

JERSEY CITY HOUSING AUTHORITY
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEARS ENDED MARCH 31, 2013 AND 2012

JERSEY CITY HOUSING AUTHORITY
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2013 AND 2012

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-13
Financial Statements:	
Statements of Net Position	14
Statements of Revenues, Expenses, and Changes in Net Position	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	40-42
Supplemental Information:	
Schedule of Expenditures of Federal Awards	43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-46
Schedule of Capital Fund Program Costs and Advances	47-48
Schedule of Capital Fund Stimulus Program Costs and Advances - Competitive	49
Financial Data Schedule	50-64



INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Jersey City Housing Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the Jersey City Housing Authority ("the Authority") as of and for the years ended March 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinions

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, 2013 and 2012, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jersey City Housing Authority's basic financial statements. The Schedule of Expenditures of Federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Capital Fund Program Costs and Advances, Schedule of Capital Fund Stimulus Program Costs and Advances and the financial data schedule are also not required parts of the financial statements and are presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards, notes to schedule of expenditures of federal awards, schedule of findings and questioned costs, schedule of capital fund program costs and advances, schedule of capital fund stimulus program costs and advances and the financial data schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, notes to schedule of expenditures of federal awards, schedule of findings and questioned costs, schedule of capital fund program costs and advances, schedule of capital fund stimulus program costs and advances and the financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2013 on our consideration of the Jersey City Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Jersey City Housing Authority's internal control over financial reporting and compliance.

November 27, 2013
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

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, 2013. 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. Please read 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 Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity, and are classified as current and non-current.

Net position is reported in three broad categories:

Net Investment in Capital Assets: 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 Position: 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 Position: This component consists of assets that are not restricted and do not meet the definition of Net Investment in Capital Assets.

The **Statement of Revenues, Expenditures, and Changes in Net Position** presents information showing how the Authority's net position 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.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

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.

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 to 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 2,077 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 3,969 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, 2013

Financial position and analysis

Table 1 compares the Authority's financial position for the fiscal years ended March 31, 2013 and 2012:

	2013	2012	Increase (Decrease)	Percent Variance
Assets				
Cash & cash equivalents	\$ 3,687,469	\$ 1,942,560	\$ 1,744,909	89.83%
Other Current assets	1,498,985	2,502,340	(1,003,355)	-40.10%
Noncurrent assets	155,163,049	160,261,756	(5,098,707)	-3.18%
Total assets	<u>160,349,503</u>	<u>164,706,656</u>	<u>(4,357,153)</u>	<u>-2.65%</u>
Liabilities				
Current liabilities	3,946,969	3,521,868	425,101	12.07%
Noncurrent liabilities	14,682,082	14,951,877	(269,795)	-1.80%
Total liabilities	<u>18,629,051</u>	<u>18,473,745</u>	<u>155,306</u>	<u>0.84%</u>
Net assets				
Invested in capital assets	81,771,678	88,166,366	(6,394,688)	-7.25%
Restricted net assets	59,518,116	57,970,003	1,548,113	2.67%
Unrestricted net assets	<u>430,658</u>	<u>96,542</u>	<u>334,116</u>	<u>346.08%</u>
Total net assets	<u>\$ 141,720,452</u>	<u>\$ 146,232,911</u>	<u>\$ (4,512,459)</u>	<u>-3.09%</u>

Cash & Cash Equivalents (including restricted cash) increased by \$1,744,909 or 89.83% due primarily to administrative cuts which reduced salaries and benefits as well as decreased spending on capital assets and repairs.

Other Current Assets decreased by \$1,003,355 or 40.10% primarily due to a reduction in inventories as the Authority eliminated the Central Warehouse and instituted material delivery directly to AMPs.

Noncurrent Assets decreased by \$5,098,707 or 3.18% due to depreciation charged on capital assets and capital additions.

Current Liabilities increased by \$425,101 or 12.07%. This is primarily due to increases in accounts payable and current portion payments of loans and bonds.

Noncurrent Liabilities decreased by \$269,795 or 1.80% due to payments of debt related to the Energy Performance Contract.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

Financial position and analysis (continued)

Table 2 focuses on the changes in net position:

	2013	2012	Increase (Decrease)	Percent Variance
Operating revenue & expense				
Operating revenue	\$ 66,739,982	\$ 65,585,679	\$ 1,154,303	1.76%
Operating expenses	76,627,962	78,129,862	(1,501,900)	-1.92%
Operating loss	(9,887,980)	(12,544,183)	(347,597)	2.77%
Non-operating revenues & expenses	5,375,521	5,923,771	(548,250)	-9.26%
Decrease in net position	(4,512,459)	(6,620,412)	2,107,953	-31.84%
Net position, beginning of year	146,232,911	152,853,323	(6,620,412)	-4.33%
Net position, end of year	\$141,720,452	\$146,232,911	\$(4,512,459)	-3.09%

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

	2013	2012	Increase (Decrease)	Percent Variance
Operating revenue				
Tenant revenue	\$ 10,232,620	\$ 11,639,786	\$ (1,407,166)	-12.09%
HUD operating grants	54,128,542	51,328,144	2,800,398	5.46%
Other income	2,378,820	2,617,749	(238,929)	-9.13%
Total operating revenue	66,739,982	65,585,679	1,154,303	1.76%
Non-operating revenues				
Investment income	40,872	66,477	(25,605)	-38.52%
Mortgage interest income	1,884,882	1,505,943	378,939	25.16%
Gain on sale of assets	68,811	-	68,811	N/A
Capital grants	3,912,150	4,906,215	(994,065)	-20.26%
Total non-operating revenues	5,906,715	6,478,635	(571,920)	-8.83%
Total revenues	\$72,646,697	\$72,064,314	\$ 582,383	0.81%

HUD Operating grants increased by \$2,800,398 or 5.46%. This increase is due to additional grant funding received for in both the Low Income Public Housing and Housing Choice Voucher Programs.

Other Income decreased by \$238,929 or 9.13%. This decrease is due to a reduction in Bookkeeping fees charged from the Central Office Cost Center to affiliates and a decrease in Port in admin fees received for the HCV program.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

Financial position and analysis (continued)

Capital Grants decreased by \$994,065 or 20.26% primarily due to completion of the funding received in the CFRC and CFRG Grants and a decrease in funds received during the Fiscal Year for the Revitalization of Severely Distressed Public Housing Grant.

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

	2013	2012	Increase (Decrease)	Percent Variance
Administrative	\$ 8,724,914	\$ 9,284,232	\$ (559,318)	-6.02%
Tenant services	75,978	226,228	(150,250)	-66.42%
Utilities	5,306,084	7,217,815	(1,911,731)	-26.49%
Maintenance	10,017,361	10,928,080	(910,719)	-8.33%
Protective services	381,099	375,262	5,837	1.56%
Insurance	1,224,052	1,241,223	(17,171)	-1.38%
General expense	3,782,421	3,687,749	94,672	2.57%
Extraordinary maintenance expense	473,932	440,186	33,746	7.67%
Depreciation expenses	10,386,363	10,866,351	(479,988)	-4.42%
Housing assistance payments	36,255,758	33,862,736	2,393,022	7.07%
Total expenses	\$ 76,627,962	\$ 78,129,862	\$ (1,501,900)	-1.92%

Administrative expenses decreased by \$559,318 or 6.02% due to administrative cuts undergone in the current fiscal year.

Utilities expenses decreased by \$1,911,731 or 26.49% due to a decrease in usage for water, fuel oil, electricity, and gas and the implementation of the Energy Performance Contract during the year.

Maintenance expenses decreased by \$910,719 or 8.33%. This decrease was primarily due to fewer capital projects being undertaken and reductions in maintenance expenses at rental properties.

Extraordinary Maintenance expenses increased by \$33,746 or 7.67% due to increases in expenditures related to Hurricane Sandy.

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.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

Low Income Public Housing

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Operating revenue				
Rental income	\$ 8,719,056	\$ 9,058,047	\$ 338,991	3.89%
Operating subsidy	9,690,661	9,417,117	(273,544)	-2.82%
Interest income	45,000	40,544	(4,456)	-9.90%
Other income	7,535,964	9,528,287	1,992,323	26.44%
Total revenue	25,990,681	28,043,995	2,053,314	7.90%
Expenses				
Administrative	6,649,303	7,727,194	(1,077,891)	-16.21%
Tenant services	79,327	75,978	3,349	4.22%
Utilities	7,088,743	5,040,043	2,048,700	28.90%
Maintenance	9,796,869	9,589,602	207,267	2.12%
Protective services	166,173	212,975	(46,802)	-28.16%
Insurance	1,035,623	1,059,075	(23,452)	-2.26%
General expenses	329,000	3,662,713	(3,333,713)	-1013.29%
Extraordinary maintenance	-	69,547	(69,547)	
Total expenses	25,145,038	27,437,127	(2,292,089)	-9.12%

Note: Actual amounts do not include pass through subsidy to component units.

Operating Subsidy was under budget by \$273,544 or 2.82%. This is due to reduced levels of funding from HUD for the program.

Other Income was over budget by \$1,992,323 or 26.44% due to the Authority not budgeting for interest received on long term notes receivable from affiliates.

Administrative expenses were over budget by \$1,077,891 or 16.21%. This was primarily due to changes in reporting by the Authority to include that portion of General Expenses that are administrative costs.

Utility expenses were under budget by \$2,048,700 or 28.90% due to a decrease in utility rates.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

Low Income Public Housing (continued)

Maintenance expense was under budget by \$207,267 or 2.12% due to a decrease in labor costs for ordinary maintenance and operations.

