

**JERSEY CITY HOUSING AUTHORITY**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTAL INFORMATION**  
**YEARS ENDED MARCH 31, 2015 AND 2014**

**JERSEY CITY HOUSING AUTHORITY**  
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**YEARS ENDED MARCH 31, 2015 AND 2014**

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## 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, 2015 and 2014, 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## INDEPENDENT AUDITOR'S REPORT (continued)

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jersey City Housing Authority as of March 31, 2015 and 2014, 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 an opinion 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 financial data schedule is also not a required part 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 and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 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 October 31, 2015 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.

*Fallon & Larsen LLP*

October 31, 2015  
Toms River, New Jersey

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

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 years ended March 31, 2015 and 2014. Please read it in conjunction with the Authority's financial statements.

**Overview of the financial statements**

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

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

The **Statements of Net Position** present 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.

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Overview of the financial statements (continued)**

The **Statements of Revenues, Expenditures, and Changes in Net Position** present information showing how the Authority's net position changed during the year. This statement includes operating revenues, such as rental income, HUD operating grants, operating expenses, such as administrative, tenant services, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital 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 position, which is similar to net income or loss for a business entity.

The **Statements of Cash Flows** report 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 2,079 units and 516 mixed finance ACC units managed by private management companies. 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 (ACC) 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 and management improvements to the Authority's properties.

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Program information (continued)**

**Section 8 Housing Choice Vouchers:** HUD has contracted with the Authority for the 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 (ACC) with HUD. HUD provides Annual Contribution Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

**Financial position and analysis**

Table 1 compares the Authority's financial position for the fiscal years ended March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<b>Assets:</b>				
Cash & cash equivalents	\$ 2,917,541	\$ 4,429,489	\$ (1,511,948)	-34.13%
Other Current assets	2,164,333	1,417,480	746,853	52.69%
Non-current assets	<u>157,773,993</u>	<u>160,023,055</u>	<u>(2,249,062)</u>	-1.41%
Total assets	162,855,867	165,870,024	(3,014,157)	-1.82%
<b>Liabilities:</b>				
Current liabilities	3,386,083	5,439,743	(2,053,660)	-37.75%
Non-current liabilities	<u>19,607,063</u>	<u>21,495,599</u>	<u>(1,888,536)</u>	-8.79%
Total liabilities	22,993,146	26,935,342	(3,942,196)	-14.64%
<b>Net position:</b>				
Invested in capital assets	75,018,512	78,044,065	(3,025,553)	-3.88%
Restricted net position	62,274,143	60,266,036	2,008,107	3.33%
Unrestricted net position	<u>2,570,066</u>	<u>624,581</u>	<u>1,945,485</u>	311.49%
Total net position	<u>\$ 139,862,721</u>	<u>\$ 138,934,682</u>	<u>\$ 928,039</u>	<u>0.67%</u>

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Financial position and analysis (continued)**

**Cash and Cash Equivalents** decreased by \$1,511,948 or 34.13%. This is primarily due to the use of \$372,904 in operating activities, \$528,033 in capital and related financing activities, \$582,455 in investing activities and contributed \$28,556 to restricted cash accounts.

**Other Current Assets** increased by \$746,853 or 52.69% primarily due to increases in amounts due from HUD regarding Housing Choice Voucher program funding.

**Non-current Assets** decreased by \$2,249,062 or 1.41% primarily due to depreciation expense exceeding capital asset purchases for the year by \$4,286,276 which was offset by a \$2,008,658 increase in notes receivable and the related accrued interest.

**Current Liabilities** decreased by \$2,053,660 or 37.75% primarily due to a substantial decrease in accrued utilities at year-end.

**Non-current liabilities** decreased by \$1,888,536 or 8.79% due primarily to payments on long term debt and reduction of compensated absences owed.

Table 2 focuses on the changes in net position:

	2015	2014	Increase (Decrease)	Percent Variance
Operating revenue & expense				
Operating revenue	\$ 61,968,440	\$ 62,956,282	\$ (987,842)	-1.57%
Operating expenses	66,041,526	70,473,132	(4,431,606)	-6.29%
Operating loss	(4,073,086)	(7,516,850)	3,443,764	-45.81%
Non-operating revenues & expenses	5,001,125	4,731,079	270,046	5.71%
Increase (decrease) in net position	928,039	(2,785,771)	3,713,810	-133.31%
Net position, beginning of year	138,934,682	141,720,453	(2,785,771)	-1.97%
Net position, end of year	<u>\$ 139,862,721</u>	<u>\$ 138,934,682</u>	<u>\$ 928,039</u>	<u>0.67%</u>

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Financial position and analysis (continued)**

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

	2015	2014	Increase (Decrease)	Percent Variance
Operating revenue				
Tenant revenue	\$ 9,207,090	\$ 10,249,414	\$ (1,042,324)	-10.17%
HUD operating grants	51,930,212	51,940,100	(9,888)	0.02%
Other income	831,138	766,768	64,370	8.39%
Total operating revenue	<u>61,968,440</u>	<u>62,956,282</u>	<u>(987,842)</u>	-1.57%
Non-operating revenues				
Investment income	111,199	177,168	(65,969)	-37.24%
Mortgage interest income	2,033,120	1,969,853	63,267	3.21%
Capital grants	3,574,922	3,391,894	183,028	5.40%
Total non-operating revenues	<u>5,719,241</u>	<u>5,538,915</u>	<u>180,326</u>	3.26%
Total revenues	<u><u>\$ 67,687,681</u></u>	<u><u>\$ 68,495,197</u></u>	<u><u>\$ (807,516)</u></u>	<u><u>-1.18%</u></u>

**Operating Loss** decreased 3,443,764 or 45.81% primarily due to the reduction of operating expenses in the amount of \$4,431,606 which was offset by the reduction of operating revenues in the amount of \$987,842.

**Tenant Revenues** decreased by \$1,042,324 or 10.17% primarily because Montgomery Gardens, a public housing development, saw a decline in tenant rents of \$923,274 as several units were taken offline as part of a major redevelopment program for the project.

**Capital Grants** increased by \$183,028 or 5.40% due to more capital improvement works and corresponding revenue received as compared to last year.

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Financial position and analysis (continued)**

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

	2015	2014	Increase (Decrease)	Percent Variance
Administrative	\$ 7,544,974	\$ 8,379,595	\$ (834,621)	-9.96%
Tenant services	244,774	248,376	(3,602)	-1.45%
Utilities	4,786,042	5,281,180	(495,138)	-9.38%
Maintenance	6,686,516	7,442,365	(755,849)	-10.16%
Protective services	127,725	412,765	(285,040)	-69.06%
Insurance	739,371	1,163,024	(423,653)	-36.43%
General expense	2,894,043	3,862,881	(968,838)	-25.08%
Extraordinary maintenance expense	355,923	504,655	(148,732)	-29.47%
Depreciation expenses	7,128,508	6,812,033	316,475	4.65%
Housing assistance payments	35,533,650	36,366,258	(832,608)	-2.29%
<b>Total expenses</b>	<u><u>\$ 66,041,526</u></u>	<u><u>\$ 70,473,132</u></u>	<u><u>\$ (4,431,606)</u></u>	<u><u>-6.29%</u></u>

**Administrative Expenses** decreased by \$834,621 or 9.96% primarily due to the reduction in salaries and benefits.

**Utilities Expenses** decreased \$495,138 or 9.38% primarily due to the reduction in electricity and gas charges.

**Maintenance** expenditures decreased by \$755,849 or 10.16% primarily due to the reduction in labor and employee benefits.

**Protective Services** expenditures decreased by \$285,040 or 69.06% primarily due to decreased salaries and benefit costs as security services are now contracted out.

**General Expenses and Insurance costs** decreased by \$968,838 and \$423,653 respectively primarily due to the reduction in other general expenses and insurance expense.

**Depreciation Expenses** increased by \$316,475 or 4.65% primarily due to more assets being placed in service during the fiscal year.

**Housing Assistance Payments** decreased by \$832,608 or 2.29% primarily due to insufficient funding and leasing freeze during the fiscal year.

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Budgetary Analysis**

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

**Low Income Public Housing  
Table 5**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent Variance Favorable (Unfavorable)</u>
Rental income	\$ 8,075,098	\$ 7,976,498	\$ (98,600)	-1.22%
Operating grants	14,772,021	13,042,494	(1,729,527)	-11.71%
Interest income	21,000	2,134,456	2,113,456	10064.08%
Other income	<u>829,404</u>	<u>518,452</u>	<u>(310,952)</u>	-37.49%
Total revenue	23,697,523	23,671,900	(25,623)	-0.11%
Administrative	4,712,737	4,882,304	(169,567)	-3.60%
Tenant services	23,298	38,487	(15,189)	-65.19%
Utilities	4,320,829	4,419,081	(98,252)	-2.27%
Maintenance	6,380,296	6,471,330	(91,034)	-1.43%
Protective services	317,616	117,060	200,556	63.14%
Insurance	821,834	417,457	404,377	49.20%
General expenses	5,401,506	2,235,372	3,166,134	58.62%
Interest expense	-	603,306	(603,306)	100.00%
Extraordinary maintenance	-	33,235	(33,235)	100.00%
Depreciation	<u>-</u>	<u>5,983,144</u>	<u>(5,983,144)</u>	100.00%
Total expenses	<u>21,978,116</u>	<u>25,200,776</u>	<u>(3,222,660)</u>	-14.66%
Income (over)/under expense	<u><u>\$ 1,719,407</u></u>	<u><u>\$ (1,528,876)</u></u>	<u><u>\$ 3,197,037</u></u>	<u><u>185.94%</u></u>

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Budgetary Analysis (continued)**

**Operating grants** were over budgeted by \$1,729,527 or 11.71% as the Authority received less operating subsidy than expected.

