

Report On Audit

**OLD BRIDGE TOWNSHIP
HOUSING AUTHORITY**

**For the Year Ended
December 31, 2021**

Old Bridge Township Housing Authority
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Old Bridge Township Housing Authority
2000 Route 18 North, Suite 100
Old Bridge, New Jersey 08857

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, of the Old Bridge Township Housing Authority, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Old Bridge Township Housing Authority basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Old Bridge Township Housing Authority as of December 31, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Old Bridge Township Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Old Bridge Township Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Old Bridge Township Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Old Bridge Township Housing Authority
- Old Bridge Township Housing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis supplemental information on pages 5 through 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Old Bridge Township Housing Authority's basic financial statements. The accompanying supplemental information on pages 38-44 is presented for additional analysis and is not required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The electronic filed Financial Data Schedule is presented for additional analysis as required by the U.S. Department of Housing and Urban Development's Real Estate Assessment Center and is also not required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, and the Financial Data Schedule are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit 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, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The financial statement of the Old Bridge Township Housing Authority as of December 31, 2020, was audited by other auditors whose report dated September 10, 2021, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2022, in our consideration of the Old Bridge Township 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Old Bridge Township Housing Authority's 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 Old Bridge Township Housing Authority's internal control over financial reporting and compliance.

Giampaolo & Associates

Lincroft, New Jersey

Date: August 19, 2022

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
STATEMENT OF NET POSITION - 1
AS OF DECEMBER 31, 2021

	2021
Assets	
Current Assets:	
Cash and Cash Equivalents	
Operating	\$ 377,512
Restricted	92,514
Total cash and equivalents	470,026
Accounts Receivables, Net of Allowances	62,969
Total Current Assets	532,995
Noncurrent Assets	
Capital Assets	
Land	1,061,385
Furniture, Equipment - Administration	31,988
Total Capital Assets	1,093,373
Less: Accumulated Depreciation	(31,988)
Net Book Value	1,061,385
Other Assets	
Mortgage Receivable	800,000
Total Noncurrent Assets	1,861,385
Total Assets	2,394,380
Deferred Outflow of Resources	
State of NJ P.E.R.S.	21
Total Assets and Deferred Outflow of Resources	\$ 2,394,401

See accompanying notes to the financial statements.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

As Management of the Old Bridge Township Housing Authority (the Authority), present the following discussion and analysis which is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached financial statements. Management Discussion and Analysis is designed to focus on the current year activities, resulting changes, and current known facts. It is by necessity highly summarized, and in order to gain a thorough understanding of the Authority's financial position, the financial statements and footnotes should be viewed in their entirety beginning on page 17 of this report. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

FINANCIAL HIGHLIGHTS

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,367,924 a decrease in the financial position of \$53,966 or 2% percent as compared to the prior year.

As noted above, the net position of the Authority was \$2,367,924 as of December 31, 2021. Of this amount, the unrestricted net position is \$414,025 representing an increase of \$40,031 or 11% percent from the previous year. Additional information on the Authority's unrestricted net positions can be found in Note 12 the financial statements, which is included in this report.

The net investment in capital assets remained the same during the year with an ending balance of \$1,061,385.

The restricted net position decreased \$93,997 or 10% percent from the previous year for an ending balance of \$892,514. Additional information on the Authority's restricted and unrestricted net positions can be found in Note 11 to the financial statements.

The Authority's total cash and cash equivalents on December 31, 2021 are \$470,026 representing a decrease of \$52,957 or 10% percent from the prior year. Operating cash decreased \$17,362 or 4% percent for an ending balance of \$377,512. Total restricted cash decreased \$35,595 or 28% percent for an ending balance of \$92,514. The full detail of these amounts can be found in the Statement of Cash Flows on page 20 of this report.

The Authority's total assets and deferred outflows are \$2,394,401 of which capital assets net book value is \$1,061,385, other assets are \$800,000, deferred outflow is \$21, leaving total current assets of \$532,995. Total current assets decreased from the previous year by \$53,197 or 9% percent. Operating cash decreased by \$17,362, restricted cash decreased \$35,595, and accounts receivables decreased by \$240 due to a decrease in portability receivables.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

FINANCIAL HIGHLIGHTS - CONTINUED

Capital assets reported no change from the prior year. A full detail of the capital assets account can be found in the Notes to the Financial Statements section Note – 7 Fixed Assets.

Mortgage receivable – noncurrent reported no change from the prior year. A full detail of the mortgage receivable account can be found in the Notes to the Financial Statements section Note – 8 Mortgage Receivable.

The Authority reported no change in the deferred outflow for the pension cost for an ending balance of \$21. The Authority also reported no change in the deferred inflow for the pension cost for an ending balance of \$22,849. A full detail of the pension reporting requirement can be found in the Notes to the Financial Statements section Note – 9 Deferred Outflows/Inflows of Resources.

The Authority's total liabilities are reported at \$3,628. Total liabilities increased during the year as compared to the prior year in the amount of \$769 or 27% percent. The increase was comprised of one account, accounts payables, which increased by \$769 or 27% percent.

The Authority had total operating revenue of \$2,194,987 as compared to \$2,458,161 from the prior year for a decrease of \$263,174 or 11% percent. The Authority had total operating expenses of \$2,249,749 as compared to \$2,191,138 from the previous year for an increase of \$58,611 or 3% percent, resulting in an excess of expenses from operations in the amount of \$54,762 for the current year as compared to an excess of revenue from operations in the amount of \$267,023 for a decrease in excess revenues over expenses of \$321,785 or 121% percent from the previous year.

The Authority had no capital additions for the fiscal year ending December 31, 2021. A full detail of capital fixed assets can be found in the Notes to the Financial Statements section Note – 7 Fixed Assets.

The Authority's Expenditures of Federal Awards amounted to \$2,081,912 for the calendar year 2021 as compared to \$2,278,345 for the previous calendar year 2020 for a decrease of \$196,433 or 9% percent.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant program:

1. Section 8 Housing Choice Voucher Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The basic financial statements are prepared on an entity wide basis and consist of:

- 1) Statement of Net Position
- 2) Statement of Revenue, Expenses, and Changes in Net Position
- 3) Statement of Cash Flows
- 4) Notes to the Financial Statements

The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities in the United States of America for the Enterprise Fund types. The Authority's activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations. The financial statements can be found on pages 17 through 20.

