balance of \$5,200,000 is payable over 33 years (through the year 2027) at an annual interest rate of 3%. Interest accrued and unpaid as of March 31, 2010 and 2009 is \$1,019,125 and \$953,042, respectively, and is included in the mortgage receivable balance in the accompanying balance sheets.

WSC II is also required to pay an annual management fee to the Corporation, not to exceed five percent of WSC II's gross rental proceeds. This amounted to \$66,045 and \$62,270 for the years ended March 31, 2010 and 2009, respectively.

(11) PAYMENT IN LIEU OF REAL ESTATE TAXES

The Corporation has a lease agreement with the Town of Westfield (the "Town") for the land on which the development was constructed. The period of the lease is not to exceed 50 years. The annual payment in lieu of real estate taxes is an amount equal to 6.28% of the annual net rental income of the development as prescribed by Exhibit A to the Resolution, adopted August 12, 1975, between the Town and the Corporation. During fiscal year 1985-86, the Resolution was amended to include interest income and other miscellaneous income; however, the annual payment in lieu of real estate taxes rate was unchanged by the Resolution. Payments in lieu of real estate taxes amounted to \$184,587 and \$181,224 during 2010 and 2009 respectively.

(12) PENSION PLAN

The Corporation provides a retirement plan whereby eligible employees can elect to defer a percentage of their earnings into a retirement plan. This plan is an Internal Revenue Code Section 403(b) plan. Employee contributions are invested into individual contracts. The Plan is subject to federal laws of ERISA (Employment Retirement Income Security Act).

The Plan also provides for an employer contribution equal to 10% of eligible employees' compensation. Contributions to the plan for the years 2010 and 2009 were \$22,628 and \$18,831, respectively.

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 AND 2009

(13) HEALTH REIMBURSEMENT PLAN

In January 2009 the Corporation implemented a Section 105 Health Reimbursement Plan which provides an escrow of employer funds to provide reimbursements to employees for uncovered employee medical expenses. Reimbursements are limited in accordance with the plan agreement. Contributions to this plan amounted to \$36,915 and \$16,328 in the years ended March 31, 2010 and 2009, respectively, and is included in Employee Benefit expenses.

(14) PROPERTY PURCHASE

On March 30, 2010, the Corporation contracted for the purchase of property in Garwood, New Jersey, for a purchase price of \$1,800,000. The Corporation has proposed the development of a 72 unit apartment complex for people age 62 and over. Deposit on the purchase along with other costs incurred through March 31, 2010 amount to \$125,181 and are included in Fixed Assets.

(15) SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events occurring after the financial statement date through June 21, 2010, which is the date the financial statements were available to be issued. Based on this evaluation, the Corporation has determined that no subsequent events have occurred which require disclosure in the financial statements.

(16) COMMITMENTS AND CONTINGENCIES

In the opinion of management, claims, lawsuits, commitments and contingencies incidental to the business of the Corporation, have been adequately provided for in the financial statements.

SCHEDULE 1

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF RENTAL INCOME  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Apartment Rent - net of Vacancies	\$ <u>2,524,406</u>	\$ <u>2,438,931</u>
	\$ <u><u>2,524,406</u></u>	\$ <u><u>2,438,931</u></u>

SCHEDULE 2

SCHEDULE OF OTHER OPERATING INCOME  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Mortgage Interest Income	\$ 156,000	\$ 156,000
Investment Income	116,615	387,003
Store Revenues	26,717	31,416
Congregate Grant	97,026	89,551
Congregate Participant Fees	87,307	97,913
Management Fee Income	66,045	62,270
Laundry Machines	<u>24,831</u>	<u>19,854</u>
	\$ <u><u>574,541</u></u>	\$ <u><u>844,007</u></u>

SCHEDULE 3

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF ADMINISTRATIVE EXPENSES  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Postage	\$ 4,511	\$ 3,488
Accounting	10,400	9,600
Legal	4,406	28,765
Stationery and Supplies	5,450	4,497
Telephone	14,639	13,595
Auditing	9,750	9,450
Social Service Supplies	9,891	10,189
Dues and Subscriptions	6,296	2,786
Other Administrative Expenses	53,344	38,186
Donations	12,958	5,500
Advertising	4,445	707
Other Professional Services	47,113	52,496
Inspection	3,823	1,457
	<u>\$ 187,026</u>	<u>\$ 180,716</u>

SCHEDULE 4

SCHEDULE OF SALARIES AND RELATED COSTS  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Salaries:		
Office and Administrative	\$ 212,045	\$ 194,516
Maintenance and Janitorial	88,739	99,903
Other Office Salaries	114,190	96,171
Store Salaries	9,715	8,733
Superintendent	55,405	51,292
Social Service	43,267	41,245
Employees' Benefits	216,551	213,537
Payroll Taxes	52,666	42,537
Workers' Compensation	20,511	23,654
	<u>\$ 813,089</u>	<u>\$ 771,588</u>



SCHEDULE 5

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF MAINTENANCE AND REPAIRS  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>		<u>2009</u>
Repairs - Doors and Hardware	\$ 7,580	\$	(891)
Elevator	7,402		7,192
Miscellaneous Maintenance and Repair Expenses	33,157		32,522
Painting and Decorating	-		1,859
Plumbing	9,199		3,053
Vehicle and Equipment	16,682		18,385
Cleaning Service	4,815		4,832
Other	-		-
Snow Removal	14,457		12,557
Windows and Glass	4,554		4,554
	<u>97,846</u>	\$	<u>84,063</u>

SCHEDULE 6

SCHEDULE OF MAINTENANCE CONTRACTS  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>		<u>2009</u>
Security	\$ 15,806	\$	8,299
Exterminating	6,425		6,863
Rubbish Removal	12,208		11,515
Heating and Air Conditioning	-		680
Painting and Decorating	32,274		5,000
Other Maintenance Contracts	1,323		871
Grounds	29,324		51,928
	<u>97,360</u>	\$	<u>85,156</u>

SCHEDULE 7

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF UTILITIES EXPENSES  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Electricity	\$ 143,639	\$ 161,698
Water	33,969	32,359
Gas	103,807	137,882
	<u>\$ 281,415</u>	<u>\$ 331,939</u>

WESTFIELD SENIOR CITIZENS HOUSING CORPORATIONSCHEDULE OF CHANGES IN FIXED ASSETS  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>BUILDINGS AND</u> <u>IMPROVEMENTS</u>	<u>EQUIPMENT,</u> <u>FURNITURE</u> <u>AND FIXTURES</u>	<u>TOTAL</u>
Balance, March 31, 2008	\$ 9,519,432	\$ 832,252	\$ 10,351,684
Additions During Year - 2009	528,840	29,921	558,761
Dispositions During Year - 2009	-	-	-
Balance, March 31, 2009	\$ 10,048,272	\$ 862,173	\$ 10,910,445
Additions During Year - 2010	428,090	40,939	469,029
Dispositions During Year - 2010	-	-	-
Balance, March 31, 2010	\$ <u>10,476,362</u>	\$ <u>903,112</u>	\$ <u>11,379,474</u>

	<u>ACCUMULATED DEPRECIATION</u>		
	<u>BUILDINGS AND</u> <u>IMPROVEMENTS</u>	<u>EQUIPMENT,</u> <u>FURNITURE</u> <u>AND FIXTURES</u>	<u>TOTAL</u>
Balance, March 31, 2008	\$ 5,890,303	\$ 675,013	\$ 6,565,316
Additions During Year - 2009	354,362	39,347	393,709
Dispositions During Year - 2009	-	-	-
Balance, March 31, 2009	\$ 6,244,665	\$ 714,360	\$ 6,959,025
Additions During Year - 2010	383,623	43,290	426,913
Dispositions During Year - 2010	-	-	-
Balance, March 31, 2010	\$ <u>6,628,288</u>	\$ <u>757,650</u>	\$ <u>7,385,938</u>