General Expenses were over budget by \$3,333,713 or 1,013.29% primarily due to changes in reporting by the Authority to include previous General Expenses as administrative costs plus not budgeting for interest expense attributable to Hope VI AMPs and state and local developments.

Housing Choice Vouchers

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Revenue				
HCV Grant revenue	\$ 30,703,848	\$ 33,467,088	\$ 2,763,240	9.00%
Administrative fee revenue	2,519,397	2,813,651	294,254	11.68%
FSS revenue	293,435	293,435	-	0.00%
Other income	117,024	119,758	2,734	2.34%
Total revenue	<u>33,633,704</u>	<u>36,693,932</u>	<u>3,060,228</u>	<u>9.10%</u>
Expenses				
Administrative	2,765,431	2,917,120	(151,689)	-5.49%
Depreciation	-	6,019	(6,019)	-100.00%
Maintenance	-	441	(441)	100.00%
Insurance	99,061	120,204	(21,143)	-21.34%
General expense	-	27,131	(27,131)	100.00%
HAP expense	30,703,848	33,829,317	(3,125,469)	-10.18%
Total expenses	<u>33,568,340</u>	<u>36,900,232</u>	<u>3,331,892</u>	<u>9.93%</u>
Income (over)/under expense	<u>\$ 65,364</u>	<u>\$ (206,300)</u>	<u>\$ (271,664)</u>	<u>-415.62%</u>

Administrative Fee Revenue was over budget by \$294,254 or 11.68%. This is due to budgeting at lower expectations for funding than actually received.

Administrative Fee expenses were over budget by \$151,689 or 5.49% 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 \$21,143 or 21.34% primarily due to higher amounts of insurance expense being allocated to the HCV program.

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

Capital assets

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

Table 7

Changes in Net Capital Assets

	2013	2012	Increase (Decrease)
Land	\$ 5,265,611	\$ 4,756,550	\$ 509,061
Buildings, improvements and equip	176,125,457	173,274,088	2,851,369
Construction in progress	16,817,314	17,074,758	(257,444)
	<u>198,208,382</u>	<u>195,105,396</u>	<u>3,102,986</u>
Less: accumulated depreciation	<u>(104,539,904)</u>	<u>(94,587,705)</u>	<u>(9,952,199)</u>
Capital assets, net	<u>\$ 93,668,478</u>	<u>\$100,517,691</u>	<u>\$ (6,849,213)</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.

Capital funding available for 2013 is as follows:

	Grant	Total Budget	Expended through 3/31/2013	Budget Remaining at 3/31/2013
Capital Fund Program 2008	501-08	5,345,900	5,345,900	-
Capital Fund Program 2009	501-09	5,419,853	4,878,167	541,686
Capital Fund Program 2009E	501-09E	250,000	250,000	-
Capital Fund Program 2010	501-10	5,599,087	4,081,887	1,517,200
Capital Fund Program 2011	501-11	4,791,622	2,357,750	2,433,872
Capital Fund Program 2012	501-12	3,872,643	186,657	<u>3,685,986</u>
				<u>\$ 8,178,744</u>

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

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, 2012	\$ 8,745,000.00
Current year debt paid	<u>(375,000.00)</u>
March 31, 2013	<u>8,370,000.00</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, 2012	\$ 654,934.00
Current year debt paid	<u>(42,950.52)</u>
March 31, 2013	<u>611,983.48</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, 2012	\$ 1,073,315.00
Current year debt paid	<u>-</u>
March 31, 2013	<u>1,073,315.00</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, 2012	\$ 283,860.00
Current year debt paid	<u>-</u>
March 31, 2013	<u>283,860.00</u>

Jersey City Housing Authority
Management's Discussion and Analysis
March 31, 2013

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, 2012	\$ 1,594,216.00
Current year debt paid	<u>(36,574.00)</u>
March 31, 2013	<u>1,557,642.00</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 POSITION
AS OF MARCH 31, 2013 AND 2012

ASSETS		<u>2013</u>	<u>2012</u>
Current assets:			
Cash and cash equivalents	\$	3,687,469	\$ 1,942,560
Accounts receivable, net		540,890	501,495
Prepaid expenses and other current assets		795,262	784,458
Inventories		<u>162,833</u>	<u>1,216,387</u>
Total current assets		<u>5,186,454</u>	<u>4,444,900</u>
Non-current assets:			
Restricted cash		2,998,939	3,124,608
Notes receivable, long term		58,495,632	56,619,457
Capital assets, net		<u>93,668,478</u>	<u>100,517,691</u>
Total non-current assets		<u>155,163,049</u>	<u>160,261,756</u>
Total assets		<u>160,349,503</u>	<u>164,706,656</u>
LIABILITIES			
Current liabilities:			
Accounts payable		1,290,652	1,087,515
Accrued expenses		822,091	875,904
Accrued compensated absences, current		265,357	212,239
Tenant security deposits		371,391	337,956
Current portion of loans and bonds payable		472,588	375,000
Other current liabilities		<u>724,890</u>	<u>633,254</u>
Total current liabilities		<u>3,946,969</u>	<u>3,521,868</u>
Non-current liabilities:			
Accrued compensated absences, net of current portion		2,391,996	2,227,306
Loans and bonds payable, net of current portion		11,424,212	11,976,325
Non-current liabilities - other		<u>865,873</u>	<u>748,246</u>
Total non-current liabilities		<u>14,682,081</u>	<u>14,951,877</u>
Total liabilities		<u>18,629,050</u>	<u>18,473,745</u>
NET POSITION			
Net position:			
Net investment in capital assets		81,771,678	88,166,366
Restricted		59,518,116	57,970,003
Unrestricted		<u>430,659</u>	<u>96,542</u>
Total net position	\$	<u>141,720,453</u>	\$ <u>146,232,911</u>

See accompanying notes to financial statements.

JERSEY CITY HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Tenant revenue	\$ 10,232,620	\$ 11,639,786
HUD operating grants	54,128,542	51,328,144
Other government grants	161,043	174,129
Other revenues	<u>400,295</u>	<u>563,816</u>
Total operating revenue	<u>64,922,500</u>	<u>63,705,875</u>
Operating expenses:		
Administrative	8,724,914	9,284,232
Tenant services	75,978	226,228
Utilities	5,306,084	7,217,815
Ordinary maintenance and operations	8,131,068	9,048,276
Protective services	381,099	375,262
Insurance expense	1,224,052	1,241,223
General expenses	3,782,421	3,687,749
Extraordinary maintenance	473,932	440,186
Housing assistance payments	36,255,758	33,862,736
Depreciation	<u>10,386,363</u>	<u>10,866,351</u>
Total operating expenses	<u>74,741,669</u>	<u>76,250,058</u>
Operating gain (loss)	<u>(9,819,169)</u>	<u>(12,544,183)</u>
Non-operating revenues (expenses):		
Investment income	40,872	66,477
Mortgage interest income	1,884,882	1,505,943
Interest expense	<u>(531,193)</u>	<u>(554,864)</u>
Net non-operating revenues	<u>1,394,561</u>	<u>1,017,556</u>
Loss before capital grants	(8,424,608)	(11,526,627)
Capital grants	<u>3,912,150</u>	<u>4,906,215</u>
Change in net position	(4,512,458)	(6,620,412)
Net position, beginning of year (as restated)	<u>146,232,911</u>	<u>152,853,323</u>
Net position, end of year	<u>\$ 141,720,453</u>	<u>\$ 146,232,911</u>

See accompanying notes to financial statements.

JERSEY CITY HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Cash received from grantors	\$ 54,227,497	\$ 54,755,971
Cash received from tenants and others	12,444,437	12,382,290
Cash paid to employees	(8,037,731)	(10,782,230)
Cash paid to suppliers and vendors	<u>(56,522,634)</u>	<u>(56,242,030)</u>
Net cash flows provided (used) by operating activities	<u>2,111,569</u>	<u>114,001</u>
Cash Flows from Capital and Related Financing Activities:		
Payments on notes receivable	8,707	320,000
Principal payments on long term debt	(454,525)	(434,256)
Purchases of capital assets	(3,537,150)	(6,634,523)
Proceeds on sale of fixed assets	68,811	-
Capital grant contributions	<u>3,912,150</u>	<u>4,906,215</u>
Net cash flows provided (used) by capital and related financing activities	<u>(2,007)</u>	<u>(1,842,564)</u>
Cash Flows from Investing Activities:		
Interest expense	(531,194)	(554,864)
Investment income	<u>40,872</u>	<u>66,477</u>
Net cash flows provided (used) by investing activities	<u>(490,322)</u>	<u>(488,387)</u>
Net increase (decrease) in cash	1,619,240	(2,216,950)
Cash and cash equivalents, beginning of year	<u>5,067,168</u>	<u>7,284,118</u>
Cash and cash equivalents, end of year	<u>\$ 6,686,408</u>	<u>\$ 5,067,168</u>

	<u>2013</u>	<u>2012</u>
A reconciliation of cash and cash equivalents to Statements of Net Position is as follows:		
Cash and cash equivalents	\$ 3,687,469	\$ 1,942,560
Restricted cash and cash equivalents	<u>2,998,939</u>	<u>3,124,608</u>
	<u>\$ 6,686,408</u>	<u>\$ 5,067,168</u>

See accompanying notes to financial statements.

JERSEY CITY HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating gain (loss)	\$ (9,819,169)	\$ (12,544,183)
Items which did not (provide) use cash:		
Depreciation	10,386,363	10,866,351
Gain on disposal of fixed assets	(68,811)	-
Working capital changes which provided (used) cash:		
Accounts receivable - other government	7,671	5,216
Accounts receivable - HUD	86,136	1,816,361
Accounts receivable - tenants	(49,959)	124,526
Accounts receivable - misc	(83,243)	58,731
Prepaid expenses	(10,804)	514,763
Inventory	1,053,554	319,796
Accounts payable	203,137	(914,063)
Accounts payable - HUD	-	(143,379)
Accounts payable - other government	-	370,855
Accrued expenses	(53,813)	(7,240)
Accrued compensated absences	217,809	(194,314)
Tenant security deposits	33,435	(9,785)
Deferred revenue	-	(13,991)
Other current liabilities	91,636	(306,666)
Other liabilities	<u>117,627</u>	<u>171,023</u>
Net cash provided (used) by operating activities	<u>\$ 2,111,569</u>	<u>\$ 114,001</u>

See accompanying notes to financial statements.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012**

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 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, 2013 AND 2012

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.

Choice Neighborhoods Planning Grants

Choice Neighborhoods Planning Grants support the development of comprehensive neighborhood Transformation Plans. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range neighborhood assets.

Edward Byrne Memorial Justice Assistance Grant (ARRA)

The Edward Byrne Memorial Justice Assistance Grant allows state and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system.

Shelter Plus Care Program ("SPC")

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

Section 8 Moderate Rehabilitation Single room Occupancy ("SRO")

Under the SRO program, HUD enters into annual contribution contracts with PHA's in connection with the moderate rehabilitation of residential properties. PHA's make Section 8 rental assistance payments to participating landlords on behalf of homeless individuals who rent the rehabilitated dwellings. HUD provides rental assistance for a period up to ten (10) years. Owners are compensated for the cost of rehabilitation as well as the other costs of maintaining the property, through rental assistance payments.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 application of the above criteria, this report does not include component units.

Additionally, based on the application of the previously mentioned criteria, the Authority's financial statements are not included in any other reporting entity's financial statements.

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* (as amended) ("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 Position, a Statement of Revenues, Expenses and Changes in Net Position 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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

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 position account on which the investment income was earned. That is; investment income earned on HAP cash balances are credited to the HAP restricted net position account and investment income earned on administrative fee cash balances are credited to the unrestricted net position account.

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents (continued)

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.

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

L. Prepaid Tenant Rents

Prepaid tenant rents consist of rent payments made by tenants that apply 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 position and displayed in three components:

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

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

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2013 and 2012, 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, 2013 and 2012, the carrying amount of the Authority's cash (including restricted cash) were \$6,686,408 and \$5,067,168, respectively. The bank balances were \$7,207,325 and \$5,790,878, respectively. Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>2013</u>	<u>2012</u>
Unrestricted	\$ 3,316,078	\$ 1,604,604
Tenant security deposits	371,391	\$ 337,956
Restricted	<u>2,998,939</u>	<u>3,124,608</u>
	<u>\$ 6,686,408</u>	<u>\$ 5,067,168</u>

Of the bank balances, \$1,558,333 and \$1,892,241 were covered by federal depository insurance and the remaining \$5,648,992 and \$3,898,637 were collateralized with the pledging financial institutions for the fiscal years ended March 31, 2013 and 2012.

<u>Depository Account</u>	<u>2013</u>	<u>2012</u>
Insured:		
FDIC	\$ 1,558,333	\$ 1,892,241
Collateralized:		
GUDPA	<u>5,648,992</u>	<u>3,898,637</u>
	<u>\$ 7,207,325</u>	<u>\$ 5,790,878</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

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, 2013 and 2012, 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, 2013 and 2012:

<u>Description</u>	<u>2013</u>	<u>2012</u>
Accounts receivable - HUD	\$ 56,134	\$ 142,270
Accounts receivable - tenants, net	220,353	170,394
Accounts receivable - other government	62,113	69,784
Accounts receivable - miscellaneous	<u>202,290</u>	<u>119,047</u>
 Total accounts receivable, net	 <u>\$ 540,890</u>	 <u>\$ 501,495</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, 2013 and 2012, Accounts receivable - HUD consisted of reimbursable expenses within the following grants:

<u>Program</u>	<u>2013</u>	<u>2012</u>
Section 8 Moderate Rehabilitation Single Room Occupancy	\$ -	\$ 40,865
Resident Opportunity and Supportive Services	-	20,662
Supportive Housing for Persons with Disabilities	<u>56,134</u>	<u>80,743</u>
	<u>\$ 56,134</u>	<u>\$ 142,270</u>

Accounts receivable - tenants

Accounts receivable - tenants represents amounts due for tenant rents and at March 31, 2013 and 2012 are shown net of an allowance for doubtful accounts of \$105,233 and \$86,780, respectively.

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, 2013 and 2012, the amounts owed to the Authority for these fees totaled \$62,113 and \$69,784, respectively.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 3. ACCOUNTS RECEIVABLE (continued)

Accounts receivable - misc.

Accounts receivable - misc. consists of amounts owed to the COCC from the County of Hudson and Hope VI fees in the amount of \$202,290 and \$119,047 for the year ended March 31, 2013 and 2012. 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 \$450,522 and \$121,883.

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, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
<p>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, 2013 and 2012 include \$581,785 and \$381,195 of accrued interest, respectively.</p>	\$ 3,756,376	\$ 3,543,751
<p>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, 2013 and 2012 includes \$860,474 and \$587,893 of accrued interest, respectively.</p>	5,509,343	5,219,676
<p>The Authority has 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, 2013 and 2012 include \$1,172,543 and \$895,287 of accrued interest, respectively.</p>	7,776,149	7,498,893

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 5 **NOTES RECEIVABLE (continued)**

	<u>2013</u>	<u>2012</u>
<p>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.</p>	10,309,285	10,317,992
<p>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, 2013 and 2012 includes \$1,724,695 and \$1,414,804 of accrued interest, respectively.</p>	7,051,592	6,725,844
<p>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, 2013 and 2012 include \$410,839 and \$270,171 of accrued interest, respectively.</p>	4,745,787	4,573,176
<p>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, 2013 and 2012 include \$104,864 and \$87,568 of accrued interest, respectively.</p>	1,533,835	1,514,545
<p>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, 2013 and 2012 include \$1,766,693 and \$1,441,309 of accrued interest, respectively.</p>	8,217,039	7,866,034

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 5 **NOTES RECEIVABLE (continued)**

The Authority has a mortgage loan receivable in the amount of \$3,500,000 from AHM Housing Urban Renewal Associates, LLC. Interest accrues at 5.715%, however it is capped at \$200,000. Principal and interest are due on October 28, 2060. The mortgage is secured by the underlying property. Amounts owed under the mortgage at March 31, 2013 and 2012 include \$200,000 of accrued interest, respectively.

	3,700,000	3,700,000
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The Authority made a \$400,000 HOME loan to AHM Housing Urban Renewal Associates LLC. The loan bears no interest and payments are only due from available cash flow. The outstanding loan matures on October 28, 2060.

	400,000	400,000
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HOPE VI mortgage loan receivable from Glennview Townhouses Urban Renewal Associates, LP. The loan bears interest at at 4.5%, compounded annually and matures January 1, 2051. Amounts owed under the mortgage at March 31, 2013 and 2012 include \$496,226 and \$259,549 of accrued interest, respectively.

	<u>5,496,226</u>	<u>5,259,546</u>
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Total notes receivable	\$ <u>58,495,632</u>	\$ <u>56,619,457</u>
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The current portion on notes receivable is expected to be \$-0-.

NOTE 6. **RESTRICTED CASH**

Restricted cash consists of the following at March 31, 2013 and 2012:

<u>Cash Category</u>	<u>2013</u>	<u>2012</u>
State Leveraging Fund	\$ 457,805	\$ 457,797
Section 8 HAP Equity	1,022,484	1,350,546
Family Self Sufficiency ("FSS") Program escrows	270,504	240,753
Dwight Street Home Ownership	595,369	456,790
Bergen Avenue project reserves	364,377	339,691
Arlington Gardens project reserves	<u>288,400</u>	<u>279,031</u>
	<u>\$ 2,998,939</u>	<u>\$ 3,124,608</u>

State leveraging funds are held in trust at Wells Fargo bank as a reserve for debt service .

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.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 6. RESTRICTED CASH (continued)

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

Bergen Avenue project reserves are controlled by the New Jersey Housing Mortgage Finance Agency for certain capital and other project expenditures within 254 Bergen Avenue.

Arlington Gardens project reserves are held in a separate bank account for certain capital and other project expenditures.

NOTE 7. 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, 2013 and 2012:

	<u>Balances at</u> <u>March 31, 2012</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balances at</u> <u>March 31, 2013</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 4,756,550	\$ -	\$ -	\$ -	\$ 4,756,550
Construction in progress	<u>17,074,758</u>	<u>3,537,150</u>	<u>-</u>	<u>(3,794,594)</u>	<u>16,817,314</u>
Total	<u>21,831,308</u>	<u>3,537,150</u>	<u>-</u>	<u>(3,794,594)</u>	<u>21,573,864</u>
<u>Depreciable capital assets:</u>					
Buildings	171,870,205	-	-	3,794,593	175,664,798
Dwelling equipment	1,024,785	-	(117,541)	1	907,245
Site improvements	<u>379,098</u>	<u>-</u>	<u>(316,623)</u>	<u>-</u>	<u>62,475</u>
Total	<u>173,274,088</u>	<u>-</u>	<u>(434,164)</u>	<u>3,794,594</u>	<u>176,634,518</u>
Total capital assets	<u>195,105,396</u>	<u>3,537,150</u>	<u>(434,164)</u>	<u>-</u>	<u>198,208,382</u>
Accumulated depreciation	<u>(94,587,705)</u>	<u>(10,386,363)</u>	<u>434,164</u>	<u>-</u>	<u>(104,539,904)</u>
Net capital assets	<u>\$ 100,517,691</u>	<u>\$ (6,849,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,668,478</u>
	<u>Balances at</u> <u>March 31, 2011</u>	<u>Additions</u>	<u>Disposition</u>	<u>Transfers</u>	<u>Balances at</u> <u>March 31, 2012</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 4,756,550	\$ -	\$ -	\$ -	\$ 4,756,550
Construction in progress	<u>21,868,174</u>	<u>4,860,686</u>	<u>-</u>	<u>(9,654,102)</u>	<u>17,074,758</u>
Total	<u>26,624,724</u>	<u>4,860,686</u>	<u>-</u>	<u>(9,654,102)</u>	<u>21,831,308</u>
<u>Depreciable capital assets:</u>					
Buildings	160,442,266	1,773,837	-	9,654,102	171,870,205
Dwelling equipment	1,024,785	-	-	-	1,024,785
Site improvements	<u>379,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,098</u>
Total	<u>161,846,149</u>	<u>1,773,837</u>	<u>-</u>	<u>9,654,102</u>	<u>173,274,088</u>
Total capital assets	<u>188,470,873</u>	<u>6,634,523</u>	<u>-</u>	<u>-</u>	<u>195,105,396</u>
Accumulated depreciation	<u>(83,721,354)</u>	<u>(10,866,351)</u>	<u>-</u>	<u>-</u>	<u>(94,587,705)</u>
Net capital assets	<u>\$ 104,749,519</u>	<u>\$ (4,231,828)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,517,691</u>

Depreciation expense for the fiscal year ended March 31, 2013 and 2012 amounted to \$10,386,363 and \$10,866,351, respectively.

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 8. ACCOUNTS PAYABLE

As of March 31, 2013 and 2012, the Authority has a total accounts payable balance of \$1,290,652 and \$1,087,515, respectively, which consisted of the following:

	<u>2013</u>	<u>2012</u>
Accounts payable - operations	\$ 826,908	\$ 467,965
Accounts payable - HUD	32,948	-
Accounts payable - other government	<u>430,796</u>	<u>619,550</u>
	<u>\$ 1,290,652</u>	<u>\$ 1,087,515</u>

NOTE 9. 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, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Beginning compensated absences	\$ 2,439,545	\$ 2,633,859
Compensated absences earned	312,901	173,363
Compensated absences redeemed	<u>(95,092)</u>	<u>(367,677)</u>
Ending compensated absences	2,657,354	2,439,545
Less: current portion	<u>265,357</u>	<u>212,239</u>
Compensated absences, net of current portion	<u>\$ 2,391,997</u>	<u>\$ 2,227,306</u>

NOTE 10. BONDS AND LOANS PAYABLE

Bonds and loans payable consisted of the following at March 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
During 2007, the Authority entered into a Capital Fund leveraging pool. The New Jersey Housing and Mortgage Finance Agency ("NJHMFA") 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. 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.	\$ 8,370,000	\$ 8,745,000

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 10. BONDS AND LOANS PAYABLE (continued)

Mortgage Loan payable to 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.	611,983	654,934
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 Ave.	<u>1,557,642</u>	<u>1,594,216</u>
Total bonds and loans payable	11,896,800	12,351,325
Less: current portion	<u>472,588</u>	<u>375,000</u>
Bonds and loans payable, excluding current portion	<u>\$ 11,424,212</u>	<u>\$ 11,976,325</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
2014	472,588	515,043	987,631
2015	499,474	491,751	991,225
2016	520,275	468,517	988,792
2017	546,469	443,942	990,411
2018	573,085	417,873	990,958
2019-2023	4,682,094	1,597,622	6,279,716
2024-2028	3,858,687	676,708	4,535,395
2029-2033	430,373	129,547	559,920
2034-2036	<u>313,755</u>	<u>22,197</u>	<u>335,952</u>
	<u>\$ 11,896,800</u>	<u>\$ 4,763,200</u>	<u>\$ 16,660,000</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 10. BONDS AND LOANS PAYABLE (continued)

Debt activity for the year ended March 31, 2013 consisted of the following:

Description	March 31, 2012	Advances	Principal Payments	March 31, 2013
Bonds and loans payable	\$ <u>12,351,325</u>	\$ <u>-</u>	\$ <u>(454,525)</u>	\$ <u>11,896,800</u>

Interest expense for the year ended March 31, 2013 totaled \$531,193.

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

Description	March 31, 2011	Advances	Principal Payments	March 31, 2012
Bonds and 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.

NOTE 11. OTHER LIABILITIES

As of March 31, 2013 and 2012, other liabilities totaled \$1,590,763 and \$1,376,248 and consisted of the following:

<u>Description</u>	<u>2013</u>	<u>2012</u>
FSS Escrows	\$ 270,504	\$ 240,753
Construction contract retention	3,245	50,703
Homeownership escrow accounts	595,369	456,790
Utility accruals	721,645	628,002
Miscellaneous	<u>-</u>	<u>5,252</u>
Total	1,590,763	1,381,500
Due within one year	<u>724,890</u>	<u>633,254</u>
Non-current portion	\$ <u>865,873</u>	\$ <u>748,246</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

NOTE 12. 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, 2013 AND 2012**

NOTE 12. 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, 2013	\$ <u>1,170,858</u>	<u>100</u>	\$ <u>-</u>
March 31, 2012	\$ <u>1,325,548</u>	<u>100</u>	\$ <u>-</u>
March 31, 2011	\$ <u>1,302,935</u>	<u>100</u>	\$ <u>-</u>

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 13. 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, 2013 AND 2012**

NOTE 13. 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>
2013	\$ <u>3,967,443</u>
2012	\$ <u>4,073,825</u>
2011	\$ <u>3,334,409</u>

NOTE 14. RESTRICTED NET ASSETS

Restricted net assets consist of the following at March 31, 2013 and 2012:

<u>Description</u>	<u>2013</u>	<u>2012</u>
HOPE VI and development loan reserves	\$ 58,495,632	\$ 56,619,457
Housing assistance payments reserve - HAP equity	<u>1,022,484</u>	<u>1,350,546</u>
	<u>\$ 59,518,116</u>	<u>\$ 57,970,003</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 15. CHANGE IN ACCOUNTING PRINCIPLE

The Authority adopted GASB 65 "Items previously Reported as Assets and Liabilities" for the fiscal years ended March 31, 2013 and 2012. The Authority had previously accounted for loan origination costs as an asset as defined by GASB Concepts Statement No. 4, and had maintained records that are adequate to apply GASB 65 retrospectively. GASB 65 requires that loan origination costs be reported as an outflow of resources in the period in which they are realized. The effects of the change in accounting principle is that assets and unrestricted net position decreased \$450,522 as of April 1, 2011 and \$423,079 as of April 1, 2012 and interest expense decreased \$27,433 for the fiscal year ended March 31, 2013.

**JERSEY CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 16. PRIOR PERIOD ADJUSTMENT

Beginning net position as of April 1 2011 was restated to correct errors in recording the write off of certain capital assets and the acquisition of mortgages and other receivables as part of HOPE VI grants and mixed finance transactions. As a result of this corrections, capital assets (net) decreased \$36,794,914, notes receivable increased \$9,359,546 and accounts receivable misc. decreased \$113,331. The effect on net position was a reduction of \$27,548,699.

NOTE 17. 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 covering all structural property, automobiles, crime coverage, personal property and general liability. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 18. 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, 2013 and 2012, the Authority estimates that no material liabilities will result from such audits.

NOTE 19. 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 27, 2013 (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.



**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Jersey City Housing Authority, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise Jersey City Housing Authority's basic financial statements, and have issued our report thereon dated November 27, 2013.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

November 27, 2013
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:

Report on Compliance for Each Major Federal Program

We have audited the Jersey City Housing Authority's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Jersey City Housing Authority's major federal programs for the year ended March 31, 2013. Jersey City Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Jersey City Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2013.

Report on Internal Control Over Compliance

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

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

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

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

**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)**

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Jersey City Housing Authority as of and for the year ended March 31, 2013, and have issued our report thereon dated November 27, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

November 27, 2013
Toms River, New Jersey

SUPPLEMENTAL INFORMATION

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2013

<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	\$ 11,719,266
Public Housing Capital Fund	14.872	5,945,404
Revitalization of Severely Distressed Public Housing (Hope VI)	14.866	601,382
Choice Neighborhoods Planning Grants	14.892	130,438
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	577,672
Supportive Housing for Persons with Disabilities	14.181	1,749,695
Housing Choice Vouchers	14.871	36,894,213
Resident Opportunity and Supportive Services (ROSS)	14.870	223,101
Shelter Plus Care	14.238	404,088
Competitive Capital Fund Stimulus Grant (ARRA)	14.884	115,472
U.S. Department of Justice:		
Edward Byrne Memorial Justice Assistance Grant (ARRA)	16.804	<u>149,028</u>
Total Federal Awards		<u>\$ 58,509,759</u>

JERSEY CITY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2013

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, 2013. 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, 2013.

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2013**

I. Summary of Auditor's Results

Financial Statement Section

- | | | |
|----|---|------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material Weakness(es) identified? | No |
| | b. Were significant deficiencies 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 from from type B programs: | \$ 1,755,293 |
| 2. | Auditee qualified as low-risk Auditee? | No |
| 3. | Type of auditor's report on compliance for major programs: | Unmodified |
| 4. | Internal Control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Were significant deficiencies not considered to be material weaknesses? | No |
| | c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? | No |
| 5. | Identification of major programs: | |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850a	Low Rent Public Housing
14.871	Housing Choice Vouchers

JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED MARCH 31, 2013

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

None.

IV. Schedule of Prior Year Audit Findings

Finding 2012-1

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 has entered into a formal repayment agreement with the United States Department of Housing and Urban Development whereby the Low Rent Public Housing program will repay the Housing Choice Voucher program a thirty (30) year period.

Status: The finding has been cleared.

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.

Status: The finding has been cleared..

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF CAPITAL FUND
PROGRAM COSTS AND ADVANCES
FOR THE YEAR ENDED MARCH 31, 2013**

	<u>501-08</u>	<u>501-09</u>	<u>501-09E</u>	<u>501-10</u>	<u>501-11</u>	<u>501-12</u>	<u>Totals</u>
Budget	\$ <u>5,345,900</u>	\$ <u>5,419,853</u>	\$ <u>250,000</u>	\$ <u>5,599,087</u>	\$ <u>4,791,622</u>	\$ <u>3,872,643</u>	\$ <u>25,279,105</u>
<u>Advances:</u>							
Cumulative through 3/31/12	\$ 4,426,688	\$ 3,538,791	\$ -	\$ 3,016,729	\$ 172,749	\$ -	\$ 11,154,957
Current Year	<u>919,212</u>	<u>1,339,376</u>	<u>250,000</u>	<u>1,065,158</u>	<u>2,185,001</u>	<u>186,657</u>	<u>5,945,404</u>
Cumulative through 3/31/13	<u>5,345,900</u>	<u>4,878,167</u>	<u>250,000</u>	<u>4,081,887</u>	<u>2,357,750</u>	<u>186,657</u>	<u>17,100,361</u>
<u>Costs:</u>							
Cumulative through 3/31/12	4,426,688	3,538,791	-	3,016,729	172,749	-	11,154,957
Current Year	<u>919,212</u>	<u>1,339,376</u>	<u>250,000</u>	<u>1,065,158</u>	<u>2,185,001</u>	<u>186,657</u>	<u>5,945,404</u>
Cumulative through 3/31/13	<u>5,345,900</u>	<u>4,878,167</u>	<u>250,000</u>	<u>4,081,887</u>	<u>2,357,750</u>	<u>186,657</u>	<u>17,100,361</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<u>Summary</u>							
<u>Soft Costs:</u>							
Cumulative through 3/31/12	\$ 2,869,440	\$ 2,161,992	\$ -	\$ 2,118,701	\$ 117,707	\$ -	\$ 7,267,840
Current Year	<u>131,649</u>	<u>428,528</u>	<u>25,000</u>	<u>210,287</u>	<u>1,314,597</u>	<u>-</u>	<u>2,110,061</u>
Cumulative through 3/31/13	<u>3,001,089</u>	<u>2,590,520</u>	<u>25,000</u>	<u>2,328,988</u>	<u>1,432,304</u>	<u>-</u>	<u>9,377,901</u>
<u>Hard Costs:</u>							
Cumulative through 3/31/12	1,557,248	1,376,799	-	898,028	55,042	-	3,887,117
Current Year	<u>787,563</u>	<u>910,848</u>	<u>225,000</u>	<u>854,871</u>	<u>870,404</u>	<u>186,657</u>	<u>3,835,343</u>
Cumulative through 3/31/13	<u>2,344,811</u>	<u>2,287,647</u>	<u>225,000</u>	<u>1,752,899</u>	<u>925,446</u>	<u>186,657</u>	<u>7,722,460</u>
Cumulative	\$ <u>5,345,900</u>	\$ <u>4,878,167</u>	\$ <u>250,000</u>	\$ <u>4,081,887</u>	\$ <u>2,357,750</u>	\$ <u>186,657</u>	\$ <u>17,100,361</u>

**JERSEY CITY HOUSING AUTHORITY
SCHEDULE OF CAPITAL FUND
PROGRAM COSTS AND ADVANCES (Continued)
FOR THE YEAR ENDED MARCH 31, 2013**

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, 2013 are provided herein:

- 1) Capital Fund Grant No. NJ39P009501-08 with approved funding of \$5,345,900 has been fully drawn down and expended as per Capital Fund Grant Regulations.
- 2) Capital Fund Grant No. NJ39E009501-09 with approved funding of \$250,000 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, 2013**

	<u>CFRC-2009</u>
Budget	\$ <u>1,469,266</u>
<u>Advances:</u>	
Cumulative through 3/31/12	\$ 1,353,794
Current Year	<u>115,472</u>
Cumulative through 3/31/13	<u>1,469,266</u>
<u>Costs:</u>	
Cumulative through 3/31/12	1,353,794
Current Year	<u>115,472</u>
Cumulative through 3/31/13	<u>1,469,266</u>
Excess / (Deficiency)	\$ <u>-</u>
<u>Summary</u>	
<u>Soft Costs:</u>	
Cumulative through 3/31/12	\$ 18,126
Current Year	<u>115,472</u>
Cumulative through 3/31/13	<u>133,598</u>
<u>Hard Costs:</u>	
Cumulative through 3/31/12	1,335,668
Current Year	<u>-</u>
Cumulative through 3/31/13	<u>1,335,668</u>
Cumulative	\$ <u>1,469,266</u>

NOTES TO SCHEDULE OF CAPITAL FUND STIMULUS PROGRAM COSTS AND ADVANCES

The total amount of Capital Fund Stimulus Program Costs and Advances incurred and earned by the Jersey City Housing Authority as of and for the year ended March 31, 2013 are provided herein:

Capital Fund Stimulus Grant No. NJ00900000509 with approved funding of \$1,469,266 has been fully drawn down and expended as per Capital Fund Grant Regulations.

Housing Authority of the City of Jersey City									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2013									
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		
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ 1,659,546	\$ 1,190,868	\$ -	\$ -	\$ -	\$ 358,075		
112	Cash - restricted - modernization and development	-	-	-	-	-	457,805		
113	Cash - other restricted	595,369	1,292,988	-	-	-	652,777		
114	Cash - tenant security deposits	297,693	-	-	-	-	73,698		
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-		
100	Total cash	2,552,608	2,483,856	-	-	-	1,542,355		
Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-		
122	Accounts receivable - HUD other projects	-	-	-	-	-	-		
124	Accounts receivable - other government	-	-	-	-	-	12,015		
125	Accounts receivable - miscellaneous	-	-	-	-	-	-		
126	Accounts receivable- tenants	172,057	-	-	-	-	153,529		
126.1	Allowance for doubtful accounts - tenants	(13,305)	-	-	-	-	(91,928)		
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-		
127	Notes and mortgages receivable- current	-	74,355	-	-	-	-		
128	Fraud recovery	-	-	-	-	-	-		
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-		
129	Accrued interest receivable	-	-	-	-	-	-		
120	Total receivables, net of allowances for doubtful accounts	158,752	74,355	-	-	-	73,616		
Current investments									
131	Investments - unrestricted	-	-	-	-	-	-		
132	Investments - restricted	-	-	-	-	-	-		
135	Investments - restricted for payment of current liability	-	-	-	-	-	-		
142	Prepaid expenses and other assets	606,121	3,056	-	-	-	49,220		
143	Inventories	162,833	-	-	-	-	-		
143.1	Allowance for obsolete inventories	-	-	-	-	-	-		
144	Interprogram - due from	20,010	-	-	-	-	-		
145	Assets held for sale	-	-	-	-	-	-		
150	TOTAL CURRENT ASSETS	3,500,324	2,561,267	-	-	-	1,665,191		
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	2,896,575	-	-	-	-	1,472,667		
162	Buildings	153,804,965	-	-	-	-	7,699,717		
163	Furniture, equipment & machinery - dwellings	106,836	-	-	-	-	-		
164	Furniture, equipment & machinery - administration	-	92,917	-	-	-	-		
165	Leasehold improvements	-	-	-	-	-	62,475		
166	Accumulated depreciation	(93,273,326)	(39,460)	-	-	-	(4,112,802)		
167	Construction in Progress	7,347,461	-	-	-	-	9,393,046		
168	Infrastructure	-	-	-	-	-	-		
160	Total fixed assets, net of accumulated depreciation	70,882,511	53,457	-	-	-	14,515,103		
Other non-current assets:									
171	Notes and mortgages receivable - non-current	58,495,632	1,412,739	-	-	-	-		
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-		
174	Other assets	-	-	-	-	-	-		
175	Undistributed debits	-	-	-	-	-	-		
176	Investment in joint ventures	-	-	-	-	-	-		
180	TOTAL NONCURRENT ASSETS	129,378,143	1,466,196	-	-	-	14,515,103		
190	TOTAL ASSETS	\$ 132,878,467	\$ 4,027,463	\$ -	\$ -	\$ -	\$ 16,180,294		

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2013							
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
LIABILITIES AND EQUITY:							
Liabilities:							
Current Liabilities:							
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	47,441	20,643	-	-	-	546
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	269,921	46,678	-	-	-	5,740
322	Accrued compensated absences - current portion	78,705	23,531	-	-	-	2,525
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	166,709
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	430,796	-	-	-	-	-
341	Tenant security deposits	297,693	-	-	-	-	73,698
342	Deferred revenue	-	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	472,588
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	3,245	-	-	-	-	-
346	Accrued liabilities - other	665,054	-	-	-	-	44,211
347	Interprogram - due to	318,776	-	-	-	-	118,495
348	Loan liability - current	74,355	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	2,185,986	90,852	-	-	-	884,512
NONCURRENT LIABILITIES:							
351	Long-term debt, net of current - capital projects	-	-	-	-	-	11,424,212
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	595,369	270,504	-	-	-	-
354	Accrued compensated absences - noncurrent	708,353	211,778	-	-	-	26,503
355	Loan liability - non-current	1,412,739	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	2,716,461	482,282	-	-	-	11,450,715
300	TOTAL LIABILITIES	4,902,447	573,134	-	-	-	12,335,227
EQUITY:							
508.1	Invested in Capital Assets, Net of Related Debt	70,882,511	53,457	-	-	-	2,618,303
511.1	Restricted Net Assets	58,495,632	1,022,484	-	-	-	-
512.1	Unrestricted Net Assets	(1,402,123)	2,378,388	-	-	-	1,226,764
513	TOTAL EQUITY	127,976,020	3,454,329	-	-	-	3,845,067
600	TOTAL LIABILITIES AND EQUITY	\$ 132,878,467	\$ 4,027,463	\$ -	\$ -	\$ -	\$ 16,180,294
Proof of concept							
		-	-	-	-	-	-

Housing Authority of the City of Jersey City										
NJ009										
Financial Data Schedule (FDS)										
March 31, 2013										
Line Item #			Account Description	SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY	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		
			ASSETS:							
			CURRENT ASSETS:							
			Cash:							
111			Cash - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -		
112			Cash - restricted - modernization and development	-	-	-	-	-		
113			Cash - other restricted	-	-	-	-	-		
114			Cash - tenant security deposits	-	-	-	-	-		
115			Cash - restricted for payment of current liabilities	-	-	-	-	-		
100			Total cash	-	-	-	-	-		
			Accounts and notes receivables:							
121			Accounts receivable - PHA projects	-	-	-	-	-		
122			Accounts receivable - HUD other projects	-	56,134	-	-	-		
124			Accounts receivable - other government	-	-	-	-	-		
125			Accounts receivable - miscellaneous	-	-	-	-	-		
126			Accounts receivable- tenants	-	-	-	-	-		
126.1			Allowance for doubtful accounts - tenants	-	-	-	-	-		
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	-	56,134	-	-	-		
			Current investments							
131			Investments - unrestricted	-	-	-	-	-		
132			Investments - restricted	-	-	-	-	-		
135			Investments - restricted for payment of current liability	-	-	-	-	-		
142			Prepaid expenses and other assets	-	-	-	-	-		
143			Inventories	-	-	-	-	-		
143.1			Allowance for obsolete inventories	-	-	-	-	-		
144			Interprogram - due from	214,097	104,679	-	-	-		
145			Assets held for sale	-	-	-	-	-		
150			TOTAL CURRENT ASSETS	214,097	160,813	-	-	-		
			NONCURRENT ASSETS:							
			Fixed assets:							
161			Land	-	-	-	-	-		
162			Buildings	-	-	-	-	-		
163			Furniture, equipment & machinery - dwellings	-	-	-	-	-		
164			Furniture, equipment & machinery - administration	-	-	-	-	-		
165			Leasehold improvements	-	-	-	-	-		
166			Accumulated depreciation	-	-	-	-	-		
167			Construction in Progress	-	-	-	-	-		
168			Infrastructure	-	-	-	-	-		
160			Total fixed assets, net of accumulated depreciation	-	-	-	-	-		
			Other non-current assets:							
171			Notes and mortgages receivable - non-current	-	-	-	-	-		
172			Notes and mortgages receivable-non-current - past due	-	-	-	-	-		
174			Other assets	-	-	-	-	-		
175			Undistributed debits	-	-	-	-	-		
176			Investment in joint ventures	-	-	-	-	-		
180			TOTAL NONCURRENT ASSETS	-	-	-	-	-		
190			TOTAL ASSETS	\$ 214,097	\$ 160,813	\$ -	\$ -	\$ -		

Housing Authority of the City of Jersey City										
NJ009										
Financial Data Schedule (FDS)										
March 31, 2013										
Line Item #				Account Description	SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY	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	
LIABILITIES AND EQUITY:										
Liabilities:										
Current Liabilities:										
311				Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	
312				Accounts payable ≤ 90 days	-	-	-	-	-	
313				Accounts payable > 90 days past due	-	-	-	-	-	
321				Accrued wage/payroll taxes payable	-	-	-	-	-	
322				Accrued compensated absences - current portion	-	-	-	-	-	
324				Accrued contingency liability	-	-	-	-	-	
325				Accrued interest payable	-	-	-	-	-	
331				Accounts payable - HUD PHA programs	32,948	-	-	-	-	
332				Accounts payable - PHA projects	-	-	-	-	-	
333				Accounts payable - other government	-	-	-	-	-	
341				Tenant security deposits	-	-	-	-	-	
342				Deferred revenue	-	-	-	-	-	
343				Current portion of L-T debt - capital projects	-	-	-	-	-	
344				Current portion of L-T debt - operating borrowings	-	-	-	-	-	
345				Other current liabilities	-	-	-	-	-	
346				Accrued liabilities - other	-	-	-	-	-	
347				Interprogram - due to	-	-	-	-	-	
348				Loan liability - current	-	-	-	-	-	
310				TOTAL CURRENT LIABILITIES	32,948	-	-	-	-	-
NONCURRENT LIABILITIES:										
351				Long-term debt, net of current - capital projects	-	-	-	-	-	
352				Long-term debt, net of current - operating borrowings	-	-	-	-	-	
353				Non-current liabilities- other	-	-	-	-	-	
354				Accrued compensated absences - noncurrent	-	-	-	-	-	
355				Loan liability - non-current	-	-	-	-	-	
356				FASB 5 Liabilities	-	-	-	-	-	
357				Accrued pension and OPEB liabilities	-	-	-	-	-	
350				TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	-
300				TOTAL LIABILITIES	32,948	-	-	-	-	-
EQUITY:										
508.1				Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	
511.1				Restricted Net Assets	-	-	-	-	-	
512.1				Unrestricted Net Assets	181,149	160,813	-	-	-	
513				TOTAL EQUITY	181,149	160,813	-	-	-	-
600				TOTAL LIABILITIES AND EQUITY	\$ 214,097	\$ 160,813	\$ -	\$ -	\$ -	\$ -
Proof of concept						-	-	-	-	-

Housing Authority of the City of Jersey City										
NJ009										
Financial Data Schedule (FDS)										
March 31, 2013										
Line Item #			Account Description	8 OTHER FEDERAL PROGRAM 1	CHOICE NEIGHBORHOODS PLANNING GRANTS	COCC	ELIMINATION	TOTAL		
ASSETS:										
CURRENT ASSETS:										
Cash:										
111			Cash - unrestricted	\$ -	\$ -	\$ 107,589	\$ -	\$ 3,316,078		
112			Cash - restricted - modernization and development	-	-	-	-	457,805		
113			Cash - other restricted	-	-	-	-	2,541,134		
114			Cash - tenant security deposits	-	-	-	-	371,391		
115			Cash - restricted for payment of current liabilities	-	-	-	-	-		
100			Total cash	-	-	107,589	-	6,686,408		
Accounts and notes receivables:										
121			Accounts receivable - PHA projects	-	-	-	-	-		
122			Accounts receivable - HUD other projects	-	-	-	-	56,134		
124			Accounts receivable - other government	20,010	-	30,088	-	62,113		
125			Accounts receivable - miscellaneous	-	-	202,290	-	202,290		
126			Accounts receivable- tenants	-	-	-	-	325,586		
126.1			Allowance for doubtful accounts - tenants	-	-	-	-	(105,233)		
126.2			Allowance for doubtful accounts - other	-	-	-	-	-		
127			Notes and mortgages receivable- current	-	-	-	-	74,355		
128			Fraud recovery	-	-	-	-	-		
128.1			Allowance for doubtful accounts - fraud	-	-	-	-	-		
129			Accrued interest receivable	-	-	-	-	-		
120			Total receivables, net of allowances for doubtful accounts	20,010	-	232,378	(74,355)	615,245		
Current investments										
131			Investments - unrestricted	-	-	-	-	-		
132			Investments - restricted	-	-	-	-	-		
135			Investments - restricted for payment of current liability	-	-	-	-	-		
142			Prepaid expenses and other assets	-	-	136,865	-	795,262		
143			Inventories	-	-	-	-	162,833		
143.1			Allowance for obsolete inventories	-	-	-	-	-		
144			Interprogram - due from	-	-	118,495	(457,281)	-		
145			Assets held for sale	-	-	-	-	-		
150			TOTAL CURRENT ASSETS	20,010	-	595,327	(531,636)	8,259,748		
NONCURRENT ASSETS:										
Fixed assets:										
161			Land	-	-	896,369	-	5,265,611		
162			Buildings	-	-	13,651,055	-	175,155,737		
163			Furniture, equipment & machinery - dwellings	-	-	-	-	106,836		
164			Furniture, equipment & machinery - administration	-	-	707,492	-	800,409		
165			Leasehold improvements	-	-	-	-	62,475		
166			Accumulated depreciation	-	-	(7,114,316)	-	(104,539,904)		
167			Construction in Progress	-	76,807	-	-	16,817,314		
168			Infrastructure	-	-	-	-	-		
160			Total fixed assets, net of accumulated depreciation	-	76,807	8,140,600	-	93,668,478		
Other non-current assets:										
171			Notes and mortgages receivable - non-current	-	-	-	(1,412,739)	58,495,632		
172			Notes and mortgages receivable-non-current - past due	-	-	-	-	-		
174			Other assets	-	-	-	-	-		
175			Undistributed debits	-	-	-	-	-		
176			Investment in joint ventures	-	-	-	-	-		
180			TOTAL NONCURRENT ASSETS	-	76,807	8,140,600	(1,412,739)	152,164,110		
190			TOTAL ASSETS	\$ 20,010	\$ 76,807	\$ 8,735,927	\$ (1,944,375)	\$ 160,349,503		

Housing Authority of the City of Jersey City										
NJ009										
Financial Data Schedule (FDS)										
March 31, 2013										
Line Item #				Account Description	8 OTHER FEDERAL PROGRAM 1	CHOICE NEIGHBORHOODS PLANNING GRANTS	COCC	ELIMINATION	TOTAL	
LIABILITIES AND EQUITY:										
Liabilities:										
Current Liabilities:										
311				Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	
312				Accounts payable ≤ 90 days	-	-	758,278	-	826,908	
313				Accounts payable > 90 days past due	-	-	-	-	-	
321				Accrued wage/payroll taxes payable	-	-	333,043	-	655,382	
322				Accrued compensated absences - current portion	-	-	160,596	-	265,357	
324				Accrued contingency liability	-	-	-	-	-	
325				Accrued interest payable	-	-	-	-	166,709	
331				Accounts payable - HUD PHA programs	-	-	-	-	32,948	
332				Accounts payable - PHA projects	-	-	-	-	-	
333				Accounts payable - other government	-	-	-	-	430,796	
341				Tenant security deposits	-	-	-	-	371,391	
342				Deferred revenue	-	-	-	-	-	
343				Current portion of L-T debt - capital projects	-	-	-	-	472,588	
344				Current portion of L-T debt - operating borrowings	-	-	-	-	-	
345				Other current liabilities	-	-	-	-	3,245	
346				Accrued liabilities - other	-	-	12,380	-	721,645	
347				Interprogram - due to	20,010	-	-	(457,281)	-	
348				Loan liability - current	-	-	-	(74,355)	-	
310				TOTAL CURRENT LIABILITIES	20,010	-	1,264,297	(531,636)	3,946,969	
NONCURRENT LIABILITIES:										
351				Long-term debt, net of current - capital projects	-	-	-	-	11,424,212	
352				Long-term debt, net of current - operating borrowings	-	-	-	-	-	
353				Non-current liabilities- other	-	-	-	-	865,873	
354				Accrued compensated absences - noncurrent	-	-	1,445,362	-	2,391,996	
355				Loan liability - non-current	-	-	-	(1,412,739)	-	
356				FASB 5 Liabilities	-	-	-	-	-	
357				Accrued pension and OPEB liabilities	-	-	-	-	-	
350				TOTAL NONCURRENT LIABILITIES	-	-	1,445,362	(1,412,739)	14,682,081	
300				TOTAL LIABILITIES	20,010	-	2,709,659	(1,944,375)	18,629,050	
EQUITY:										
508.1				Invested in Capital Assets, Net of Related Debt	-	76,807	8,140,600	-	81,771,678	
511.1				Restricted Net Assets	-	-	-	-	59,518,116	
512.1				Unrestricted Net Assets	-	-	(2,114,332)	-	430,659	
513				TOTAL EQUITY	-	76,807	6,026,268	-	141,720,453	
600				TOTAL LIABILITIES AND EQUITY	\$ 20,010	\$ 76,807	\$ 8,735,927	\$ (1,944,375)	\$ 160,349,503	
Proof of concept						-	-	-	-	-

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2013							
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
REVENUE:							
70300	Net tenant rental revenue	\$ 9,019,372	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	38,675	-	-	-	-	-
70500	Total tenant revenue	9,058,047	-	-	-	-	-
70600	HUD PHA grants	11,719,266	2,110,061	36,574,174	601,382	404,088	223,101
70610	Capital grants	-	3,835,343	-	-	-	-
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-
71100	Investment income - unrestricted	40,544	-	-	-	-	-
71200	Mortgage interest income	1,884,882	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery	-	-	68,286	-	-	-
71500	Other revenue	174,446	-	51,421	-	-	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	51	-	-	-
70000	TOTAL REVENUE	22,877,185	5,945,404	36,693,932	601,382	404,088	223,101
EXPENSES:							
Administrative							
91100	Administrative salaries	1,629,783	-	1,218,710	-	-	195,733
91200	Auditing fees	29,086	-	20,394	-	-	-
91300	Outside management fees	1,448,633	454,165	824,753	200,000	-	-
91310	Book-keeping fee	196,234	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	767,227	-	715,108	-	-	26,592
91600	Office expenses	254,535	-	69,383	-	-	776
91700	Legal expenses	3,882	-	7,281	-	-	-
91800	Travel	509	-	4,407	-	-	-
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	133,180	-	57,084	-	-	-
92000	Asset Management Fee	-	-	-	-	-	-
Tenant services							
92100	Tenant services - salaries	27,032	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	12,955	-	-	-	-	-
92400	Tenant services - other	30,828	-	-	-	-	-

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2013							
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
	Utilities						
93100	Water	1,241,174	-	-	-	-	-
93200	Electricity	1,533,853	-	-	-	-	-
93300	Gas	1,318,792	-	-	-	-	-
93400	Fuel	622,764	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	117,293	-	-	-	-	-
	Ordinary maintenance & operation						
94100	Ordinary maintenance and operations - labor	2,983,258	-	-	-	-	-
94200	Ordinary maintenance and operations - materials & other	1,138,180	-	441	-	-	-
94300	Ordinary maintenance and operations - contract costs	1,704,394	-	-	-	-	-
94500	Employee benefit contributions- ordinary maintenance	1,415,622	-	-	-	-	-
	Protective services						
95100	Protective services - labor	145,833	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	67,142	-	-	-	-	-
	General expenses						
96100	Insurance premiums	-	-	-	-	-	-
96110	Property Insurance	474,098	-	43,552	-	-	-
96120	liability insurance	-	-	-	-	-	-
96130	Workmen's compensation	240,118	-	76,652	-	-	-
96140	All Other Insurance	45,607	-	-	-	-	-
96200	Other general expenses	2,902,625	-	-	-	-	-
96210	Compensated absences	90,749	-	27,131	-	-	-
96300	Payments in lieu of taxes	351,042	-	-	-	-	-
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	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	21,041,994	454,165	3,064,896	200,000	-	223,101
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	1,835,191	5,491,239	33,629,036	401,382	404,088	-
97100	Extraordinary maintenance	69,547	-	-	401,382	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	33,829,317	-	404,088	-
97350	HAP Portability - in	-	-	-	-	-	-
97400	Depreciation expense	8,816,110	-	6,019	-	-	-
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	TOTAL EXPENSES	29,927,651	454,165	36,900,232	601,382	404,088	223,101

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2013							
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
OTHER FINANCING SOURCES (USES)							
10010	Operating transfers in	1,655,896	-	-	-	-	-
10020	Operating transfers out	-	(1,655,896)	-	-	-	-
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	(801,687)	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	854,209	(1,655,896)	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(6,196,257)	3,835,343	(206,300)	-	-	-
MEMO ACCOUNT INFORMATION:							
11020	Required annual debt principal payments	-	375,000	-	-	-	-
11030	Beginning equity	134,689,952	-	3,660,629	23,100,492	-	-
11040	Prior period adjustments and equity transfers	(4,353,018)	-	-	(23,100,492)	-	-
11170	Administrative fee equity	-	-	2,431,845	-	-	-
11180	Housing assistance payments equity	-	-	1,022,484	-	-	-
		-	-	3,454,329	-	-	-
11190	Unit months available	25,860	-	42,295	-	396	-
11210	Number of unit months leased	20,171	-	42,295	-	396	-
Equity Roll Forward Test:							
	Calculation from R/E Statement	\$ 127,976,020	\$ -	\$ 3,454,329	\$ -	\$ -	\$ -
	B/S Line 513	\$ 127,976,020	\$ -	\$ 3,454,329	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2013							
Line Item #	Account Description	SECTION 8 MODERATE REHAB SINGLE ROOM	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING	COMPETITIVE CAPITAL FUND STIMULUS GRANT	CHOICE NEIGHBORHOODS PLANNING GRANTS
REVENUE:							
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	
70400	Tenant revenue - other	-	-	-	-	-	
70500	Total tenant revenue	-	-	-	-	-	-
70600	HUD PHA grants	577,672	1,749,695	-	-	115,472	53,631
70610	Capital grants	-	-	-	-	-	76,807
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-
71100	Investment income - unrestricted	-	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-
71500	Other revenue	-	-	-	-	-	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-
70000	TOTAL REVENUE	577,672	1,749,695	-	-	115,472	130,438
EXPENSES:							
Administrative							
91100	Administrative salaries	12,661	32,245	-	-	-	-
91200	Auditing fees	1,500	2,800	-	-	-	-
91300	Outside management fees	15,932	45,065	-	-	-	-
91310	Book-keeping fee	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	7,597	17,501	-	-	-	-
91600	Office expenses	244	-	-	-	115,472	53,631
91700	Legal expenses	-	-	-	-	-	-
91800	Travel	-	-	-	-	-	-
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	-	488	-	-	-	-
92000	Asset Management Fee	-	-	-	-	-	-
Tenant services							
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	-

Housing Authority of the City of Jersey City														
NJ009														
Financial Data Schedule (FDS)														
March 31, 2013														
Line Item #	Account Description	SECTION 8 MODERATE REHAB SINGLE ROOM	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING	COMPETITIVE CAPITAL FUND STIMULUS GRANT	CHOICE NEIGHBORHOODS PLANNING GRANTS							
	Utilities													
93100	Water	-	-	-	-	-	-							
93200	Electricity	-	-	-	-	-	-							
93300	Gas	-	-	-	-	-	-							
93400	Fuel	-	-	-	-	-	-							
93500	Labor	-	-	-	-	-	-							
93600	Sewer	-	-	-	-	-	-							
93700	Employee benefit contributions- utilities	-	-	-	-	-	-							
93800	Other utilities expense	-	-	-	-	-	-							
	Ordinary maintenance & operation													
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	-							
94200	Ordinary maintenance and operations - materials & other	-	-	-	-	-	-							
94300	Ordinary maintenance and operations - contract costs	-	-	-	-	-	-							
94500	Employee benefit contributions- ordinary maintenance	-	-	-	-	-	-							
	Protective services													
95100	Protective services - labor	-	-	-	-	-	-							
95200	Protective services- other contract costs	-	-	-	-	-	-							
95300	Protective services - other	-	-	-	-	-	-							
95500	Employee benefit contributions- protective services	-	-	-	-	-	-							
	General expenses													
96100	Insurance premiums	-	-	-	-	-	-							
96110	Property Insurance	-	1,784	-	-	-	-							
96120	liability insurance	-	-	-	-	-	-							
96130	Workmen's compensation	820	1,860	-	-	-	-							
96140	All Other Insurance	-	-	-	-	-	-							
96200	Other general expenses	-	-	-	-	-	-							
96210	Compensated absences	-	-	-	-	-	-							
96300	Payments in lieu of taxes	-	-	-	-	-	-							
96400	Bad debt - tenant rents	-	-	-	-	-	-							
96500	Bad debt- mortgages	-	-	-	-	-	-							
96600	Bad debt - other	-	-	-	-	-	-							
96700	Interest expense	-	-	-	-	-	-							
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-							
96730	Amortization of bond issue costs	-	-	-	-	-	-							
96800	Severance expense	-	-	-	-	-	-							
96900	TOTAL OPERATING EXPENSES	38,754	101,743	-	-	-	115,472						53,631	
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	538,918	1,647,952	-	-	-	-						76,807	
97100	Extraordinary maintenance	-	-	-	-	-	-							
97200	Casualty losses - non capitalized	-	-	-	-	-	-							
97300	Housing assistance payments	473,395	1,548,958	-	-	-	-							
97350	HAP Portability - in	-	-	-	-	-	-							
97400	Depreciation expense	-	-	-	-	-	-							
97500	Fraud losses	-	-	-	-	-	-							
97800	Dwelling units rent expense	-	-	-	-	-	-							
90000	TOTAL EXPENSES	512,149	1,650,701	-	-	-	115,472						53,631	

Housing Authority of the City of Jersey City							
NJ009							
Financial Data Schedule (FDS)							
March 31, 2013							
Line Item #	Account Description	SECTION 8 MODERATE REHAB SINGLE ROOM	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	FORMULA CAPITAL FUND STIMULUS GRANT	VETERANS AFFAIRS SUPPORTIVE HOUSING	COMPETITIVE CAPITAL FUND STIMULUS GRANT	CHOICE NEIGHBORHOODS PLANNING GRANTS
OTHER FINANCING SOURCES (USES)							
10010	Operating transfers in	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-
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	65,523	98,994	-	-	-	76,807
MEMO ACCOUNT INFORMATION:							
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning equity	85,578	205,198	-	-	-	-
11040	Prior period adjustments and equity transfers	30,048	(143,379)	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-
11190	Unit months available	1,200	2,400	-	-	-	-
11210	Number of unit months leased	817	-	-	-	-	-
Equity Roll Forward Test:							
	Calculation from R/E Statement	\$ 181,149	\$ 160,813	\$ -	\$ -	\$ -	\$ 76,807
	B/S Line 513	\$ 181,149	\$ 160,813	\$ -	\$ -	\$ -	\$ 76,807
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Jersey City						
NJ009						
Financial Data Schedule (FDS)						
March 31, 2013						
Line Item #	Account Description	8 OTHER FEDERAL PROGRAM 1	2 STATE/LOCAL	COCC	ELIMINATION	TOTAL
REVENUE:						
70300	Net tenant rental revenue	\$ -	\$ 1,174,573	\$ -	\$ -	\$ 10,193,945
70400	Tenant revenue - other	-	-	-	-	38,675
70500	Total tenant revenue	-	1,174,573	-	-	10,232,620
70600	HUD PHA grants	-	-	-	-	54,128,542
70610	Capital grants	-	-	-	-	3,912,150
70710	Management fee	-	-	2,988,548	(2,988,548)	-
70720	Asset management fee	-	-	-	-	-
70730	Book keeping fee	-	-	196,234	(196,234)	-
70740	Front Line Service Fee	-	-	1,886,293	(1,886,293)	-
70750	Other fees	-	-	-	-	-
70800	Other government grants	149,028	12,015	-	-	161,043
71100	Investment income - unrestricted	-	277	-	-	40,821
71200	Mortgage interest income	-	-	-	-	1,884,882
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	68,286
71500	Other revenue	-	10,407	26,924	-	263,198
71600	Gain or loss on sale of fixed assets	-	-	68,811	-	68,811
72000	Investment income - restricted	-	-	-	-	51
70000	TOTAL REVENUE	149,028	1,197,272	5,166,810	(5,071,075)	70,760,404
EXPENSES:						
Administrative						
91100	Administrative salaries	-	18,225	1,063,197	-	4,170,554
91200	Auditing fees	-	11,100	2,640	-	67,520
91300	Outside management fees	-	-	-	(2,988,548)	-
91310	Book-keeping fee	-	-	-	(196,234)	-
91400	Advertising and marketing	-	-	-	-	-
91500	Employee benefit contributions- administrative	-	10,878	1,743,770	-	3,288,673
91600	Office expenses	-	30,749	343,172	-	867,962
91700	Legal expenses	-	-	38,621	-	49,784
91800	Travel	-	12,028	15,347	-	32,291
91810	Allocated overhead	-	-	-	-	-
91900	Other	-	-	57,378	-	248,130
92000	Asset Management Fee	-	-	-	-	-
Tenant services						
92100	Tenant services - salaries	-	-	-	-	27,032
92200	Relocation costs	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	12,955
92400	Tenant services - other	-	-	5,163	-	35,991

Housing Authority of the City of Jersey City						
NJ009						
Financial Data Schedule (FDS)						
March 31, 2013						
Line Item #	Account Description	8 OTHER FEDERAL PROGRAM 1	2 STATE/LOCAL	COCC	ELIMINATION	TOTAL
	Utilities					
93100	Water	-	145,388	7,207	-	1,393,769
93200	Electricity	-	33,920	192,652	-	1,760,425
93300	Gas	-	78,526	2,943	-	1,400,261
93400	Fuel	-	-	-	-	622,764
93500	Labor	-	-	-	-	-
93600	Sewer	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-
93800	Other utilities expense	-	8,207	3,365	-	128,865
	Ordinary maintenance & operation					
94100	Ordinary maintenance and operations - labor	-	113,592	365,047	-	3,461,897
94200	Ordinary maintenance and operations - materials & other	-	90,960	30,253	-	1,259,834
94300	Ordinary maintenance and operations - contract costs	-	154,964	1,354,127	(1,886,293)	1,327,192
94500	Employee benefit contributions- ordinary maintenance	-	67,802	598,721	-	2,082,145
	Protective services					
95100	Protective services - labor	118,227	19,096	-	-	283,156
95200	Protective services- other contract costs	-	-	-	-	-
95300	Protective services - other	14,875	-	-	-	14,875
95500	Employee benefit contributions- protective services	15,926	-	-	-	83,068
	General expenses					
96100	Insurance premiums	-	-	-	-	-
96110	Property Insurance	-	32,183	53,619	-	605,236
96120	liability insurance	-	-	-	-	-
96130	Workmen's compensation	-	8,126	245,633	-	573,209
96140	All Other Insurance	-	-	-	-	45,607
96200	Other general expenses	-	22,638	17,562	-	2,942,825
96210	Compensated absences	-	9,852	185,169	-	312,901
96300	Payments in lieu of taxes	-	60,087	-	-	411,129
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	-	531,194	-	-	531,194
96730	Amortization of bond issue costs	-	-	-	-	-
96800	Severance expense	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	149,028	1,459,515	6,325,586	(5,071,075)	28,156,810
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	-	(262,243)	(1,158,776)	-	42,603,594
97100	Extraordinary maintenance	-	3,003	-	-	473,932
97200	Casualty losses - non capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	36,255,758
97350	HAP Portability - in	-	-	-	-	-
97400	Depreciation expense	-	217,647	1,346,587	-	10,386,363
97500	Fraud losses	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-
90000	TOTAL EXPENSES	149,028	1,680,165	7,672,173	(5,071,075)	75,272,863

Housing Authority of the City of Jersey City						
NJ009						
Financial Data Schedule (FDS)						
March 31, 2013						
Line Item #	Account Description	8 OTHER FEDERAL PROGRAM 1	2 STATE/LOCAL	COCC	ELIMINATION	TOTAL
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	-	426,688	-	(1,655,896)	426,688
10020	Operating transfers out	-	-	-	1,655,896	-
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	-	-	-	-	(801,687)
10093	Transfers between program and project in	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	426,688	-	-	(374,999)
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	(56,205)	(2,505,363)	-	(4,887,458)
MEMO ACCOUNT INFORMATION:						
11020	Required annual debt principal payments	-	-	-	-	375,000
11030	Beginning equity	-	3,949,351	8,513,489	-	174,204,689
11040	Prior period adjustments and equity transfers	-	(48,079)	18,142	-	(27,596,778)
11170	Administrative fee equity	-	-	-	-	2,431,845
11180	Housing assistance payments equity	-	-	-	-	1,022,484
11190	Unit months available	-	1,512	-	-	73,663
11210	Number of unit months leased	-	-	-	-	63,679
Equity Roll Forward Test:						
	Calculation from R/E Statement	\$ -	\$ 3,845,067	\$ 6,026,268	\$ -	\$ 141,720,453
	B/S Line 513	\$ -	\$ 3,845,067	\$ 6,026,268	\$ -	\$ 141,720,453
		\$ -	\$ -	\$ -	\$ -	\$ -