Statement of Net Position – This statement presents information on the Authority's total of assets and deferred outflow of resources, and total of liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenue, Expenses and Changes in Net Position – This statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows and cash outflows in the future periods.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

Statement of Cash Flows– This statement presents information showing the total cash receipts and cash disbursements of the Housing Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt payments, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Housing Authority in prior periods and subsequently received during the current fiscal year (i.e. accounts receivable, notes receivable, etc.).

Notes to the Financial Statements - Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Housing Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Housing Authority may face. The Notes to Financial Statements can be found in this Report beginning on pages 21 through 37.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Housing Authority's various programs and the required information mandated by regulatory bodies that fund the Housing Authority's various programs.

The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by the Uniform Guidance, Audits of States, Local Governments and Non-profit Organizations. The schedule of Expenditures of Federal Awards can be found on pages 38-39 of this report.

- 1. Federal Awards** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), federal award is defined as federal financial assistance and federal cost reimbursement contracts that non-federal agencies receive directly or indirectly from federal agencies or pass-through entities. Federal financial assistance is defined as assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations and other assistance.
- 2. Type A and Type B Programs** - The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the levels of expenditures or expenses to be used in defining Type A and Type B Federal financial assistance programs. Type A programs for the Old Bridge Township Housing Authority are those which equal or exceeded \$750,000 in expenditures for the fiscal year ended December 31, 2021. Type B programs for the Old Bridge Township Housing Authority are those which are less than \$750,000 in expenditures for the fiscal year ended December 31, 2021.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE)

The following summarizes the computation of Net Position between December 31, 2021 and December 31, 2020:

Computations of Net Position are as follows:

	<u>Year Ended</u>		Increase (Decrease)
	December-21	December-20	
Cash	\$ 470,026	\$ 522,983	\$ (52,957)
Other Current Assets	62,969	63,209	(240)
Capital Assets - Net	1,061,385	1,061,385	-
Other Assets	800,000	800,000	-
Deferred Outflows	21	21	-
Total Assets	<u>2,394,401</u>	<u>2,447,598</u>	<u>(53,197)</u>
Less: Current Liabilities	(3,628)	(2,859)	(769)
Less: Deferred Inflows	(22,849)	(22,849)	-
Net Position	<u>\$ 2,367,924</u>	<u>\$ 2,421,890</u>	<u>\$ (53,966)</u>
Net Investment in Capital Assets	\$ 1,061,385	\$ 1,061,385	\$ -
Restricted Net Position	892,514	986,511	(93,997)
Unrestricted Net Position	414,025	373,994	40,031
Net Position	<u>\$ 2,367,924</u>	<u>\$ 2,421,890</u>	<u>\$ (53,966)</u>

Cash decreased by \$52,957 or 10% percent. Net cash used by operating activities was \$53,753, net cash provided by capital and related financing activities was \$-0- and net cash provided by investing activities was \$796. The full detail of this amount can be found in the Statement of Cash Flows on pages 20 of this audit report.

Accounts receivables decreased in the amount of \$240 or less than 1% percent.

Capital assets reported no change from the prior year. A full detail of the capital assets account can be found in the Notes to the Financial Statements Section Note – 7 Fixed Assets.

The Authority reported no change in the deferred outflow for the pension cost for an ending balance of \$21. The Authority also reported no change in the deferred inflow for the pension cost for an ending balance of \$22,849.

Total current liabilities increased from the previous year by \$769 or 27% percent.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The Authority's reported net position of \$2,367,924 is made up of three categories. The net investment in capital assets in the amount of \$1,061,385 represents 45% percent of the total account balance. The net investment in capital assets (e.g., land, and office equipment); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide housing support services for the tenants of the Section 8 Housing Choice Voucher Program; consequently, these assets are not available for future spending. There was no activity in this account for the fiscal year ended December 31, 2021. The balance remained the same from the prior year.

The second largest portion of the Authority's net position reflects its restricted position in the amount of \$892,514 which decreased \$93,997 or 10% percent compared to the prior fiscal year.

The Old Bridge Township Housing Authority operating results for December 31, 2021, reported an increase in the unrestricted position of \$40,031 or 11% percent for an ending balance of \$414,025.

During the year, the Authority had no prior period adjustment as opposed to a prior period adjustment of \$2,164 for the prior year 2020 for the recording of changes in deferred inflows and outflows in relation to the GASB 68 Net Pension Liability.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The following summarizes the changes in Net Position between December 31, 2021, and December 31, 2020:

Computation of Changes in Net Position are as follows:

	<u>Year Ended</u>		Increase
	<u>December-21</u>	<u>December-20</u>	<u>(Decrease)</u>
<u>Revenues</u>			
HUD Subsidies	\$ 2,081,912	\$ 2,278,345	\$ (196,433)
Other Revenues	113,075	179,816	(66,741)
Total Operating Income	<u>2,194,987</u>	<u>2,458,161</u>	<u>(263,174)</u>
<u>Expenses</u>			
Operating Expenses	<u>2,249,749</u>	<u>2,191,138</u>	58,611
Total Operating Expenses	<u>2,249,749</u>	<u>2,191,138</u>	58,611
Operating Deficit before Non Operating Income	(54,762)	267,023	(321,785)
Interest Income	<u>796</u>	<u>2,122</u>	<u>(1,326)</u>
Change in Net Position	(53,966)	269,145	(323,111)
Net Position Prior Year	2,421,890	2,150,581	271,309
Prior Period Adjustment	-	2,164	(2,164)
Total Net Position	<u>\$ 2,367,924</u>	<u>\$ 2,421,890</u>	<u>\$ (53,966)</u>

Approximately 95% percent of the Authority's total revenue was provided by HUD operating subsidy, while 5% percent resulted from other sources. The Authority experienced a decrease in HUD subsidies from the prior year in the amount of \$196,433 or 9% percent due to the receipt of HCV Cares Act funding in the prior year 2020.

The Authority's operating expenses cover a range of expenses. The largest expense was for Housing Assistance Payments representing 98% percent of total operating expenses. Administrative expenses accounted for 1% percent; other operating expenses accounted for the remaining 1% of the total operating expenses.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The Authority operating expenses exceeded its operating revenue resulting in an excess of expenses from operations in the amount of \$54,762 from operations as compared to excess revenue from operations of \$267,023 for the previous year. The key elements for the increase in excess revenue in comparison to the prior year are as follow:

- The Authority reported a decrease in Section 8 Housing Choice Voucher grants provided by HUD in the amount of \$196,433 or 9% percent.
- Other revenue decreased \$66,741 or 37% percent.