SCHEDULE 9

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF TAX LIABILITY UNDER TAX ABATEMENT AGREEMENT  
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>		<u>2009</u>
Rental Income	\$ 2,524,406	\$	2,438,931
Investment and Other Income	<u>414,879</u>		<u>446,800</u>
Contract Rents	\$ 2,939,285	\$	2,885,731
Payment in Lieu of Taxes @ 6.28%	\$ 184,587	\$	181,224
Reconciliation:			
Tax Payable April 1	\$ 43,117	\$	85,512
Tax Per Above Calculation	<u>184,587</u>		<u>181,224</u>
	\$ 227,704	\$	266,736
Less Actual Cash Paid	<u>177,340</u>		<u>223,619</u>
Tax Payable, March 31	<u>\$ 50,364</u>	\$	<u>43,117</u>

SCHEDULE 10

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF RELATED PARTY TRANSACTIONS

MARCH 31, 2010

Transactions with Westfield Senior Citizen Urban Renewal L.P.:		
Interest Accrued During Fiscal 2010 on Mortgage Management Fee	\$	156,000 66,045
Loan Receivable, Plus Accrued Interest Balance at March 31, 2010		6,219,125
Miscellaneous Receivable Balance at March 31, 2010		39,708

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2010

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL C.F.D.A. NUMBER</u>	<u>GRANT PERIOD</u>	<u>GRANTOR'S NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>EXPENDITURES</u>
*Department of Housing and Urban Development Section 8 Existing Housing Assistance Program: Annual Contributions *Major Program	14.156	2009-2010	#0502	\$ <u>1,710,196</u>	\$ <u>1,710,196</u>

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED MARCH 31, 2010

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT PERIOD</u>		<u>GRANTOR'S NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>FISCAL YEAR EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES</u>
		<u>FROM</u>	<u>TO</u>				
New Jersey Department of Health and Social Services <u>New Jersey Division of Aging &amp; Community Services</u>							
Congregate Housing Services Program	09-2602-CHP-N-0	1/1/2009	12/31/2009	09-2602-CHP-N-0	\$ 96,977	\$ 73,696	\$ 96,977
Congregate Housing Services Program	10-2602-CHP-N-0	1/1/2010	12/31/2010	10-2602-CHP-N-0	111,566	23,330	23,330
					<u>\$ 208,543</u>	<u>\$ 97,026</u>	<u>\$ 120,307</u>

WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED MARCH 31, 2010

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of Westfield Senior Citizens Housing Corporation. The Corporation is defined in the Notes to the Corporation's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule is presented using the accrual basis of accounting.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Corporation's basic financial statements.

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and state financial reports.



WESTFIELD SENIOR CITIZENS HOUSING CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2010

**Section I - Summary of Auditor's Results**

**Financial Statements**

- |  |             |
|--|-------------|
| (1) Type of Auditor's Report Issued:   | Unqualified |
| (2) Internal Control Over Financial Reporting:   |             |
| (a) Reportable conditions identified during the audit of the financial statements?             | No          |
| (b) Reportable conditions identified as material weaknesses?                                   | N/A         |
| (3) Noncompliance material to the general-purpose financial statements noted during the audit? | No          |

**Federal Program(s)**

- |   |               |
|---|---------------|
| (1) Internal Control Over Major Federal Programs:   |               |
| (a) Reportable conditions identified during the audit of major federal programs?  | None Reported |
| (b) Reportable conditions identified as material weaknesses?  | N/A           |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)?   | Unqualified   |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | None Reported |

**WESTFIELD SENIOR CITIZENS HOUSING CORPORATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2010**

**Federal Program(s) (Continued)**

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>CFDA</u>	<u>Grant Period</u>		<u>Type</u>	<u>Award Amount</u>	<u>Amounts Expended</u>
		<u>From</u>	<u>To</u>			
Section 8 Existing Housing Assistance Program: Annual Contributions	14.156	4/1/09	3/31/10	A	<u>\$1,710,196.00</u>	<u>\$1,710,196.00</u>

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00  
Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Section II - Financial Statement Audit - Reported Findings Under  
Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III - Findings and Questioned Costs Relative to Major Federal Programs**

Federal Programs - None Reported

WESTFIELD SENIOR CITIZENS HOUSING

SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED MARCH 31, 2010

Federal Programs - None Reported