

JERSEY CITY HOUSING AUTHORITY
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEARS ENDED MARCH 31, 2012 AND 2011

JERSEY CITY HOUSING AUTHORITY
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2012 AND 2011

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-13
Financial Statements:	
Statements of Net Assets	14
Statements of Revenues, Expenses, and Changes in Net Assets	15
Statements of Cash Flows	16-17
Notes to Financial Statements	18-37
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	38-39
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	40-41
Supplemental Information:	
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44-48
Schedule of Capital Fund Program Costs and Advances	49-50
Schedule of Capital Fund Stimulus Program Costs and Advances - Formula	51
Schedule of Capital Fund Stimulus Program Costs and Advances - Competitive	52
Financial Data Schedule	53-62



INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Jersey City Housing Authority:

We have audited the accompanying financial statements of the Jersey City Housing Authority (the "Authority") as of and for the years ended March 31, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"). Those standards 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 audits provide 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 Jersey City Housing Authority as of March 31, 2012 and 2011, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012 on our consideration of the Jersey City Housing Authority's internal control over financial reporting and our tests on 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 important for assessing the results of our audits.

INDEPENDENT AUDITOR'S REPORT (continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis contained on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 historic context. We have applied certain limited procedures to the required supplemental 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Jersey City Housing Authority taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 financial statements. The accompanying financial data schedule and schedules of capital fund program costs and advances ("the schedules") are also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development. The schedule of federal awards and the schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

November 19, 2012
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended March 31, 2012. Please read it in conjunction with the Authority's financial statements.

Overview of the financial statements

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records are structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Assets** presents information similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net assets. Assets and liabilities are presented in order of liquidity, and are classified as current and non-current.

Net assets are reported in three broad categories:

Net Assets Invested in Capital Assets, Net of Related Debt: This component 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 Assets: This component consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: This component consists of assets that are not restricted and do not meet the definition of Net Assets Invested in Capital Assets, Net of Related Debt.

The **Statement of Revenues, Expenditures, and Changes in Net Assets** presents information showing how the Authority's net assets changed during the year. 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 grant revenue, investment income, interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement is the change in net assets, which is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and investing activities.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the information included in the financial statements.

In addition to the basic financial statements and accompanying notes, this report includes two types of supplementary information: required supplementary information and other supplementary information. Required supplementary information must be included to conform with generally accepted accounting principles. Management's discussion and analysis is the required supplementary information.

Other supplementary information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget and *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

Program information

Low Income Public Housing: The Authority owns and manages 2,188 units. Under the low income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on 30% of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority's properties.

Section 8 Housing Choice Vouchers: HUD has contracted with the Authority for support for 3,336 Housing Choice Vouchers. Under the housing choice voucher program, the Authority administers contracts with landlords that own rental property. The Authority subsidizes the family's rent through a housing assistance payment made to the landlord. The program is administered under an annual contributions contract with HUD. HUD provides an annual contribution funding to enable the Authority to structure a lease that sets the participant's rent at 30% of household income.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Financial position and analysis

Table 1 compares the Authority's financial position for the fiscal years ended March 31, 2012 and 2011:

	2012	2011	Increase (Decrease)	Percent Variance
Assets				
Cash & cash equivalents	\$ 5,067,168	\$ 7,284,118	\$ (2,216,950)	-30.44%
Other Current assets	2,615,671	5,341,733	(2,726,062)	-51.03%
Noncurrent assets	184,995,595	187,640,447	(2,644,852)	-1.41%
Total assets	<u>192,678,434</u>	<u>200,266,298</u>	<u>(7,587,864)</u>	<u>-3.79%</u>
Liabilities				
Current liabilities	3,521,868	4,621,840	(1,099,972)	-23.80%
Noncurrent liabilities	14,951,877	15,333,721	(381,844)	-2.49%
Total liabilities	<u>18,473,745</u>	<u>19,955,561</u>	<u>(1,481,816)</u>	<u>-7.43%</u>
Net assets				
Invested in capital assets	124,961,280	128,330,376	(3,369,096)	-2.63%
Restricted net assets	48,610,457	48,147,968	462,489	0.96%
Unrestricted net assets	632,952	3,832,393	(3,199,441)	-83.48%
Total net assets	<u>\$ 174,204,689</u>	<u>\$ 180,310,737</u>	<u>\$ (6,106,048)</u>	<u>-3.39%</u>

Cash & Cash Equivalents (including restricted cash) decreased by \$2,216,950 or 30.44% due primarily to purchases of capital assets in excess of capital grants and issuance of notes to other entities.

Other Current Assets decreased by \$2,726,062 or 51.03% primarily due to write-offs of stale tenant accounts receivable and a reduction in prepaid insurance premiums.

Noncurrent Assets decreased by \$2,644,852 or 1.41% due to depreciation charged on capital assets.

Current Liabilities decreased by \$1,099,972 or 23.80%. This is primarily due to decreases in accounts payable related to the Authority's efforts to pay invoices on a timelier basis and a decrease in accrued utility usage.

Noncurrent Liabilities decreased by \$381,844 or 2.49% due to payments of debt related to the Energy Performance Contract and reduction in accrued compensated absences.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Table 2 focuses on the changes in net assets:

	2012	2011	Increase (Decrease)	Percent Variance
Operating revenue & expense				
Operating revenue	\$ 65,270,534	\$ 64,784,760	\$ 485,774	0.75%
Operating expenses	77,701,386	78,731,520	(1,030,134)	-1.31%
Operating loss	(12,430,852)	(13,946,760)	(544,360)	3.90%
Non-operating revenues & expenses	6,324,804	11,699,009	(5,374,205)	-45.94%
Decrease in net assets	(6,106,048)	(2,247,751)	(3,858,297)	171.65%
Net assets, beginning of year	180,310,737	182,558,488	(2,247,751)	-1.23%
Net assets, end of year	<u>\$ 174,204,689</u>	<u>\$ 180,310,737</u>	<u>\$ (6,106,048)</u>	<u>-3.39%</u>

Table 3 presents a summary of the Authority's revenue by source:

	2012	2011	Increase (Decrease)	Percent Variance
Operating revenue				
Tenant revenue	\$ 11,639,786	\$ 10,888,421	\$ 751,365	6.90%
HUD operating grants	50,899,668	50,448,010	451,658	0.90%
Other income	2,731,080	3,448,329	(717,249)	-20.80%
Total operating revenue	<u>65,270,534</u>	<u>64,784,760</u>	<u>485,774</u>	<u>0.75%</u>
Non-operating revenues				
Investment income	66,477	31,125	35,352	113.58%
Mortgage interest income	1,505,943	1,565,397	(59,454)	-3.80%
Gain on sale of assets	-	9,527	(9,527)	-100.00%
Capital grants	5,334,691	10,464,223	(5,129,532)	-49.02%
Total non-operating revenues	<u>6,907,111</u>	<u>12,070,272</u>	<u>(5,163,161)</u>	<u>-42.78%</u>
Total revenues	<u>\$ 72,177,645</u>	<u>\$ 76,855,032</u>	<u>\$ (4,677,387)</u>	<u>-6.09%</u>

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

HUD Operating grants increased by \$451,658 or 0.90%. This increase is due to additional grant funding received for operations in Low Income Public Housing.

Other Income decreased by \$717,249 or 20.80%. This decrease is due to a reduction in front line fees and management fees charged from the Central Office Cost Center to affiliates.

Capital Grants decreased by \$5,129,532 or 49.02% primarily due to completion of the funding received in the Capital Fund Stimulus Grant and lower funding received for the Revitalization of Severely Distressed Public Housing Grant.

Table 4 presents a summary of the Authority's operating expenses:

	2012	2011	Increase (Decrease)	Percent Variance
Administrative	\$ 9,284,232	\$ 8,723,974	\$ 560,258	6.42%
Asset management fee	155,770	-		
Tenant services	226,228	356,006	(129,778)	-36.45%
Utilities	7,217,815	8,131,183	(913,368)	-11.23%
Maintenance	10,928,080	12,630,206	(1,702,126)	-13.48%
Protective services	375,262	85,132	290,130	340.80%
Insurance	1,241,223	1,314,286	(73,063)	-5.56%
General expense	3,531,979	2,222,003	1,309,976	58.95%
Extraordinary maintenance expense	11,710	28,874	(17,164)	-59.44%
Depreciation expenses	10,866,351	13,330,508	(2,464,157)	-18.49%
Housing assistance payments	33,862,736	31,909,348	1,953,388	6.12%
Total expenses	\$ 77,701,386	\$ 78,731,520	\$ (1,030,134)	-1.31%

Administrative expenses increased by \$560,258 or 6.42% due to an increase in office expenses incurred for Authority operations.

Utilities expenses decreased by \$913,368 or 11.23% due to a decrease in usage for water, fuel oil, electricity, and gas during the year.

Maintenance expenses decreased by \$1,702,126 or 13.48%. This decrease was primarily due to fewer capital projects being undertaken and a reduction of maintenance expenses at rental properties.

Insurance expense decreased by \$73,063 or 5.56% due to decreases in premiums charged for workers' compensation, property, and liability coverage by the insurance carrier during the year.

General Expenses increased by \$1,309,976 or 58.95% due to increased write off of bad debt during the year and increases in other general expenses.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Budgetary Analysis

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public Housing and Housing Choice Voucher are adopted on the basis of accounting prescribed by HUD, which differs in some respects from generally accepted accounting principles.

Low Income Public Housing

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Operating revenue				
Rental income	\$ 9,096,801	\$ 10,483,278	\$ 1,386,477	15.24%
Operating subsidy	7,898,965	8,888,915	989,950	12.53%
Interest income	32,822	65,165	32,343	98.54%
Other income	7,981,437	10,097,467	2,116,030	26.51%
Total revenue	25,010,025	29,534,825	4,524,800	18.09%
Expenses				
Administrative	6,526,367	4,915,990	1,610,377	24.67%
Tenant services	180,037	222,916	(42,879)	-23.82%
Utilities	6,304,321	6,864,192	(559,871)	-8.88%
Maintenance	10,231,817	8,671,671	1,560,146	15.25%
Protective services	340,071	205,450	134,621	39.59%
Insurance	949,832	749,488	200,344	21.09%
General expenses	264,081	3,201,282	(2,937,201)	-1112.23%
Total expenses	24,796,526	24,830,989	(34,463)	-0.14%
Income (over)/under expense	\$ 213,499	\$ 4,703,836	\$ 4,559,263	

Operating Subsidy was over budget by \$989,950 or 12.53%. This is due to the receipt of additional funding than expected at time of budget approval.

Other Income was over budget by \$2,116,030 or 26.51% due to the Authority not budgeting for interest received on long term notes receivable from affiliates.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Administrative expenses were under budget by \$1,610,377 or 24.67%. This was primarily due to decreases in expected operating expenses related to tasks for administering programs, and a reclassification of expenses recorded as general expenses.

Utility expenses were over budget by \$559,871 or 8.88% due to an increase in actual utility rates during the fiscal year.

Maintenance expense was under budget by \$1,560,146 or 15.25% due to a decrease in labor costs for ordinary maintenance and operations.