**Interest Income** was under budgeted by \$2,113,456. This was primarily due to accrued mortgage interest income not being included with the budgeted income.

**Other Income** was over budgeted by \$310,952. This was primarily due to over projection in other income.

**Administrative Expense** was under budgeted by \$169,567. This was primarily due to retirement and final payoff of some administrative staff than originally anticipated.

**Protective Services** were over budgeted by \$200,556 or 63.14% primarily due to decreased salaries and benefits for security personnel as most services were contracted out.

**General Expenses and Insurance costs** were over budgeted by \$3,166,134 and \$404,377 respectively as certain employee benefits, insurance expense and other general expenses incurred were less than originally budgeted.

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Budgetary Analysis (continued)**

***Housing Choice Vouchers***

Table 6

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent Variance Favorable (Unfavorable)</u>
<b>Revenue</b>				
HCV Grant revenue	\$ 36,233,310	\$ 37,280,858	\$ 1,047,548	2.89%
Port-In Revenue	-	90,610	90,610	100.00%
Other Income	<u>117,950</u>	<u>128,300</u>	<u>10,350</u>	8.77%
<b>Total revenue</b>	<b>36,351,260</b>	<b>37,499,768</b>	<b>1,148,508</b>	<b>3.16%</b>
<b>Expenses</b>				
Administrative	2,593,633	2,849,955	(256,322)	-9.88%
Depreciation	-	6,019	(6,019)	-100.00%
Maintenance	-	1,654	(1,654)	100.00%
Insurance	81,855	87,737	(5,882)	-7.19%
General expense	-	291,450	(291,450)	100.00%
HAP expense	<u>33,593,232</u>	<u>34,385,267</u>	<u>(792,035)</u>	-2.36%
<b>Total expenses</b>	<b><u>36,268,720</u></b>	<b><u>37,622,082</u></b>	<b><u>1,353,362</u></b>	<b>3.73%</b>
<b>Income (over)/under expense</b>	<b><u>\$ 82,540</u></b>	<b><u>\$ (122,314)</u></b>	<b><u>\$ (204,854)</u></b>	<b><u>-248.19%</u></b>

**HCV Grant Revenue** was under budgeted by \$1,047,548 or 2.89%. This was primarily due to budget estimates assuming a lower proration of funding and more unit months under lease.

**Administrative Expenses** were under budgeted by \$256,322. This is mainly due to an increase in salaries and benefits.

**HAP Expenses** were under budgeted by \$792,035. This was primarily due to more unit months being under lease than anticipated.

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Capital assets**

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

	2015	2014	Increase (Decrease)	Percent Variance
Land	\$ 5,265,611	\$ 5,265,611	\$ -	0.00%
Buildings, improve. and equip	196,438,315	196,438,315	-	0.00%
Construction in progress	10,184,052	7,341,820	2,842,232	38.71%
	<u>211,887,978</u>	<u>209,045,746</u>	<u>2,842,232</u>	1.36%
Less: accumulated depreciation	<u>(118,480,445)</u>	<u>(111,351,937)</u>	<u>(7,128,508)</u>	6.40%
Capital assets, net	<u>\$ 93,407,533</u>	<u>\$ 97,693,809</u>	<u>\$ (4,286,276)</u>	<u>-4.39%</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 2015 is as follows:**

Table 8

	Grant	Total Budget	Expended through 3/31/2015	Budget Remaining at 3/31/2015
Capital Fund Program 2011	501-11	4,791,622	4,767,408	24,214
Capital Fund Program 2011C	501-11C	998,640	10,524	988,116
Capital Fund Program 2012	501-12	3,872,643	2,992,052	880,591
Capital Fund Program 2013	501-13	3,728,805	2,140,631	1,588,174
Capital Fund Program 2013E	501-13E	250,000	164,000	86,000
Capital Fund Program 2014	501-14	3,821,981	1,119,040	<u>2,702,941</u>
				<u>\$ 6,270,036</u>

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Analysis of Debt Activity**

Table 9

The Authority entered into a lease purchase agreement in the amount \$8,500,000 on November 23, 2010 for energy savings equipment expiring in November 2025. Under the terms of the lease, interest accrued at 5.32% from lease inception through May 2012 at which time monthly payments of \$69,950 including interest at 2.95% will be made through termination.

March 31, 2014	\$ 8,227,317.00
Current year debt paid	<u>760,902.00</u>
March 31, 2015	<u>\$ 7,466,415.00</u>

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, 2014	\$ 7,980,000.00
Current year debt paid	<u>410,000.00</u>
March 31, 2015	<u>\$ 7,570,000.00</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, 2014	\$ 565,973.00
Current year debt paid	<u>49,582.00</u>
March 31, 2015	<u>\$ 516,391.00</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, 2014	\$ 1,073,315.00
Current year debt paid	<u>-</u>
March 31, 2015	<u>\$ 1,073,315.00</u>

**Management's Discussion and Analysis (MD&A)  
For the Fiscal Years ended March 31, 2015 and 2014**

**Analysis of Debt Activity (continued)**

Table 9 (continued)

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, 2014	\$ 283,860.00
Current year debt paid	<u>-</u>
March 31, 2015	<u>\$ 283,860.00</u>

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, 2014	\$ 1,519,279.00
Current year debt paid	<u>40,239.00</u>
March 31, 2015	<u>\$ 1,479,040.00</u>

**Significant economic factors affecting the Authority are as follows:**

- Federal funding of the US Department of Housing and Urban Development (HUD).
- Local Labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends which can affect resident incomes and therefore, the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.

**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: Samuel Moolayil, Chief Financial Officer  
400 U.S. Highway #1 (Marion Gardens)  
Jersey City, New Jersey 07306

## **FINANCIAL STATEMENTS**

**JERSEY CITY HOUSING AUTHORITY  
STATEMENTS OF NET POSITION  
AS OF MARCH 31, 2015 AND 2014**

ASSETS		<u>2015</u>	<u>2014</u>
Current assets:			
Cash and cash equivalents	\$	2,917,541	\$ 4,429,489
Accounts receivable, net		1,382,830	665,721
Prepaid expenses and other current assets		757,650	734,090
Inventories		<u>23,853</u>	<u>17,669</u>
Total current assets		<u>5,081,874</u>	<u>5,846,969</u>
Non-current assets:			
Restricted cash		2,092,317	2,063,761
Notes receivable, long term		62,274,143	60,265,485
Capital assets, net		<u>93,407,533</u>	<u>97,693,809</u>
Total non-current assets		<u>157,773,993</u>	<u>160,023,055</u>
Total assets		<u>162,855,867</u>	<u>165,870,024</u>
LIABILITIES			
Current liabilities:			
Accounts payable		300,464	1,123,534
Accrued expenses		982,512	735,421
Accrued compensated absences, current		164,842	226,664
Tenant security deposits		378,678	375,210
Current portion of capital lease		622,892	604,807
Current portion of loans and bonds payable		520,623	499,815
Other current liabilities		<u>416,072</u>	<u>1,874,292</u>
Total current liabilities		<u>3,386,083</u>	<u>5,439,743</u>
Non-current liabilities:			
Accrued compensated absences, net of current portion		1,483,574	2,039,949
Capital lease, net of current portion		6,843,523	7,622,510
Loans and bonds payable, net of current portion		10,401,983	10,922,612
Non-current liabilities - other		<u>877,983</u>	<u>910,528</u>
Total non-current liabilities		<u>19,607,063</u>	<u>21,495,599</u>
Total liabilities		<u>22,993,146</u>	<u>26,935,342</u>
NET POSITION			
Net position:			
Net investment in capital assets		75,018,512	78,044,065
Restricted		62,274,143	60,266,036
Unrestricted		<u>2,570,066</u>	<u>624,581</u>
Total net position	\$	<u>139,862,721</u>	\$ <u>138,934,682</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, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Tenant revenue	\$ 9,207,090	\$ 10,249,414
HUD operating grants	51,930,212	51,940,100
Other government grants	-	4,540
Other revenues	<u>831,138</u>	<u>762,228</u>
Total operating revenue	<u>61,968,440</u>	<u>62,956,282</u>
Operating expenses:		
Administrative	7,544,974	8,379,595
Tenant services	244,774	248,376
Utilities	4,786,042	5,281,180
Ordinary maintenance and operations	6,686,516	7,442,365
Protective services	127,725	412,765
Insurance expense	739,371	1,163,024
General expenses	2,894,043	3,862,881
Extraordinary maintenance	355,923	504,655
Housing assistance payments	35,533,650	36,366,258
Depreciation	<u>7,128,508</u>	<u>6,812,033</u>
Total operating expenses	<u>66,041,526</u>	<u>70,473,132</u>
Operating gain (loss)	<u>(4,073,086)</u>	<u>(7,516,850)</u>
Non-operating revenues (expenses):		
Investment income	111,199	177,168
Mortgage interest income	2,033,120	1,969,853
Interest expense	<u>(718,116)</u>	<u>(807,836)</u>
Net non-operating revenues	<u>1,426,203</u>	<u>1,339,185</u>
Loss before capital grants	(2,646,883)	(6,177,665)
Capital grants	<u>3,574,922</u>	<u>3,391,894</u>
Change in net position	928,039	(2,785,771)
Net position, beginning of year	<u>138,934,682</u>	<u>141,720,453</u>
Net position, end of year	<u>\$ 139,862,721</u>	<u>\$ 138,934,682</u>

See accompanying notes to financial statements.

**JERSEY CITY HOUSING AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Cash received from grantors	\$ 51,126,001	\$ 51,841,369
Cash received from tenants and others	10,118,030	11,038,556
Cash paid to employees	(9,180,071)	(8,592,775)
Cash paid to suppliers and vendors	<u>(52,436,864)</u>	<u>(54,237,022)</u>
Net cash flows provided (used) by operating activities	<u>(372,904)</u>	<u>50,128</u>
Cash Flows from Capital and Related Financing Activities:		
Principal payments on long term debt	(1,260,723)	(549,332)
Purchases of capital assets	(2,842,232)	(2,648,599)
Capital grant contributions	<u>3,574,922</u>	<u>3,391,894</u>
Net cash flows provided (used) by capital and related financing activities	<u>(528,033)</u>	<u>193,963</u>
Cash Flows from Investing Activities:		
Repayment of notes receivable	-	200,000
Interest expense	(718,116)	(814,417)
Investment income	<u>135,661</u>	<u>177,168</u>
Net cash flows provided (used) by investing activities	<u>(582,455)</u>	<u>(437,249)</u>
Net increase (decrease) in cash	(1,483,392)	(193,158)
Cash and cash equivalents, beginning of year	<u>6,493,250</u>	<u>6,686,408</u>
Cash and cash equivalents, end of year	<u>\$ 5,009,858</u>	<u>\$ 6,493,250</u>
	<u>2015</u>	<u>2014</u>
A reconciliation of cash and cash equivalents to Statements of Net Position is as follows:		
Cash and cash equivalents	\$ 2,917,541	\$ 4,429,489
Restricted cash and cash equivalents	<u>2,092,317</u>	<u>2,063,761</u>
	<u>\$ 5,009,858</u>	<u>\$ 6,493,250</u>

See accompanying notes to financial statements.

**JERSEY CITY HOUSING AUTHORITY**  
**STATEMENTS OF CASH FLOWS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating gain (loss)	\$ (4,073,086)	\$ (7,516,850)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	7,128,508	6,812,033
Bad debt expense	11,239	-
(Gain) loss on disposal of fixed assets	-	113,511
Changes in assets and liabilities:		
Accounts receivable - other government	30,088	32,025
Accounts receivable - HUD	(834,299)	(103,271)
Accounts receivable - tenants	(125,956)	(53,585)
Accounts receivable - misc	202,290	-
Prepaid expenses	(24,031)	61,172
Inventory	(6,184)	145,164
Accounts payable	(823,070)	(167,118)
Accrued expenses	247,091	(80,089)
Accrued compensated absences	(618,197)	(390,740)
Tenant security deposits	3,468	3,819
Other current liabilities	(1,458,220)	1,149,402
Other liabilities	<u>(32,545)</u>	<u>44,655</u>
Net cash provided (used) by operating activities	<u>\$ (372,904)</u>	<u>\$ 50,128</u>

See accompanying notes to financial statements.

**JERSEY CITY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**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 multi-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 Choice Vouchers

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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**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 for 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 of neighborhood assets.

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, 2015 AND 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Reporting Entity**

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

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

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

**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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting (continued)**

On January 30, 2008, HUD issued *PIH Notice 2008-9* which requires housing assistance payments ("HAP") under proprietary fund be reported as restricted net assets (position), 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 (position), with the associated assets being reported on the FDS as unrestricted.

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

Any investment income earned on these funds are reflected in the net 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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Cash and Cash Equivalents (continued)**

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

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

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

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

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

**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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Capital Assets**

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

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

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

**K. Compensated Absences**

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

**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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**O. Equity Classifications**

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

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

Restricted net position - Consists of 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."

**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, 2015 and 2014, 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, 2015 and 2014, the carrying amount of the Authority's cash (including restricted cash) were \$5,009,858 and \$6,493,250, respectively. The bank balances were \$6,910,146 and \$6,979,424, respectively.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 2. CASH AND CASH EQUIVALENTS (continued)**

Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>2015</u>	<u>2014</u>
Unrestricted	\$ 2,538,863	\$ 4,054,279
Tenant security deposits	378,678	375,210
Restricted	<u>2,092,317</u>	<u>2,063,761</u>
	<u>\$ 5,009,858</u>	<u>\$ 6,493,250</u>

Of the bank balances, \$1,600,000 and \$1,735,694 were covered by federal depository insurance and the remaining \$5,310,146 and \$5,243,730 were collateralized with the pledging financial institutions for the fiscal years ended March 31, 2015 and 2014.

<u>Depository Account</u>	<u>2015</u>	<u>2014</u>
Insured:		
FDIC	\$ 1,600,000	\$ 1,735,694
Collateralized:		
GUDPA	<u>5,310,146</u>	<u>5,243,730</u>
	<u>\$ 6,910,146</u>	<u>\$ 6,979,424</u>

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of March 31, 2015 and 2014, 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, 2015 and 2014:

<u>Description</u>	<u>2015</u>	<u>2014</u>
Accounts receivable - HUD	\$ 993,704	\$ 159,405
Accounts receivable - tenants, net	389,126	273,938
Accounts receivable - other government	-	30,088
Accounts receivable - miscellaneous	<u>-</u>	<u>202,290</u>
Total accounts receivable, net	<u>\$ 1,382,830</u>	<u>\$ 665,721</u>

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)**

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, 2015 and 2014, Accounts receivable - HUD consisted of reimbursable expenses within the following grants:

<u>Program</u>	<u>2015</u>	<u>2014</u>
Section 8 Moderate Rehabilitation Single Room Occupancy	\$ 270,798	\$ 159,405
Housing Choice Voucher Program	<u>722,906</u>	<u>-</u>
	<u>\$ 993,704</u>	<u>\$ 159,405</u>

Accounts receivable - tenants

Accounts receivable - tenants represents amounts due for tenant rents and at March 31, 2015 and 2014 are shown net of an allowance for doubtful accounts of \$120,542 and \$107,962, 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, 2015, the amounts owed to the Authority for these fees were collected.

Accounts receivable - misc.

Accounts receivable - misc. consists of amounts owed to the COCC from the County of Hudson and Hope VI fees owed from tax credit properties. As of March 31, 2015, the amounts were collected.

**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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**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, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
<p>The Authority issued a second mortgage loan receivable from A. Harry Moore Phase I Associates, LLC in the original amount of \$2,961,966. 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, 2015 and 2014 include \$1,258,698 and \$1,019,792 of accrued interest, respectively.</p>	\$ 4,220,664	\$ 3,981,758
<p>The Authority issued 3rd, 4th and 5th mortgage loans to A. Harry Moore Phase II Associates, L.L.C in the original amount of \$4,359,202. 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, 2015 and 2014 includes \$1,874,919 and \$1,457,912 of accrued interest, respectively.</p>	6,144,121	5,817,114
<p>The Authority has a second mortgage loan receivable from Lafayette Family Phase III Urban Renewal Associates, L.P. in the original amount of \$6,603,606. 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, 2015 and 2014 include \$1,777,915 and \$1,478,009 of accrued interest, respectively.</p>	8,381,521	8,081,615
<p>The Authority issued a loan to Lafayette Community Limited Partnership in the original amount of \$10,146,093. 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.</p>	10,284,828	10,309,285

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 5**      **NOTES RECEIVABLE (continued)**

	<u>2015</u>	<u>2014</u>
<p>The Authority issued a second mortgage loan receivable from Lafayette Family Phase II Urban Renewal Associates, L.P. in the original amount of \$5,001,149. 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, 2015 and 2014 include \$2,748,078 and \$2,391,035 of accrued interest, respectively.</p>	7,749,227	7,392,184
<p>The Authority issued 2nd, 3rd, 4th and 5th mortgage loans to Dwight Street Urban Renewal Associates, L.P. in the original amount of \$4,162,337. 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, 2015 and 2014 include \$945,753 and \$761,676 of accrued interest, respectively.</p>	5,108,090	4,924,013
<p>The Authority issued 3rd, 4th, 5th and 6th mortgage loans to Lafayette Senior Living Center, L.P. in the original amount of \$1,409,681. 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, 2015 and 2014 include \$162,947 and \$143,107 of accrued interest, respectively.</p>	1,572,628	1,552,788
<p>The Authority issued three loans to Lafayette Family Urban Renewal Associates, L.P. in the original amount of \$6,099,341. 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, 2015 and 2014 include \$2,884,396 and \$2,489,108 of accrued interest, respectively.</p>	8,983,737	8,588,449
<p>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, 2015 and 2014 include \$- and \$200,000 of accrued interest, respectively.</p>	3,500,000	3,500,000

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 5**      **NOTES RECEIVABLE (continued)**

	<u>2015</u>	<u>2014</u>
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
HOPE VI mortgage loan receivable from Glennview Townhouses Urban Renewal Associates, LP. in the original amount of \$5,000,000. The loan bears interest at 4.5%, compounded annually and matures January 1, 2051. Amounts owed under the mortgage at March 31, 2015 and 2014 include \$929,327 and \$718,279 of accrued interest, respectively.	<u>5,929,327</u>	<u>5,718,279</u>
Total notes receivable	<u>\$ 62,274,143</u>	<u>\$ 60,265,485</u>

The current portion on notes receivable is expected to be \$-0-.

**NOTE 6.**      **RESTRICTED CASH**

Restricted cash consists of the following at March 31, 2015 and 2014:

<u>Cash Category</u>	<u>2015</u>	<u>2014</u>
State Leveraging Fund	\$ 458,816	\$ 457,852
Section 8 HAP Equity	-	551
Family Self Sufficiency ("FSS") Program escrows	286,443	282,789
Dwight Street Home Ownership	591,540	627,739
Bergen Avenue project reserves	428,776	392,718
Arlington Gardens project reserves	<u>326,742</u>	<u>302,112</u>
	<u>\$ 2,092,317</u>	<u>\$ 2,063,761</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.

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

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 6. RESTRICTED CASH (continued)**

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, 2015 and 2014:

	<u>Balances at</u> <u>March 31, 2014</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balances at</u> <u>March 31, 2015</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,265,611	\$ -	\$ -	\$ -	\$ 5,265,611
Construction in progress	<u>7,341,820</u>	<u>2,842,232</u>	<u>-</u>	<u>-</u>	<u>10,184,052</u>
Total	<u>12,607,431</u>	<u>2,842,232</u>	<u>-</u>	<u>-</u>	<u>15,449,663</u>
<u>Depreciable capital assets:</u>					
Buildings	195,468,595	-	-	-	195,468,595
Dwelling equipment	907,245	-	-	-	907,245
Site improvements	<u>62,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,475</u>
Total	<u>196,438,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,438,315</u>
Total capital assets	209,045,746	2,842,232	-	-	211,887,978
Accumulated depreciation	<u>(111,351,937)</u>	<u>(7,128,508)</u>	<u>-</u>	<u>-</u>	<u>(118,480,445)</u>
Net capital assets	<u>\$ 97,693,809</u>	<u>\$ (4,286,276)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,407,533</u>

	<u>Balances at</u> <u>March 31, 2013</u>	<u>Additions</u>	<u>Disposition</u>	<u>Transfers</u>	<u>Balances at</u> <u>March 31, 2014</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,265,611	\$ -	\$ -	\$ -	\$ 5,265,611
Construction in progress	<u>16,817,314</u>	<u>2,648,599</u>	<u>(113,511)</u>	<u>(12,010,582)</u>	<u>7,341,820</u>
Total	<u>22,082,925</u>	<u>2,648,599</u>	<u>(113,511)</u>	<u>(12,010,582)</u>	<u>12,607,431</u>
<u>Depreciable capital assets:</u>					
Buildings	183,458,013	-	-	12,010,582	195,468,595
Dwelling equipment	907,245	-	-	-	907,245
Site improvements	<u>62,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,475</u>
Total	<u>184,427,733</u>	<u>-</u>	<u>-</u>	<u>12,010,582</u>	<u>196,438,315</u>
Total capital assets	206,510,658	2,648,599	(113,511)	-	209,045,746
Accumulated depreciation	<u>(104,539,904)</u>	<u>(6,812,033)</u>	<u>-</u>	<u>-</u>	<u>(111,351,937)</u>
Net capital assets	<u>\$ 101,970,754</u>	<u>\$ (4,163,434)</u>	<u>\$ (113,511)</u>	<u>\$ -</u>	<u>\$ 97,693,809</u>

Depreciation expense for the fiscal year ended March 31, 2015 and 2014 amounted to \$7,128,508 and \$6,812,033, respectively.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 8. ACCOUNTS PAYABLE**

As of March 31, 2015 and 2014, the Authority has a total accounts payable balance of \$300,464 and \$1,123,534, respectively, which consisted of the following:

	<u>2015</u>	<u>2014</u>
Accounts payable - operations	\$ 297,096	\$ 587,593
Accounts payable - HUD	3,368	35,329
Accounts payable - other governments	<u>-</u>	<u>500,612</u>
	<u>\$ 300,464</u>	<u>\$ 1,123,534</u>

**NOTE 9. NON-CURRENT LIABILITIES**

**BONDS AND LOANS**

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.

	<u>2015</u>	<u>2014</u>
	\$ 7,570,000	\$ 7,980,000

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.

	516,391	565,973
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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
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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
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**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 9. NON-CURRENT LIABILITIES (continued)**

<b>BONDS AND LOANS (continued)</b>	<u>2015</u>	<u>2014</u>
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>1,479,040</u>	<u>1,519,279</u>
Total bonds and loans payable	10,922,606	11,422,427
Less: current portion	<u>520,623</u>	<u>499,815</u>
Bonds and loans payable, excluding current portion	<u>\$ 10,401,983</u>	<u>\$ 10,922,612</u>

<b>CAPITAL LEASE</b>	<u>2015</u>	<u>2014</u>
The Authority entered into a lease purchase agreement on November 23, 2010 for energy savings equipment expiring in November, 2025. The assets recorded under the capital lease totaled \$8,500,000, and are included in capital assets on the Statements of Net Position. Under terms of the lease, interest accrued at 5.32% from lease inception through May, 2012 at which time payments of \$69,950 including interest at 2.95 will be made through termination. The assets are depreciated over the shorter of the lease term or the estimated useful life. Depreciation expense of the assets under the capital lease are included in operating expenses.	\$ 7,466,415	\$ 8,227,317
Less: current portion	<u>622,892</u>	<u>604,807</u>
Capital lease, excluding current portion	<u>\$ 6,843,523</u>	<u>\$ 7,622,510</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	1,143,515	684,675	1,828,190
2017	1,186,772	643,039	1,829,811
2018	1,232,534	597,824	1,830,358
2019	1,284,319	548,791	1,833,110
2020	1,337,177	495,809	1,832,986
2021-2025	8,480,207	1,610,485	10,090,692
2026-2030	3,148,357	360,621	3,508,978
2031-2035	475,886	84,035	559,921
2036	<u>100,254</u>	<u>2,412</u>	<u>102,666</u>
	<u>\$ 18,389,021</u>	<u>\$ 5,027,691</u>	<u>\$ 23,416,712</u>

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 9. NON-CURRENT LIABILITIES (continued)**

**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.

**OTHER LIABILITIES**

<u>Description</u>	<u>2015</u>	<u>2014</u>
FSS Escrows	\$ 286,443	\$ 282,789
Construction contract retention	28,535	17,301
Homeownership escrow accounts	591,540	627,739
Utility accruals	<u>387,537</u>	<u>1,856,991</u>
 Total	 1,294,055	 2,784,820
 Due within one year	 <u>416,072</u>	 <u>1,874,292</u>
 Non-current portion	 <u>\$ 877,983</u>	 <u>\$ 910,528</u>

Long-term debt activity for the years ended March 31, 2015 and 2014 consisted of the following:

<u>Description</u>	<u>March 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2015</u>	<u>Amounts due within one year</u>
Bonds and loans	\$ 11,422,427	\$ -	\$ (499,821)	\$ 10,922,606	\$ 520,623
Capital lease	8,227,317	-	(760,902)	7,466,415	622,892
Compensated absences	2,266,613	1,118,572	(1,736,769)	1,648,416	164,842
Other liabilities	<u>2,784,820</u>	<u>751,263</u>	<u>(2,242,028)</u>	<u>1,294,055</u>	<u>416,072</u>
	<u>\$ 24,701,177</u>	<u>\$ 1,869,835</u>	<u>\$ (5,239,520)</u>	<u>\$ 21,331,492</u>	<u>\$ 1,724,429</u>

<u>Description</u>	<u>March 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2014</u>	<u>Amounts due within one year</u>
Bonds and loans	\$ 11,896,800	\$ -	\$ (474,373)	\$ 11,422,427	\$ 499,815
Capital lease	8,302,276	-	(74,959)	8,227,317	604,807
Compensated absences	2,657,353	1,174,501	(1,565,241)	2,266,613	226,664
Other liabilities	<u>1,590,763</u>	<u>2,951,659</u>	<u>(1,757,602)</u>	<u>2,784,820</u>	<u>1,874,292</u>
	<u>\$ 24,447,192</u>	<u>\$ 4,126,160</u>	<u>\$ (3,872,175)</u>	<u>\$ 24,701,177</u>	<u>\$ 3,205,578</u>

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 10. 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 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 (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 10. 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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year. For fiscal year 2012, the member contribution rate increased 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, 2015	\$ <u>1,123,862</u>	<u>100</u>	\$ <u>-</u>
March 31, 2014	\$ <u>1,103,948</u>	<u>100</u>	\$ <u>-</u>
March 31, 2013	\$ <u>1,170,858</u>	<u>100</u>	\$ <u>-</u>

**NOTE 11. POST-RETIREMENT BENEFITS**

The Authority participates in the 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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 11. POST-RETIREMENT BENEFITS (continued)**

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.

**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 (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 11. POST-RETIREMENT BENEFITS (continued)**

**Contribution Requirements – SHBP (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>
2015	\$ <u>4,162,931</u>
2014	\$ <u>4,023,924</u>
2013	\$ <u>3,967,443</u>

**NOTE 12. RESTRICTED NET POSITION**

Restricted net position consists of the following at March 31, 2015 and 2014:

<u>Description</u>	<u>2015</u>	<u>2014</u>
HOPE VI and development loan reserves	\$ 62,274,143	\$ 60,265,485
Housing assistance payments reserve - HAP equity	<u>-</u>	<u>551</u>
	<u>\$ 62,274,143</u>	<u>\$ 60,266,036</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 13. HUD REPAYMENT AGREEMENT**

In 2013, the Authority entered into an agreement with HUD which requires the Low Rent Housing Program to repay advances from the Housing Choice Voucher Program over a ten (10) year period. The original repayment amount totaled \$1,487,094. As of March 31, 2015 and 2014, \$- and \$126,982, respectively was owed under this agreement. In accordance with GASB 34, these inter-program loans have been eliminated for financial statement presentation.

**NOTE 14. 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.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 15. 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, 2015 and 2014, the Authority estimates that no material liabilities will result from such audits.

**NOTE 16. 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 October 31, 2015 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



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

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, 2015, 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 October 31, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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.

*Fallon & Larsen LLP*

October 31, 2015  
Toms River, New Jersey



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
STATE OF NEW JERSEY OMB CIRCULAR 04-04**

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 and the State of New Jersey OMB Circular 04-04 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, 2015. 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 and the State of New Jersey OMB Circular 04-04. Those standards, OMB Circular A-133 and the State of New Jersey OMB Circular 04-04 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 AND  
STATE OF NEW JERSEY OMB CIRCULAR 04-04 (continued)**

**Opinion on Each Major Federal Program**

In our opinion, the 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, 2015.

**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.

*Fallon & Larsen LLP*

October 31, 2015  
Toms River, New Jersey

**SUPPLEMENTAL INFORMATION**

**JERSEY CITY HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED MARCH 31, 2015**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass- through Number</u>	<u>Grant Period</u>		<u>Grant Award</u>	<u>Fiscal Year Cash Receipts</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative - Expenditures</u>
			<u>From</u>	<u>To</u>				
<u>U.S. Department of Housing and Urban Dev.</u>								
Low Rent Public Housing:								
NJ009-00000214D	14.850	N/A	1/1/14	12/31/14	\$ 1,406,391	\$ 1,052,715	\$ 1,052,715	\$ 1,406,391
NJ009-00000215D	14.850	N/A	1/1/15	12/31/15	1,820,022	393,144	393,144	393,144
NJ009-00000314D	14.850	N/A	1/1/14	12/31/14	1,647,602	1,306,539	1,306,539	1,647,602
NJ009-00000315D	14.850	N/A	1/1/15	12/31/15	1,794,295	377,897	377,897	377,897
NJ009-00000414D	14.850	N/A	1/1/14	12/31/14	750,709	594,831	594,831	750,709
NJ009-00000415D	14.850	N/A	1/1/15	12/31/15	905,728	185,587	185,587	185,587
NJ009-00000514D	14.850	N/A	1/1/14	12/31/14	884,516	695,258	695,258	884,516
NJ009-00000515D	14.850	N/A	1/1/15	12/31/15	1,007,271	210,965	210,965	210,965
NJ009-00000614D	14.850	N/A	1/1/14	12/31/14	2,320,468	1,755,665	1,755,665	2,320,468
NJ009-00000615D	14.850	N/A	1/1/15	12/31/15	1,396,725	340,091	340,091	340,091
NJ009-00000814D	14.850	N/A	1/1/14	12/31/14	875,347	655,217	655,217	875,347
NJ009-00000815D	14.850	N/A	1/1/15	12/31/15	1,606,085	264,160	264,160	264,160
NJ009-00000914D	14.850	N/A	1/1/14	12/31/14	1,008,111	759,605	759,605	1,008,111
NJ009-00000915D	14.850	N/A	1/1/15	12/31/15	1,322,541	271,701	271,701	271,701
NJ009-000001014D	14.850	N/A	1/1/14	12/31/14	8,322	6,229	6,229	8,322
NJ009-000001015D	14.850	N/A	1/1/15	12/31/15	648	648	648	648
NJ009-000001214D	14.850	N/A	1/1/14	12/31/14	250,810	187,737	187,737	250,810
NJ009-000001215D	14.850	N/A	1/1/15	12/31/15	272,820	68,085	68,085	68,085
NJ009-000001314D	14.850	N/A	1/1/14	12/31/14	469,069	351,109	351,109	469,069
NJ009-000001315D	14.850	N/A	1/1/15	12/31/15	489,514	122,163	122,163	122,163
NJ009-000001414D	14.850	N/A	1/1/14	12/31/14	211,740	158,492	158,492	211,740
NJ009-000001415D	14.850	N/A	1/1/15	12/31/15	257,385	64,233	64,233	64,233
NJ009-000001514D	14.850	N/A	1/1/14	12/31/14	229,831	172,034	172,034	229,831
NJ009-000001515D	14.850	N/A	1/1/15	12/31/15	252,931	63,121	63,121	63,121
NJ009-000001614D	14.850	N/A	1/1/14	12/31/14	139,100	104,119	104,119	139,100
NJ009-000001615D	14.850	N/A	1/1/15	12/31/15	147,451	35,352	35,352	35,352
NJ009-000001714D	14.850	N/A	1/1/14	12/31/14	221,578	165,856	165,856	221,578
NJ009-000001715D	14.850	N/A	1/1/15	12/31/15	230,043	57,409	57,409	57,409

**JERSEY CITY HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**YEAR ENDED MARCH 31, 2015**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass- through Number</u>	<u>Grant Period</u>		<u>Grant Award</u>	<u>Fiscal Year Cash Receipts</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative - Expenditures</u>
			<u>From</u>	<u>/ To</u>				
Low Rent Public Housing:								
NJ009-000001814D	14.850	N/A	1/1/14	12/31/14	176,121	131,831	131,831	176,121
NJ009-000001815D	14.850	N/A	1/1/15	12/31/15	209,879	52,377	52,377	52,377
NJ009-000001914D	14.850	N/A	1/1/14	12/31/14	263,067	196,911	196,911	263,067
NJ009-000001915D	14.850	N/A	1/1/15	12/31/15	260,297	64,959	64,959	64,959
NJ009-000002014D	14.850	N/A	1/1/14	12/31/14	251,099	187,953	187,953	251,099
NJ009-000002015D	14.850	N/A	1/1/15	12/31/15	241,314	60,222	60,222	60,222
NJ009-000002114D	14.850	N/A	1/1/14	12/31/14	171,511	128,380	128,380	171,511
NJ009-000002115D	14.850	N/A	1/1/15	12/31/15	220,691	55,075	55,075	55,075
NJ009-000002214D	14.850	N/A	1/1/14	12/31/14	87,205	65,275	65,275	87,205
NJ009-000002215D	14.850	N/A	1/1/15	12/31/15	<u>82,527</u>	<u>15,287</u>	<u>15,287</u>	<u>15,287</u>
Grant Subtotal					<u>23,890,764</u>	<u>11,378,232</u>	<u>11,378,232</u>	<u>11,616,885</u>
Section 8 Housing Choice Voucher Program:								
NJ009-2FPH-2015	14.871	N/A	4/1/14	3/31/15	<u>37,280,858</u>	<u>36,557,952</u>	<u>37,616,063</u>	<u>37,616,063</u>
Lower Income HAP Section 8 Mod Rehab:								
NJ009SRO0001	14.856	N/A	4/1/14	3/31/15	<u>822,801</u>	<u>711,408</u>	<u>822,801</u>	<u>822,801</u>
Public Housing Capital Fund Program:								
NJ39P009501-09	14.872	N/A	9/15/09	9/14/14	5,419,853	278,549	278,549	5,419,853
NJ39P009501-10	14.872	N/A	7/15/10	7/14/14	5,599,087	9,502	9,502	5,599,087
NJ39P009501-11	14.872	N/A	8/3/11	8/2/15	4,791,622	1,138,340	1,138,340	4,767,408
NJ39P009501-11C	14.872	N/A	8/3/11	8/2/16	998,640	1,052	1,052	10,524
NJ39P009501-12	14.872	N/A	3/12/12	3/11/16	3,872,643	959,279	959,279	2,992,052
NJ39P009501-13	14.872	N/A	9/9/13	9/8/15	3,728,805	1,243,461	1,243,461	2,140,631
NJ39P009501-13E	14.872	N/A	9/9/12	9/8/17	250,000	164,000	164,000	164,000
NJ39P009501-14	14.872	N/A	5/13/14	5/12/18	<u>3,821,981</u>	<u>1,119,040</u>	<u>1,119,040</u>	<u>1,119,040</u>
CFP Subtotal					<u>28,482,631</u>	<u>4,913,223</u>	<u>4,913,223</u>	<u>22,212,595</u>

**JERSEY CITY HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**YEAR ENDED MARCH 31, 2015**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass- through Number</u>	<u>Grant Period</u> From / To		<u>Grant Award</u>	<u>Fiscal Year Cash Receipts</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative - Expenditures</u>
Public Housing Capital Fund Program:								
NJ39R009502-09	14.872	N/A	9/15/09	10/29/15	705,334	3,273	3,273	73,806
NJ39R009501-10	14.872	N/A	9/15/09	10/29/15	510,799	-	-	51,079
NJ39R009502-10	14.872	N/A	7/15/10	10/29/15	701,776	-	-	70,177
NJ39R009501-11	14.872	N/A	8/3/11	8/2/15	115,752	-	-	11,575
NJ39R009502-11	14.872	N/A	8/3/11	10/29/15	424,259	-	-	42,426
NJ39R009501-12	14.872	N/A	3/12/12	10/29/18	747,574	-	-	74,758
NJ39R009502-12	14.872	N/A	3/12/12	10/29/18	<u>98,663</u>	<u>-</u>	<u>-</u>	<u>9,866</u>
RHF Subtotal					<u>3,304,157</u>	<u>3,273</u>	<u>3,273</u>	<u>333,687</u>
Grant Subtotal					<u>31,786,788</u>	<u>4,916,496</u>	<u>4,916,496</u>	<u>22,546,282</u>
Shelter Plus Care:								
NJ0226C2F060900	14.238	N/A	4/1/14	3/31/15	218,049	218,049	218,049	218,049
NJ0288C2F061000	14.238	N/A	4/1/14	3/31/15	113,325	113,325	113,325	113,325
NJ0227C2F060900	14.238	N/A	4/1/14	3/31/15	46,346	46,346	46,346	43,346
NJ0229C2F060900	14.238	N/A	4/1/14	3/31/15	<u>111,685</u>	<u>111,685</u>	<u>111,685</u>	<u>111,685</u>
Grant Subtotal					<u>489,405</u>	<u>489,405</u>	<u>489,405</u>	<u>486,405</u>
Revitalization of Distressed Public Housing:								
NJ39URD009I101	14.866	N/A	4/16/02	12/31/16	34,140,000	177,032	177,032	31,085,409
NJ39URD009I109	14.866	N/A	9/15/10	9/30/15	<u>9,700,000</u>	<u>234,023</u>	<u>234,023</u>	<u>859,882</u>
Grant Subtotal					<u>43,840,000</u>	<u>411,055</u>	<u>411,055</u>	<u>31,945,291</u>
Resident Opportunity and Support Services:								
NJ009RPS024A011	14.870	N/A	9/22/11	9/22/14	480,000	117,352	117,352	480,000
NJ009FSH432A014	14.870	N/A	9/29/14	1/1/16	<u>290,987</u>	<u>72,747</u>	<u>72,747</u>	<u>72,747</u>
Grant Subtotal					<u>770,987</u>	<u>190,099</u>	<u>190,099</u>	<u>552,747</u>

**JERSEY CITY HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**YEAR ENDED MARCH 31, 2015**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass- through Number</u>	<u>Grant Period</u> From / To		<u>Grant Award</u>	<u>Fiscal Year Cash Receipts</u>	<u>Fiscal Year Expenditures</u>	<u>Cumulative - Expenditures</u>
Passed through City of Jersey City Community Development Block Grant	14.218	N/A	4/1/13	3/31/15	<u>38,500</u>	<u>16,188</u>	<u>16,188</u>	<u>38,500</u>
Total					<u>\$ 138,920,103</u>	<u>\$ 54,670,835</u>	<u>\$ 55,840,339</u>	<u>\$ 105,624,974</u>

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED MARCH 31, 2015**

**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, 2015. 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 the 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 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, 2015.

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**YEAR ENDED MARCH 31, 2015**

**NOTE 5. 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, 2015 are provided herein.

	<u>501-09</u>	<u>501-10</u>	<u>501-11</u>	<u>501-11C</u>	<u>501-12</u>	<u>501-13</u>	<u>501-13E</u>	<u>501-14</u>	<u>Totals</u>
Budget	\$ <u>5,419,853</u>	\$ <u>5,599,087</u>	\$ <u>4,791,622</u>	\$ <u>998,640</u>	\$ <u>3,872,643</u>	\$ <u>3,728,805</u>	\$ <u>250,000</u>	\$ <u>3,821,981</u>	\$ <u>28,482,631</u>
<u>Advances:</u>									
Cumulative through 3/31/14	\$ 5,141,304	\$ 5,589,585	\$ 3,629,068	\$ 9,472	\$ 2,032,773	\$ 897,170	\$ -	\$ -	\$ 17,299,372
Current Year	<u>278,549</u>	<u>9,502</u>	<u>1,138,340</u>	<u>1,052</u>	<u>959,279</u>	<u>1,243,461</u>	<u>164,000</u>	<u>1,119,040</u>	<u>4,913,223</u>
Cumulative through 3/31/15	<u>5,419,853</u>	<u>5,599,087</u>	<u>4,767,408</u>	<u>10,524</u>	<u>2,992,052</u>	<u>2,140,631</u>	<u>164,000</u>	<u>1,119,040</u>	<u>22,212,595</u>
<u>Costs:</u>									
Cumulative through 3/31/14	5,141,304	5,589,585	3,629,068	9,472	2,032,773	897,170	-	-	17,299,372
Current Year	<u>278,549</u>	<u>9,502</u>	<u>1,138,340</u>	<u>1,052</u>	<u>959,279</u>	<u>1,243,461</u>	<u>164,000</u>	<u>1,119,040</u>	<u>4,913,223</u>
Cumulative through 3/31/15	<u>5,419,853</u>	<u>5,599,087</u>	<u>4,767,408</u>	<u>10,524</u>	<u>2,992,052</u>	<u>2,140,631</u>	<u>164,000</u>	<u>1,119,040</u>	<u>22,212,595</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**JERSEY CITY HOUSING AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**YEAR ENDED MARCH 31, 2015**

**NOTE 6. SCHEDULE OF REPLACEMENT HOUSING FACTOR PROGRAM COSTS AND ADVANCES**

The total amount of Replacement Housing Factor Program Costs and Advances incurred and earned by the Jersey City Housing Authority as of and for the year ended March 31, 2015 are provided herein.

	<u>RHF</u> <u>502-09</u>	<u>RHF</u> <u>501-10</u>	<u>RHF</u> <u>502-10</u>	<u>RHF</u> <u>501-11</u>	<u>RHF</u> <u>502-11</u>	<u>RHF</u> <u>501-12</u>	<u>RHF</u> <u>502-12</u>	<u>Totals</u>
Budget	\$ <u>705,334</u>	\$ <u>510,799</u>	\$ <u>701,766</u>	\$ <u>115,752</u>	\$ <u>424,259</u>	\$ <u>747,574</u>	\$ <u>98,663</u>	\$ <u>3,304,147</u>
<u>Advances:</u>								
Cumulative through 3/31/14	\$ 70,533	\$ 51,079	\$ 70,177	\$ 11,575	\$ 42,426	\$ 74,758	\$ 9,866	\$ 330,414
Current Year	<u>3,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,273</u>
Cumulative through 3/31/15	<u>73,806</u>	<u>51,079</u>	<u>70,177</u>	<u>11,575</u>	<u>42,426</u>	<u>74,758</u>	<u>9,866</u>	<u>333,687</u>
<u>Costs:</u>								
Cumulative through 3/31/14	70,533	51,079	70,177	11,575	42,426	74,758	9,866	330,414
Current Year	<u>3,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,273</u>
Cumulative through 3/31/15	<u>73,806</u>	<u>51,079</u>	<u>70,177</u>	<u>11,575</u>	<u>42,426</u>	<u>74,758</u>	<u>9,866</u>	<u>333,687</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>						

**JERSEY CITY HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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:   | \$ 1,675,210 |
| 2. | Auditee qualified as low-risk Auditee?  | Yes          |
| 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>
14.871	Housing Choice Vouchers
14.872	Public Housing Capital Fund

**JERSEY CITY HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2015**

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.

III. Federal Award Findings and Questioned Costs

None.

IV. Schedule of Prior Year Audit Findings

None.

Housing Authority of the City of Jersey City									
NJ009									
Financial Data Schedule (FDS)									
March 31, 2015									
Line Item #		Account Description	PROJECT TOTAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	STATE/LOCAL	
<b>ASSETS:</b>									
<b>CURRENT ASSETS:</b>									
Cash:									
111		Cash - unrestricted	\$ 823,375	\$ 1,640,963	\$ -	\$ -	\$ -	\$ 56,817	
112		Cash - restricted - modernization and development	458,816	-	-	-	-	-	
113		Cash - other restricted	591,540	286,443	-	-	-	755,518	
114		Cash - tenant security deposits	294,534	-	-	-	-	84,144	
115		Cash - restricted for payment of current liabilities	-	-	-	-	-	-	
100		Total cash	2,168,265	1,927,406	-	-	-	896,479	
Accounts and notes receivables:									
121		Accounts receivable - PHA projects	-	-	-	-	-	-	
122		Accounts receivable - HUD other projects	-	722,906	-	-	-	-	
124		Accounts receivable - other government	-	-	-	-	-	-	
125		Accounts receivable - miscellaneous	-	-	-	-	-	-	
126		Accounts receivable- tenants	356,996	-	-	-	-	152,672	
126.1		Allowance for doubtful accounts - tenants	(28,800)	-	-	-	-	(91,742)	
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	328,196	722,906	-	-	-	60,930	
Current investments									
131		Investments - unrestricted	-	-	-	-	-	-	
132		Investments - restricted	-	-	-	-	-	-	
135		Investments - restricted for payment of current liability	-	-	-	-	-	-	
142		Prepaid expenses and other assets	601,464	-	-	-	-	49,963	
143		Inventories	23,853	-	-	-	-	-	
143.1		Allowance for obsolete inventories	-	-	-	-	-	-	
144		Interprogram - due from	620,161	-	-	-	-	-	
145		Assets held for sale	-	-	-	-	-	-	
150		TOTAL CURRENT ASSETS	3,741,939	2,650,312	-	-	-	1,007,372	
<b>NONCURRENT ASSETS:</b>									
Fixed assets:									
161		Land	2,896,575	-	-	-	-	1,472,667	
162		Buildings	165,767,822	-	-	-	-	7,699,717	
163		Furniture, equipment & machinery - dwellings	106,836	-	-	-	-	-	
164		Furniture, equipment & machinery - administration	-	92,917	-	-	-	-	
165		Leasehold improvements	8,350,000	-	-	-	-	62,475	
166		Accumulated depreciation	(104,481,276)	(51,498)	-	-	-	(4,548,097)	
167		Construction in Progress	10,184,052	-	-	-	-	-	
168		Infrastructure	-	-	-	-	-	-	
160		Total fixed assets, net of accumulated depreciation	82,824,009	41,419	-	-	-	4,686,762	
Other non-current assets:									
171		Notes and mortgages receivable - non-current	62,274,143	-	-	-	-	-	
172		Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	
174		Other assets	-	-	-	-	-	-	
175		Undistributed debits	-	-	-	-	-	-	
176		Investment in joint ventures	-	-	-	-	-	-	
180		TOTAL NONCURRENT ASSETS	145,098,152	41,419	-	-	-	4,686,762	
190		TOTAL ASSETS	\$ 148,840,091	\$ 2,691,731	\$ -	\$ -	\$ -	\$ 5,694,134	

Housing Authority of the City of Jersey City														
NJ009														
Financial Data Schedule (FDS)														
March 31, 2015														
Line Item #				Account Description	PROJECT TOTAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	STATE/LOCAL				
<b>LIABILITIES AND EQUITY:</b>														
<b>Liabilities:</b>														
Current Liabilities:														
311				Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
312				Accounts payable ≤ 90 days	218,258	16,340	-	-	-	-			6,057	
313				Accounts payable > 90 days past due	-	-	-	-	-	-			-	
321				Accrued wage/payroll taxes payable	330,690	52,054	-	-	-	-			11,762	
322				Accrued compensated absences - current portion	72,519	10,216	-	-	-	-			4,790	
324				Accrued contingency liability	-	-	-	-	-	-			-	
325				Accrued interest payable	309,137	-	-	-	-	-			-	
331				Accounts payable - HUD PHA programs	-	3,368	-	-	-	-			-	
332				Accounts payable - PHA projects	-	-	-	-	-	-			-	
333				Accounts payable - other government	-	-	-	-	-	-			-	
341				Tenant security deposits	294,534	-	-	-	-	-			84,144	
342				Deferred revenue	-	-	-	-	-	-			-	
343				Current portion of L-T debt - capital projects	1,047,892	-	-	-	-	-			95,623	
344				Current portion of L-T debt - operating borrowings	-	-	-	-	-	-			-	
345				Other current liabilities	28,535	-	-	-	-	-			-	
346				Accrued liabilities - other	367,889	-	-	-	-	-			17,086	
347				Interprogram - due to	-	620,161	-	-	-	-			87,671	
348				Loan liability - current	-	-	-	-	-	-			-	
310				<b>TOTAL CURRENT LIABILITIES</b>	<b>2,669,454</b>	<b>702,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>307,133</b>	
<b>NONCURRENT LIABILITIES:</b>														
351				Long-term debt, net of current - capital projects	13,988,521	-	-	-	-	-			3,256,985	
352				Long-term debt, net of current - operating borrowings	-	-	-	-	-	-			-	
353				Non-current liabilities- other	591,540	286,443	-	-	-	-			-	
354				Accrued compensated absences - noncurrent	652,664	91,948	-	-	-	-			43,108	
355				Loan liability - non-current	-	-	-	-	-	-			-	
356				FASB 5 Liabilities	-	-	-	-	-	-			-	
357				Accrued pension and OPEB liabilities	-	-	-	-	-	-			-	
350				<b>TOTAL NONCURRENT LIABILITIES</b>	<b>15,232,725</b>	<b>378,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>3,300,093</b>	
300				<b>TOTAL LIABILITIES</b>	<b>17,902,179</b>	<b>1,080,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>3,607,226</b>	
<b>EQUITY:</b>														
508.1				Invested in Capital Assets, Net of Related Debt	67,787,596	41,419	-	-	-	-			1,334,154	
511.1				Restricted Net Assets	62,274,143	-	-	-	-	-			-	
512.1				Unrestricted Net Assets	876,173	1,569,782	-	-	-	-			752,754	
513				<b>TOTAL EQUITY</b>	<b>130,937,912</b>	<b>1,611,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>2,086,908</b>	
600				<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 148,840,091</b>	<b>\$ 2,691,731</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			<b>\$ 5,694,134</b>	
				<b>Proof of concept</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>	

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	OTHER FEDERAL PROGRAM 2	COMMUNITY DEVELOPMENT BLOCK GRANT	COCC	ELIMINATION	TOTAL
<b>ASSETS:</b>								
<b>CURRENT ASSETS:</b>								
Cash:								
111	Cash - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 17,708	\$ -	\$ 2,538,863
112	Cash - restricted - modernization and development	-	-	-	-	-	-	458,816
113	Cash - other restricted	-	-	-	-	-	-	1,633,501
114	Cash - tenant security deposits	-	-	-	-	-	-	378,678
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-
100	Total cash	-	-	-	-	17,708	-	5,009,858
Accounts and notes receivables:								
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	270,798	-	-	-	-	-	993,704
124	Accounts receivable - other government	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable- tenants	-	-	-	-	-	-	509,668
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	(120,542)
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	270,798	-	-	-	-	-	1,382,830
Current investments								
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	106,223	-	757,650
143	Inventories	-	-	-	-	-	-	23,853
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	51,000	-	-	-	87,671	(758,832)	-
145	Assets held for sale	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	321,798	-	-	-	211,602	(758,832)	7,174,191
<b>NONCURRENT ASSETS:</b>								
Fixed assets:								
161	Land	-	-	-	-	896,369	-	5,265,611
162	Buildings	-	-	-	-	13,651,056	-	187,118,595
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	106,836
164	Furniture, equipment & machinery - administration	-	-	-	-	707,492	-	800,409
165	Leasehold improvements	-	-	-	-	-	-	8,412,475
166	Accumulated depreciation	-	-	-	-	(9,399,574)	-	(118,480,445)
167	Construction in Progress	-	-	-	-	-	-	10,184,052
168	Infrastructure	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	-	-	-	5,855,343	-	93,407,533
Other non-current assets:								
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	62,274,143
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	-	-	-	5,855,343	-	155,681,676
190	<b>TOTAL ASSETS</b>	<b>\$ 321,798</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,066,945</b>	<b>\$ (758,832)</b>	<b>\$ 162,855,867</b>

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	OTHER FEDERAL PROGRAM 2	COMMUNITY DEVELOPMENT BLOCK GRANT	COCC	ELIMINATION	TOTAL
<b>LIABILITIES AND EQUITY:</b>								
<b>Liabilities:</b>								
<b>Current Liabilities:</b>								
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	-	-	-	-	56,441	-	297,096
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	278,869	-	673,375
322	Accrued compensated absences - current portion	-	-	-	-	77,317	-	164,842
324	Accrued contingency liability	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	309,137
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	3,368
332	Accounts payable - PHA projects	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-	378,678
342	Deferred revenue	-	-	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	1,143,515
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	28,535
346	Accrued liabilities - other	-	-	-	-	2,562	-	387,537
347	Interprogram - due to	-	-	-	-	51,000	(758,832)	-
348	Loan liability - current	-	-	-	-	-	-	-
310	<b>TOTAL CURRENT LIABILITIES</b>	-	-	-	-	466,189	(758,832)	3,386,083
<b>NONCURRENT LIABILITIES:</b>								
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	17,245,506
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-	877,983
354	Accrued compensated absences - noncurrent	-	-	-	-	695,854	-	1,483,574
355	Loan liability - non-current	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-
350	<b>TOTAL NONCURRENT LIABILITIES</b>	-	-	-	-	695,854	-	19,607,063
300	<b>TOTAL LIABILITIES</b>	-	-	-	-	1,162,043	(758,832)	22,993,146
<b>EQUITY:</b>								
508.1	Invested in Capital Assets, Net of Related Debt	-	-	-	-	5,855,343	-	75,018,512
511.1	Restricted Net Assets	-	-	-	-	-	-	62,274,143
512.1	Unrestricted Net Assets	321,798	-	-	-	(950,441)	-	2,570,066
513	<b>TOTAL EQUITY</b>	321,798	-	-	-	4,904,902	-	139,862,721
600	<b>TOTAL LIABILITIES AND EQUITY</b>	\$ 321,798	\$ -	\$ -	\$ -	\$ 6,066,945	\$ (758,832)	\$ 162,855,867
<b>Proof of concept</b>								
		-	-	-	-	-	-	-

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSI	SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	SECTION 8 MODERATE REHAB SINGLE ROOM
<b>REVENUE:</b>								
70300	Net tenant rental revenue	\$ 7,749,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	226,558	-	-	-	-	-	-
70500	Total tenant revenue	7,976,498	-	-	-	-	-	-
70600	HUD PHA grants	11,378,232	1,664,262	37,280,858	88,367	489,405	190,099	822,801
70610	Capital grants	-	3,252,234	-	322,688	-	-	-
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	101,336	-	-	-	-	-	-
71200	Mortgage interest income	2,033,120	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-
71400	Fraud recovery	17,840	-	127,800	-	-	-	-
71500	Other revenue	500,612	-	90,610	-	-	-	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restrictec	-	-	500	-	-	-	-
70000	<b>TOTAL REVENUE</b>	22,007,638	4,916,496	37,499,768	411,055	489,405	190,099	822,801
<b>EXPENSES:</b>								
Administrative								
91100	Administrative salaries	1,327,601	-	1,075,692	-	51,020	-	-
91200	Auditing fees	39,000	-	13,300	-	-	-	2,000
91300	Outside management fees	1,728,251	217,509	519,702	65,020	-	-	22,425
91310	Book-keeping fee	192,570	-	324,882	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrativ	957,269	-	713,166	-	17,431	-	-
91600	Office expenses	209,774	-	146,235	9,868	-	-	3,456
91700	Legal expenses	94,505	-	21,893	13,479	-	-	-
91800	Travel	189	-	7,491	-	-	-	-
91810	Allocated overhead	-	-	-	-	-	-	-
91900	Other	112,363	3,273	27,594	-	-	-	-
92000	Asset Management Fee	-	-	-	-	-	-	-
Tenant services								
92100	Tenant services - salaries	-	-	-	-	-	144,300	-
92200	Relocation costs	-	23,375	-	-	-	-	-
92300	Employee benefit contributions- tenant service	-	-	-	-	-	25,465	-
92400	Tenant services - other	15,112	-	-	-	-	20,334	-
Utilities								
93100	Water	1,405,886	-	-	-	-	-	-
93200	Electricity	1,068,475	-	-	-	-	-	-
93300	Gas	1,251,885	-	-	-	-	-	-
93400	Fuel	446,730	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilitie	-	-	-	-	-	-	-
93800	Other utilities expense	246,105	-	-	-	-	-	-

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSI	SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	SECTION 8 MODERATE REHAB SINGLE ROOM
	Ordinary maintenance & operator							
94100	Ordinary maintenance and operations - labo	2,023,198	-	-	-	-	-	-
94200	Ordinary maintenance and operations - materials & othe	547,752	-	1,654	-	-	-	-
94300	Ordinary maintenance and operations - contract cost	2,302,075	-	-	-	-	-	-
94500	Employee benefit contributions- ordinary maintenanc	1,598,305	-	-	-	-	-	-
	Protective services							
95100	Protective services - labor	-	-	-	-	-	-	-
95200	Protective services- other contract cost	117,060	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective service	-	-	-	-	-	-	-
	General expenses							
96100	Insurance premiums	-	-	36,798	-	-	-	-
96110	Property Insurance	242,258	-	-	-	-	-	-
96120	liability insurance	-	-	-	-	-	-	-
96130	Workmen's compensation	135,003	-	50,939	-	1,500	-	-
96140	All Other Insurance	40,196	-	-	-	-	-	-
96200	Other general expenses	1,970,361	-	181,027	-	-	-	-
96210	Compensated absences	253,772	-	78,452	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	11,239	-	-	-	-	-	-
96500	Bad debt- mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	368,710	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term	234,596	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-
96800	Severance expense	-	-	31,971	-	-	-	-
96900	<b>TOTAL OPERATING EXPENSES</b>	18,571,530	612,867	3,230,796	88,367	69,951	190,099	27,881
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	3,436,108	4,303,629	34,268,972	322,688	419,454	-	794,920
97100	Extraordinary maintenance	33,235	-	-	322,688	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	34,335,639	-	419,454	-	728,929
97350	HAP Portability - in	-	-	49,628	-	-	-	-
97400	Depreciation expense	5,983,144	-	6,019	-	-	-	-
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	24,587,909	612,867	37,622,082	411,055	489,405	190,099	756,810

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	OPERATING	CAPITAL	HOUSING CHOICE VOUCHERS	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSI	SHELTER PLUS CARE	RESIDENT OPPORTUNITIES AND SUPPORTIVE SERVICES	SECTION 8 MODERATE REHAB SINGLE ROOM
<b>OTHER FINANCING SOURCES (USES)</b>								
10010	Operating transfers in	1,051,395	-	-	-	-	-	-
10020	Operating transfers out	-	(1,051,395)	-	-	-	-	-
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	620,161	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	(620,161)	-	-	-	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	1,671,556	(1,051,395)	(620,161)	-	-	-	-
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(908,715)	3,252,234	(742,475)	-	-	-	65,991
<b>MEMO ACCOUNT INFORMATION:</b>								
11020	Required annual debt principal payments	622,892	410,000	-	-	-	-	-
11030	Beginning equity	128,594,393	-	2,062,301	-	-	-	255,807
11040	Prior period adjustments and equity transfers	-	-	291,375	-	-	-	-
11170	Administrative fee equity	-	-	1,611,201	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-
11190	Unit months available	27,692	-	44,695	-	396	-	1,200
11210	Number of unit months leased	25,676	-	43,317	-	396	-	1,044
Equity Roll Forward Test:								
	Calculation from R/E Statement	\$ 130,937,912	\$ -	\$ 1,611,201	\$ -	\$ -	\$ -	\$ 321,798
	B/S Line 513	\$ 130,937,912	\$ -	\$ 1,611,201	\$ -	\$ -	\$ -	\$ 321,798
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	9 OTHER FEDERAL PROGRAM 2	2 STATE/LOCAL	COMMUNITY DEVELOPMENT BLOCK GRANT	COCC	ELIMINATION	TOTAL
	<b>REVENUE:</b>							
70300	Net tenant rental revenue	\$ -	\$ -	\$ 1,230,592	\$ -	\$ -	\$ -	\$ 8,980,532
70400	Tenant revenue - other	-	-	-	-	-	-	226,558
70500	Total tenant revenue	-	-	1,230,592	-	-	-	9,207,090
70600	HUD PHA grants	-	-	-	16,188	-	-	51,930,212
70610	Capital grants	-	-	-	-	-	-	3,574,922
70710	Management fee	-	-	-	-	2,552,907	(2,552,907)	-
70720	Asset management fee	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	517,452	(517,452)	-
70740	Front Line Service Fee	-	-	-	-	1,540,150	(1,540,150)	-
70750	Other fees	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-
71100	Investment income - unrestricted	-	-	296	-	9,067	-	110,699
71200	Mortgage interest income	-	-	-	-	-	-	2,033,120
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	554	-	-	-	146,194
71500	Other revenue	-	-	6,900	-	86,822	-	684,944
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restrictec	-	-	-	-	-	-	500
70000	<b>TOTAL REVENUE</b>	-	-	1,238,342	16,188	4,706,398	(4,610,509)	67,687,681
	<b>EXPENSES:</b>							
	Administrative							
91100	Administrative salaries	-	-	150,251	-	1,080,530	-	3,685,094
91200	Auditing fees	-	-	13,520	-	5,860	-	73,680
91300	Outside management fees	-	-	-	-	-	(2,552,907)	-
91310	Book-keeping fee	-	-	-	-	-	(517,452)	-
91400	Advertising and marketing	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrativ	-	-	44,311	-	1,006,381	-	2,738,558
91600	Office expenses	-	-	37,674	-	148,798	-	555,805
91700	Legal expenses	-	-	1,844	-	94,882	-	226,603
91800	Travel	-	-	-	-	4,251	-	11,931
91810	Allocated overhead	-	-	-	-	-	-	-
91900	Other	-	-	680	-	109,393	-	253,303
92000	Asset Management Fee	-	-	-	-	-	-	-
	Tenant services							
92100	Tenant services - salaries	-	-	-	-	-	-	144,300
92200	Relocation costs	-	-	-	-	-	-	23,375
92300	Employee benefit contributions- tenant service:	-	-	-	-	-	-	25,465
92400	Tenant services - other	-	-	-	16,188	-	-	51,634
	Utilities							
93100	Water	-	-	150,798	-	-	-	1,556,684
93200	Electricity	-	-	27,233	-	77,155	-	1,172,863
93300	Gas	-	-	93,116	-	5,061	-	1,350,062
93400	Fuel	-	-	-	-	-	-	446,730
93500	Labor	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilitie:	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	13,598	-	-	-	259,703

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	9 OTHER FEDERAL PROGRAM 2	2 STATE/LOCAL	COMMUNITY DEVELOPMENT BLOCK GRANT	COCC	ELIMINATION	TOTAL
	Ordinary maintenance & operator							
94100	Ordinary maintenance and operations - labo	-	-	172,545	-	355,069	-	2,550,812
94200	Ordinary maintenance and operations - materials & othe	-	-	52,468	-	13,347	-	615,221
94300	Ordinary maintenance and operations - contract cost:	-	-	100,853	-	713,405	(1,540,150)	1,576,183
94500	Employee benefit contributions- ordinary maintenanc	-	-	79,207	-	266,788	-	1,944,300
	Protective services							
95100	Protective services - labor	-	-	9,059	-	-	-	9,059
95200	Protective services- other contract cost:	-	-	-	-	-	-	117,060
95300	Protective services - other	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective service	-	-	1,606	-	-	-	1,606
	General expenses							
96100	Insurance premiums	-	-	27,024	-	-	-	63,822
96110	Property Insurance	-	-	-	-	33,969	-	276,227
96120	liability insurance	-	-	-	-	-	-	-
96130	Workmen's compensation	-	-	11,283	-	159,558	-	358,283
96140	All Other Insurance	-	-	-	-	843	-	41,039
96200	Other general expenses	-	-	-	-	-	-	2,151,388
96210	Compensated absences	-	-	17,659	-	256,461	-	606,344
96300	Payments in lieu of taxes	-	-	82,780	-	-	-	82,780
96400	Bad debt - tenant rents	-	-	-	-	-	-	11,239
96500	Bad debt- mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	114,810	-	-	-	483,520
96720	Interest on Notes Payable (Short and Long Term	-	-	-	-	-	-	234,596
96730	Amortization of bond issue costs	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	10,321	-	42,292
96900	<b>TOTAL OPERATING EXPENSES</b>	-	-	1,202,319	16,188	4,342,072	(4,610,509)	23,741,561
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	-	-	36,023	-	364,326	-	43,946,120
97100	Extraordinary maintenance	-	-	-	-	-	-	355,923
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	35,484,022
97350	HAP Portability - in	-	-	-	-	-	-	49,628
97400	Depreciation expense	-	-	217,647	-	921,698	-	7,128,508
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	-	-	1,419,966	16,188	5,263,770	(4,610,509)	66,759,642

Housing Authority of the City of Jersey City								
NJ009								
Financial Data Schedule (FDS)								
March 31, 2015								
Line Item #	Account Description	SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES	9 OTHER FEDERAL PROGRAM 2	2 STATE/LOCAL	COMMUNITY DEVELOPMENT BLOCK GRANT	COCC	ELIMINATION	TOTAL
<b>OTHER FINANCING SOURCES (USES)</b>								
10010	Operating transfers in	-	-	-	-	-	(1,051,395)	-
10020	Operating transfers out	-	-	-	-	-	1,051,395	-
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	-	-	-	-	-	(620,161)	-
10094	Transfers between program and project out	-	-	-	-	-	620,161	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-	-	-
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	-	-	(181,624)	-	(557,372)	-	928,039
<b>MEMO ACCOUNT INFORMATION:</b>								
11020	Required annual debt principal payments	-	-	95,623	-	-	-	1,128,515
11030	Beginning equity	291,375	-	2,268,532	-	5,462,274	-	138,934,682
11040	Prior period adjustments and equity transfers	(291,375)	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	1,611,201
11180	Housing assistance payments equity	-	-	-	-	-	-	-
11190	Unit months available	-	-	1,512	-	-	-	75,495
11210	Number of unit months leased	-	-	1,475	-	-	-	71,908
Equity Roll Forward Test:								
	Calculation from R/E Statement	\$ -	\$ -	\$ 2,086,908	\$ -	\$ 4,904,902	\$ -	\$ 139,862,721
	B/S Line 513	\$ -	\$ -	\$ 2,086,908	\$ -	\$ 4,904,902	\$ -	\$ 139,862,721
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -