

book club, current event discussions and music appreciation.

Board Development and Strategic Planning are focal points for the Board of Directors as good governance practices continue to be pursued and enhanced. Quinnipiac University's Graduate School of Professional Studies chose the Towers to participate with two of their Capstone Projects that were directed at board enhancement.

Board and individual director surveys were completed for a second consecutive year. Results indicate that our governance practices are on the right track. All indications are that directors have embraced fund development as a priority understanding that all life-enhancements for our residents only come from the funds raised outside of residents' rent because their rent only pays for operation and management of the buildings.

Now the Towers organizations are looking to the future poised to continue to fulfill our mission, remaining a vital force and leader in elder care. As we do this, we encourage and welcome the continued support of dedicated individuals and the greater community.

Thank you for your support and interest and for allowing us the opportunity to lead this outstanding organization.

Peter Newman
Chair of the Board

Dorothy Giannini-Meyers
President



Donations made to Tower One, Inc.,
for the benefit of
Tower One/Tower East residents
July 1, 2006 to June 30, 2007

Charlotte and Bobby Wayne Adams	Evelyn Brown
Joshua and Rochelle Adani	Frances Brown
Agnes Adler	Joyce Brown
Diane and Elliot Alderman	Karen and Richard Brown
Lucille Alderman	Jack and Lillian Brown
Daisy Allen	Samuel and Susan Burstein
Edythe Altvater	Susan and Barry Buxbaum
Ellen Angus	Eda Calechman
Mr. and Mrs. Roger Astmann	Rose Calloway
Dr. and Mrs. Stephen Atlas	Rosina Carpentier
Robert and Irma Bachman	Dr. and Mrs. Harvey Cedarbaum
Abram and Tsilya Badinter	Daniel Chesir
Muriel and Earl Banquer	Joan Chetrick
Mackey Barron	Betty Clark
Reberta Beattie	Leo and Harriet Clarke
Myrna and Paul Beck	Dollie Clemons
Sharon and David Bender	Eleanor Cobb
Bender Plumbing Supplies	Sue Cohen
Anatoly and Yeugenia Bendersky	Shirley Cohen
Mary Bergan	Minnie Cohen
Beverly Bergstein	Charles Cohen
Martin and Frances Bernstein	Morris and Gloria Cohen
Martin Bevetsky	Dr. Gordon and Marjorie Cohen
John Bilbao	Judith (Julia) Cohen
Dorothy Blaustein	Congregation Or Shalom, Inc.
Cindy and Jules Block	Miriam Cooper
Jules Block	Geary Corves
Florence Blossveren	Fred Crenshaw
Barbara and Marc Blossveren	Peter Cresswell
Ruth Blum	Margaret Danihy
Jeffrey Blum	Lynn and George Davenport
Betty Lou and Joseph Blumberg	Faye Davis
Beatrice Boxley	Paul and Debbie Davis
Marilyn Braginsky	Debra Davis-Frazier
Dr. and Mrs. Stephen Brenner	Evelyn Dermer
Charlotte Brenner	Carol and Satish Dhawan
Rabbi Gerald Brieger	Elaine and Alan Diamond
Phyllis Brodoff	Donald and Patricia Dimenstein
Doris Bromfield	Joseph and Lillian Dimow

Ina and Mark Donohoe	Robert and Kathleen Glassman
Virginia Dowd	Miriam and Ephrem Glenn
Mabel Draper	Leonard and Rita Gold
Sheila Dubak	Goldie and Zelly Goldberg
Laurie and Nevin Dubin	Florence Gooding
Rabbi Richard Eisenberg	Pauline Goodman
Dr. and Mrs. Arnold J. Eisenfeld	Robert and Sue Y. Goodman
John and Civia Eldrich	Goodwin Levine Charitable Foundation
Emily Emerson	John and Frances Gordon
Ophelia Empleo-Frazier MSN, C-GNP	Israel and Adele Gordon
Lucille Enson	Shirley Graf
Ethel Epstein	Charles Gray
Dr. and Mrs. Edward Etkind	Marilyn and Mark Gredinger
Al and Irma Evans	Ian and Holly Green
Janet and Sidney Evans	Irene Greenberg
Joel and Jodi Evans	Mildred Greenberg
Ronald and Linda Evans	Steven Greenberg
James Evans	Stanley Greenberg & Rosa DeLauro
Samuel and Claire Faiman	Solomon Greenspan
Dorothy Falk	Ida Grooms
Grigory and Yeliza Farber	Elaine and Jay Grossman
Ann Feldman	Dr. and Mrs. Richard Grossman
Richard and Rosanne Ferraro	Lillian Groveman
June M. Finkel	Halton Company
Inge and Leonard Fish	Judith Hahn
Terry Fleischer	Roberta Hamilton-Blum
Lillian Fleischner	Jill S. Hammond
Steven and Susan Floman	Joyce Handleman
Sylvia Fogel	Kenneth and Reyna Harrison
Gail and Kevin Ford	Vivian Hart
Costenia Fountain	Edgar and Beatrice Hartley
Ms. Geraldine Frankel	Margaret Harvey
Maggie Free	Richard Hawkins
Julius Friedman	Alexander Heisler
Marilyn and Basil Friedman	Hobart Corporation
Edith Friedman	Mr. Andrew and Barbara Hodes
Karen Funkenstein	The Hollander Foundation
Dolores Galiette	Cora Holland
Howard Gall	Helen Holland
Aron Gekhman	Richard and Vicki Horowitz
Albert Gershman	David Horowitz
Thomas and Sandra Giannini	Estelle Horwitz
Louise Giannini	Willa Houlihan
Steven Meyers & Dorothy Giannini - Meyers	Hilda Israel
Fred and Bernice Gillman	Jewelene Ivory
	Robert and Barbara Jacobs

Penelope Jennett	Sidney and Donna Levine
Noreen Jones	Harold Levitz
Alan and Denise Judelson	Joel Levitz
Bruce and Deborah Judelson	Stuart and Judy Levitz
Lillian Kabakoff	Bertha Levy
Bertha Kahn	Eleanor Lewis
Geoffrey Kandall	Mr. and Mrs. Joel P. Liebling
Milton Kantrovitz	Shaun Liebskind
Vivian and Richard Kantrow	Benjamin and Loretta Lipka
Sofiya Kaper	Janice Lippincott
Naomi and Howard Karten	Ellen Liskov
Richard and Elinor Katz	Mr. and Mrs. John Loeb
Barbara and Ivan Katz	Lena Low
Zelda Keller	Azril Loyferman and Paya Shvets
Elizabeth Kelly	Neil and Patricia Luban
Ruby Kendall	Roberta and Howard Lurie
Nina Khlystova	Milton and Shirley Lurie
Sayre Klebanoff	Miriam Lutch
Mr. and Mrs. Sidney S. Klein	Elinor Lutch
Lucy (Keynya) Kleyman	Robert Lyman
Alan and Naomi Klotz	Reva and Gary Lynes
Iosif and Vladlena Kogan	Roslyn Maginsky
Sylvia Konners	Harry Mangle
Jacqueline and Kurt Koral	Abram and Mary Mann
Dorothy Krass	Abram Maranets
Rae Kravitz	Esther Marcus
Ruth Krawetz	Jane and Hank Maretz
Rita Krevit	Abraham Margolies
Zelda Kroogman	Allan and Mae Margolis
Shirley Kroop	Anne Marnel
David and Darryl Rotman Kuperstock	Joseph Mascia
Joan LaFaille	Sam and Nadezhda Mashurov
Bessie Lander	Alan and Hinda Massey
Shelby Landesberg	Jacqueline Mathews
Shirley Lane	Frank Mattei
Joyce Lanier	Fanya Mayzlina
Sally Larrick	Joseph McGloin
Janet and Paul Lasewicz	Sherman and Sylvia Medalie
Law Office of Barbara H. Katz	Bella Medovnikova
Ruth Ledbetter	Neil and Jacquelyn Melmed
Cindy and David Leffell	Lawrence Merriam
Dr. and Mrs. Robert M. Lerman	Sam and Rose Merriam
Celia Lerner	Rena Miller
I.S. Levi and D.L. Law	Saul and Sandra Milles
Mr. and Mrs. Arnold Levine	Jeffrey and Nancy Millett
Sheldon Levine	Frank Mitchell
Ann Levine	Dorothy Moore

Elizabeth Morin	Susan Rosen
Aizic and Ela Moscovici	Irene and Les Rosenbaum
Ira and Marsha Moses	Stanley Rosenbaum and Paula Hyman
Mark and Ilene Moyher	Helene Rosenberg
MPH Group Inc.	Mr. and Mrs. Nathan Rosenberg
Mattie Murphy	Max Rosenkrantz
Lena Muzzi	Benjamin and Myrna Rottman
Rhoda Myers	Douglas Roxbury
Gerald Nacht	Alexander Rozsa
Louis Nadelman	Barbara Rubin
Robert Newman	Jane and Myron Rudner
Gerald Newman and Susan Ringel	Gary and Hana Rudnick
Peter Newman	Ruth Rudnick
Herbert and Edna Newman	Joanne and Stephen Rudof
Maria Nowacki	Janice and John Rudy
Lloyd and Verna Nurick	Rosalia Ruiz
Mary O'Rourke	Martin and Jane Sachs
Rebecca and Nicolas Olshansky	Michael and Linda Saffer
Esther and Floyd Ozeck	Laura Mae Salter
Miriam Ozeck	Dr. and Mrs. Henry B. Samson
Sam Ozeck	Blanche and Alvin Sapadin
Rosella Pagter	Theodore and Mollie Satin
Jerome Paley	Carole Schack
Dr. Gary and Deneen Pearl	David Schaefer and Janet Hall
David and Laura Pels	Ted and Debra Schaffer
Harold Perlin	David E. Schancupp
Dr. Theodore and Sydney Perry	Pearle Schaperow
Phoenix Foundation	Norma Schnapp
Mary Piazza	Dr. and Mrs. Jonathan Schneider
Anthony and Diane Piazza	Shirley F. Scholder
Philip Pivawer	Adelaide Scott
Marilyn Platcow	Ina Seider
Benjamin Podosek	Sam Seif
Evelyn Pollack	Ruth Seifert
Elizabeth Pollard	Rita and Aminadav Sela
Mary Pouncey	Martha and Robert Seldon
Ella Prillig	Tracy and Helen Selmon
Hyla Raphael	Gertrude Selwitz
Gary and Marlene Rappaport	Barbara and Mark Seymour
Lillian Rappaport	Arnold and Ariene Shanbrom
Malcolm and Barbara Rashba	Sidney and Elinor Shanbrom
Norman and Harriet Rashba	Lawrence and Sherry Shanbrom
Elizabeth and Alan Reznik	Richard Shiffirin
Judy Rifkin	Srui Shvartsburd
Gertrude Robinson	Dr. Alan P. Siegal
Judy and David Robison	Doris Sikorski
Evelyn Rogers-Ford	Elaine and Mark Silverman

Douglas and Susan Skalka	Barbara Wareck
Mark and Judith Sklarz	Frances Warshaw
Judge and Mrs. David W. Skolnick	Irwin and Dorothy Wasserman
Clara J. Smith	Richetta Watkins
Steven and Susan Smith	Mr. and Mrs. Alan B. Wayne
Martha Solnit	Anna Webb
Cecile Spector	Vera Weinstein
Jerome Spector	Dr. and Mrs. Bertrand Weisbart
Howard and Marian Spiro	Dorothy Weishaus
Shirley Steinbach	Richard Weiss & Lynda Rosenfeld
Rabbi and Mrs. Steven Steinberg	Faye (Frances) Wendell
Rose Steinman	Marian Wexler
Shirley Stephson	Dorothy Whittaby
Lawrence and Betsy Stern	Michael Wichter
Freda Stern	Carroll Williams
Clarence Stewart	Ella Willner
Elsa Stone & Steven Wolfson	Barbara Wilson
Alan Strauss	Mr. and Mrs. Ian Winnick
Frieda Strosberg	Arleen Winters
Cornelius Sullivan	Melanie and James Wolf
Evelyn B. Teush	Mark Wolfe and Barbara Flotte
Rosemary Tiedeman	Lilly Zayaruzny
Ethel Tolson	Karen and Ira Zeid
Nathan and Lillian Topf	Israel and Ruth Zelitch
Tower One/Tower East Resident's Association	Dr. and Mrs. Joseph H. Zelson
Tzedakah House	Douglas and Susan Ziman
Eleanor Ugolik	Joan Zito
Irena Urdang de Tour	J. Zonderman & Laurel Shader, MD
Giorgina Vitale	Esther Zonenshine
Ann Waldman	Susan Zucker

Community One

Congratulations & Thank You

**To all of you who contributed time, effort
and dollars to make this year's
Community One so successful.**

FINANCIAL REVIEW
For the Year Ended June 30, 2007

New Haven Jewish Community Council Housing Corp., d/b/a Tower One

REVENUE		EXPENSES	
Net Rental Income	\$1,815,959	Administrative	\$ 506,639
Dining Service	787,408	Utilities	420,143
Net Investment Income	16,307	Operating/Maintenance	517,272
Assisted Living Grant Revenue	288,555	Taxes and Insurance	313,353
Other Revenues	2,690,069*	Mortgage and Financial	49,058
TOTAL REVENUE	\$5,598,298	Dining Service	715,382
		Assisted Living Services	288,555
		Depreciation	671,310
		TOTAL EXPENSES	\$3,481,712

*Includes temporarily restricted assisted living conversion construction grant funds and service coordinator grant funds.

New Haven Jewish Federation Housing Corp., d/b/a Tower East

REVENUE		EXPENSES	
Net Rental Income	\$2,708,151	Administrative	\$ 484,802
Net Investment Income	37,550	Utilities	287,687
Other Revenues	106,410	Operating/Maintenance	542,248
TOTAL REVENUE	\$2,852,111	Taxes and Insurance	461,836
		Mortgage and Financial	446,928
		Depreciation	330,775
		Amortization	2,574
		TOTAL EXPENSES	\$2,556,850

Tower One, Inc.

REVENUE		EXPENSES	
Donations	\$ 81,971	Programs/Activities Expenses	\$ 62,745
Programs/Activities Income	21,025	Spiritual Leader Salary	12,725
Rental Income	7,561	Employee Benefits	528
Other Income	20,593	Payroll Taxes	6,799
Interest Income	7,864	Services Salaries	9,189
Advertising Income	180	Newsletter Expense	1,738
Newsletter Income	90	Religious Program	7,255
Special Events Income	11,752	Development Salary	27,867
Net Assets released		Events expenses	23,742
from restrictions	9,388	Advertising	660
TOTAL REVENUE	\$ 160,424	General/Administrative Office	23,597
		Professional	4,050
		TOTAL EXPENSES	\$ 180,895

**Board of Directors
2006—2007
Tower One/Tower East**

Officers:

Peter Newman, *Chair of the Board*
Cindy Leffell, *Vice-Chair Finance*
John Gordon, *Vice-Chair Facilities*
Lloyd Nurick, *Vice Chair Resident Services*
David Schancupp, *Treasurer*
Douglas Skalka, *Secretary*
Richard Weiss, *Immediate Past Chair*

Directors at Large:

Sharon Bender	Alan Siegal, MD
Irwin Epstein	Betsy Stern
Jacqueline Koral	Nathan Topf
Sidney Levine	Melanie Wolf
Esther Ozeck	

Resident Directors:

Willa Houlihan
Joe Mascia
Dorothy Moore

Tower One, Inc.

Board of Directors

Peter Newman, <i>President</i>	Douglas Skalka, <i>Secretary</i>
Cindy Leffell, <i>Vice President</i>	David Schancupp, <i>Treasurer</i>

Emeritus Directors

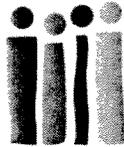
Diana Alderman	Barbara Katz
Robert Bachman	Rosalyn Kaye
Joseph Blumberg	Ted Schaeffer
Charlotte Brenner	Tracy Selmon
Andrew Eder	Rabbi Steven Steinberg
Eileen Eder	Shirley Stephson
Beatrice Horowitz	Jay Vlock
Alan Judelson	Rae Webber
Linda Kanter	Leonor Wexler

The mission of the Towers organization is to provide older persons of varying means with high quality living arrangements and services based on Jewish values and traditions.

PROUD MEMBERS OF

American Association of Homes and Services for the Aging
Association of Jewish Aging Services
Assisted Living Federation of America
Connecticut Assisted Living Association
Connecticut Association of Not-for-Profit Providers for the Aging
Greater New Haven Chamber of Commerce





Tower One
Tower East

**Fostering Independence and Community—
It's All Right Here**

**Tower One/Tower East
18 Tower Lane
New Haven, CT 06519
203-772-1816 fax 203-777-5921
www.towerone.org**

EXHIBIT 10 *A description of your project's resources.*

- (a) *A copy of the most recent project Reserve and Replacement account statement, and a Reserve for Replacement analysis showing plans for its use over the next five years, and any approvals received from the HUD field office to date.*

Tower One has 196 units and needs to reach and maintain a minimum operating reserve fund of \$1,000 per unit.

Tower One anticipates the cost of capital repairs to well exceed the funding available from the replacement reserves and is unable to contribute toward the conversion costs for the proposed ALCP project.

Following please find the most recent Reserve for Replacement account statement

Attached please find the Five Year Replacement for Reserve analysis.



1-800-862-6200

Call Citizens' PhoneBank anytime for account information, current rates and answers to your questions.



NH JEWISH COMMUNITY COUNCIL HOUSING CORP
 DBA TOWER ONE
 RESERVE FOR REPLACEMENT ACCOUNT
 18 TOWER LN
 NEW HAVEN CT 06519

Commercial Account Statement

1 OF 2

Beginning March 01, 2008
 through March 31, 2008

Commercial Checking

SUMMARY

Balance Calculation

Balance

Previous Balance	126,669.15	Average Daily Balance	135,540.11
Checks	.00 -	Interest	
Debits	.00 -	Current Interest Rate	2.47%
Deposits & Credits	11,000.00 +	Annual Percentage Yield Earned	2.68%
Interest Paid	304.33 +	Number of Days Interest Earned	31
Current Balance	137,973.48 =	Interest Earned	304.33
		Interest Paid this Year	934.57

NH JEWISH COMMUNITY COUNCIL HO
 DBA TOWER ONE
 RESERVE FOR REPLACEMENT ACCOUN
 Business Partners Money Market



Previous Balance
 126,669.15

TRANSACTION DETAILS

Deposits & Credits

Date	Amount	Description
03/06	10,000.00	Deposit
03/06	1,000.00	Deposit

Interest

Date	Amount	Description
03/31	304.33	Interest

APR 07 REC'D

+ Total Deposits & Credits
 11,000.00

+ Total Interest Paid
 304.33

= Current Balance
 137,973.48

Daily Balance

Date	Balance	Date	Balance
03/06	137,669.15	03/31	137,973.48

NEWS FROM CITIZENS

--Encourage Repeat Business! Sign up for a new merchant services account you'll receive 100 FREE gift cards to sell to your customers. Also, with your Citizens Bank business checking account you'll receive next day settlement of funds from credit card transactions when you choose Citizens Bank Merchant Services as your payment processor. Call 1-800-4BUSINESS or stop by your local branch for details. Terms and conditions apply. Limited time offer.

--Already in Rewards? As of February 2, the Citizens Bank Rewards program will help you redeem your Everyday Points even faster with lower redemption amounts. All customers enrolled in Rewards before February 2, 2008 will receive a letter with details on how to confirm their enrollment. Make sure to confirm your enrollment in the Rewards program to

Member FDIC Equal Housing Lender

Tower One R4R Five Year Analysis

2008 - 2012 Planned Capital Project Summary Sheet					
	2008	2009	2010	2011	2012
Projected Year End Balance	\$ 99,000	\$ 201,000	\$ 268,000	\$ 245,000	\$ 97,000
Carpeting		\$ 15,000			
Replace Refrigerators		\$ 20,000			
Upgrade Ground Floor A/C System			\$ 125,000		
Automatic Key Control System				\$ 250,000	
Handicap Parking Spaces					95000
Unanticipated Emergencies	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000

EXHIBIT 10 *A description of your project's resources.*

- (b) *A copy of the most recent Residual Receipts Account statement. Indicate any approvals for the use of such receipts from the field office for over \$500/unit.*

Tower One has no Residual Receipts Account, but is willing to establish such an account if it is necessary.

EXHIBIT 10

A description of your project's resources.

(c) Annual Financial Statement (AFS). If your FY 2007 AFS was due to REAC more than 120 days BEFORE the due date for this application, in the interest of reducing work burden, only include the date that it was sent to REAC. If the AFS was due to REAC 120 days or less from the due date of this application, you MUST include a paper copy.

Following please find the Annual Financial Statement (AFS) for the fiscal year ending June 30, 2007.

**NEW HAVEN JEWISH COMMUNITY
COUNCIL HOUSING CORPORATION
d/b/a Tower One**

Project No. 017-SH006-NP

Financial Statements and Schedules

June 30, 2007



Business Advisors and Certified Public Accountants

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Financial Statements and Schedules

C O N T E N T S

Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position.....	2
Statement of Activities	4
Statement of Changes in Net Assets.....	5
Statement of Cash Flows	6
Notes to the Financial Statements.....	8
Supplemental Data Required by HUD:	
Schedule 1 - Statement of Financial Position.....	13
Schedule 2 - Statement of Income and Expense	15
Schedule 3 - Statement of Changes in Net Assets.....	18
Schedule 4 - Statement of Cash Flows.....	19
Schedule 5 - Replacement Reserve	21
Schedule 6 - Residual Receipts	21
Schedule 7 - Computation of Surplus Cash, Distributions and Residual Receipts	22
Schedule 8 - Changes in Fixed Assets	23
Schedule 9 - Detail of Fixed Asset Additions and Deletions.....	23
Schedule 10 - Other Revenue.....	24
Federal Reports:	
Schedule of Expenditures of Federal Awards.....	25
Note to Schedule of Expenditures of Federal Awards.....	26
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	27
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	29
Schedule of Findings and Questioned Costs	31
Summary of Prior Audit Finding.....	33

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Financial Statements and Schedules

C O N T E N T S

State of Connecticut Reports:

Report on Compliance with Requirements Applicable to Each Major Program, on Internal Control Over Compliance in Accordance with the State Single Audit Act, and on the Schedule of Expenditures of State Financial Assistance.....	34
Schedule of Expenditures of State Financial Assistance	36
Note to Schedule of Expenditures of State Financial Assistance	37
Schedule of Findings and Questioned Costs	38
Summary of Prior Audit Findings	40
Directors' Certification	41
Management Agent's Certification	42
Lead Auditor Report	43



Business Advisors and Certified Public Accountants

Farmington • New London
Springfield, MA

Pond View Corporate Center
76 Batterson Park Road
Farmington, CT 06032

Main Line: (860) 678-6000
Toll Free: (800) 286-KRCCO
Fax: (860) 678-6110
Web: www.kostin.com

To The Board of Directors
New Haven Jewish Community
Council Housing Corporation
d/b/a Tower One
Project No. 017-SH006-NP

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of New Haven Jewish Community Council Housing Corporation d/b/a Tower One, as of June 30, 2007, and the related statements of activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Project's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Haven Jewish Community Council Housing Corporation d/b/a Tower One as of June 30, 2007, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 17, 2007, on our consideration of New Haven Jewish Community Council Housing Corporation d/b/a Tower One's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 does not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are presented as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. These schedules and the supplemental information on pages 12 through 23 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Farmington, Connecticut
September 17, 2007

Members of:

Leading Edge Alliance • Weston International • American Institute of Certified Public Accountants • Private Companies Practice Section • Connecticut Society of Certified Public Accountants

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Statement of Financial Position

June 30, 2007

Assets

Current Assets

Cash - Operations	\$	915
Tenant Accounts Receivable		5,125
Accounts Receivable - Other		17,204
Prepaid Expenses		67,388

Total Current Assets

90,632

Fixed Assets

Land		25,000
Building		21,131,282
Building Equipment - Portable		67,962
Furnishings		1,496,877
Office Furniture and Equipment		93,408
Maintenance Equipment		56,797

Total Fixed Assets

22,871,326

Accumulated Depreciation

(5,402,541)

17,468,785

Other Assets

Tenant Deposits Held in Trust		172,196
Escrow Deposits		44,114
Replacement Reserves		277,679
Deposits		5,000
Cash Restricted for Long-Term Investment		99,504

Total Other Assets

598,493

\$ 18,157,910

The accompanying notes are an integral part of the financial statements

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Statement of Financial Position
June 30, 2007

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$	187,414
Accrued Expenses		120,691
Prepaid Revenue		5,759
Mortgage Payable - First Mortgage - Current		83,045
Capital Improvement Loan Payable - Current		31,271

Total Current Liabilities 428,180

Long-Term Liabilities

Tenant Deposits Held in Trust		166,752
Accrued Interest Payable - Flexible Subsidy Loan		67,150
Mortgage Payable - First Mortgage		1,346,684
Flexible Subsidy Loan Payable		785,500
Capital Improvement Loan Payable		436,291

Total Long-Term Liabilities 2,802,377

Total Liabilities 3,230,557

Net Assets

Net Assets - Unrestricted		14,827,849
Net Assets - Temporarily Restricted		99,504

Total Net Assets 14,927,353

\$ 18,157,910

The accompanying notes are an integral part of the financial statements

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Statement of Activities
For The Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
Revenue			
Net Rental Revenue	\$ 1,815,959	\$ -	\$ 1,815,959
Meal Service Revenue	787,408	-	787,408
Financial Revenue	16,307	-	16,307
Other Revenue	262,368	2,716,256	2,978,624
Net Assets Released Due to Satisfaction of Restrictions	<u>2,745,088</u>	<u>(2,745,088)</u>	<u>-</u>
Total Revenue	<u>5,627,130</u>	<u>(28,832)</u>	<u>5,598,298</u>
Expenses			
Administrative	506,639	-	506,639
Utilities	420,143	-	420,143
Operating and Maintenance	517,272	-	517,272
Taxes and Insurance	313,353	-	313,353
Financial Expenses	49,058	-	49,058
Meal Service Expense	1,003,937	-	1,003,937
Depreciation	<u>671,310</u>	<u>-</u>	<u>671,310</u>
Total Expenses	<u>3,481,712</u>	<u>-</u>	<u>3,481,712</u>
Change in Net Assets	<u>\$ 2,145,418</u>	<u>\$ (28,832)</u>	<u>\$ 2,116,586</u>

The accompanying notes are an integral part of the financial statements

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Statement of Changes in Net Assets

For The Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
Balance, Beginning of Year	\$ 12,682,431	\$ 128,336	\$ 12,810,767
Change in Net Assets	<u>2,145,418</u>	<u>(28,832)</u>	<u>2,116,586</u>
Balance, End of Year	<u>\$ 14,827,849</u>	<u>\$ 99,504</u>	<u>\$ 14,927,353</u>

The accompanying notes are an integral part of the financial statements

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Statement of Cash Flows

For The Year Ended June 30, 2007

Cash Flows from Operating Activities:

Rental Income	\$ 1,828,083
Interest Income	16,307
Other Income	3,757,554
Total Receipts	<u>5,601,944</u>

Administrative	70,092
Utilities	420,781
Salaries and Wages	559,095
Operating and Maintenance	317,196
Property and Liability Insurance	83,976
Miscellaneous Taxes and Insurance	233,181
Tenant Security Deposits	(32)
Other Operating Expenses	1,054,963
Interest on Mortgage	44,214
Interest on Notes Payable	4,844
Total Disbursements	<u>2,788,310</u>

Net Cash Provided by Operating Activities 2,813,634

Cash Flows from Investing Activities:

Net Purchase of Fixed Assets	(2,526,674)
Net Mortgage Escrow Deposits	(18,510)
Net Deposits to Replacement Reserve	(76,697)
Cash Restricted for Long-Term Investment	28,833

Net Cash Used in Investing Activities (2,593,048)

Cash Flows from Financing Activities:

Amortization of Notes Payable	(30,960)
Cash Paid on Mortgage Payable	(80,978)

Net Cash Used in Financing Activities (111,938)

Net Increase in Cash 108,648

Cash Overdraft, Beginning of Year (107,733)

Cash, End of Year \$ 915

The accompanying notes are an integral part of the financial statements

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

**d/b/a Tower One
Project No. 017-SH006-NP
Statement of Cash Flows
For The Year Ended June 30, 2007**

Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:

Change in Net Assets	\$ 2,116,586
Adjustments to Reconcile Change in Assets to Net Cash	
Provided by Operating Activities:	
Depreciation	671,310
(Increase) Decrease in:	
Tenant Accounts Receivable	7,972
Accounts Receivable - Other	7,529
Prepaid Expenses	(8,318)
Tenant Security Deposits Held in Trust	(31,124)
Increase (Decrease) in Liabilities:	
Accounts Payable	26,379
Accrued Expenses	(12,008)
Tenant Security Deposits Held in Trust	31,156
Prepaid Revenue	4,152
Net Cash Provided by Operating Activities	<u><u>\$ 2,813,634</u></u>

The accompanying notes are an integral part of the financial statements

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Notes To The Financial Statements

(1) Summary of Significant Accounting Policies:

Nature of Business

The Corporation is organized as a nonprofit corporation formed March 1969 to acquire an interest in real property located in New Haven, Connecticut, and to construct and operate thereon an apartment complex of 217 units, under Section 202 of the National Housing Act. Such projects are regulated by the U.S. Department of Housing and Urban Development (HUD) as to rent charges and operating methods.

Fixed Assets and Depreciation

Fixed assets are stated at cost. Depreciation of fixed assets is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives of five to forty years.

Expenditures for major renewals and betterments, which extend the useful lives of fixed assets, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue Recognition

Rental income is recognized on a monthly basis from tenants. Certain portions of the rent due from eligible tenants are supplemented by HUD.

The Corporation receives monthly rent supplements from HUD under a Housing Assistance Payment (HAP) contract. The contract expires June 30, 2024. The Corporation's operations include \$393,879 of rent supplement payments received during the year, which represents 7 % of total revenue.

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 the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

Contributions received are recorded as unrestricted, temporarily restricted and permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Notes To The Financial Statements

(1) Summary of Significant Accounting Policies: (Continued)

Income Taxes

The Corporation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been provided for in the financial statements.

Distributable Funds

In accordance regulatory agreement, all surplus cash must be deposited in the residual receipts account. There is no surplus cash at June 30, 2007.

Restricted Cash

Certain cash accounts are restricted for rehabilitation costs during the Assisted Living Conversion project.

Statement of Cash Flows

For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Off Balance Sheet Risk

During the fiscal year, the Corporation had amounts in excess of \$100,000 in a single bank due to occasional large fluctuations in cash. Amounts over \$100,000 are not insured by the Federal Deposit Insurance Company. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

(2) Mortgage Payable:

The Corporation entered into a mortgage with the Department of Housing and Urban Development. The mortgage payable, bearing interest at the rate of 3% annually, is payable in monthly installments of \$10,433 (including interest) through June 2021. The Project is pledged as collateral for the note.

Following are maturities of long-term debt for each of the next five years and thereafter:

Fiscal Year Ending June 30,

2008	\$	83,045
2009		85,982
2010		88,594
2011		91,289
2012		94,064
Thereafter		986,755

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Notes To The Financial Statements

(3) Capital Improvement Loan Payable:

The Corporation entered into a loan agreement with HUD whereby HUD advanced \$819,424 in order to fund certain improvements made to the property. The note is secured by a second mortgage on the property and bears interest at an annual rate of one percent with monthly payments of \$2,984 (including interest) through June 2021.

Fiscal Year Ending June 30,

2008	\$	31,271
2009		31,585
2010		31,903
2011		32,223
2012		32,547
Thereafter		308,033

(4) Property Tax Abatement:

The Corporation entered into an agreement with the City of New Haven regarding the abatement of real and personal property taxes. This agreement expires on May 13, 2008.

(5) Related Party Transactions:

The Corporation shares a common board of directors with the New Haven Jewish Federation Housing Corporation (Tower East). The Corporation has entered into a management agreement with Tower East to manage its property. Under this agreement, the Corporation receives a fee equal to 4½% of the monthly net rental income. For the year ended June 30, 2007, management fee income amounted to \$122,405. In addition, the Corporation pays the salaries and payroll taxes for Tower East, and is then reimbursed. As of June 30, 2007, no amounts were owed. Additionally, an employee of the Corporation is a spouse of a board member. Payroll and related benefits paid to the employee for the year ended June 30, 2007 were \$6,239. The Corporation also receives services from parties that are on the board of directors. For the fiscal year ended June 30, 2007, legal fees of \$1,150 were incurred, and \$4,539 is included in plumbing supplies.

(6) Pension Plan:

The Corporation participates in a defined contribution pension plan that covers all employees who are at least 21 years old with one year of service. The plan requires the Corporation to contribute 5% of each eligible employee's salary, as well as an additional 4.3% for salaries in excess of \$16,500. Pension expense for the year ended June 30, 2007 was approximately \$42,521.

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Notes To The Financial Statements

(7) Commitments:

The Corporation has entered into an agreement with a vendor to provide meals to the residents. This agreement is renewed annually and provides for a fixed fee to be charged for each meal. The tenants are charged for the meals at rates approved by the Department of Housing and Urban Development. The meal expense under this contract for the year ended June 30, 2007, was \$705,945 and is included in service expense on Schedule 2.

(8) Flexible Subsidy Loan:

The Corporation has a flexible subsidy loan with the Department of Housing and Urban Development. The loan proceeds were restricted to specific capital improvements. The loan bears interest at 1% per annum. All principal and accrued interest are due upon the earlier of the maturity of the mortgage note (June 2021) or the sale, foreclosure, refinancing, assignment or other disposition of the Project.

(9) Current Vulnerability Due to Certain Concentrations:

The Corporation's sole asset is Tower One Apartments. The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of Federal, State, and local regulatory agencies including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with the change.

(10) Other Mortgage and Replacement Reserve Information:

Total principal payments required under the mortgage, even if payments under a workout agreement are less or more than those required under the mortgage.	\$ 111,938
Replacement reserve deposits required by the regulatory agreement or amendments thereto, even if payments may be temporarily suspended or waived.	\$ 126,000
Replacement reserve releases which are included as expense items on the statement of activities.	\$ --

(11) Extended Use Agreement:

The Corporation entered into an agreement with HUD in conjunction with an assisted living conversion grant to maintain the Project as low to moderate income housing for the elderly for an additional twenty years beyond the maturity of the original mortgage (through June 2041).

(12) Contingencies:

Grants and certain donations require the fulfillment of certain conditions as set forth by the grantor or donor. Failure to fulfill the conditions could result in the return of the funds to the grantors. At June 30, 2007, the Assisted Living in Federal Facilities grant had \$61,696 of unexpended funds. These funds will be returned to the State and are included on the Statement of Financial Position under the caption Accrued Expenses.

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Notes To The Financial Statements

(13) Temporarily Restricted Net Assets:

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Temporarily restricted net assets are available for the following purposes:

Housing Tax Credits	\$ 13,949
Retainage Escrow	3,058
Assisted Living Federal Facilities	<u>82,497</u>
	<u>\$ 99,504</u>

The Assisted Living Conversion Project has been funded through grants from the Department of Housing and Urban Development. Total grants earned at June 30, 2007, were \$2,427,701, which is included in the Statement of Activities as "other revenue".

(14) Commitments:

The Corporation has entered into an agreement of an unrelated organization to provide building and security services. The contract allows for a general support service allowance and a management fee of \$36,000 and \$14,000, respectively, adjusted annually for inflation. The contract expires May 23, 2008.

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Supplemental Data Required by HUD

Schedule 1 -

Statement of Financial Position

Assets

Current Assets

1120 Cash - Operations	\$	915
1130 Tenant Accounts Receivable		5,125
1140 Accounts and Notes Receivable - Operations		17,204
1200 Miscellaneous Prepaid Expenses		67,388

Total Current Assets 90,632

Tenant Deposits Held in Trust

1191 Tenant Deposits Held in Trust		172,196
------------------------------------	--	---------

Funded Reserves

1310 Escrow Deposits		44,114
1320 Replacement Reserve		277,679

Total Funded Reserves 321,793

Fixed Assets

1410 Land		25,000
1420 Building		21,131,282
1440 Building Equipment - Portable		67,962
1460 Furnishings		1,496,877
1465 Office Furniture and Equipment		93,408
1470 Maintenance Equipment		56,797

Total Fixed Assets 22,871,326
1495 Accumulated Depreciation (5,402,541)

17,468,785

Other Assets

1525 Cash Restricted for Long-Term Investment		99,504
1590 Miscellaneous Other Assets (Deposits)		5,000

Total Other Assets 104,504

\$ 18,157,910

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Supplemental Data Required by HUD

Schedule 1 -

Statement of Financial Position

Liabilities and Net Assets

Current Liabilities

2110 Accounts Payable - Operations	\$	187,414
2116 Accounts Payable - Section 8 and Other		61,696
2120 Accrued Wages Payable		11,932
2121 Accrued Payroll Taxes Payable		421
2170 Mortgage Payable - First Mortgage (Short-Term)		83,045
2176 Capital Improvement Loan Payable (Short-Term)		31,271
2190 Miscellaneous Current Liabilities		46,642
2210 Prepaid Revenue		5,759

Total Current Liabilities 428,180

Tenant Deposits Held in Trust

2191 Tenant Deposits Held in Trust		166,752
------------------------------------	--	---------

Long-Term Liabilities

2133 Accrued Interest Payable - Other Loans/Notes		67,150
2320 Mortgage Payable - First Mortgage		1,346,684
2325 Flexible Subsidy Loan Payable		785,500
2326 Capital Improvement Loan Payable		436,291

Total Long-Term Liabilities 2,635,625

Total Liabilities 3,230,557

Net Assets

3130 Unrestricted Net Assets		14,827,849
3131 Temporarily Restricted Net Assets		99,504

14,927,353

\$ 18,157,910

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One

Project No. 017-SH006-NP
Supplemental Data Required by HUD

Schedule 2 -

Statement of Income and Expense

Rental Income

5120 Rent Revenue - Gross Potential	\$	1,462,689
5121 Tenant Assistance Payments		<u>393,879</u>

Total Rental Income		<u>1,856,568</u>
----------------------------	--	------------------

Vacancies

5220 Apartments		<u>40,609</u>
-----------------	--	---------------

Net Rental Revenue		<u>1,815,959</u>
---------------------------	--	------------------

5300 Services Income		<u>787,408</u>
----------------------	--	----------------

Financial Revenue

5410 Financial Revenue - Project Operations		5,298
5440 Revenue from Investments - Replacement Reserve		<u>11,009</u>

Total Financial Revenue		<u>16,307</u>
--------------------------------	--	---------------

Other Revenue

5910 Laundry and Vending Revenue		9,848
5920 Tenant Charges		5,620
5990 Other Revenue (Schedule 10)		<u>2,963,156</u>

Total Other Revenue		<u>2,978,624</u>
----------------------------	--	------------------

Total Revenue		<u>5,598,298</u>
----------------------	--	------------------

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Supplemental Data Required by HUD

Schedule 2 -

Statement of Income and Expense

Administrative Expenses

6210 Advertising and Marketing	\$	22,753
6250 Other Renting Expense		2,094
6310 Office Salaries		291,150
6311 Office Expenses		61,499
6330 Manager or Superintendent Salaries		112,642
6340 Legal Expense - Project		2,831
6350 Audit Expense		9,100
6390 Miscellaneous Administrative		4,570

Total Administrative Expenses 506,639

Utilities Expense

6450 Electricity		170,892
6451 Water		20,638
6452 Gas		212,204
6453 Sewer		16,409

Total Utilities Expense 420,143

Operating and Maintenance Expenses

6510 Payroll		191,639
6515 Supplies		65,949
6520 Contracts		64,206
6525 Garbage and Trash Removal		15,143
6530 Security Payroll/Contract		157,171
6546 Heating/Cooling Repairs and Maintenance		22,001
6548 Snow Removal		1,163

Total Operating and Maintenance Expenses 517,272

Taxes and Insurance

6711 Payroll Taxes (Project's Share)		61,954
6720 Property and Liability Insurance (Hazard)		73,828
6722 Workers' Compensation		11,221
6723 Health Insurance and Other Employee Benefits		166,350

Total Taxes and Insurance 313,353

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Supplemental Data Required by HUD

Schedule 2 -

Statement of Income and Expense

Financial Expenses

6820 Interest on Mortgage Payable	\$	44,214
6830 Interest on Notes Payable (Long-Term)		<u>4,844</u>
Total Financial Expenses		<u>49,058</u>
6900 Service Expenses		<u>1,003,937</u>
Total Cost of Operations Before Depreciation		<u>2,810,402</u>
Income Before Depreciation		2,787,896
6600 Depreciation Expenses		<u>671,310</u>
Change in Net Assets	\$	<u><u>2,116,586</u></u>

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Supplemental Data Required by HUD

Schedule 3 -

Statement of Changes in Net Assets

S1100-060	Previous Year Unrestricted Net Assets	\$ 12,682,431
3247	Change in Unrestricted Net Assets from Operations	<u>2,145,418</u>
3131	Unrestricted Net Assets	<u><u>\$ 14,827,849</u></u>
S1100-070	Previous Year Temporarily Restricted Net Assets	\$ 128,336
3248	Change in Temporarily Restricted Net Assets Operations	<u>(28,832)</u>
3132	Temporarily Restricted Net Assets	<u><u>\$ 99,504</u></u>
S1100-050	Previous Year Total Net Assets	\$ 12,810,767
3250	Total Change in Net Assets from Operations	<u>2,116,586</u>
3130	Total Net Assets	<u><u>\$ 14,927,353</u></u>

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
 d/b/a Tower One
 Project No. 017-SH006-NP
 Supplemental Data Required by HUD

Schedule 4 -

Statement of Cash Flows

Cash Flows from Operating Activities:

S1200-010 Rental Income	\$ 1,828,083
S1200-020 Interest Income	16,307
S1200-030 Other Income	3,757,554
S1200-040 Total Receipts	<u>5,601,944</u>
S1200-050 Administrative	70,092
S1200-090 Utilities	420,781
S1200-100 Salaries and Wages	559,095
S1200-110 Operating and Maintenance	317,196
S1200-140 Property and Liability Insurance	83,976
S1200-150 Miscellaneous Taxes and Insurance	233,181
S1200-160 Tenant Security Deposits	(32)
S1200-170 Other Operating Expenses	1,054,963
S1200-180 Interest on Mortgage	44,214
S1200-190 Interest on Notes Payable	4,844
S1200-230 Total Disbursements	<u>2,788,310</u>

S1200-240 Cash Provided by Operating Activities 2,813,634

Cash Flows from Investing Activities:

S1200-245 Net Mortgage Escrow Deposits	(18,510)
S1200-250 Net Deposits to Replacement Reserve	(76,697)
S1200-330 Net Purchase of Fixed Assets	(2,526,674)
S1200-600 Cash Restricted for Long-Term Investment	28,833

S1200-350 Cash Used in Investing Activities (2,593,048)

Cash Flows from Financing Activities:

S1200-360 Amortization of Mortgage	(80,978)
S1200-365 Loans or Notes Payable	(30,960)

S1200-350 Cash Used in Financing Activities (111,938)

S1200-470 Net Increase in Cash and Cash Equivalents 108,648

S1200-480 Cash and Cash Equivalents (Overdraft), Beginning of Year (107,733)

S1200T Cash and Cash Equivalents, End of Year \$ 915

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Supplemental Data Required by HUD

Schedule 4 -

Statement of Cash Flows

Reconciliation of Change in Net Assets to Cash Flows Provided by Operating Activities:	
3250 Change in Net Assets	\$ 2,116,586
Adjustments to Reconcile Change in Net Assets to Cash	
Provided by Operating Activities:	
6600 Depreciation	671,310
(Increase) Decrease in:	
S1200-490 Tenant Accounts Receivable	7,972
S1200-500 Accounts Receivable - Other	7,529
S1200-520 Prepaid Expenses	(8,318)
S1200-530 Tenant Deposits Held in Trust	(31,124)
Increase (Decrease) in Liabilities:	
S1200-540 Accounts Payable	26,379
S1200-560 Accrued Liabilities	(12,008)
S1200-580 Tenant Deposits Held in Trust	31,156
S1200-590 Prepaid Revenue	4,152
Cash Provided by Operating Activities	<u>\$ 2,813,634</u>

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Supplemental Data Required by HUD

Schedule 5 -

Replacement Reserve

In accordance with the provisions of the regulatory agreement, restricted cash is held by (enter name of agent to be used for replacement of property with the approval of HUD as follows:

Replacement Reserve:

1320P Balance June 30, 2006		\$ 200,982
Additions:		
1320DT Monthly Deposits	\$ 126,000	
1320INT Interest Credited	11,009	137,009
Withdrawals:		
1320WT Approved Withdrawals:	(60,298)	
1320OWT Other Withdrawals:		
1320OW-010 Bank Fees	(14)	(60,312)
1320 Balance June 30, 2007, Confirmed by Mortgagee		<u>\$ 277,679</u>

Schedule 6 -

Residual Receipts

None

The accompanying accountants' report should be read with these supplemental schedules

U.S. Department of Housing and Urban Development
 Housing - Federal Housing Commissioner
 Office of Multifamily Housing and Management and Occupancy

COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND
 RESIDUAL RECEIPTS

Project Name	Fiscal Period Ended	Project Number
New Haven Jewish Community d/b/a Tower One	06/30/07	017-SH006-NP
1. 1350 Cash (Accounts 1110, 1120, 1191, 1192)	\$ 173,111	
2. 1135 Tenant subsidy vouchers due for period covered by financial statement	\$ -	
3. S-1300-030 Other (describe)	\$ -	
(a) S1300-040 Total Cash (Add Lines 1,2, & 3)		\$ 173,111
4. S1300-050 Accrued mortgage interest payable	\$ -	
5. S1300-060 Delinquent mortgage principal payments	\$ -	
6. S1300-070 Delinquent deposits to replacement reserve	\$ -	
7. S1300-075 Accounts payable (due within 30 days)	\$ 187,414	
8. S1300-080 Loans and notes payable (due within 30 days)	\$ -	
9. S1300-090 Deficient Tax, Insurance or MIP Escrow Deposits	\$ -	
10. S1300-100 Accrued expenses (not escrowed)	\$ 58,995	
11. 2210 Prepaid rents (Account 2210)	\$ 5,759	
12. 2191 Tenant security deposit liability (Account 2191)	\$ 166,752	
13. S1300-110 Other (Describe) Due to State (ALFF)	\$ 61,696	
(b) S1300-140 Less Total Current Obligations (Add Lines 4 through 13)		\$ 480,616
(c) S1300-150 Surplus Cash (Deficiency) Line (a) minus Line (b)		\$ (307,505)
1. S1300-150 Surplus Cash		0
2a. S1300-160 Annual Distribution Earned During Fiscal Period Covered by the Statement	\$ -	
2b. S1300-170 Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period	\$ -	
2c. S1300-180 Distribution Paid During Fiscal Period Covered by Statement	\$ -	
3. S1300-190 Distribution Accrued and Unpaid as of the end of the current fiscal period (Line 2a plus 2b minus 2c)	\$ -	
4. S1300-200 Amount Available for Distribution During Next Fiscal Period (Lesser of line 1 or 3)		\$ -
5. S1300-210 Deposit due Residual Receipts (must be deposited with Mortgagee within 60 days after fiscal period end)		\$ N/A
Loan Technician	Loan Servicer	
_____	_____	
_____	_____	
Date		

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Supplemental Data Required by HUD

Schedule 8 -

Changes in Fixed Assets

	<u>Balance</u> <u>07/01/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/07</u>
Fixed Assets:				
1410 Land	\$ 25,000	\$ -	\$ -	\$ 25,000
1420 Building	18,579,910	2,551,372	-	21,131,282
1440 Building Equipment - Portable	67,962	-	-	67,962
1460 Furnishings	1,461,768	35,109	-	1,496,877
1465 Office Furniture and Equipment	93,408	-	-	93,408
1470 Maintenance Equipment	56,797	-	-	56,797
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 20,284,845</u>	<u>\$ 2,586,481</u>	<u>\$ -</u>	22,871,326
1495 Accumulated Depreciation	<u>\$ 4,731,231</u>	<u>\$ 671,310</u>	<u>\$ -</u>	<u>5,402,541</u>
1400N Net Book Value				<u>\$ 17,468,785</u>

Schedule 9 -

Detail of Fixed Asset Additions and Deletions

Fixed Asset Additions:

1420 Building	
1420A-010 Other Improvements	\$ 123,671
1420A-010 Improvements for Transition to Assisted Living	<u>2,427,701</u>
	2,551,372
1420 Furnishings	
1420A-010 Furnishings	<u>35,109</u>
	<u>\$ 2,586,481</u>

Fixed Asset Deletions:

None

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Supplemental Data Required by HUD

Schedule 10 -

5990 Other Revenue

Description 5990-010	Amount 5990-020
Management Fees	\$ 122,405
Resident Service Coordinator Grant	124,495
Assisted Living Conversion Grant from HUD	2,427,701
Assisted Living in Federal Facilities Grant from DECD	<u>288,555</u>
	<u>\$ 2,963,156</u>

The accompanying accountants' report should be read with these supplemental schedules

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One

Project No. 017-SH006-NP
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2007

Grantor; Pass-through Grantor; Program Title	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct:		
Mortgage - Supportive Housing for the Elderly	14.157	\$ 1,429,729*
Capital Improvement Loan - Supportive Housing for the Elderly	14.157	467,562*
Flexible Subsidy Loan - Supportive Housing for the Elderly	14.157	785,500*
Section 8 New Construction	14.182	393,879
Assisted Living Conversion Project	14.314	2,427,701
Multifamily Housing Service Coordinators	14.191	124,495

*Represents outstanding loan balance

See note to Schedule of Expenditures of Federal Awards

TowerOne2008-HUD ALCP
Exhibit 10
DUNS: [REDACTED]
FAXID: 210256965-6939

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Note to Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2007

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of New Haven Jewish Community Council Housing Corporation d/b/a Tower One and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



Business Advisors and Certified Public Accountants

Farmington • New London
Springfield, MA

Pond View Corporate Center
76 Batterson Park Road
Farmington, CT 06032

Main Line: (860) 678-6000
Toll Free: (800) 286-KRCO
Fax: (860) 678-6110
Web: www.kostin.com

To The Board of Directors
New Haven Jewish Community
Council Housing Corporation
d/b/a Tower One
Project No. 017-SH006-NP

**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**

We have audited the financial statements of New Haven Jewish Community Council Housing Corporation d/b/a Tower One, as of and for the year ended June 30, 2007, and have issued our report thereon dated September 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Compliance

In planning and performing our audit, we considered New Haven Jewish Community Council Housing Corporation d/b/a Tower One's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Haven Jewish Community Council Housing Corporation d/b/a Tower One's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of New Haven Jewish Community Council Housing Corporation d/b/a Tower One's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability of initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting (see Finding 2007-1).



To The Board of Directors
New Haven Jewish Community
Council Housing Corporation
d/b/a Tower One
Project No. 017-SH006-NP
Page Two

Internal Control over Compliance (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.



Farmington, Connecticut
September 17, 2007



Business Advisors and Certified Public Accountants

Farmington • New London
Springfield, MA

Pond View Corporate Center
76 Batterson Park Road
Farmington, CT 06032

Main Line: (860) 678-6000
Toll Free: (800) 286-KRCO
Fax: (860) 678-6110
Web: www.kostin.com

To The Board of Directors
New Haven Jewish Community
Council Housing Corporation
d/b/a Tower One
Project No. 017-SH006-NP

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

Compliance

We have audited the compliance of New Haven Jewish Community Council Housing Corporation d/b/a Tower One with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2007. New Haven Jewish Community Council Housing Corporation d/b/a Tower One's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Project's management. Our responsibility is to express an opinion on New Haven Jewish Community Council Housing Corporation d/b/a Tower One's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about New Haven Jewish Community Council Housing Corporation d/b/a Tower One compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on New Haven Jewish Community Council Housing Corporation d/b/a Tower One compliance with those requirements.

In our opinion, New Haven Jewish Community Council Housing Corporation d/b/a Tower One complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of New Haven Jewish Community Council Housing Corporation d/b/a Tower One is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered New Haven Jewish Community Council Housing Corporation d/b/a Tower One's internal control over compliance with requirements that could have a direct and material effect on a major



New Haven Jewish Community
Council Housing Corporation
d/b/a Tower One
Page Two

Internal Control Over Compliance (Continued)

federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

New Haven Jewish Community Council Housing Corporation d/b/a Tower One's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the entity's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.



Farmington, Connecticut
September 17, 2007

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2007

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified opinion

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified that are
not considered to be material weaknesses? x yes none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified that are
not considered to be material weakness(es)? yes x none reported

Type of auditors' report issued on compliance
for major programs: Unqualified opinion

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510(a)? yes x no

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>
<u>#14.314</u>	<u>Assisted Living Conversion Project</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? x yes no

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Schedule of Findings and Questioned Costs

For The Year Ended June 30, 2007

II. FINANCIAL STATEMENT FINDING

Finding #2007-1

Criteria

The Corporation does not prepare complete financial statements and notes to the financial statements in preparation of the audit in accordance with generally accepted accounting principles.

Condition

The corporation has a sufficient complement of personnel with appropriate skills, training and company specific experience in the selection, application and implementation of generally accepted accounting principles commensurate with financial reporting requirements and will comply with the requirements going forward.

Questioned Costs

None

Cause

This is a control deficiency that is a significant deficiency as defined by the current auditing literature regarding the preparation of financial statements.

Recommendation

None

Auditee Response

The auditee understands the finding.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

TowerOne2008-HUD ALCP
Exhibit 10
DUNS: [REDACTED]
FAXID: 210255965-8939

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Summary of Prior Audit Finding

Summary of Prior Audit Finding

Condition:

The Corporation did not make the replacement reserve payments.

Status:

The Project has started making payments



Business Advisors and Certified Public Accountants

Farmington • New London
Springfield, MA

Pond View Corporate Center
76 Batterson Park Road
Farmington, CT 06032

Main Line: (860) 678-6000
Toll Free: (800) 286-KRCCO
Fax: (860) 678-6110
Web: www.kostin.com

To The Board of Directors
New Haven Jewish Community
Council Housing Corporation
d/b/a Tower One
Project No. 017-SH006-NP

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE STATE SINGLE AUDIT ACT, AND ON THE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

Compliance

We have audited the compliance of New Haven Jewish Community Council Housing Corporation d/b/a Tower One with the types of compliance requirements described in the Office of Policy and Management Compliance Supplement that are applicable to its major state program for the year ended June 30, 2007. The major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major state program is the responsibility of New Haven Jewish Community Council Housing Corporation d/b/a Tower One's management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about New Haven Jewish Community Council Housing Corporation d/b/a Tower One's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on New Haven Jewish Community Council Housing Corporation d/b/a Tower One's compliance with those requirements.

In our opinion, New Haven Jewish Community Council Housing Corporation d/b/a Tower One complied, in all material respects, with the requirements referred to above that are applicable to its major state program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of New Haven Jewish Community Council Housing Corporation d/b/a Tower One is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major state program as a basis for designing our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the State Single Audit Act.

Members of:

Coaching Edge Alliance • Kostin International • American Institute of Certified Public Accountants • Private Companies Practice Section • Connecticut Society of Certified Public Accountants



New Haven Jewish Community
Council Housing Corporation
d/b/a Tower One
Page Two

Internal Control Over Compliance (Continued)

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of State Financial Assistance

We have audited the basic financial statements of New Haven Jewish Community Council Housing Corporation d/b/a Tower One as of and for the year ended June 30, 2007, and have issued our report thereon dated September 17, 2007. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, the Office of Policy and Management, and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

[REDACTED]
Farmington, Connecticut
September 17, 2007

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Schedule of Expenditures of State Financial Assistance
For The Year Ended June 30, 2007

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Identification Number	Expenditures
<u>MAJOR PROGRAM:</u>		
State of Connecticut Department of Economic and Community Development: Assisted Living in Federal Facilities (Congregate Service Subsidy)	11000-ECD46400-16068-033	<u>\$ 288,555</u>

See note to Schedule of Expenditures of State Financial Assistance

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Note to Schedule of Expenditures of State Financial Assistance
For The Year Ended June 30, 2007

The State of Connecticut Department of Economic and Community Development has provided financial assistance to New Haven Jewish Community Council Housing Corporation d/b/a Tower One through a grant in accordance with the General Statutes of the State of Connecticut. This financial assistance program funded the program that is listed on the Schedule of Expenditures of State Financial Assistance.

Summary of Significant Accounting Policies:

The accounting policies of New Haven Jewish Community Council Housing Corporation d/b/a Tower One conform to accounting principles generally accepted in the United States of America, as applicable to non-for-profit agencies. The following is a summary of the more significant policies relating to the aforementioned grant program.

Basis of Accounting

The financial statements contained in New Haven Jewish Community Council Housing Corporation d/b/a Tower One's annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis:

- Revenues are recognized when earned.
- Expenditures are recorded when incurred.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-5), certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2007

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditors' report issued on compliance for major programs Unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? yes no

- The following schedule reflects the major program included in the audit:

State Grant Program And Program	State Core - CT Number	Expenditures
State of Connecticut Department of Economic and Community Development: Assisted Living in Federal Facilities (Congregate Service Subsidy)	11000-ECD46400-16068-033	<u>\$ 288,555</u>

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION

d/b/a Tower One

Project No. 017-SH006-NP

Schedule of Findings and Questioned Costs

For The Year Ended June 30, 2007

II. FINANCIAL STATEMENT FINDINGS

- We issued our report dated September 17, 2007, 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.
- Our report on compliance indicated no reportable significant deficiencies.

Finding #2007-1

Criteria

The Corporation does not prepare complete financial statements and notes to the financial statements in preparation of the audit in accordance with generally accepted accounting principles.

Condition

The corporation has a sufficient complement of personnel with appropriate skills, training and company specific experience in the selection, application and implementation of generally accepted accounting principles commensurate with financial reporting requirements and will comply with the requirements going forward.

Questioned Costs

None

Cause

This is a control deficiency that is a significant deficiency as defined by the current auditing literature regarding the preparation of financial statements.

Recommendation

None

Auditee Response

The auditee understands the finding.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings and questioned costs are reported relating to State Financial Assistance Programs.

TowerOne2008-HUD ALCP
Exhibit 10
DUNS: [REDACTED]
FAXID: 210256965-6939

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Summary of Prior Audit Findings
For The Year Ended June 30, 2007

Summary of Prior Audit Findings

No findings

TowerOne2008-HUD ALCP
Exhibit 10
DUNS: [REDACTED]
FAXID: 210256965-6939

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Directors' Certification

We hereby certify that we have examined the accompanying financial statements and supplemental data of New Haven Jewish Community Council Housing Corporation d/b/a Tower One and, to the best of our knowledge and belief, the same is complete and accurate.

DIRECTOR

Peter Newman
Chair

Cindy Leffell
Vice Chair, Finance
Federal ID# 06-0870134

TowerOne2008-HUD ALCP
Exhibit 10
DUNS: [REDACTED]
FAXID: 210256065 6930

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Management Agent's Certification

We hereby certify that we have examined the accompanying financial statements and supplemental data of New Haven Jewish Community Council Housing Corporation d/b/a Tower One and, to the best of our knowledge and belief, the same is complete and accurate.

Managing Agent

Dorothy Gianinni Meyers
President and Chief Executive Officer
New Haven Jewish Community Council
Housing Corporation
18 Tower Lane
New Haven, CT 06519

TowerOne2008-HUD ALCP
Exhibit 10
DUNS: [REDACTED]
FAXID: 210256965-6939

NEW HAVEN JEWISH COMMUNITY COUNCIL HOUSING CORPORATION
d/b/a Tower One
Project No. 017-SH006-NP
Lead Auditor Report

Patricia E. McGowan, CPA
Kostin, Ruffkess & Company, LLC
Pond View Corporate Center
76 Batterson Park Road
Farmington, CT 06032
(860) 678-6000
EIN: 06-0754920



Assisted Living Consultants, LLC

July 3, 2008

Rosalinda Lamberty
HUD Buffalo Office
Lafayette Court
465 Main Street, Fifth Floor
Buffalo, NY 14203-1780

Dear Ms. Lamberty:

On behalf of New Haven Jewish Community Council Housing Corp., Inc., we are submitting the attached Assisted Living Conversion Program application in response to the Notice of Fund Availability (NOFA) published in the Federal Register on May 12, 2008.

New Haven Jewish Community Council Housing Corp., Inc. has been in operation since December 1, 1971, serving the residents of the Greater New Haven community. As in many HUD Section 202 housing sites, its population is aging in place. In order to maximize their independence within a home like environment, various programs and services have been developed.

Although New Haven Jewish Community Council Housing Corp., Inc. has been able to create an array of supportive services to enable its residents to live in a home like environment, there have been limited resources to renovate units and the common areas to be more conducive to allow elders to further age in place. These NOFA funds will truly allow New Haven Jewish Community Council Housing Corp., Inc. to achieve its mission to provide quality, affordable care to elders, maximizing their independence within a home like environment, with the goal of avoiding premature and unnecessary institutionalization.

Thank you for your consideration. If you have any questions, please contact me or Kitty Potter, Project Manager, at 413-565-7144.

Sincerely,

Naren Dhamodharan
President

*167 Dwight Road- Suite 302
Longmeadow, MA 01106
☎ Telephone: 413-565-7144 ☎ Fax: 413-565-7145 ☎
Email: GDA@gdaconsultants.com*

June 2, 2008

To Whom It May Concern:

The New Haven Jewish Community Council Housing Corp., Inc., authorizes GDA Assisted Living Consultants, LLC to act as Authorized Organizational Representative for application submission for the 2008 U.S. Department of HUD Assisted Living Conversion Program grant.

Sincerely,

[REDACTED]

Lloyd Nurick
Chairman

List of ALCP Exhibits Table Of Contents

Exhibit	Description	Filename	Length (pages)
EXHIBIT 1	Application Summary, Form HUD-92045	TowerOne2008-Exhibit 1.pdf	2 Pages
EXHIBIT 2	Your Legal Status	TowerOne2008-Exhibit 2.pdf	27 Pages
2a	Articles of Incorporation, or self-certification		pgs.1-7
2b	By-laws, or self-certification		pgs.8-27
EXHIBIT 3	A description of your community support	TowerOne2008-Exhibit 3.pdf	179 Pages
3a	A description of links to the community at large and to the minority and elderly population		pgs.1-115
3b	A description of efforts to involve elderly persons:		pgs.116-133
3c	A description of your involvement in the community's Consolidated Planning process and Analysis of Impediments to Fair Housing		pgs.134-142
3d	Describe how the assisted living facility will implement practical solutions		pgs.143-167
3e	A description of how you have supported state and local efforts to streamline processes and procedures in the removal of regulatory barriers to affordable housing.		pgs.168-179
EXHIBIT 4	Evidence of your project being in occupancy for at least five years as of the date of the application to HUD	TowerOne2008-Exhibit 4.pdf	14 Pages
EXHIBIT 5	A market analysis of the need for the proposed ALF units, including information from the project and the housing market	TowerOne2008-Exhibit 5.pdf	163 Pages
5a	Evidence of need for ALF by current residents		pgs.1-80
5b	Evidence of need for ALF by very low income elderly and disabled households in market area		pgs.81-136
5c	A description of local alternate care and services		pgs.137-159
5d	A description of how Analysis of Impediments to Fair Housing Choice was used in documenting need for ALF		pgs.160-163

EXHIBIT 6	A Description of the Physical Construction Aspects of the ALF Conversion	TowerOne2008-Exhibit 6.pdf	103 Pages
6a	A description of how physical conversion will be carried out, including time-table and relocation planning		pgs.1-9
6b	Narrative stating the number of units being converted and design features		pgs.10-35
6c	A description on how the project will promote energy efficiency		pg.36
6d	A copy of original plans for all units and other areas, which will be included in conversion		pgs.37-55
6e	A description of accessibility features		pgs.56-73
6f	Architectural sketches of conversion		pgs.74-92
6g	Budget for all costs of items above		pgs.93-95
6h	Firm Commitment Letters for non-HUD funding		pg.96
6i	Description of relocation		pgs.97-100
6j	Address how training, employment, and economic opportunities will be directed to low and very low income persons		pgs.100-103
EXHIBIT 7	Description of any retrofit/renovation to be done with third party funds with firm commitment letters	TowerOne2008-Exhibit 7.pdf	1 Page
EXHIBIT 8	Evidence of permissive zoning	TowerOne2008-Exhibit 8.pdf	2 Pages
EXHIBIT 9	Supportive Services Plan	TowerOne2008-Exhibit 9.pdf	19 Pages
9a	A description of the supportive services needed by residents of the ALF units		pgs.1-4
9b	A description of how the supportive services will be provided; the service coordination role and how it will be funded; and how services will meet needs of residents		pgs.5-8
9c	A description of the ALF operation		pgs.9-12
9d	Individual monthly rate for board and supportive services of ALF and estimate of total annual cost		pgs.13-14
9e	Identification of funding sources for the board and supportive services		pg.15
9f	Support/commitment letters from each source identified in (e) above		pg.16
9g	Support letter from each governmental agency which will license the ALF		pg.17
9h	Description of your experience in arranging/delivering services		pgs.18-19

EXHIBIT 10	A description of your project's resources	TowerOne2008-Exhibit 10.pdf	51 Pages
10a	Copy of most recent R4R account statement and five year analysis		pgs.1-3
10b	Copy of most recent Residual Receipts Account statement		pg.4
10c	Your annual financial statement or date sent to REAC		pgs.5-51
EXHIBIT 11	FORMS, CERTIFICATIONS AND RESOLUTIONS	TowerOne2008-Exhibit 6.pdf	26 Pages
11a	Form HUD-92045		pgs.1-2
11b	Form HUD SF-424		pgs.3-6
11c	Form HUD SF-424-Supplement		pg.7
11d	Form HUD-424-CB		pgs.8-9
11e	Form HUD 424-CBW		pgs.10-15
11f	Form HUD 2880		pg.16
11g	Form HUD 2991		pg.17
11h	Form HUD 2994-A <i>(Optional-not included)</i>		
11i	Standard form LLL		pg.18
11j	Form HUD-96010 <i>(Separate MS Excel Attachment)</i>	TowerOne2008LogicModel96010.xls	
11k	Form HUD-27300		pgs.19-23
11l	Form HUD-2990 (PLEASE SEE COMPLETED FORM)		pg.24
11m	Form HUD-96011 <i>(Sample of form)</i>		pgs.25-26