The Authority experienced an increase in the following operating expense accounts:

- Audit fees increased in the amount of \$586 or 9% percent.
- Legal fees increased \$2,633 or 20% percent.
- General expenses increased in the amount of \$1,220 or 10% percent.
- Insurance premiums expense increased \$1,585 or 25% percent.
- Housing assistance payments increased in the amount of \$61,613 or 3% percent.

The Authority experienced a decrease in the following operating expense accounts:

- Other administrative expenses decreased in the amount of \$9,026 or 22% percent.

Total net cash used by operating activities during the year was \$53,753. A full detail of this amount can be found on the Statement of Cash Flows on pages 20 of this report.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The following are financial highlights of significant items for a four-year period of time ending on December 31, 2021.

	December-21	December-20	December-19	December-18
Significant Income				
HUD Operating Grants	\$ 2,081,912	\$ 2,278,345	\$ 1,875,165	\$ 1,819,652
Fraud Recovery	-	-	5,499	2,665
Investment Income	796	2,122	4,701	2,034
Other Income	113,075	179,816	314,251	451,273
Total	\$ 2,195,783	\$ 2,460,283	\$ 2,199,616	\$ 2,275,624
Other Significant Expenses				
Other Administrative Expenses	\$ 174,884	\$ 180,691	\$ 159,274	\$ 182,980
Other General Expenses	21,044	18,239	16,569	24,736
Housing Assistance Payments	2,053,821	1,992,208	1,955,268	2,020,973
Total	\$ 2,249,749	\$ 2,191,138	\$ 2,131,111	\$ 2,228,689
Total Operating Expenses	\$ 2,249,749	\$ 2,191,138	\$ 2,131,111	\$ 2,228,689
Total of Federal Awards	\$ 2,081,912	\$ 2,278,345	\$ 1,875,165	\$ 1,819,652

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

THE AUTHORITY AS A WHOLE

The Authority's revenues consist primarily of subsidies received from HUD and portability income received from other Authorities. The Authority receives subsidies each month based on a pre-approved amount by HUD. The Authority's revenues were sufficient to cover all expenses.

THE OLD BRIDGE TOWNSHIP HOUSING AUTHORITY PROGRAMS

Section 8 Housing Choice Voucher Program:

Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant's rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a lease that sets the participants' rent at approximately 30% of household income subject to certain restrictions

Township of Old Bridge Affordable Housing Trust Fund:

The Authority administers an affordable housing trust fund, for the Township, which is to provide housing assistance payments for families residing in the Township of Old Bridge (C.O.H.A.).

Housing Choice Voucher CARES Act Program

The CARES Act requires that recipients use of CARES grants be tied to preventing, preparing for, and responding to COVID-19, including maintaining normal operations and funding eligible affordable housing activities under NAHASDA during the period the program is impacted by COVID-19. These funds may also be used to maintain normal operations and fund eligible activities during the period that a recipient's program is impacted by COVID-19. HUD expects and encourages recipients to expend funds expeditiously given the ongoing COVID-19 National Emergency.

BUDGETARY HIGHLIGHTS

For the year ended December 31, 2021, individual program or grant budgets were prepared by the Authority and adopted by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

The budget for the Section 8 Housing Choice Voucher Program was adopted on the basis of accounting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which differ in some respects from generally accepted accounting principles. The Section 8 Housing Choice Voucher Program Housing Assistance Payments (HAP) funds were approved by the U.S. Department of Housing and Urban Development (HUD) on a basis consistent with the grant application covering HAP programs.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

NEW INITIATIVES

For the year 2021 and carrying over to 2022 the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 95% percent of its revenue from the Department of Housing and Urban Development, (2020 was 93% percent), the Authority are constantly monitoring for any appropriation changes especially since it appears the nation is continuing an era of need for additional public assistance to help families meet the challenges of a very tumultuous economy.

The current administration of the Authority is determined to improve the financial results of the Authority's operations. The Authority has made steady progress in various phases of our operations, all the while maintaining a strong occupancy percentage and a high utilization rate in Housing Assistance Programs. Interactions with the residents are a constant reminder of the need of the services. Regardless of the constraints (financial or regulatory) placed on this Housing Authority, the Authority will continuously look for ways to better provide or expand housing and housing assistance to qualified residents of the Old Bridge Township all the while being mindful of their responsibility to be good stewards of the public's tax dollars.

CAPITAL ASSETS AND DEBT ADMINISTRATION

1 - Capital Assets

The Authority's investment in capital assets as of December 31, 2021 is \$1,061,385 (net of accumulated depreciation). This investment in capital assets includes land, and office equipment. There was no change in the account during the fiscal year ended December 31, 2021.

	December-20	Additions	December-21
Land	\$ 1,061,385	\$ -	\$ 1,061,385
Furniture, Equipment - Administration	31,988	-	31,988
Total Fixed Assets	1,093,373	-	1,093,373
Accumulated Depreciation	(31,988)	-	(31,988)
Net Book Value	\$ 1,061,385	\$ -	\$ 1,061,385

Additional information on the Authority's capital assets can be found in Note 7 to the financial statements, which is included in this report.

2-Debt Administration

The Housing Choice Voucher Program does not have any long-term debt at this time.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Old Bridge Township Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. We do not expect this consistent trend to change.

The following factors were considered in preparing the Authority's budget for the fiscal year ending December 31, 2022.

- State of New Jersey economy including the impact on tenant income. Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income. Tenant rental payments are based on tenant income.
- Inflationary pressure on utility rates, supplies and other cost.
- Trends in the housing market which affect rental housing available for the Section 8 tenants, along with the amount of the rents charged by the private landlords, are expected to have a continued impact on Section 8 HAP payments.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mark Noble, Executive Director, Old Bridge Township Housing Authority, 2000 Route 18 North, Suite 100, Old Bridge, New Jersey 08857, or call (732) 607-6383.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
STATEMENT OF NET POSITION - 2
AS OF DECEMBER 31, 2021

	2021
Liabilities	
Current Liabilities:	
Accounts Payable	\$ 3,628
Total Current Liabilities	3,628
 Deferred Inflow of Resources	
State of NJ P.E.R.S.	22,849
 Net Position:	
Net Investment in Capital Assets	1,061,385
Restricted	892,514
Unrestricted	414,025
Total Net Position	2,367,924
 Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 2,394,401

See accompanying notes to the financial statements.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

	2021
Revenue:	
HUD PHA Operating Grants	\$ 2,081,912
Other Revenue	113,075
Total Revenue	2,194,987
Operating Expenses:	
Administration:	
Audit Fee's	6,991
Legal Fee's	15,750
Management Fee's	120,000
Other Administrative Expenses	32,143
Total Administrative Expenses	174,884
Other Operating Expenses:	
General Expenses	13,132
Insurance Premiums	7,912
Housing Assistance Payments	2,053,821
Total Other Operating Expenses	2,074,865
Total Operating Expenses	2,249,749
Excess Expense From Operations	(54,762)
Non Operating Income:	
Investment Income	796
Change in Net Position	(53,966)
Beginning Net Position	2,421,890
Ending Net Position	\$ 2,367,924

See accompanying notes to the financial statements.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

	2021
Cash Flow From Operating Activities	
Receipts from Federal Grants	\$ 2,081,912
Receipts from Other Sources	113,075
Payments to Vendors and Suppliers	(194,919)
Payments for Housing Assistance Payments	(2,053,821)
Net Cash Used by Operating Activities	(53,753)
Cash Flow From Investing Activities	
Interest Income	796
Net Cash Provided by Investing Activities	796
Net Decrease in Cash and Cash Equivalents	(52,957)
Beginning Cash, Cash Equivalents and Restricted Cash	522,983
Ending Cash, Cash Equivalents and Restricted Cash	\$ 470,026
Reconciliation of Cash Balances:	
Cash and Cash Equivalents - Unrestricted	\$ 377,512
Cash and Cash Equivalents - Restricted	92,514
Total Ending Cash	\$ 470,026
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Excess of Expenses From Operations	\$ (54,762)
Adjustments to reconcile excess expenses to net cash used by operating activities:	
(Increase) Decrease in:	
Accounts Receivables	240
Increase (Decrease) in:	
Accounts Payable	769
Net Cash Used by Operating Activities	\$ (53,753)

See accompanying notes to the financial statements.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF ORGANIZATION, ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization - The Authority is a non-profit corporation which was organized under the laws public corporation created under federal and state housing laws as defined by State statute (N.J., S.A. 40A:12A-1 et al the Housing Authority Act) 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 Old Bridge Township in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD).

The Authority is governed by a Board of Commissioners which is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the State of New Jersey Department of Community Affairs. An Executive Director is appointed by the Housing Authority's Board to manage the day-to-day operations of the Authority.

Operating grant is provided to the Authority by the federal government.

The financial statements include all the accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The Authority is not included in any governmental "reporting entity" since its board members; while they are appointed primarily by the Mayor of Old Bridge and Township Council, the Board of Commissioners have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters. The Authority has also concluded that it is excluded from the Old Bridge Township reporting entity.

The Authority's financial statements include the accounts of all the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based on the following criteria, the Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

2. Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Authority has determined that the applicable measurement focus (flow of economic resources) and accounting basis (accrual) is similar to that of a commercial enterprise. As such, the use of proprietary funds best reflects the activities of the Authority.

The Authority has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The Statement establishes accounting and financial reporting standards for non-exchange transactions including financial or capital resources. The Authority's primary source of non-exchange revenue relates to grants and subsidies. 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.

Basis of Accounting –

In proprietary fund, activities are recorded using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The major sources of revenue are HUD operating subsidy, and other revenue. Other revenue composed primarily of portability HAP income from other Authorities for the Housing choice Voucher program. The revenue is recorded as earned since it is measurable and available. Non-operating revenue and expenses consist of revenues and expenses that are related to financing and investing activities and result from non-exchange transactions or ancillary activities. The Authority provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for extremely low and very low-income families.

Financial transactions are recorded and organized in accordance with the purpose of the transaction. Each program is an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

Basis of Accounting – Continued

All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements. Because the Authority's activity is considered self-financing and does not rely on specific taxes or fines (i.e. property taxes, sales and use tax etc.) no activity will be maintained as governmental funds but will be recorded as proprietary funds under the Enterprise Fund.

Report Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues, or (iii) that the pricing policies of the activity establish fees and charges, designated to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The federally funded programs administered by the Authority are detailed in the Financial Data Schedule and the Schedule of Expenditures of Federal Awards; both are which are included as Supplemental information.

Other accounting policies are as follows:

- 1 – Cash and cash equivalents are stated at cost, which approximates market. The Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.
- 2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts.
- 3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight line basis.
- 4 – Operating subsidies received from HUD are recorded as income when earned.
- 5 – Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements December 31, 2021

Other accounting policies – Continued

6 - The Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of accounting Procedure issued after November 30, 1989.

7- The Authority does not have any infrastructure assets for its Enterprise Fund.

8 – Inter-fund receivable and payables arise from inter-fund transactions and are recorded by all funds in the period in which the transactions are executed.

9- Advertising cost is charged to expense when incurred.

10- When expenses are incurred where both restricted and unrestricted net positions are available the Authority will first use the restricted funds until they are exhausted and then the unrestricted net position will be used.

11-Impairment Losses

The Authority reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2021.

12 - Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and is exempt from income taxes under Section 115.

Under federal, state, and local law, the Authority's program is exempt from income, property and excise taxes.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

Other accounting policies – Continued

13- Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Authority but which will only be resolved when one or more future events occur or fail to occur. The Authority's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Authority or unasserted claims that may result in such proceedings, the Authority's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Authority's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

14 - Net Position

In accordance with the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"*, the Authority has classified its net position into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), granters, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component of net position consists of net position that do not meet the definitions of "restricted" or "net investment in capital assets."

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

Other accounting policies – Continued

15 - Operating and non-operating revenues and expenses

The major sources of revenue for the Authority are various subsidies from the U.S. Department of Housing and Urban Development. Other revenue composed primarily of resident’s portability income charges.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Non-operating revenues and expense consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

16- Recent Accounting Pronouncements

The Authority has implemented all new accounting pronouncements that are in effect and that may impact its financial statements. The Authority does not believe that there are any new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Budgetary and Policy Control –

The Authority submits its annual operating to the State of New Jersey Department of Community Affairs in accordance with New Jersey statute. After the New Jersey Department of Community Affairs approves the budget, it is formally adopted by resolution of the Housing Authority’s Board of Commissioners. Once adopted, the Board of Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund’s budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

Activities - The programs administered by the Authority were:

<u>Program</u>	<u>CFDA #</u>	<u>Project #</u>	<u>Units Authorized</u>
<u>Section 8 Housing</u>			
Housing Choice Vouchers	14.871	NJ-39V-110	204

Housing Trust Fund

The Authority administers an affordable housing trust fund which is to provide housing assistance payments for families residing in the Township of Old Bridge.

Section 8 Housing Choice Vouchers Program

Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords to provide housing to Section 8 tenants. The Authority subsidizes the tenant’s rent through Housing Assistance Payment made to the landlord. This program is also administered under an Annual Contributions Contract (ACC) with HUD.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements December 31, 2021

Board of Commissioners - The criteria used in determining the scope of the entity for financial reporting purposes are as follows:

1. The ability of the Board to exercise supervision of a component unit's financial independence.
2. The Board's governing authority extends to financial decision making authority and is held primarily accountable for decisions.
3. The Board appoints the management of the Authority who is responsible for the day-to-day operations and this management are directly accountable to the Board.
4. The ability of the Board to significantly influence operations through budgetary approvals, signing and authorizing contracts, exercising control over facilities, and approving the hiring or retention of key managerial personnel.
5. The ability of the Board to have absolute authority over all funds of the Authority and have accountability in fiscal matters.

NOTE 2 - ESTIMATES

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required 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 revenue and expenses during the period reported. These estimates include assessing the collectibility of accounts receivable, the use, and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements December 31, 2021

NOTE 3 - PENSION PLAN

The Authority participates in the State of New Jersey Public Employees Retirement System (PERS), which is sponsored and administered by the New Jersey Division of Pensions and Benefits. It is a cost sharing, multiple-employer defined benefit pension plan. PERS was established in January 1955 under the provision of NJ SA 43:15A to provide coverage, including post-retirement health care, for substantially all full time employees of the state, its counties, municipalities, school districts or public agencies, provided the employee is not a member of another state administered retirement system.

Membership is mandatory for such employees. Contributions to the plan are made by both the employee and the Authority. Required employee contributions to the system are based on a flat rate determined by the New Jersey Division of Pensions for active plan members. Benefits paid to retired employees are based on length of service, latest earnings, and veteran status. Authority contributions to the system are determined by PERS and are billed annually to the Authority.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0925.

On the web:

<http://www.state.nj.us/treasury/pensions/pdf/financial/2021divisioncombined.pdf>

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and Chapter 115, P.L. of 1998, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employer's contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 7.50% of base wages.

Funding Policy - continued

The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments, and the cost of medical premiums after retirement for qualified retirees, and noncontributory death benefits. The Authority's contribution for 2021 amounted to \$-0-.

Post Employment Retirement Benefits

The Authority provides post employment health care benefits and life insurance for its eligible retirees. Eligibility requires that employees be 55 years or older with various years of service.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

NOTE 4 – CASH, CASH EQUIVALENTS

The Old Bridge Township Housing Authority cash, cash equivalents are stated at cost, which approximates market. Cash, cash equivalents and investment includes cash in banks, petty cash and a money market checking account and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. 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.

Concentration of Credit Risk

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/FSLIC 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. These funds at various banks are collateral pledge under the New Jersey Government Code of the Banking Law.

Risk Disclosures

Collateral for Deposits

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.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. On December 31, 2021, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

Credit Risk

This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements
December 31, 2021

NOTE 4 – CASH, CASH EQUIVALENTS - CONTINUED

The Authority’s checking accounts are categorized to give indication of the level of credit risk assumed by the Authority. Custodial credit risk is the risk in the event of a bank failure, the Authority’s deposits may not be returned to it. The custodial credit risk categories are described as follows:

<u>Depository Accounts</u>	<u>December-21</u>
Insured	\$ 250,000
Collateralized held by pledging bank's trust department in the Authority's name	<u>220,026</u>
Total Cash and Cash Equivalents	<u><u>\$ 470,026</u></u>

Restricted Cash

The restricted cash in the amount of \$34,020 for 2021 was reported under the Housing Choice Voucher Program as a reserve for future use. In accordance with HUD’s PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

The amount of \$58,494 is held in a trust account for future development of housing in the Township of Old Bridge.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts Receivable on December 31, 2021, consisted of the following:

	<u>December-21</u>
Accounts Receivable - Employee Theft	\$ 76,300
Less: Allowance for Doubtful Accounts	<u>(13,331)</u>
Net Accounts Receivable - Employee Theft	<u>62,969</u>
Fraud Recovery -Tenants	820
Less Allowance for Fraud Recovery	<u>(820)</u>
Net Fraud Recovery	<u>-</u>
Accounts Receivable - Net of Allowances	<u>\$ 62,969</u>

The Old Bridge Township Housing Authority carries its accounts receivable at cost less an allowance for doubtful accounts. Accounts are written off as uncollectible when management determines that a sufficient period of time has elapsed without receiving payment and the individual do not exhibit the ability to meet their obligations. Management continually monitors payment patterns of the tenants, investigates past-due accounts to assess likelihood of collections, and monitors the industry and economic trends to estimate required allowances. It is reasonably possible that management's estimate of the allowance will change.

Two former Housing Choice Voucher employees were indicted on charges of official misconduct and theft by unlawful taking of funds from the Authority. A court order is in place and payments are being received in subsequent years. Management has estimated eighteen percent (17%) to be a fair assumption for the allowance for doubtful accounts.

NOTE 6 - INTERFUND ACTIVITY

Interfund activity is reported as short term loans, services provided during the course of operations, reimbursements, or transfers. Short term loans are reported as interfund short term receivables and payable as appropriate. The amounts between the various programs administered by the Authority on December 31, 2021, are detailed on the Financial Data Schedule of this report. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements
December 31, 2021

NOTE 7 - FIXED ASSETS

Fixed assets consist primarily of expenditures to acquire, construct, place in operations, and improve the facilities of the Authority. Property and equipment are stated at cost. Donated fixed assets are stated at their fair value on the date donated.

Expenditures for repairs, maintenance and minor renewals are charged against income in the year they are incurred. Major renewals and betterment are capitalized. Expenditures are capitalized when they meet the Capitalization Policy requirements. Under the policy, assets purchased or constructed at a cost not exceeding \$1,000 are expensed when incurred.

Depreciation

Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

1. Office Equipment 5 years

The Authority reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2021.

Below is a schedule of changes in fixed assets for the twelve months ending December 31, 2021:

	December-20	Additions	December-21
Land	\$ 1,061,385	\$ -	\$ 1,061,385
Furniture, Equipment - Administration	31,988		31,988
Total Fixed Assets	1,093,373	-	1,093,373
Accumulated Depreciation	(31,988)	-	(31,988)
Net Book Value	\$ 1,061,385	\$ -	\$ 1,061,385

Below is a schedule of the net book value of the fixed assets for the Authority as of December 31, 2021:

<u>Net Book Value of Fixed Assets</u>	<u>December-21</u>
Land	\$ 1,061,385
Furniture, Equipment - Administration	-
Net Book Value	\$ 1,061,385

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

NOTE 8 – OTHER ASSETS – MORTGAGE RECEIVABLE

On December 8, 2003, the Authority advanced \$800,000 to the Old Bridge Housing Urban Renewal Partnership, L.P. for the construction of an affordable elderly development. The loan is non-interest bearing, secured by a third mortgage on the premises and is due thirty (30) years from the first day of the month following completion of the construction of the development, which was August 1, 2005. Accordingly, the maturity date is to be August 1, 2036. Management believes that at the end of the term, they will receive payment of the loan.

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A deferred outflow is an outflow of resources, which is a consumption of net assets by the government that is applicable to the reporting period. A deferred inflow is an inflow of resources, which is an acquisition of net assets by the government that is applicable to the reporting period.

The difference between expected and actual experience with regard to economic and demographic factors, when the actuary calculated the net pension liability, is amortized over a five-year closed period for PERS, reflecting the average remaining service life of members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The Authority's deferred outflows and inflows are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences Between Expected and Actual Experiences	\$ -	\$ -
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	21	22,849
Total	<hr/> <hr/> \$ 21	<hr/> <hr/> \$ 22,849

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-CONTINUED

Difference in Expected and Actual Experience

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a five-year closed period reflecting the average remaining service life of the plan members (active and inactive), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is \$-0-.

Changes in Assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over a five year closed period, reflecting the average remaining service life of the plan members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is \$-0-.

Net Difference between Projected and Actual Investments Earnings on Pension Plan Investments

The difference between the System's expected rate of return of and the actual investment earnings on pension plan investments is amortized over a five year closed period in accordance with GASB 68. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is \$-0- and \$-0-.

Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions

The change in employer proportionate share is the amount of difference between the employer proportionate shares of net pension liability in the prior year compared to the current year. The difference between employer contributions and proportionate share of contributions is the difference between the total amount of employer contributions and the amount of the proportionate share of employer contributions. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a six-year closed period for PERS, reflecting the average remaining service life of PERS members (active and inactive members), respectively. The changes in proportion and differences between employer contributions and proportionate share of contributions for the fiscal year are \$21 and \$22,849.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements
December 31, 2021

NOTE 10 – ACCOUNTS PAYABLE

The Authority reported accounts payable on its Statement of Net Position as of December 31, 2021. Accounts payable vendors are amount owing to creditors or generally on open accounts, as a result of delivered goods and completed services. Accounts payable on December 31, 2021, was in the amount of \$3,628.

NOTE 11 – RESTRICTED NET POSITION

The Authority’s restricted net position account balance on December 31, 2021, is \$892,514. The details of the restricted reserve account balances are as follows:

	<u>HCV HAP Reserve</u>	<u>Trust Fund Reserves</u>	<u>Total</u>
Balance December 31, 2020	\$ 128,109	\$ 858,402	\$ 986,511
Increase During the Year	-	92	92
Decrease During the Year	(94,089)	-	(94,089)
Balance December 31, 2021	<u>\$ 34,020</u>	<u>\$ 858,494</u>	<u>\$ 892,514</u>

Housing Choice Voucher Program - Reserves

The restricted cash in the amount of \$34,020 was reported under the Housing Choice Voucher Program as a HAP reserve for future use. In accordance with HUD’s PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

Housing Choice Voucher Program HUD Held Reserves Funds

Effective January 1, 2012, HUD was required to control the disbursement of funds in such a way that the Authority does not receive funds before they are needed, resulting in the re-establishment of HUD held program reserves to comply with the Treasury requirements. HUD held reserve is a holding account at the HUD level that maintains the excess of HAP funds that have been obligated (ABA) but undisbursed to the Authority. The excess HAP funds will remain obligated but not disbursed to the Authority. HUD will hold these funds until needed by the Authority. The amount of HUD held reserves for the Authority on December 31, 2021, was \$-0-.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements
December 31, 2021

NOTE 12 - UNRESTRICTED NET POSITION

The Authority's unrestricted net position account balance on December 31, 2021, is \$414,025. The detail of the account balance is as follows:

	<u>HCV ADM Reserves</u>
Balance December 31, 2020	\$ 373,994
Increase During the Year	40,031
Balance December 31, 2021	<u>\$ 414,025</u>

NOTE 13 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES

Annual Contributions Contracts for the Section 8 Housing Choice Voucher Program to provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The programs provide for such payment with respect to existing housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expense. HUD contributions for the Section 8 Housing Choice Voucher for December 31, 2021, were in the amount of \$2,081,912.

NOTE 14 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority operations are concentrated in the low-income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority 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 a change.

Total financial support by HUD was \$2,081,912 to the Authority which represents approximately 95% percent of the Authority's total revenue for the year ended December 31, 2021.

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY

Notes to Financial Statements

December 31, 2021

NOTE 15 – CONTINGENCIES AND COMMITMENTS

Litigation – On December 31, 2021, the Authority was not involved in any threatened litigation.

Contingencies

The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the years ended December 31, 2021.

Other Insurance

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters; etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 16 – SUBSEQUENT EVENTS

Coronavirus Pandemic:

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2021, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenant's ability to pay the required monthly rent. Operating functions that may be changed include intake, recertification's and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown. The Authority already received additional operating subsidy from HUD to offset these expenses.

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued, must be evaluated for recognition or disclosed. The effects of subsequent events that provide evidence about conditions that existed after the Statement of Net Position date required disclosure in the accompanying notes. Management has evaluated the activity of the Authority thru August 19, 2022; the date which the financial statements were available for issue 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.

**OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

Programs funded by:
U.S. Department of Housing and Urban Development

CFDA #'s	Beginning Balance	Revenue Recognized	Fiscal Year Expenditures	Ending Balance
<u>Section 8 Housing Choice Voucher Program</u>				
NJ39P110 14.871	-	2,081,912	2,081,912	-
Grant Total 14.871	-	<u>2,081,912</u>	<u>2,081,912</u>	-
Total Expenditures of Federal Awards	\$ -	\$ <u>2,081,912</u>	\$ <u>2,081,912</u>	\$ -

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

Note 1. Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Old Bridge Township Housing Authority is under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Old Bridge Township Housing Authority, it is not intended to and does not present the financial position, change in net position, or cash flows of the Old Bridge Township Housing Authority.

Note 2. Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Old Bridge Township Housing Authority has not elected to use the 10 percent de minimis indirect cost rate as allowable under the Uniform Guidance.

Note 4. Loans Outstanding:

Housing Authority of the Township of Old Bridge had had no loans outstanding at December 31, 2021.

Note 5. Non- Cash Federal Assistance:

The Authority did not receive any non-cash Federal assistance for the year ended December 31, 2021.

Note 6. Sub recipients:

Of the federal expenditures presented in the schedule above, the Housing Authority of the Township of Old Bridge did not provide federal awards to any sub recipients.

Old Bridge Housing Authority (NJ110)

Old Bridge, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted		\$377,512	\$377,512	\$377,512
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted	\$58,494	\$34,020	\$92,514	\$92,514
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$58,494	\$411,532	\$470,026	\$470,026
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous		\$77,120	\$77,120	\$77,120
126 Accounts Receivable - Tenants				
126.1 Allowance for Doubtful Accounts - Tenants				
126.2 Allowance for Doubtful Accounts - Other		-\$14,151	-\$14,151	-\$14,151
127 Notes, Loans, & 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	\$0	\$62,969	\$62,969	\$62,969
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets				
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$58,494	\$474,501	\$532,995	\$532,995
161 Land	\$1,061,385		\$1,061,385	\$1,061,385
162 Buildings				
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration		\$31,988	\$31,988	\$31,988
165 Leasehold Improvements				
166 Accumulated Depreciation		-\$31,988	-\$31,988	-\$31,988
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,061,385	\$0	\$1,061,385	\$1,061,385
171 Notes, Loans and Mortgages Receivable - Non-Current	\$800,000		\$800,000	\$800,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$1,861,385	\$0	\$1,861,385	\$1,861,385
200 Deferred Outflow of Resources		\$21	\$21	\$21
290 Total Assets and Deferred Outflow of Resources	\$1,919,879	\$474,522	\$2,394,401	\$2,394,401
311 Bank Overdraft				
312 Accounts Payable <= 90 Days		\$3,628	\$3,628	\$3,628
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable				
322 Accrued Compensated Absences - Current Portion				
324 Accrued Contingency Liability				
325 Accrued Interest Payable				

Old Bridge Housing Authority (NJ110)
Old Bridge, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	Total
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits				
342 Unearned Revenue				
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$0	\$3,628	\$3,628	\$3,628
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current				
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300 Total Liabilities	\$0	\$3,628	\$3,628	\$3,628
400 Deferred Inflow of Resources		\$22,849	\$22,849	\$22,849
508.4 Net Investment in Capital Assets	\$1,061,385		\$1,061,385	\$1,061,385
511.4 Restricted Net Position	\$858,494	\$34,020	\$892,514	\$892,514
512.4 Unrestricted Net Position	\$0	\$414,025	\$414,025	\$414,025
513 Total Equity - Net Assets / Position	\$1,919,879	\$448,045	\$2,367,924	\$2,367,924
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,919,879	\$474,522	\$2,394,401	\$2,394,401

Old Bridge Housing Authority (NJ110)
Old Bridge, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	2 State/Local	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue				
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$2,081,912	\$2,081,912	\$2,081,912
70610 Capital Grants				
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted		\$704	\$704	\$704
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue		\$113,075	\$113,075	\$113,075
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted	\$92		\$92	\$92
70000 Total Revenue	\$92	\$2,195,691	\$2,195,783	\$2,195,783
91100 Administrative Salaries				
91200 Auditing Fees		\$6,991	\$6,991	\$6,991
91300 Management Fee		\$120,000	\$120,000	\$120,000
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative				
91600 Office Expenses		\$16,838	\$16,838	\$16,838
91700 Legal Expense		\$15,750	\$15,750	\$15,750
91800 Travel				
91810 Allocated Overhead				
91900 Other		\$15,305	\$15,305	\$15,305
91000 Total Operating - Administrative	\$0	\$174,884	\$174,884	\$174,884
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other				
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water				
93200 Electricity				
93300 Gas				
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor				
94200 Ordinary Maintenance and Operations - Materials and Other				
94300 Ordinary Maintenance and Operations Contracts				
94500 Employee Benefit Contributions - Ordinary Maintenance				

Old Bridge Housing Authority (NJ110)
Old Bridge, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	Total
94000 Total Maintenance	\$0	\$0	\$0	\$0
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance				
96120 Liability Insurance				
96130 Workmen's Compensation				
96140 All Other Insurance		\$7,912	\$7,912	\$7,912
96100 Total insurance Premiums	\$0	\$7,912	\$7,912	\$7,912
96200 Other General Expenses		\$13,132	\$13,132	\$13,132
96210 Compensated Absences				
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$0	\$13,132	\$13,132	\$13,132
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$195,928	\$195,928	\$195,928
97000 Excess of Operating Revenue over Operating Expenses	\$92	\$1,999,763	\$1,999,855	\$1,999,855
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$1,949,226	\$1,949,226	\$1,949,226
97350 HAP Portability-In		\$104,595	\$104,595	\$104,595
97400 Depreciation Expense				
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$0	\$2,249,749	\$2,249,749	\$2,249,749
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$92	-\$54,058	-\$53,966	-\$53,966

Old Bridge Housing Authority (NJ110)
Old Bridge, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,919,787	\$502,103	\$2,421,890	\$2,421,890
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity		\$414,025	\$414,025	\$414,025
11180 Housing Assistance Payments Equity		\$34,020	\$34,020	\$34,020
11190 Unit Months Available		2448	2448	2448
11210 Number of Unit Months Leased		2425	2425	2425
11270 Excess Cash				
11610 Land Purchases				
11620 Building Purchases				
11630 Furniture & Equipment - Dwelling Purchases				
11640 Furniture & Equipment - Administrative Purchases				
11650 Leasehold Improvements Purchases				
11660 Infrastructure Purchases				
13510 CFFP Debt Service Payments				
13901 Replacement Housing Factor Funds				

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
Old Bridge Township Housing Authority
2000 Route 18 North, Suite 100
Old Bridge, New Jersey 08857

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 governmental activities of Old Bridge Township Housing Authority, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Old Bridge Township Housing Authority's basic financial statements, and have issued our report thereon dated August 19, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Old Bridge Township Housing Authority's internal control over financial reporting (internal control) as a basis for designing 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 Old Bridge Township Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Old Bridge Township 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Old Bridge Township 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 financial statements. 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.

Giampaolo & Associates

Lincroft, New Jersey

Date: August 19, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Old Bridge Township Housing Authority
2000 Route 18 North, Suite 100
Old Bridge, New Jersey 08857

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Old Bridge Township Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Old Bridge Township Housing Authority's major federal program for the year ended December 31, 2021. Old Bridge Township Housing Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Old Bridge Township 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 program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Old Bridge Township Housing Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Old Bridge Township Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Old Bridge Township Housing Authority's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Old Bridge Township Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Old Bridge Township Housing Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Old Bridge Township Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Old Bridge Township Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Old Bridge Township Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Opinion on Each Major Federal Program

In our opinion, Old Bridge Township 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 program for the year ended December 31, 2021.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Giampaolo & Associates

Lincroft, New Jersey

Date: August 19, 2022

OLD BRIDGE TOWNSHIP HOUSING AUTHORITY
 Schedule of Findings and Questioned Cost
 Year Ended December 31, 2021

Prior Audit Findings

None reported

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control over Financial Reporting:

Material Weakness (es) Identified? _____ yes X no

Significant Deficiency(ies) identified that are
 considered to be material weakness(es)? _____ yes X 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
 considered to be material weakness(es)? _____ yes X none reported

Type of audit report issued on compliance for
 major programs: Unmodified

Any audit findings disclosed that are required to be
 reported in accordance with section Title 2 U.S. Code of Federal Regulation
 Part 200, Uniform Administrative Requirements, _____ yes X no

Identification of Major Programs

CFDA#	Name of Federal Program	Amount
14.871	Section 8 Housing Choice Voucher Program	\$ 2,081,912

Dollar threshold used to Distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as a low-risk auditee X yes _____ no

FINDINGS – FINANCIAL STATEMENT AUDIT

None reported

**FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAM
 AUDIT**

None reported

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Old Bridge Township Housing Authority
2000 Route 18 North, Suite 100

We have performed the procedures enumerated below on whether the electronic submission of certain information agrees with the hard copy documents within the reporting package for the year ended December 31, 2021. The U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) is responsible for the Uniform Financial Reporting Standards (UFRS) procedures.

Old Bridge Township Housing Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the REAC’s UFRS requirements for the submission of the PHA financial data for the year ended December 31, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

Procedure	UFRS Rule Information	Hardcopy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense (Data lines 111 to 13901)	Financial Data Schedule of all CFDA's, If Applicable	Yes	
2	Footnotes (data element G5000-010)	Footnotes to the audited basic financial statements	Yes	
3	Type of Opinion on FDS (data element G3100-040)	Auditors Report on Supplemental Data	Yes	
4	Audit findings narrative (date element G5200-010)	Schedule of Findings and Questioned Costs	Yes	

Procedure	UFRS Rule Information	Hardcopy Documents	Agrees	Does Not Agree
5	General Information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Yes	
6	Financial Statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Yes	
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Yes	
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Yes	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Yes	

We were engaged by Old Bridge Township Housing Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on UFRS Rule Information. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of REAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Old Bridge Township Housing Authority and REAC, and is not intended to be, and should not be, used by anyone other than these specified parties.

Giampaolo & Associates
 Lincroft, New Jersey
 August 19, 2022

GIAMPAOLO & ASSOCIATES

467 Middletown Lincroft Road
Lincroft, NJ 07738
Tel: 732-842-4550

August 24, 2022

Old Bridge Township Housing Authority
2000 Route #18 North
Suite #100
Old Bridge, New Jersey 08857

Attn: Mr. Mark Noble, Executive Director

Dear Mark,

Enclosed are 12 copies of the single audit reporting package of the Old Bridge Township Housing Authority as of December 31, 2021, and for the twelve-month period ended December 31, 2021, then ended and our auditor's reports in accordance with our engagement letter dated June 20, 2022. In accordance with *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, you are responsible for submitting the reporting package to the appropriate governmental officials or organizations.

1. Please forward (2) copies to:

U.S. Department of Housing and Urban Development
A transmittal form is enclosed.

Please attach a copy of the Management Letter for December 31, 2021.

2. Please forward (1) copy to:

N.J. Department of Community Affairs
A transmittal form is enclosed.

The Authority is required to publish a synopsis of the audit report for the year ended December 31, 2021.

3. Enclosed are the following documents:

1. Comparative Statement of Net Position
2. Comparative Statement of Revenue, Expenses and Changes in Net Position
3. Sample of letter requesting the editor to run the legal notice.

4. The State of New Jersey Department of Community Affairs, also, requires the Authority to forward the following:

DCA required information:

1. Copy of the passed resolution and the Group Affidavit Form.
2. Copy of the audit report synopsis with a copy of the publication affidavit.

A resolution, the group affidavit form, and transmittal form is enclosed.

5. Enclosed is the Management Letter

A copy is attached to the transmittal letter to HUD field office.

6. REAC required information

The information was submitted to REAC on-line system.

7. We have enclosed a bill

for the audit services rendered for period ending December 31, 2021.

Thank you for giving us the opportunity to service the Old Bridge Housing Authority.

Sincerely yours,

Anthony Giampaolo

Anthony Giampaolo, C.P.A.
Giampaolo & Associates