Protective Services were under budget by \$134,621 or 39.59% due to an anticipated increase in these expenses during budget preparation.

General Expenses were over budget by \$2,937,201 or 1,112.23% primarily due to a large write-off of tenant receivables and reclassifications of expenses initially considered administrative.

Housing Choice Voucher

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Revenue				
HCV Grant revenue	\$ 31,240,272	\$ 31,038,122	\$ (202,150)	-0.65%
Administrative fee revenue	2,642,484	2,445,940	\$ (196,544)	-7.44%
FSS revenue	-	189,935	189,935	100.00%
Other income	11,500	463,561	452,061	3,930.97%
Total revenue	33,894,256	34,137,558	243,302	1.31%
Expenses				
Administrative	2,634,200	2,827,352	(193,152)	-7.33%
Depreciation	-	6,019	(6,019)	-100.00%
Maintenance	-	1,722	(1,722)	100.00%
Insurance	94,482	107,441	(12,959)	-13.72%
General expense	-	27,591	(27,591)	100.00%
HAP expense	31,240,272	31,798,736	(558,464)	-1.79%
Total expenses	33,968,954	34,768,861	799,907	2.35%
Income (over)/under expense	\$ (74,698)	\$ (631,303)	\$ (556,605)	474.52%

FSS Revenue was over budget by \$189,935 or 100.00%. This is due to the authority not budgeting for this item because HUD had not awarded FSS grants at the time that the JCHA approved its budget.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Other Income was over budget by \$452,061 or 3,930.97%. This is due to port-in tenant income and expenses being included with actual other income and HAP expense, but not being shown in budget. This also caused the \$558,464, or 1.79% of HAP expense in excess of budgeted amounts.

Administrative Fee expenses were over budget by \$193,152 or 7.33% primarily due to the Housing Choice Voucher Program paying the Central Office Cost Center its Property Management fees as well as their Bookkeeping fees for units under lease per approved schedule.

Insurance expenses were over budget by \$12,959 or 13.72% primarily due to higher amounts of insurance expense being allocated to the HCV program.

Capital assets

Table 7 summarizes the Authority's investment in capital assets:

	2012	2011	Increase (Decrease)	Percent Variance
Land	\$ 5,647,823	\$ 5,647,823	\$ -	0.00%
Buildings, improvements and equip	248,354,557	236,926,618	\$ 11,427,939.00	4.82%
Construction in progress	40,262,750	44,627,690	(4,364,940)	-9.78%
	<u>294,265,130</u>	<u>287,202,131</u>	<u>7,062,999</u>	<u>2.46%</u>
Less: accumulated depreciation	<u>(156,952,525)</u>	<u>(146,086,174)</u>	<u>(10,866,351)</u>	<u>7.44%</u>
Capital assets, net	<u>\$ 137,312,605</u>	<u>\$ 141,115,957</u>	<u>\$ (3,803,352)</u>	<u>-2.70%</u>

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. Additional information and details can be found in the Notes to the Financial Statements.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Capital funding available for 2012 is as follows:

	<u>Grant</u>	<u>Total Budget</u>	<u>Expended through 3/31/2012</u>	<u>Budget Remaining at 3/31/2012</u>
Capital Fund Program 2007	501-07	5,625,203	5,625,203	-
Capital Fund Program 2008	501-08	5,345,900	4,426,688	919,212
Capital Fund Program 2009	501-09	5,419,853	3,538,791	1,881,062
Capital Fund Program 2010	501-10	5,599,087	3,016,729	2,582,358
Capital Fund Program 2011	501-11	4,791,622	172,749	4,618,873
Competitive Capital Fund Recovery Grant 2009	CFRC-09	1,469,266	1,353,794	115,472
Formula Capital Fund Recovery Grant 2009	CFRG-09	7,870,197	7,870,197	-
				<u>\$ 10,116,977</u>

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Analysis of Debt Activity

In December of 2007, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency issued tax exempt, twenty year Capital Fund Program Revenue Bonds totaling \$18,585,000. The Authority's share amounted to \$10,000,000 and this accrues interest between 4% and 5% and is payable semiannually with principal on May 1st and November 1st semiannually.

March 31, 2011	\$ 9,105,000
Current year debt paid	<u>(360,000)</u>
March 31, 2012	<u><u>\$ 8,745,000</u></u>

Mortgage loan payable to the New Jersey Housing Mortgage Finance Agency (NJHMFA) in the original amount of \$1,077,250 bearing interest at a rate of 7.75% with monthly principal and interest payments, maturing in September 2022.

March 31, 2011	\$ 694,318
Current year debt paid	<u>(39,384)</u>
March 31, 2012	<u><u>\$ 654,934</u></u>

Mortgage loan payable to the Department of Community Affairs of the State of New Jersey as part of the Balanced Housing Program in the original amount of \$1,073,315 bearing no interest and maturing in September 2022.

March 31, 2011	\$ 1,073,315
Current year debt paid	<u>-</u>
March 31, 2012	<u><u>\$ 1,073,315</u></u>

Mortgage loan payable to the Department of Community Affairs of the State of New Jersey from the Petroleum Overcharge Reimbursement Fund in the original amount of \$283,860 bearing no interest and maturing in September 2022.

March 31, 2011	\$ 283,860
Current year debt paid	<u>-</u>
March 31, 2012	<u><u>\$ 283,860</u></u>

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2012

Analysis of Debt Activity (continued)

Loan payable to the Community Preservation Corporation dated December 29, 2005 in the original amount of \$1,750,000. Principal and interest payments are due monthly at 4.87% maturing in March 2036.

March 31, 2011	\$ 1,629,088
Current year debt paid	<u>(34,872)</u>
March 31, 2012	<u><u>\$ 1,594,216</u></u>

Significant economic factors affecting the Authority are as follows:

- The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of public housing authorities (PHAs). We do not expect this consistent trend to change.
- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. Further, funding for the Departments of Defense and Homeland Security will probably result in reduced appropriations for all other domestic program spending.
- Rising cost of utility rates, supplies, and other costs may impact our budgets in future years. The JCHA has initiated a HUD approved Energy Performance Contract with Siemens Technologies to reduce consumption and retain savings achieved via subsidy frozen base.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Jersey City Housing Authority
Attn: Richard J. Baker, Chief Financial Officer
Dept. of Accounting and Finance
400 U.S. Highway #1
Jersey City, New Jersey 07306

FINANCIAL STATEMENTS

JERSEY CITY HOUSING AUTHORITY
STATEMENTS OF NET ASSETS
AS OF MARCH 31, 2012 AND 2011

ASSETS		<u>2012</u>	<u>2011</u>
Current assets:			
Cash and cash equivalents	\$	1,942,560	\$ 2,871,461
Accounts receivable, net		614,826	2,506,329
Prepaid expenses and other current assets		784,458	1,299,221
Inventories		<u>1,216,387</u>	<u>1,536,183</u>
Total current assets		<u>4,558,231</u>	<u>8,213,194</u>
Noncurrent assets:			
Restricted cash		3,124,608	4,412,657
Notes receivable, long term		47,259,911	46,073,968
Other assets		423,079	450,522
Capital assets, net		<u>137,312,605</u>	<u>141,115,957</u>
Total noncurrent assets		<u>188,120,203</u>	<u>192,053,104</u>
Total assets		<u>192,678,434</u>	<u>200,266,298</u>
LIABILITIES			
Current liabilities:			
Accounts payable		1,087,515	1,774,102
Accrued expenses		875,904	883,144
Accrued compensated absences, current		212,239	228,439
Tenant security deposits		337,956	347,741
Deferred revenues		5,252	19,243
Current portion of loans and bonds payable		375,000	434,503
Other current liabilities		<u>628,002</u>	<u>934,668</u>
Total current liabilities		<u>3,521,868</u>	<u>4,621,840</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion		2,227,306	2,405,420
Loans and bonds payable, excluding current portion		11,976,325	12,351,078
Noncurrent liabilities - other		<u>748,246</u>	<u>577,223</u>
Total noncurrent liabilities		<u>14,951,877</u>	<u>15,333,721</u>
Total liabilities		<u>18,473,745</u>	<u>19,955,561</u>
NET ASSETS			
Net assets:			
Invested in capital assets, net		124,961,280	128,330,376
Restricted net assets		48,610,457	48,147,968
Unrestricted		<u>632,952</u>	<u>3,832,393</u>
Total net assets	\$	<u>174,204,689</u>	\$ <u>180,310,737</u>

See accompanying notes to financial statements.

JERSEY CITY HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Tenant revenue	\$ 11,639,786	\$ 10,888,421
HUD operating grants	50,899,668	50,448,010
Other government grants	174,129	73,970
Fee revenues	1,879,804	2,330,549
Other revenues	<u>677,147</u>	<u>1,043,810</u>
Total operating revenue	<u>65,270,534</u>	<u>64,784,760</u>
Operating expenses:		
Administrative	9,284,232	8,723,974
Tenant services	226,228	356,006
Utilities	7,217,815	8,131,183
Ordinary maintenance and operations	10,928,080	12,630,206
Protective services	375,262	85,132
Insurance expense	1,241,223	1,314,286
General expenses	3,687,749	2,222,003
Extraordinary maintenance	11,710	28,874
Housing assistance payments	33,862,736	31,909,348
Depreciation	<u>10,866,351</u>	<u>13,330,508</u>
Total operating expenses	<u>77,701,386</u>	<u>78,731,520</u>
Operating gain (loss)	<u>(12,430,852)</u>	<u>(13,946,760)</u>
Non-operating revenues (expenses):		
Investment income	66,477	31,125
Mortgage interest income	1,505,943	1,565,397
Interest expense	(582,307)	(371,263)
Gain (loss) on sale of fixed assets	<u>-</u>	<u>9,527</u>
Net non-operating revenues	<u>990,113</u>	<u>1,234,786</u>
Loss before capital grants and special items	(11,440,739)	(12,711,974)
Capital grants	<u>5,334,691</u>	<u>10,464,223</u>
Change in net assets	(6,106,048)	(2,247,751)
Net assets, beginning of year	<u>180,310,737</u>	<u>182,558,488</u>
Net assets, end of year	<u>\$ 174,204,689</u>	<u>\$ 180,310,737</u>

See accompanying notes to financial statements.

JERSEY CITY HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Cash received from grantors	\$ 54,755,971	\$ 50,998,145
Cash received from tenants and others	12,382,290	14,062,009
Cash paid to employees	(10,782,230)	(10,731,785)
Cash paid to suppliers and vendors	<u>(56,214,587)</u>	<u>(56,385,752)</u>
Net cash flows provided (used) by operating activities	<u>141,444</u>	<u>(2,057,383)</u>
Cash Flows from Capital and Related Financing Activities:		
Payments on notes receivable	320,000	-
Principal payments on long term debt	(434,256)	(408,203)
Purchases of capital assets	(7,062,999)	(15,192,173)
Proceeds on sale of fixed assets	-	9,527
Capital grant contributions	<u>5,334,691</u>	<u>10,464,223</u>
Net cash flows provided (used) by capital and related financing activities	<u>(1,842,564)</u>	<u>(5,126,626)</u>
Cash Flows from Investing Activities:		
Interest expense	(582,307)	(371,263)
Investment income	<u>66,477</u>	<u>31,125</u>
Net cash flows provided (used) by investing activities	<u>(515,830)</u>	<u>(340,138)</u>
Net increase (decrease) in cash	(2,216,950)	(7,524,147)
Cash and cash equivalents, beginning of year	<u>7,284,118</u>	<u>14,808,265</u>
Cash and cash equivalents, end of year	<u>\$ 5,067,168</u>	<u>\$ 7,284,118</u>

See accompanying notes to financial statements.

JERSEY CITY HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating gain (loss)	\$ (12,430,852)	\$ (13,946,760)
Items which did not (provide) use cash:		
Depreciation	10,866,351	13,330,508
Amortization	27,443	27,443
Working capital changes which provided (used) cash:		
Accounts receivable - other government	5,216	(41,398)
Accounts receivable - HUD	1,816,361	292,470
Accounts receivable - tenants	124,526	(223,665)
Accounts receivable - misc	(54,600)	(11,049)
Prepaid expenses	514,763	356,691
Inventory	319,796	430,932
Accounts payable	(914,063)	(1,411,754)
Accounts payable - HUD	(143,379)	143,379
Accounts payable - other government	370,855	81,714
Accrued expenses	(7,240)	160,738
Accrued compensated absences	(194,314)	(214,059)
Tenant security deposits	(9,785)	15,784
Deferred revenue	(13,991)	18,159
Other current liabilities	(306,666)	322,595
Other liabilities	<u>171,023</u>	<u>(1,389,111)</u>
Net cash provided (used) by operating activities	<u>\$ 141,444</u>	<u>\$ (2,057,383)</u>

	<u>2012</u>	<u>2011</u>
A reconciliation of cash and cash equivalents to Statement of Net Assets is as follows:		
Cash and cash equivalents	\$ 1,942,560	\$ 2,871,461
Restricted cash and cash equivalents	<u>3,124,608</u>	<u>4,412,657</u>
	<u>\$ 5,067,168</u>	<u>\$ 7,284,118</u>

See accompanying notes to financial statements.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Jersey City ("Jersey City Housing Authority")("the Authority") is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the City of Jersey City ("the City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by an appointed board of commissioners who serve several year terms. The governing board is essentially autonomous but responsible to the United States Department of Housing and Urban Development ("HUD") and the Division. An executive director is appointed by the Housing Authority's board to manage the day-to-day operations of the Authority.

B. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Low Rent Public Housing Program

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

Housing Assistance Payments Program - Section 8

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

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

American Reinvestment and Recovery Act ("ARRA") Grant

The purpose of the ARRA grant is to provide funds for the capital and management activities of Public Housing Agencies as authorized under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) (the "Act"), with the exception that funds cannot be used for operations or rental assistance. The funds shall be awarded by competition for priority investments, including investments that leverage private sector funding or financing for renovations and energy conservation retrofit investments.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Programs (continued)

Resident Opportunity and Supportive Services Program

The purpose of the Resident Opportunities and Self Sufficiency (ROSS) grant program is to provide funds for job training and supportive services to help residents of public housing transition from welfare to work. ROSS also provides funding to link elderly/disabled residents to critical services which can help them continue to live independently.

Revitalization of Severely Distressed Public Housing ("Hope VI") Program

The purpose of the HOPE VI Program is to foster initiative and comprehensive approaches to the problems of severely distressed public housing developments and their residents, including new ways for public housing authorities and HUD to work together, in collaboration with residents. Funding from this program is provided by HUD. However, grantees are encouraged to leverage grant funds with other private or governmental funds to create additional affordable housing.

Supportive Housing for Persons with Disabilities

The purpose of the Supportive Housing for Persons with Disabilities Program is to expand the supply of supportive housing for very low-income persons with disabilities.

C. Reporting Entity

In accordance with statement No. 39 Government Accounting Standards Board ("GASB"), the Authority's financial statements include those of the Jersey City Housing Authority and any component units. Component units are legally separate, tax-exempt organizations that meet all of the following criteria:

1. The economic resources received by the separate organization are almost entirely for the direct benefit of the Authority.
2. The Authority has the ability to access a majority of the economic resources held by the separate organization.
3. The economic resources referred to in No. 2 are significant to the Authority.

Based on the above criteria, this report includes the following component unit:

254 Bergen Avenue ("254") is owned and operated by the Jersey City Housing Authority. The project was acquired in 1989 by the Authority to rehabilitate, construct and operate a low and moderate income housing project.

Blended Presentation - In accordance with Statement No. 14 of the GASB, the Authority's financial statements are presented utilizing the blended method because the Authority's governing body and 254's governing body are substantively the same; and as such, a blended presentation of their financial statements is warranted.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows. GASB 34 also requires the Authority to include management's discussion and analysis as part of the required supplemental information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities that Use Proprietary Fund Accounting*, the Authority has elected to apply all Financial Accounting Standards Board pronouncements, Accounting Principles Board Opinions and Accounting Research Bulletins issued that do not conflict with or contradict GASB Pronouncements.

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

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB Statement No. 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Voucher program is no longer a cost reimbursement grant, therefore the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

Any investment income earned on these funds are reflected in the net asset account on which the investment income was earned. That is; investment income earned on HAP cash balances are credited to the HAP restricted net asset account and investment income earned on administrative fee cash balances are credited to the unrestricted net asset account.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Use of Management Estimates

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

F. Cash and Cash Equivalents

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

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

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants' accounts receivable balances primarily consist of rents past due and vacated tenants. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

H. Prepaid Expenses

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

I. Inventory

Inventories are valued at cost using the First in First out (FIFO) method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority establishes an allowance for obsolete inventory. The Authority uses the consumption method for expense recognition and relies upon its periodic (annual) inventory for financial reporting purposes.

J. Capital Assets

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- Buildings 27.5 - 40 Years
- Furniture and Equipment 3 - 7 Years

The Authority has established a capitalization threshold of \$5,000.

K. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with GASB Standards. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Deferred Revenues

The Authority's deferred revenue primarily consists of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods.

M. Operating Revenues and Expenses

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

N. Taxes

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

O. Equity Classifications

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

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

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

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

P. Economic Dependency

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Budgets and Budgetary Accounting

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

The Authority also submits its annual entity-wide operating and capital budget to the State of New Jersey Department of Consumer Affairs in accordance with New Jersey State Law.

NOTE 2. CASH AND CASH EQUIVALENTS

At March 31, 2012 and 2011, the Authority had funds on deposit in checking accounts.

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by New Jersey law.

For the fiscal year ended March 31, 2012 and 2011, the carrying amount of the Authority's cash (including restricted cash) were \$5,067,168 and \$7,284,118, respectively. The bank balances were \$5,790,878 and \$8,169,297, respectively. Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>2012</u>	<u>2011</u>
Unrestricted	\$ 1,604,604	\$ 2,523,720
Tenant security deposits	337,956	\$ 347,741
Restricted	<u>3,124,608</u>	<u>4,412,657</u>
	<u>\$ 5,067,168</u>	<u>\$ 7,284,118</u>

Of the bank balances, \$1,892,241 and \$1,239,117 were covered by federal depository insurance and the remaining \$3,898,637 and \$6,930,180 were collateralized with the pledging financial institutions for the fiscal years ended March 31, 2012 and 2011.

<u>Depository Account</u>	<u>2012</u>	<u>2011</u>
Insured:		
FDIC	\$ 1,892,241	\$ 1,239,117
Collateralized:		
GUDPA	<u>3,898,637</u>	<u>6,930,180</u>
	<u>\$ 5,790,878</u>	<u>\$ 8,169,297</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of March 31, 2012 and 2011, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at March 31, 2012 and 2011:

<u>Description</u>	<u>2012</u>	<u>2011</u>
Accounts receivable - HUD	\$ 142,270	\$ 1,958,631
Accounts receivable - tenants, net	170,394	294,920
Accounts receivable - other government	69,784	75,000
Accounts receivable - miscellaneous	<u>232,378</u>	<u>177,778</u>
 Total accounts receivable, net	 <u>\$ 614,826</u>	 <u>\$ 2,506,329</u>

Accounts receivable - HUD

Accounts receivable - HUD represents amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. At March 31, 2012 and 2011, Accounts receivable - HUD consisted of reimbursable expenses within the following grants:

<u>Program</u>	<u>2012</u>	<u>2011</u>
Public Housing Capital Fund Program	\$ -	\$ 334,984
Revitalization of Severely Distressed Public Housing	-	1,430,368
Section 8 Moderate Rehabilitation Single Room Occupancy	40,865	66,763
Resident Opportunity and Supportive Services	20,662	54,870
Competitive Capital Fund Stimulus Grant	-	10,013
Formula Capital Fund Stimulus Grant	-	61,633
Supportive Housing for Persons with Disabilities	<u>80,743</u>	<u>-</u>
	 <u>\$ 142,270</u>	 <u>\$ 1,958,631</u>

Accounts receivable - tenants

Accounts receivable - tenants represents amounts due for tenant rents and at March 31, 2012 and 2011 are shown net of an allowance for doubtful accounts of \$86,780 and \$680,212, respectively.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

NOTE 3. ACCOUNTS RECEIVABLE (continued)

Accounts receivable - other government

Accounts receivable - other government consists of amounts that are due from an Affordable Housing Trust Fund Grant that was awarded by the City of Jersey City. At March 31, 2012 and 2011, the amounts owed to the Authority for these fees totaled \$69,784 and \$75,000, respectively.

Accounts receivable - other

Accounts receivable - other consist of amounts owed to the COCC from the County of Hudson and Hope VI fees in the amount of \$232,378 and \$177,778 for the year ended March 31, 2012 and 2011. The amounts are deemed fully collectible and therefore the Authority carries no allowance on these funds.

NOTE 4. INVENTORY

Inventory consists of materials and supplies and fuel which is valued at its lower of cost or market using the first-in first-out method. Inventory is shown net of an allowance for obsolete inventory of \$121,883 and \$12,655.

NOTE 5. NOTES RECEIVABLE

The Authority has utilized Hope VI and other development funds in accordance with HUD guidelines to assist the construction of numerous public housing developments through the issuance of mortgage loans. Outstanding notes receivable as of March 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
The Authority issued a second mortgage loan receivable from A. Harry Moore Phase I Associates, LLC. Interest accrues at 6% annually whereby principal and interest are due in 40 years (2046). The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2012 and 2011 include \$581,785 and \$381,195 of accrued interest, respectively.	\$ 3,543,751	\$ 3,343,161

The Authority issued 3rd, 4th and 5th mortgage loans to A. Harry Moore Phase II Associates, L.L.C. The 3rd and 4th mortgage loans accrue interest at 6.25% annually. The 5th mortgage loan is interest free. Principal and interest on the mortgages are due in forty years (2046 - 2048) The mortgages are secured by the rental property. Amounts owed under the mortgages at March 31, 2012 and 2011 includes \$860,474 and \$587,893 of accrued interest, respectively.	5,219,676	4,947,095
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JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 5	NOTES RECEIVABLE (continued)	<u>2012</u>	<u>2011</u>
	The Authority issued a loan to Lafayette Community Limited Partnership. The loan accrues interest at 7% annually and is payable out of available cash flow. The loan bore interest at an annual rate of 7% until September 1, 2002 and thereafter bears no interest. The loan matures on September 6, 2057 and is secured by the rental property. Amounts owed under the mortgages includes \$163,192 of accrued interest.	10,317,992	10,317,992
	The Authority issued a second mortgage loan receivable from Lafayette Family Phase II Urban Renewal Associates, L.P. Interest accrues at 4.83% annually whereby amounts are paid from project cash flow. Principal and interest are due in April, 2047. The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2012 and 2011 includes \$1,724,695 and \$1,414,804 of accrued interest, respectively.	6,725,844	6,415,953
	The Authority issued 2nd, 3rd, 4th and 5th mortgage loans to Dwight Street Urban Renewal Associates, L.P. The 2nd and 3rd mortgage loans accrue interest at 4.5% per annum and are due in February, 2049. The 4th and 5th mortgage loans are non-interest bearing and are due in July, 2050. The mortgages are secured by rental property. Amounts owed under the mortgages at March 31, 2012 and 2011 include \$410,839 and \$270,171 of accrued interest, respectively.	4,573,176	4,752,508
	The Authority issued 3rd, 4th, 5th and 6th mortgage loans to Lafayette Senior Living Center, L.P. The 4th and 5th mortgage loans accrue interest at 4.68% annually. The 3rd and 6th mortgage loans are interest free. Principal and interest on the mortgages are due on May 30, 2048. The mortgages are secured by the rental property. Amounts owed under the mortgages at March 31, 2012 and 2011 include \$104,864 and \$87,568 of accrued interest, respectively.	1,514,545	1,497,249
	The Authority issued three loans to Lafayette Family Urban Renewal Associates, L.P. The loan accrues interest at rates of 0%, 1% and 5.02% annually and is payable out of available cash flow. The loans matures at various periods between 2047 and 2052 and is secured by the rental property. Amounts owed under the mortgages at March 31, 2012 and 2011 include \$1,766,693 and \$1,441,309 of accrued interest, respectively.	7,866,034	7,540,650

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 5 **NOTES RECEIVABLE (continued)**

The Authority issued a second mortgage loan receivable from Lafayette Family Phase III Urban Renewal Associates, L.P. Interest accrues at 4.387% annually whereby amounts are paid from project cash flow. Principal and interest are due on December 31, 2049. The mortgage is secured by the rental property. Amounts owed under the mortgage at March 31, 2012 and 2011 include \$895,287 and \$655,754 of accrued interest, respectively.

	<u>7,498,893</u>	<u>7,259,360</u>
Total notes receivable	\$ 47,259,911	\$ 46,073,968

NOTE 6. **RESTRICTED CASH**

Restricted cash consists of the following at March 31, 2012 and 2011:

<u>Cash Category</u>	<u>2012</u>	<u>2011</u>
State Leveraging Fund	\$ 1,076,519	\$ 2,185,002
Section 8 HAP Equity	1,350,546	1,650,432
Family Self Sufficiency ("FSS") Program escrows	240,753	230,610
Dwight Street Home Ownership	<u>456,790</u>	<u>346,613</u>
	\$ 3,124,608	\$ 4,412,657

State leveraging funds are controlled by the New Jersey Housing Mortgage Finance Agency for certain capital expenditures within 254 Bergen Avenue.

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

FSS program escrows are restricted for use by FSS program participants within the Housing Choice Voucher Program.

Dwight Street Home Ownership funds are restricted in nature for the purpose of the development of the Dwight Street master plan.

NOTE 7. **OTHER ASSETS**

Bond issue costs are being amortized on a straight line basis over the life of the bond, which is not materially different than the interest method. Bond issue costs are shown net of accumulated amortization of \$125,780 and \$98,337 at March 31, 2012 and 2011 and amortization expense totaled \$27,443 and \$27,443 for the year ended March 31, 2012 and 2011, respectively.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 8. CAPITAL ASSETS, NET

Capital assets consist primarily of expenditures to acquire, construct, place in operation and improve the facilities of the Authority and are stated at cost, less accumulated depreciation. The following is a summary of the changes in capital assets for the fiscal year ended March 31, 2012 and 2011:

	Balances at March 31, 2011	Additions	Dispositions	Transfers	Balances at March 31, 2012
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,647,823	\$ -	\$ -	\$ -	\$ 5,647,823
Construction in progress	<u>44,627,690</u>	<u>5,289,162</u>	<u>-</u>	<u>(9,654,102)</u>	<u>40,262,750</u>
Total	<u>50,275,513</u>	<u>5,289,162</u>	<u>-</u>	<u>(9,654,102)</u>	<u>45,910,573</u>
<u>Depreciable capital assets:</u>					
Buildings	233,875,037	1,773,837	-	9,654,102	245,302,976
Dwelling equipment	2,672,483	-	-	-	2,672,483
Site improvements	<u>379,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,098</u>
Total	<u>236,926,618</u>	<u>1,773,837</u>	<u>-</u>	<u>9,654,102</u>	<u>248,354,557</u>
Total capital assets	<u>287,202,131</u>	<u>7,062,999</u>	<u>-</u>	<u>-</u>	<u>294,265,130</u>
Accumulated depreciation	<u>(146,086,174)</u>	<u>(10,866,351)</u>	<u>-</u>	<u>-</u>	<u>(156,952,525)</u>
Net capital assets	<u>\$ 141,115,957</u>	<u>\$ (3,803,352)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,312,605</u>

	Balances at March 31, 2010	Additions	Disposition	Transfers	Balances at March 31, 2011
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,647,823	\$ -	\$ -	\$ -	\$ 5,647,823
Construction in progress	<u>87,242,204</u>	<u>9,433,766</u>	<u>-</u>	<u>52,048,280</u>	<u>44,627,690</u>
Total	<u>92,890,027</u>	<u>9,433,766</u>	<u>-</u>	<u>52,048,280</u>	<u>50,275,513</u>
<u>Depreciable capital assets:</u>					
Buildings	176,068,350	5,758,407	-	52,048,280	233,875,037
Dwelling equipment	2,672,483	-	-	-	2,672,483
Site improvements	<u>379,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,098</u>
Total	<u>179,119,931</u>	<u>5,758,407</u>	<u>-</u>	<u>52,048,280</u>	<u>236,926,618</u>
Total capital assets	272,009,958	15,192,173	-	-	287,202,131
Accumulated depreciation	<u>(132,755,666)</u>	<u>(13,330,508)</u>	<u>-</u>	<u>-</u>	<u>(146,086,174)</u>
Net capital assets	<u>\$ 139,254,292</u>	<u>\$ 1,861,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,115,957</u>

Depreciation expense for the fiscal year ended March 31, 2012 and 2011 amounted to \$10,866,351 and \$13,330,508, respectively.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 9. ACCOUNTS PAYABLE

As of March 31, 2012 and 2011, the Authority has a total accounts payable balance of \$1,087,515 and \$1,774,102, respectively, which consisted of the following:

	<u>2012</u>	<u>2011</u>
Accounts payable - operations	\$ 467,965	\$ 1,382,028
Accounts payable - HUD	-	143,379
Accounts payable - other government	<u>619,550</u>	<u>248,695</u>
	<u>\$ 1,087,515</u>	<u>\$ 1,774,102</u>

NOTE 10. COMPENSATED ABSENCES

Accrued compensated absences represents the amount of accumulated leave for which employees are entitled to receive payment in accordance with the Authority's Personnel Policy. Compensated absences activity for the year ended March 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Beginning compensated absences	\$ 2,633,859	\$ 2,847,918
Compensated absences earned	173,363	173,979
Compensated absences redeemed	<u>(367,677)</u>	<u>(388,038)</u>
Ending compensated absences	2,439,545	2,633,859
Less: current portion	<u>212,239</u>	<u>228,439</u>
Compensated absences, net of current portion	<u>\$ 2,227,306</u>	<u>\$ 2,405,420</u>

NOTE 11. LOANS AND BONDS PAYABLE

Loans and bonds payable consisted of the following at March 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
During 2007, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency issued tax exempt, twenty year Capital Fund Program Revenue Bonds totaling \$18,585,000. The Authority's share of funds from the bond issue pool amounted to \$10,000,000. The related closing costs of \$22,033 are to be amortized over the life of the bonds. Interest accrues at rates between 4% and 5% and is payable semi-annually on May 1st and November 1st. Repayment of the funds shall be paid solely from Capital Fund allocations received by the Authority from the Department of Housing and Urban Development.	\$ 8,745,000	\$ 9,105,000

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 11. LOANS PAYABLE (continued)

Mortgage Loan payable to the New Jersey Housing Mortgage Finance Agency (NJHMFA) in connection with the development of 254 Bergen Ave.. The loan with the original amount of \$1,077,250 carries an annual interest rate of 7.75%, requires monthly principal and interest payments of \$7,787, matures in September, 2022 and is secured by a first mortgage on the rental property.	654,934	694,318
Mortgage loan payable to the Department of Community Affairs of the State of New Jersey as part of the Balanced Housing Program in the original amount of \$1,073,315. The loan is interest free, matures in September, 2022 and is secured by a second mortgage on the property at 254 Bergen Avenue.	1,073,315	1,073,315
Mortgage loan payable to the Department of Community Affairs of the State of New Jersey from the Petroleum Overcharge Reimbursement Fund in the original amount of \$283,860. The loan is interest free, matures in September, 2022 and is secured by a third mortgage on the property at 254 Bergen Avenue.	283,860	283,860
Loan payable to the Community Preservation Corporation dated December 29, 2005 in the original amount of \$1,750,000 for the acquisition of the Arlington Gardens property. Principal and interest payments are due monthly in the amount of \$9,332 including interest at 4.87%. The loan matures in March, 2036 and is secured by the property located at 301-305 Randolph Avenue.	<u>1,594,216</u>	<u>1,629,088</u>
Total loans payable	12,351,325	12,785,581
Less: current portion	<u>375,000</u>	<u>434,503</u>
Loans payable, excluding current portion	<u>\$ 11,976,325</u>	<u>\$ 12,351,078</u>

Annual debt service for principal and interest over the next five years and in five-year increments thereafter are as follows:

Year	Principal	Interest	Total
2013	455,653	532,377	988,030
2014	475,995	511,635	987,630
2015	501,711	489,515	991,226
2016	522,828	465,965	988,793
2017	549,375	441,036	990,411
2018-2022	4,574,650	1,747,453	6,322,103
2023-2027	3,672,528	862,960	4,535,488
2028-2032	1,190,341	168,960	1,359,301
2033-2036	<u>408,244</u>	<u>41,092</u>	<u>449,336</u>
	<u>\$ 12,351,325</u>	<u>\$ 5,260,993</u>	<u>\$ 17,612,318</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 11. LOANS PAYABLE (continued)

Debt activity for the year ended March 31, 2012 consisted of the following:

Description	March 31, 2011	Advances	Principal Payments	March 31, 2012
Loans payable	\$ <u>12,785,581</u>	\$ <u>-</u>	\$ <u>(434,256)</u>	\$ <u>12,351,325</u>

Interest expense for the year ended March 31, 2012 totaled \$582,307.

Debt activity for the year ended March 31, 2011 consisted of the following:

Description	March 31, 2010	Advances	Principal Payments	March 31, 2011
Loans payable	\$ <u>13,193,784</u>	\$ <u>-</u>	\$ <u>(408,203)</u>	\$ <u>12,785,581</u>

Interest expense for the year ended March 31, 2011 totaled \$371,263.

NOTE 12. OTHER LIABILITIES

As of March 31, 2012 and 2011, other liabilities totaled \$1,376,248 and \$1,511,891 and consisted of the following:

<u>Description</u>	<u>2012</u>	<u>2011</u>
FSS Escrows	\$ 240,753	\$ 230,610
Construction contract retention	50,703	87,507
Homeownership escrow accounts	456,790	346,613
Utility accruals	<u>628,002</u>	<u>847,161</u>
Total	1,376,248	1,511,891
Due within one year	<u>628,002</u>	<u>934,668</u>
Non-current portion	\$ <u>748,246</u>	\$ <u>577,223</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

NOTE 13. PENSION PLAN

A. Description of Plans

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

B. Public Employees' Retirement System (PERS)

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

C. Vesting and Benefit Provisions

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

NOTE 13. PENSION PLAN (continued)

D. Contribution Requirements – PERS

The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. The full normal employee contribution rate became 5.5% of annual compensation, effective July 1, 2007 for most PERS state employees and effective July 1, 2008 for PERS local employees, based on Chapter 103, P.L. 2007. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) is 8.5% of base salary effective July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366 P.L. 2001) will be increased from 8.5% of base salary to 10%. For fiscal year 2012, the member contribution rate will increase in October 2011. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances, cost-of-living adjustments, and non-contributory death benefits.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers to contribute 50% of the normal and accrued liability contribution amounts certified by PERS for payment due in State fiscal year 2009. This law also provided that a local employer may pay 100% of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
March 31, 2010	\$ <u>927,846</u>	<u>100</u>	\$ <u>-</u>
March 31, 2011	\$ <u>994,449</u>	<u>100</u>	\$ <u>-</u>
March 31, 2012	\$ <u>1,302,935</u>	<u>100</u>	\$ <u>-</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

NOTE 14. POST-RETIREMENT BENEFITS

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

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

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

A. Contribution Requirements – SHBP

Contributions to pay for the health premiums of participating employees in the SHBP – Local are collected from the State of New Jersey, participating local employers, active members, and retired members. Local employer payments and active and retired member contributions are generally received on a monthly basis.

Local group employees are not affected by the premium sharing provisions of Chapter 8, P.L. 1996. Chapter 2, P.L. 2010, effective May 21, 2010, requires a minimum contribution of 1.5% of base salary toward the cost of health care benefits coverage by all active public employees. Employees of the State, local governments, and boards of education who become a member of a State or locally-administered retirement system on or after the law's effective date would be required to pay in retirement 1.5% of their pension benefit toward the cost of health care coverage under the SHBP.

Chapter 78, P.L. 2011, effective June 28, 2011, established new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed

prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011, the 4-year phase-in does not apply and contributions based on the full percentage rate of contribution are required. Under Chapter 78, certain future retirees eligible for employer-paid health care coverage at retirement will also be required to pay a percentage of the cost of their medical coverage determined on the basis of their annual retirement benefit.

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

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

NOTE 14. POST-RETIREMENT BENEFITS (continued)

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

<u>Year</u>	<u>Amount</u>
2012	\$ <u>4,073,825</u>
2011	\$ <u>3,334,409</u>
2010	\$ <u>3,458,952</u>

NOTE 15. RESTRICTED NET ASSETS

Restricted net assets consist of the following at March 31, 2012 and 2011:

<u>Description</u>	<u>2012</u>	<u>2011</u>
HOPE VI and development loan reserves	\$ 47,259,911	\$ 46,073,968
Housing assistance payments reserve - HAP equity	1,350,546	\$ 1,650,432
Housing assistance payments reserve - VASH Program	<u>-</u>	<u>\$ 423,568</u>
	<u>\$ 48,610,457</u>	<u>\$ 48,147,968</u>

Hope VI and development loan reserves and the related accrued interest are restricted for public housing development upon collection of the loan and related accrued interest.

Accumulating earnings in connection with the overpayment of housing assistance payments are restricted for rent payments to landlords as part of the Housing Choice Voucher program and the Veterans Affairs Supportive Housing program.

NOTE 16. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions; and natural disasters. The Authority maintains insurance policies acquired from independent insurance carries covering all structural property, automobiles, crime coverage, personal property and general liability. Settlement amounts have not exceeded insurance coverage for the last three years.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

NOTE 17. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of March 31, 2012 and 2011, the Authority estimates that no material liabilities will result from such audits.

NOTE 18. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through November 19, 2012 (the date the financial statements were available to be issued) and concluded that the following subsequent event has occurred that would require disclosure in the notes to the financial statements.

In October, 2012, the State of New Jersey was hit with Hurricane Sandy. As a result of the storm, several Authority buildings were damaged due to flooding. The Authority is assessing the damage caused by the storm and will make damage claims to their flood and property insurance carriers as well as the Federal Emergency Management Agency. Those claims are in process and no dollar amount of damages has been calculated.



**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**

Board of Commissioners
Jersey City Housing Authority:

We have audited the financial statements of the Jersey City Housing Authority (the "Authority") as of and for the year ended March 31, 2012, and have issued our report thereon dated November 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division").

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing 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 the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2012-1 and 2012-2.

The Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development, federal awarding agencies and the Division and is not intended to be and should not be used by anyone other than these specified parties.

November 19, 2012
Toms River, New Jersey



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

Board of Commissioners
Jersey City Housing Authority:

Compliance

We have audited the compliance of the Jersey City Housing Authority, (the "Authority") 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, 2012. The Authority's major federal programs are identified in the summary of auditors' 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 the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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 the 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. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2012. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-1 and 2012-2.

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

Internal Control Over Compliance

Management of the Authority 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 Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program that is more than inconsequential 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 was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-1 and 2012-2. 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.

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development, federal awarding agencies and the Division and is not intended to be and should not be used by anyone other than these specified parties.

November 19, 2012
Toms River, New Jersey

SUPPLEMENTAL INFORMATION

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2012**

<u>Federal and State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Low Rent Public Housing	14.850	\$ 10,855,432
Public Housing Capital Fund	14.872	6,423,231
Revitalization of Severely Distressed Public Housing (Hope VI)	14.866	854,934
Resident Opportunity and Supportive Services	14.870	290,410
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	565,887
Supportive Housing for Persons with Disabilities	14.181	1,699,564
Housing Choice Vouchers	14.871	34,762,842
Shelter Plus Care	14.238	93,340
Formula Capital Fund Stimulus Grant (ARRA)	14.885	590,169
Competitive Capital Fund Stimulus Grant (ARRA)	14.884	<u>1,187,395</u>
		<u>\$ 57,323,204</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Jersey City Housing Authority under programs of the federal government for the year ended March 31, 2012. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the Jersey City Housing Authority, it is not intended to and does not present the financial position, changes in net assets or cash flows of Jersey City Housing Authority. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. SUBRECIPIENTS

The Authority was not a subrecipient of any federal awards and did not pass-through any federal awards to subrecipients.

NOTE 4. NON-CASH FEDERAL ASSISTANCE

The Authority did not receive any non-cash Federal assistance for the year ended March 31, 2012.

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2012**

I. Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

- | | | |
|----|---|--------------|
| 1. | Dollar threshold used to determine Type A Programs: | \$ 1,719,696 |
| 2. | Auditee qualified as low-risk Auditee? | No |
| 3. | Type of auditor's report on compliance for major programs: | Unqualified |
| 4. | Internal Control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Were significant deficiencies not considered to be material weaknesses? | Yes |
| | c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? | Yes |
| 5. | Identification of major programs: | |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850a	Low Rent Public Housing
14.872	Public Housing Capital Fund
14.884	Competitive Capital Fund Stimulus Grant (ARRA)
14.885	Formula Capital Fund Stimulus Grant (ARRA)
14.871	Housing Choice Vouchers

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2012

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

Finding 2012-1

Observation: Post-2003 Administrative Fee Reserves from the Housing Choice Voucher program were loaned to other Authority programs in violation of PIH notice 2011-059 and PIH Notice 2010-7.

Questioned Costs: \$516,090

Impact: Improper use administrative fees or administrative fee reserves is a non-compliance action that may be subject to administrative sanctions, possible breach of the ACC or other authorized corrective action.

Recommendation: We recommend that the Authority repay the Housing Choice Voucher Program all monies owed to the Program from applicable Authority programs.

Authority Response: The Authority concurs with the Auditor's finding and will work with its financial consultant to adjust the Housing Choice Program administrative fee reserves so that the Authority is in compliance with PIH Notices 2011-59 and 2010-7. The target date for remedying this finding is March 31, 2013.

Finding 2012-2

Observation: The Authority does not maintain a detailed schedule of furniture and equipment purchases.

Impact: The Authority is not in compliance with the requirements of OMB Circular A-102.

Recommendation: We recommend that the Authority create a schedule of furniture and equipment, periodically perform a physical inspection of the equipment in order to determine if the assets are appropriately safeguarded and maintained and reconcile that schedule to the Authority's general ledger.

Authority Response: The JCHA has reviewed the requirements of OMB A-102 that were provided by the auditor and referenced in Finding 2012-2, in addition to similar references from A-133 and the NJAC 5:30-5 regarding the need for periodic physical inventories of property.

As part of the audit, the JCHA provides the auditors with a fixed asset and depreciation schedule, including any additions, as of the Authority's fiscal year end. Going forward our schedule will contain information such as purchase date, cost, estimated useful life, location of property and it will be reconciled to the general ledger.

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2012

IV. Schedule of Prior Year Audit Findings

Finding 2011-1

Condition: There were significant differences noted between the unaudited Financial Data Schedule ("FDS") submitted to HUD and the audited Financial Data Schedule. Several adjustments to the Authority's financial statements were made by the Authority prior to and during the audit.

Recommendation: We recommend that the Authority implement a system where all supporting schedules and reconciliations are verified against trial balances on a monthly basis to ensure all activity is recorded and no unallowable transactions have occurred.

Actions Taken: The Authority implemented a system to ensure timely and frequent reconciliations performed and contracted with a qualified accounting firm that assisted in the preparation of reconciliations.

Status: The finding has been cleared.

Finding 2011-2

Observation: Discrepancies in the rent collection account are not being investigated by the accounting staff. Deposits that are recorded in the ledger of the Authority but not the bank statement are being carried as outstanding items for several months on the Authority's bank reconciliation.

Recommendation: We recommend that the Authority implement a system whereby all cash accounts are reconciled timely and any missing deposits are immediately investigated.

Actions Taken: The Authority implemented a system whereby all bank reconciliations were reviewed and cash differences were properly investigated.

Status: The finding has been cleared.

Finding 2011-3

Observation: The Authority discovered several material misstatements in its prior year financial statements resulting in six (6) prior period adjustments with a net effect of \$36,726,788 to be recorded in 2011.

Recommendation: We recommend that Authority hire an experienced accounting professional to manage the financial reporting of the Authority.

Actions Taken: The Authority had its accounting consultant handle all financial statement preparation and submission.

Status: The finding has been cleared

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2012

Finding 2011-4

Observation: The Authority's general ledger and financial statements are not being reconciled to the subsidiary ledgers in a timely manner.

Recommendation: We recommend that Authority implement a process whereby Authority accounts, such as Cash, Tenant Accounts Receivable, Accounts Payable, Accrued Expenses, Long-term Debt, Inventory are reconciled to the general ledger on a monthly basis.

Actions Taken: The Authority contracted with a qualified accounting firm that assisted in the preparation of reconciliations.

Status: The finding has been cleared.

Finding 2011-5

Observation: The Authority failed to file their Authority wide audit with HUD's Real Estate Assessment Center in a timely manner.

Recommendation: We recommend that the Authority take steps to ensure the timely filing of the Authority's audited financial statements.

Actions Taken: The Authority had its accounting consultant handle all financial statement preparation and submission.

Status: The finding has been cleared.

Finding 2011-6

Observation: Post-2003 Administrative Fee Reserves from the Housing Choice Voucher program were loans to other Authority programs in violation of PIH notice 2011-059 and PIH Notice 2010-7.

Recommendation: We recommend that the Authority repay the Housing Choice Voucher Program all monies owed to the Program from applicable Authority programs.

Actions Taken: The Authority immediately planned to take action to repay the Housing Choice Voucher Program but has repaid the Housing Choice Voucher program as of March 31, 2012.

Status: The finding remains open.

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2012

Finding 2011-7

Observation: The Authority maintains one general ledger fund which contains the accounting for the Authority's public housing program. In order to report financial results on an AMP level, the Authority allocates assets and liabilities of the program across AMP's on the basis of units. Accordingly, the Authority has not properly assigned the public housing program balance sheet between the Central Office Cost Center and the Projects in accordance with Asset Management rules.

Recommendation: We recommend that the Authority setup separate accounting funds for each AMP and permanently allocate the assets, liabilities and project equity to each AMP's respective fund and properly account for the results of operations for each AMP.

Actions Taken: The Authority contracted with a qualified accounting firm that assisted in the preparation of reconciliations.

Status: The finding has been cleared.

Finding 2011-8

Observation: The Authority does not maintain a detailed schedule of furniture and equipment purchases.

Impact: The Authority is not in compliance with the requirements of OMB Circular A-102.

Recommendation: We recommend that the Authority create a schedule of furniture and equipment, periodically perform a physical inspection of the equipment in order to determine if the assets are appropriately safeguarded and maintained.

Status: The finding remains open.

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF CAPITAL FUND
PROGRAM COSTS AND ADVANCES
FOR THE YEAR ENDED MARCH 31, 2012**

	<u>R501-08</u>	<u>R502-08</u>	<u>R501-09</u>	<u>501-07</u>	<u>501-08</u>	<u>501-09</u>	<u>501-10</u>	<u>501-11</u>	<u>Totals</u>
Budget	\$ <u>158,154</u>	\$ <u>713,501</u>	\$ <u>510,531</u>	\$ <u>5,625,203</u>	\$ <u>5,345,900</u>	\$ <u>5,419,853</u>	\$ <u>5,599,087</u>	\$ <u>4,791,622</u>	\$ <u>28,163,851</u>
<u>Advances:</u>									
Cumulative through 4/1/11	\$ 158,154	\$ 602,691	\$ -	\$ 4,542,632	\$ 3,214,985	\$ 2,727,409	\$ 158,263	\$ -	\$11,404,134
Current Year	<u>-</u>	<u>110,810</u>	<u>510,531</u>	<u>1,082,571</u>	<u>1,211,703</u>	<u>811,382</u>	<u>2,858,466</u>	<u>172,749</u>	<u>6,758,212</u>
Cumulative through 3/31/12	<u>158,154</u>	<u>713,501</u>	<u>510,531</u>	<u>5,625,203</u>	<u>4,426,688</u>	<u>3,538,791</u>	<u>3,016,729</u>	<u>172,749</u>	<u>18,162,346</u>
<u>Costs:</u>									
Cumulative through 4/1/11	158,154	602,691	-	4,667,157	3,241,967	2,840,086	229,062	-	11,739,117
Current Year	<u>-</u>	<u>110,810</u>	<u>510,531</u>	<u>958,046</u>	<u>1,184,721</u>	<u>698,705</u>	<u>2,787,667</u>	<u>172,749</u>	<u>6,423,229</u>
Cumulative through 3/31/12	<u>158,154</u>	<u>713,501</u>	<u>510,531</u>	<u>5,625,203</u>	<u>4,426,688</u>	<u>3,538,791</u>	<u>3,016,729</u>	<u>172,749</u>	<u>18,162,346</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<u>Summary</u>									
<u>Soft Costs:</u>									
Cumulative through 4/1/11	\$ -	\$ -	\$ -	\$ 3,009,188	\$ 2,067,792	\$ 1,937,695	\$ 87,607	\$ -	\$ 7,102,282
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,106</u>	<u>801,648</u>	<u>224,297</u>	<u>2,031,094</u>	<u>117,707</u>	<u>3,290,852</u>
Cumulative through 3/31/12	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,125,294</u>	<u>2,869,440</u>	<u>2,161,992</u>	<u>2,118,701</u>	<u>117,707</u>	<u>10,393,134</u>
<u>Hard Costs:</u>									
Cumulative through 4/1/11	158,154	602,691	-	1,657,969	1,174,175	902,391	141,455	-	4,636,835
Current Year	<u>-</u>	<u>110,810</u>	<u>510,531</u>	<u>841,940</u>	<u>383,073</u>	<u>474,408</u>	<u>756,573</u>	<u>55,042</u>	<u>3,132,377</u>
Cumulative through 3/31/12	<u>158,154</u>	<u>713,501</u>	<u>510,531</u>	<u>2,499,909</u>	<u>1,557,248</u>	<u>1,376,799</u>	<u>898,028</u>	<u>55,042</u>	<u>7,769,212</u>
Cumulative	\$ <u>158,154</u>	\$ <u>713,501</u>	\$ <u>510,531</u>	\$ <u>5,625,203</u>	\$ <u>4,426,688</u>	\$ <u>3,538,791</u>	\$ <u>3,016,729</u>	\$ <u>172,749</u>	\$ <u>18,162,346</u>

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF CAPITAL FUND
PROGRAM COSTS AND ADVANCES (Continued)
FOR THE YEAR ENDED MARCH 31, 2012**

NOTES TO SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

The total amount of Capital Fund Program Costs and Advances incurred and earned by the Jersey City Housing Authority as of and for the year ended March 31, 2012 are provided herein:

- 1) Capital Fund Grant No. NJ39R009501-08 with approved funding of \$158,154 has been fully drawn down and expended as per Capital Fund Grant Regulations.
- 2) Capital Fund Grant No. NJ39R009502-08 with approved funding of \$713,501 has been fully drawn down and expended as per Capital Fund Grant Regulations.
- 3) Capital Fund Grant No. NJ39R009501-09 with approved funding of \$510,531 has been fully drawn down and expended as per Capital Fund Grant Regulations.
- 4) Capital Fund Grant No. NJ39P009501-07 with approved funding of \$5,625,203 has been fully drawn down and expended as per Capital Fund Grant Regulations.

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF CAPITAL FUND STIMULUS PROGRAM
PROGRAM COSTS AND ADVANCES - FORMULA
FOR THE YEAR ENDED MARCH 31, 2012**

	<u>CFRG-2009</u>
Budget	\$ <u>7,870,197</u>
<u>Advances:</u>	
Cumulative through 4/1/11	\$ 7,218,395
Current Year	<u>651,802</u>
Cumulative through 3/31/12	<u>7,870,197</u>
<u>Costs:</u>	
Cumulative through 4/1/11	7,280,028
Current Year	<u>590,169</u>
Cumulative through 3/31/12	<u>7,870,197</u>
Excess / (Deficiency)	\$ <u>-</u>
<u>Summary</u>	
<u>Soft Costs:</u>	
Cumulative through 4/1/11	\$ 270,222
Current Year	<u>-</u>
Cumulative through 3/31/12	<u>270,222</u>
<u>Hard Costs:</u>	
Cumulative through 4/1/11	7,009,806
Current Year	<u>590,169</u>
Cumulative through 3/31/12	<u>7,599,975</u>
Cumulative	\$ <u>7,870,197</u>

NOTES TO SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

The total amount of Capital Fund Program Costs and Advances incurred and earned by the Jersey City Housing Authority as of and for the year ended March 31, 2012 are provided herein:

- 1) Capital Fund Grant No. NJ39S009501-09 with approved funding of \$7,870,197 has been fully drawn down and expended as per Capital Fund Grant Regulations.

**JERSEY CITY HOUSING AUTHORITY
 SCHEDULE OF CAPITAL FUND STIMULUS PROGRAM
 PROGRAM COSTS AND ADVANCES - COMPETITIVE
 FOR THE YEAR ENDED MARCH 31, 2012**

CFRC-2009

Budget \$ 1,469,266

Advances:

Cumulative through 4/1/11	\$ 156,386
Current Year	<u>1,197,408</u>
Cumulative through 3/31/12	<u>1,353,794</u>

Costs:

Cumulative through 4/1/11	166,399
Current Year	<u>1,187,395</u>
Cumulative through 3/31/12	<u>1,353,794</u>

Excess / (Deficiency) \$ -

Summary

Soft Costs:

Cumulative through 4/1/11	\$ 14,399
Current Year	<u>3,727</u>
Cumulative through 3/31/12	<u>18,126</u>

Hard Costs:

Cumulative through 4/1/11	152,000
Current Year	<u>1,183,668</u>
Cumulative through 3/31/12	<u>1,335,668</u>

Cumulative \$ 1,353,794

Housing Authority of the City of Jersey City									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2012									
Line Item #	Account Description	PROJECT TOTAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	14.238 SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	STATE/LOCAL	SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY	
	ASSETS:								
	CURRENT ASSETS:								
	Cash:								
111	Cash - unrestricted	\$ 1,303,022	\$ 46,579	\$ -	\$ -	\$ -	\$ 245,064	\$ -	
112	Cash - restricted - modernization and development	-	-	-	-	-	457,797	-	
113	Cash - other restricted	456,790	1,591,299	-	-	-	618,722	-	
114	Cash - tenant security deposits	270,635	-	-	-	-	67,321	-	
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	
100	Total cash	2,030,447	1,637,878	-	-	-	1,388,904	-	
	Accounts and notes receivables:								
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	
122	Accounts receivable - HUD other projects	-	-	-	-	20,662	-	40,865	
124	Accounts receivable - other government	-	-	-	-	69,784	-	-	
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	
126	Accounts receivable- tenants	133,067	-	-	-	-	124,107	-	
126.1	Allowance for doubtful accounts - tenants	(13,307)	-	-	-	-	(73,473)	-	
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	
128	Fraud recovery	-	-	-	-	-	-	-	
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	
129	Accrued interest receivable	-	-	-	-	-	-	-	
120	Total receivables, net of allowances for doubtful accounts	119,760	-	-	-	90,446	50,634	40,865	
	Current investments								
131	Investments - unrestricted	-	-	-	-	-	-	-	
132	Investments - restricted	-	-	-	-	-	-	-	
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	
142	Prepaid expenses and other assets	647,785	-	-	-	-	22,358	-	
143	Inventories	1,337,516	-	-	-	-	754	-	
143.1	Allowance for obsolete inventories	(121,883)	-	-	-	-	-	-	
144	Interprogram - due from	90,446	2,439,273	-	-	-	-	44,713	
145	Assets held for sale	-	-	-	-	-	-	-	
150	TOTAL CURRENT ASSETS	4,104,071	4,077,151	-	-	90,446	1,462,650	85,578	
	NONCURRENT ASSETS:								
	Fixed assets:								
161	Land	3,278,787	-	-	-	-	1,472,667	-	
162	Buildings	199,319,267	-	-	-	-	7,699,717	-	
163	Furniture, equipment & machinery - dwellings	131,787	-	-	-	-	-	-	
164	Furniture, equipment & machinery - administration	-	174,279	-	-	-	36,178	-	
165	Leasehold improvements	-	-	-	-	-	379,098	-	
166	Accumulated depreciation	(120,998,209)	(114,803)	-	-	-	(4,247,957)	-	
167	Construction in Progress	7,769,212	-	23,100,492	-	-	9,393,046	-	
168	Infrastructure	-	-	-	-	-	-	-	
160	Total fixed assets, net of accumulated depreciation	89,500,844	59,476	23,100,492	-	-	14,732,749	-	
	Other non-current assets:								
171	Notes and mortgages receivable - non-current	47,259,911	-	-	-	-	-	-	
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	
174	Other assets	-	-	-	-	-	423,079	-	
175	Undistributed debits	-	-	-	-	-	-	-	
176	Investment in joint ventures	-	-	-	-	-	-	-	
180	TOTAL NONCURRENT ASSETS	136,760,755	59,476	23,100,492	-	-	15,155,828	-	
190	TOTAL ASSETS	\$ 140,864,826	\$ 4,136,627	\$ 23,100,492	\$ -	\$ 90,446	\$ 16,618,478	\$ 85,578	

Housing Authority of the City of Jersey City									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2012									
Line Item #	Account Description	PROJECT TOTAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	14.238 SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	STATE/LOCAL	SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY	
LIABILITIES AND EQUITY:									
Liabilities:									
Current Liabilities:									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	467,965	-	-	-	-	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	321,111	54,944	-	-	-	-	5,794	-
322	Accrued compensated absences - current portion	68,487	15,686	-	-	-	-	2,961	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	172,959	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	619,550	-	-	-	-	-	-	-
341	Tenant security deposits	270,635	-	-	-	-	-	67,321	-
342	Deferred revenue	5,252	-	-	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	375,000	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	587,215	-	-	-	-	-	37,690	-
347	Interprogram - due to	2,608,441	-	-	-	90,446	-	-	-
310	TOTAL CURRENT LIABILITIES	4,948,656	70,630	-	-	90,446	661,725	-	-
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	11,976,325	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	507,493	240,753	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	718,725	164,615	-	-	-	-	31,077	-
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	1,226,218	405,368	-	-	-	12,007,402	-	-
300	TOTAL LIABILITIES	6,174,874	475,998	-	-	90,446	12,669,127	-	-
EQUITY:									
508.1	Invested in Capital Assets, Net of Related Debt	89,500,844	59,476	23,100,492	-	-	-	2,381,424	-
511.1	Restricted Net Assets	47,259,911	1,350,546	-	-	-	-	-	-
512.1	Unrestricted Net Assets	(2,070,803)	2,250,607	-	-	-	-	1,567,927	85,578
513	TOTAL EQUITY	134,689,952	3,660,629	23,100,492	-	-	3,949,351	85,578	-
600	TOTAL LIABILITIES AND EQUITY	\$ 140,864,826	\$ 4,136,627	\$ 23,100,492	\$ -	\$ 90,446	\$ 16,618,478	\$ 85,578	-
Proof of concept									
		-	-	-	-	-	-	-	-

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2012								
Line Item #	Account Description	14.181 SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	14.885 FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING PROGRAM	COMPETITIVE CAPITAL FUND STIMULUS GRANT	COCC	ELIMINATION	TOTAL
ASSETS:								
CURRENT ASSETS:								
Cash:								
111	Cash - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 9,939	\$ -	\$ 1,604,604
112	Cash - restricted - modernization and development	-	-	-	-	-	-	457,797
113	Cash - other restricted	-	-	-	-	-	-	2,666,811
114	Cash - tenant security deposits	-	-	-	-	-	-	337,956
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-
100	Total cash	-	-	-	-	9,939	-	5,067,168
Accounts and notes receivables:								
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	80,743	-	-	-	-	-	142,270
124	Accounts receivable - other government	-	-	-	-	-	-	69,784
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable- tenants	-	-	-	-	232,378	-	489,552
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	(86,780)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	80,743	-	-	-	232,378	-	614,826
Current investments								
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	114,315	-	784,458
143	Inventories	-	-	-	-	-	-	1,338,270
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	(121,883)
144	Interprogram - due from	124,455	-	-	-	-	(2,698,887)	-
145	Assets held for sale	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	205,198	-	-	-	356,632	(2,698,887)	7,682,839
NONCURRENT ASSETS:								
Fixed assets:								
161	Land	-	-	-	-	896,369	-	5,647,823
162	Buildings	-	-	-	-	38,283,993	-	245,302,977
163	Furniture, equipment & machinery - dwellings	-	-	-	-	219,860	-	351,647
164	Furniture, equipment & machinery - administration	-	-	-	-	2,110,378	-	2,320,835
165	Leasehold improvements	-	-	-	-	-	-	379,098
166	Accumulated depreciation	-	-	-	-	(31,591,556)	-	(156,952,525)
167	Construction in Progress	-	-	-	-	-	-	40,262,750
168	Infrastructure	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	-	-	-	9,919,044	-	137,312,605
Other non-current assets:								
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	47,259,911
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	423,079
175	Undistributed debits	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	-	-	-	9,919,044	-	184,995,595
190	TOTAL ASSETS	\$ 205,198	\$ -	\$ -	\$ -	\$ 10,275,676	\$ (2,698,887)	\$ 192,678,434

Housing Authority of the City of Jersey City															
NJ009															
Financial Data Schedule (FDS)															
March 31, 2012															
Line Item #				Account Description	14.181 SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	14.885 FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING PROGRAM	COMPETITIVE CAPITAL FUND STIMULUS GRANT	COCC	ELIMINATION	TOTAL				
LIABILITIES AND EQUITY:															
Liabilities:															
Current Liabilities:															
311				Bank overdraft	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -				
312				Accounts payable ≤ 90 days	-	-	-	-		-	467,965				
313				Accounts payable > 90 days past due	-	-	-	-		-	-				
321				Accrued wage/payroll taxes payable	-	-	-	-	321,096	-	702,945				
322				Accrued compensated absences - current portion	-	-	-	-	125,105	-	212,239				
324				Accrued contingency liability	-	-	-	-	-	-	-				
325				Accrued interest payable	-	-	-	-	-	-	172,959				
331				Accounts payable - HUD PHA programs	-	-	-	-	-	-	-				
332				Accounts payable - PHA projects	-	-	-	-	-	-	-				
333				Accounts payable - other government	-	-	-	-	-	-	619,550				
341				Tenant security deposits	-	-	-	-	-	-	337,956				
342				Deferred revenue	-	-	-	-	-	-	5,252				
343				Current portion of L-T debt - capital projects	-	-	-	-	-	-	375,000				
344				Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-				
345				Other current liabilities	-	-	-	-	-	-	-				
346				Accrued liabilities - other	-	-	-	-	3,097	-	628,002				
347				Interprogram - due to	-	-	-	-	-	(2,698,887)	-				
310				TOTAL CURRENT LIABILITIES	-	-	-	-	449,298	(2,698,887)	3,521,868				
NONCURRENT LIABILITIES:															
351				Long-term debt, net of current - capital projects	-	-	-	-	-	-	11,976,325				
352				Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-				
353				Non-current liabilities- other	-	-	-	-	-	-	748,246				
354				Accrued compensated absences - noncurrent	-	-	-	-	1,312,889	-	2,227,306				
355				Loan Liability - Non Current	-	-	-	-	-	-	-				
356				FASB 5 Liabilities	-	-	-	-	-	-	-				
357				Accrued pension and OPEB liabilities	-	-	-	-	-	-	-				
350				TOTAL NONCURRENT LIABILITIES	-	-	-	-	1,312,889	-	14,951,877				
300				TOTAL LIABILITIES	-	-	-	-	1,762,187	(2,698,887)	18,473,745				
EQUITY:															
508.1				Invested in Capital Assets, Net of Related Debt	-	-	-	-	9,919,044	-	124,961,280				
511.1				Restricted Net Assets	-	-	-	-	-	-	48,610,457				
512.1				Unrestricted Net Assets	205,198	-	-	-	(1,405,555)	-	632,952				
513				TOTAL EQUITY	205,198	-	-	-	8,513,489	-	174,204,689				
600				TOTAL LIABILITIES AND EQUITY	\$ 205,198	\$ -	\$ -	\$ -	\$ 10,275,676	\$ (2,698,887)	\$ 192,678,434				
Proof of concept															

Housing Authority of the City of Jersey Cit									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2012									
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSI	14.238 SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	STATE/LOCAL	SECTION 8 MODERATE REHAB SINGLE ROOM
	REVENUE:								
70300	Net tenant rental revenue	\$ 10,425,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,156,408	\$ -
70400	Tenant revenue - other	57,451	-	-	-	-	-	100	-
70500	Total tenant revenue	10,483,278	-	-	-	-	-	1,156,508	-
70600	HUD PHA grants	10,855,432	3,290,853	33,673,997	426,458	93,340	290,410	-	565,887
70610	Capital grants	-	3,132,378	-	428,476	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	126,183	47,946	-
71100	Investment income - unrestricted	65,165	-	-	-	-	-	290	-
71200	Mortgage interest income	1,505,943	-	-	-	-	-	-	-
71300	Proceeds from disposition of asseets held for sale	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	72,277	-	-	-	-	-
71500	Other revenue	201,776	-	390,262	-	-	-	12,365	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	1,022	-	-	-	-	-
70000	TOTAL REVENUE	23,111,594	6,423,231	34,137,558	854,934	93,340	416,593	1,217,109	565,887
	EXPENSES:								
	Administrative								
91100	Administrative salaries	1,614,035	-	1,180,076	-	-	257,959	21,019	27,747
91200	Auditing fees	17,487	-	10,806	-	-	-	11,142	2,313
91300	Outside management fees	1,378,909	753,732	472,076	-	-	-	-	15,776
91310	Book-keeping fee	156,151	-	295,111	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	760,064	-	680,536	-	-	28,662	81,436	15,614
91600	Office expenses	178,231	-	142,455	426,458	-	3,789	48,489	138
91700	Legal expenses	4,937	31,920	2,980	-	-	-	1,500	-
91800	Travel	128	-	9,810	-	-	-	22,182	-
91810	Allocated overhead	-	-	-	-	-	-	-	-
91900	Other	11,241	9,155	33,508	-	-	-	10,514	-
92000	Asset Management Fee	-	-	-	-	-	-	-	-
	Tenant services								
92100	Tenant services - salaries	86,251	-	-	-	-	-	-	-
92200	Relocation costs	-	61,938	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	41,865	-	-	-	-	-	-	-
92400	Tenant services - other	32,862	-	-	-	-	-	-	-

Housing Authority of the City of Jersey Cit									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2012									
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSI	14.238 SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	STATE/LOCAL	SECTION 8 MODERATE REHAB SINGLE ROOM
	Utilities								
93100	Water	1,842,181	-	-	-	-	-	111,278	-
93200	Electricity	1,834,240	-	-	-	-	-	32,734	-
93300	Gas	1,288,195	-	-	-	-	-	85,712	-
93400	Fuel	1,791,237	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-
93800	Other utilities expense	108,335	-	-	-	-	-	8,216	-
	Ordinary maintenance & operation								
94100	Ordinary maintenance and operations - labor	4,520,918	-	-	-	-	-	93,752	-
94200	Ordinary maintenance and operations - materials & other	617,426	-	1,722	-	-	-	66,503	-
94300	Ordinary maintenance and operations - contract costs	2,245,166	-	-	-	-	-	173,148	-
94500	Employee benefit contributions- ordinary maintenance	1,288,161	-	-	-	-	-	-	-
	Protective services								
95100	Protective services - labor	125,300	-	-	-	-	106,030	16,397	-
95200	Protective services- other contract costs	-	-	-	-	-	19,575	-	-
95300	Protective services - other	20,907	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	59,243	-	-	-	-	578	-	-
	General expenses								
96100	Insurance premiums								
96110	Property Insurance	479,467	-	34,723	-	-	-	33,462	-
96120	liability insurance	-	-	-	-	-	-	-	-
96130	Workmen's compensation	227,744	-	72,718	-	-	-	8,437	1,676
96140	All Other Insurance	42,277	-	-	-	-	-	-	-
96200	Other general expenses	2,390,675	-	-	-	-	-	18,333	-
96210	Compensated absences	320,463	-	27,591	-	-	-	34,038	-
96300	Payments in lieu of taxes	374,578	-	-	-	-	-	58,782	-
96400	Bad debt - tenant rents	115,566	-	-	-	-	-	-	-
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	554,864	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	27,443	-
96800	Severance expense	-	-	-	-	-	-	6,119	-
96900	TOTAL OPERATING EXPENSES	23,974,244	856,745	2,964,106	426,458	-	416,593	1,525,500	63,264
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(862,650)	5,566,486	31,173,452	428,476	93,340	-	(308,391)	502,623
97100	Extraordinary maintenance	-	-	-	-	-	-	11,710	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	31,798,736	-	93,340	-	-	463,230
97350	HAP Portability - in	-	-	-	-	-	-	-	-
97400	Depreciation expense	9,118,883	-	6,019	-	-	-	218,457	-
97500	Fraud losses	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	33,093,127	856,745	34,768,861	426,458	93,340	416,593	1,755,667	526,494

Housing Authority of the City of Jersey Cit									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2012									
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSI	14.238 SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	STATE/LOCAL	SECTION 8 MODERATE REHAB SINGLE ROOM
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	1,632,460	-	-	-	-	-	801,648	-
10020	Operating transfers out	-	(2,434,108)	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	1,632,460	(2,434,108)	-	-	-	-	801,648	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(8,349,073)	3,132,378	(631,303)	428,476	-	-	263,090	39,393
MEMO ACCOUNT INFORMATION:									
11020	Required annual debt principal payments	-	-	-	-	-	-	375,000	-
11030	Beginning equity	138,132,810	-	3,868,364	22,672,016	-	-	3,761,261	46,185
11040	Prior period adjustments and equity transfers	1,773,837	-	423,568	-	-	-	(75,000)	-
11170	Administrative fee equity	-	-	2,733,651	-	-	-	-	-
11180	Housing assistance payments equity	-	-	926,978	-	-	-	-	-
		-	-	3,660,629	-	-	-	-	-
11190	Unit months available	25,860	-	40,032	-	-	-	-	1,200
11210	Number of unit months leased	20,820	-	39,478	-	-	-	-	809
Equity Roll Forward Test:									
	Calculation from R/E Statement	\$ 134,689,952	\$ -	\$ 3,660,629	\$ 23,100,492	\$ -	\$ -	\$ 3,949,351	\$ 85,578
	B/S Line 513	\$ 134,689,952	\$ -	\$ 3,660,629	\$ 23,100,492	\$ -	\$ -	\$ 3,949,351	\$ 85,578
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Jersey Cit								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2012								
Line Item #	Account Description	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING	COMPETITIVE CAPITAL FUND STIMULUS GRANT	COCC	ELIMINATION	TOTAL
REVENUE:								
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,582,235
70400	Tenant revenue - other	-	-	-	-	-	-	57,551
70500	Total tenant revenue	-	-	-	-	-	-	11,639,786
70600	HUD PHA grants	1,699,564	-	-	3,727	-	-	50,899,668
70610	Capital grants	-	590,169	-	1,183,668	-	-	5,334,691
70710	Management fee	-	-	-	-	2,664,641	(2,664,641)	-
70720	Asset management fee	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	451,262	(451,262)	-
70740	Front Line Service Fee	-	-	-	-	1,879,804	-	1,879,804
70750	Other fees	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	174,129
71100	Investment income - unrestricted	-	-	-	-	-	-	65,455
71200	Mortgage interest income	-	-	-	-	-	-	1,505,943
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	467	-	72,744
71500	Other revenue	-	-	-	-	-	-	604,403
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	1,022
70000	TOTAL REVENUE	1,699,564	590,169	-	1,187,395	4,996,174	(3,115,903)	72,177,645
EXPENSES:								
Administrative								
91100	Administrative salaries	67,892	-	-	-	1,106,481	-	4,275,203
91200	Auditing fees	2,800	-	-	-	150	-	44,698
91300	Outside management fees	44,148	-	-	-	-	(2,664,641)	-
91310	Book-keeping fee	-	-	-	-	-	(451,262)	-
91400	Advertising and marketing	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	38,203	-	-	3,727	2,029,244	-	3,637,486
91600	Office expenses	-	-	-	-	306,086	-	1,105,646
91700	Legal expenses	-	-	-	-	30,538	-	71,875
91800	Travel	-	-	-	-	13,944	-	46,064
91810	Allocated overhead	-	-	-	-	-	-	-
91900	Other	-	-	-	-	38,842	-	103,260
92000	Asset Management Fee	-	-	-	-	-	-	-
Tenant services								
92100	Tenant services - salaries	-	-	-	-	-	-	86,251
92200	Relocation costs	-	-	-	-	-	-	61,938
92300	Employee benefit contributions- tenant services	-	-	-	-	-	-	41,865
92400	Tenant services - other	-	-	-	-	3,312	-	36,174

Housing Authority of the City of Jersey Cit								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2012								
Line Item #	Account Description	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING	COMPETITIVE CAPITAL FUND STIMULUS GRANT	COCC	ELIMINATION	TOTAL
	Utilities							
93100	Water	-	-	-	-	6,038	-	1,959,497
93200	Electricity	-	-	-	-	102,591	-	1,969,565
93300	Gas	-	-	-	-	3,664	-	1,377,575
93400	Fuel	-	-	-	-	-	-	1,791,237
93500	Labor	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	3,390	-	119,941
	Ordinary maintenance & operation							
94100	Ordinary maintenance and operations - labor	-	-	-	-	1,362,136	-	5,976,806
94200	Ordinary maintenance and operations - materials & other	-	-	-	-	77,888	-	763,539
94300	Ordinary maintenance and operations - contract costs	-	-	-	-	132,773	-	2,551,087
94500	Employee benefit contributions- ordinary maintenance	-	-	-	-	348,487	-	1,636,648
	Protective services							
95100	Protective services - labor	-	-	-	-	-	-	247,727
95200	Protective services- other contract costs	-	-	-	-	-	-	19,575
95300	Protective services - other	-	-	-	-	27,232	-	48,139
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	59,821
	General expenses							
96100	Insurance premiums	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	66,217	-	613,869
96120	liability insurance	2,082	-	-	-	-	-	2,082
96130	Workmen's compensation	4,101	-	-	-	268,319	-	582,995
96140	All Other Insurance	-	-	-	-	-	-	42,277
96200	Other general expenses	-	-	-	-	51,970	-	2,460,978
96210	Compensated absences	-	-	-	-	289,634	-	671,726
96300	Payments in lieu of taxes	-	-	-	-	-	-	433,360
96400	Bad debt - tenant rents	-	-	-	-	-	-	115,566
96500	Bad debt- mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	554,864
96730	Amortization of bond issue costs	-	-	-	-	-	-	27,443
96800	Severance expense	-	-	-	-	-	-	6,119
96900	TOTAL OPERATING EXPENSES	159,226	-	-	3,727	6,268,936	(3,115,903)	33,542,896
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	1,540,338	590,169	-	1,183,668	(1,272,762)	-	38,634,749
97100	Extraordinary maintenance	-	-	-	-	-	-	11,710
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	1,507,430	-	-	-	-	-	33,862,736
97350	HAP Portability - in	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	1,522,992	-	10,866,351
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	1,666,656	-	-	3,727	7,791,928	(3,115,903)	78,283,693

Housing Authority of the City of Jersey Cit								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2012								
Line Item #	Account Description	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING	COMPETITIVE CAPITAL FUND STIMULUS GRANT	COCC	ELIMINATION	TOTAL
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	-	-	-	-	-	-	2,434,108
10020	Operating transfers out	-	-	-	-	-	-	(2,434,108)
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	32,908	590,169	-	1,183,668	(2,795,754)	-	(6,106,048)
MEMO ACCOUNT INFORMATION:								
11020	Required annual debt principal payments	-	-	-	-	-	-	375,000
11030	Beginning equity	172,290	-	423,568	-	11,234,243	-	180,310,737
11040	Prior period adjustments and equity transfers	-	(590,169)	(423,568)	(1,183,668)	75,000	-	-
11170	Administrative fee equity	-	-	-	-	-	-	2,733,651
11180	Housing assistance payments equity	-	-	-	-	-	-	926,978
		-	-	-	-	-	-	3,660,629
11190	Unit months available	2,400	-	-	-	-	-	69,492
11210	Number of unit months leased	2,264	-	-	-	-	-	63,371
Equity Roll Forward Test:								
	Calculation from R/E Statement	\$ 205,198	\$ -	\$ -	\$ -	\$ 8,513,489	\$ -	\$ 174,204,689
	B/S Line 513	\$ 205,198	\$ -	\$ -	\$ -	\$ 8,513,489	\$ -	\$ 174,204,689
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -