

**HOUSING AUTHORITY OF THE BOROUGH OF EDGEWATER**

Required Supplementary Information  
December 31, 2021

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM**

The schedule below displays the Authority's contractually required contributions along with related ratios.

	2020	2019	2018	2017
Contractually required contribution	\$ 17,911	\$ 15,589	\$ 16,130	\$ 30,574
Contribution in relation to the contractually required contribution	(17,911)	(15,589)	(16,130)	(30,574)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 130,177	\$ 120,633	\$ 77,145	\$ 118,570
Contribution as a percentage of covered employee payroll	13.76%	12.92%	20.91%	25.79%

*\*The amounts determined for each fiscal year were determined as of June 30.*

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

**HOUSING AUTHORITY OF THE BOROUGH OF EDGEWATER**

Required Supplementary Information  
December 31, 2021

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM**

The schedule below displays the Authority's contractually required contributions along with related ratios.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 28,766	\$ 27,017	\$ 33,189
Contribution in relation to the contractually required contribution	(28,766)	(27,017)	(33,189)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 170,062	\$ 156,729	\$ 184,434
Contribution as a percentage of covered employee payroll	16.92%	17.24%	18.00%

*\*The amounts determined for each fiscal year were determined as of June 30.*

**HOUSING AUTHORITY OF THE BOROUGH OF EDGEWATER  
 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

	<u>CFDA #'s</u>	Beginning Balance	Revenue Recognized	Fiscal Year Expenditures	Ending Balance
<u>Section 8 Housing Choice Voucher Program</u>					
NJ075	14.871	-	5,252,409	5,252,409	-
<u>HCV CARES Act Funding 14.HCC</u>					
Grant Total 14.871		-	5,417,758	5,417,758	-
<u>Community Development Block Grants</u>					
NJ075	14.218	-	42,785	42,785	-
Grant Total 14.218		-	42,785	42,785	-
Total Expenditures of Federal Awards		\$ -	\$ 5,460,543	\$ 5,460,543	\$ -

**HOUSING AUTHORITY OF THE BOROUGH OF EDGEWATER  
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 Housing Authority of the Borough of Edgewater 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 Housing Authority of the Borough of Edgewater, it is not intended to and does not present the financial position, change in net position, or cash flows of the Housing Authority of the Borough of Edgewater.

**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 Housing Authority of the Borough of Edgewater 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 Borough of Edgewater has mortgage payable in the amount of \$1,880,187 outstanding on December 31, 2021. See Note 15 on pages 44-47 of this report for full detail.

**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 Borough of Edgewater did not provide federal awards to any sub recipients.

Edgewater Housing Authority (NJ075)  
EDGEWATER, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14,218 Community Development Block	6.2 Component Unit - Blended	1 Business Activities	14,871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
111 Cash - Unrestricted		\$500,092	\$442,098	\$1,268,417		\$2,210,607	\$2,210,607
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			\$60,807			\$60,807	\$60,807
114 Cash - Tenant Security Deposits		\$25,093	\$15,813			\$40,906	\$40,906
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$0	\$525,185	\$518,718	\$1,268,417	\$0	\$2,312,320	\$2,312,320
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects				\$116,301		\$116,301	\$116,301
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous		\$112,562	\$297	\$12,937		\$125,796	\$125,796
126 Accounts Receivable - Tenants		\$8,186	\$807			\$8,993	\$8,993
126.1 Allowance for Doubtful Accounts - Tenants		-\$7,896	\$0			-\$7,896	-\$7,896
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery			\$894			\$894	\$894
128.1 Allowance for Doubtful Accounts - Fraud			\$0			\$0	\$0
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$112,652	\$1,998	\$129,238	\$0	\$244,088	\$244,088
131 Investments - Unrestricted			\$53,520			\$53,520	\$53,520
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets		\$492	\$4,925			\$5,417	\$5,417
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	\$0	\$638,529	\$579,161	\$1,397,655	\$0	\$2,615,345	\$2,615,345
161 Land		\$273,400	\$210,000			\$483,400	\$483,400
162 Buildings		\$3,587,615	\$2,819,754			\$6,407,369	\$6,407,369
163 Furniture, Equipment & Machinery - Dwellings		\$208,646	\$90,385			\$299,231	\$299,231
164 Furniture, Equipment & Machinery - Administration			\$184,966	\$32,339		\$217,305	\$217,305
165 Leasehold Improvements							
166 Accumulated Depreciation		-\$2,337,236	-\$2,379,107	-\$7,966		-\$4,724,309	-\$4,724,309
167 Construction in Progress	\$42,785					\$42,785	\$42,785
168 Infrastructure							

Edgewater Housing Authority (NJ075)  
EDGEWATER, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.218 Community Development Block	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$1,732,625	\$925,998	\$24,373	\$0	\$2,725,781	\$2,725,781
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets							
176 Investments in Joint Ventures		\$258,345				\$258,345	\$258,345
180 Total Non-Current Assets	\$0	\$1,990,970	\$925,998	\$24,373	\$0	\$2,984,126	\$2,984,126
200 Deferred Outflow of Resources			\$27,845	\$186,351		\$214,196	\$214,196
290 Total Assets and Deferred Outflow of Resources	\$0	\$2,629,499	\$1,533,004	\$1,608,379	\$0	\$5,813,667	\$5,813,667
311 Bank Overdraft							
312 Accounts Payable <= 90 Days		\$9,741	\$207,900	\$3,719		\$221,360	\$221,360
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable							
322 Accrued Compensated Absences - Current Portion			\$2,826	\$404		\$3,230	\$3,230
324 Accrued Contingency Liability							
325 Accrued Interest Payable		\$353,797	\$833	\$1,930		\$354,630	\$354,630
331 Accounts Payable - HUD PHA Programs						\$1,930	\$1,930
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government		\$14,716	\$4,484			\$19,200	\$19,200
341 Tenant Security Deposits		\$25,093	\$15,813			\$40,906	\$40,906
342 Unearned Revenue		\$17	\$15		\$0	\$32	\$32
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$20,538	\$4,872			\$25,410	\$25,410
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other		\$2,972	\$3,102	\$79,910		\$85,984	\$85,984
347 Inter Program - Due To							
348 Loan Liability - Current							
310 Total Current Liabilities	\$0	\$426,874	\$239,845	\$85,963	\$0	\$752,682	\$752,682
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$1,624,449	\$230,322			\$1,854,771	\$1,854,771
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							

Edgewater Housing Authority (NJ075)  
EDGEWATER, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.218 Community Development Block	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
354 Accrued Compensated Absences - Non Current			\$25,432	\$3,633		\$29,065	\$29,065
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities			\$567,379	\$388,589		\$955,968	\$955,968
350 Total Non-Current Liabilities	\$0	\$1,624,449	\$823,133	\$392,222	\$0	\$2,839,804	\$2,839,804
300 Total Liabilities	\$0	\$2,051,323	\$1,062,978	\$478,185	\$0	\$3,592,486	\$3,592,486
400 Deferred Inflow of Resources			\$279,840	\$386,446		\$666,286	\$666,286
508.4 Net Investment in Capital Assets			\$690,804	\$24,373		\$845,600	\$845,600
511.4 Restricted Net Position	\$42,785	\$87,638	\$60,807			\$60,807	\$60,807
512.4 Unrestricted Net Position	\$0	\$490,538	-\$561,425	\$719,375	\$0	\$648,488	\$648,488
513 Total Equity - Net Assets / Position	\$42,785	\$578,176	\$190,186	\$743,748	\$0	\$1,554,895	\$1,554,895
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$2,629,499	\$1,533,004	\$1,608,379	\$0	\$5,813,667	\$5,813,667

Edgewater Housing Authority (NJ075)  
EDGEWATER, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.218 Community Development Block	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
70300 Net Tenant Rental Revenue		\$383,220	\$253,536			\$636,756	\$636,756
70400 Tenant Revenue - Other							
70500 Total Tenant Revenue	\$0	\$383,220	\$253,536	\$0	\$0	\$636,756	\$636,756
70600 HUD PHA Operating Grants				\$5,252,409	\$165,349	\$5,417,758	\$5,417,758
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	\$42,785					\$42,785	\$42,785
71100 Investment Income - Unrestricted		\$43	\$2,881	\$7,187		\$10,111	\$10,111
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery				\$12,876		\$12,876	\$12,876
71500 Other Revenue		\$2,606	\$7,721	\$319,332		\$329,659	\$329,659
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	\$0	\$385,869	\$264,138	\$5,591,804	\$165,349	\$6,449,945	\$6,449,945
91100 Administrative Salaries		\$12,000	\$4,999	\$25,500		\$42,499	\$42,499
91200 Auditing Fees		\$3,517	\$2,541	\$2,542		\$8,600	\$8,600
91300 Management Fee							
91310 Book-keeping Fee							
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative		\$8,172	\$8,782	\$51,446		\$68,400	\$68,400
91600 Office Expenses		\$67,409	\$15,015	\$87,785		\$170,209	\$170,209
91700 Legal Expense		\$8,926	\$1,487	\$12,646		\$23,059	\$23,059
91800 Travel			\$67	\$607		\$674	\$674
91810 Allocated Overhead							
91900 Other							
91000 Total Operating - Administrative	\$0	\$100,024	\$32,891	\$180,526	\$0	\$313,441	\$313,441
92000 Asset Management Fee							
92100 Tenant Services - Salaries							



Edgewater Housing Authority (NJ075)  
EDGEWATER, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services								
92400 Tenant Services - Other				\$188		\$149,798	\$149,986	\$149,986
92500 Total Tenant Services	\$0	\$0	\$0	\$188	\$0	\$149,798	\$149,986	\$149,986
93100 Water			\$12,617	\$16,575			\$29,192	\$29,192
93200 Electricity			\$7,860	\$9,001			\$16,861	\$16,861
93300 Gas			\$10,387	\$10,444			\$20,831	\$20,831
93400 Fuel								
93500 Labor				\$13,750			\$13,750	\$13,750
93600 Sewer								
93700 Employee Benefit Contributions - Utilities				\$23,837			\$23,837	\$23,837
93800 Other Utilities Expense								
93000 Total Utilities	\$0	\$0	\$30,864	\$73,607	\$0	\$0	\$104,471	\$104,471
94100 Ordinary Maintenance and Operations - Labor								
94200 Ordinary Maintenance and Operations - Materials and Other			\$30,823	\$18,119			\$48,942	\$48,942
94300 Ordinary Maintenance and Operations Contracts			\$7,160	\$13,751			\$20,911	\$20,911
94500 Employee Benefit Contributions - Ordinary Maintenance			\$54,829	\$54,523			\$109,352	\$109,352
94000 Total Maintenance	\$0	\$0	\$21,013	\$30,109	\$0	\$0	\$51,122	\$51,122
95100 Protective Services - Labor			\$113,825	\$116,502	\$0	\$0	\$230,327	\$230,327
95200 Protective Services - Other Contract Costs								
95300 Protective Services - Other								
95500 Employee Benefit Contributions - Protective Services			\$0	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance			\$6,596	\$9,219			\$15,815	\$15,815
96120 Liability Insurance			\$3,298	\$4,609			\$7,907	\$7,907
96130 Workmen's Compensation			\$3,298	\$4,609	\$1,737		\$9,644	\$9,644
96140 All Other Insurance			\$2,698				\$2,698	\$2,698
96100 Total Insurance Premiums	\$0	\$0	\$15,890	\$18,437	\$1,737	\$0	\$36,064	\$36,064
96200 Other General Expenses			\$2,202		\$406,875		\$409,077	\$409,077
96210 Compensated Absences								
96300 Payments in Lieu of Taxes			\$11,491	\$4,483			\$15,974	\$15,974
96400 Bad debt - Tenant Rents								

Edgewater Housing Authority (NJ075)  
EDGEWATER, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
96500 Bad debt - Mortgages								
96600 Bad debt - Other								
96800 Severance Expense								
96000 Total Other General Expenses	\$0	\$0	\$13,693	\$4,483	\$406,875	\$0	\$425,051	\$425,051
96710 Interest of Mortgage (or Bonds) Payable			\$47,049	\$10,087			\$57,136	\$57,136
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$47,049	\$10,087	\$0	\$0	\$57,136	\$57,136
96900 Total Operating Expenses	\$0	\$0	\$321,345	\$256,195	\$589,138	\$149,798	\$1,316,476	\$1,316,476
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$42,785	\$64,524	\$7,943	\$5,002,666	\$15,551	\$5,133,469	\$5,133,469
97100 Extraordinary Maintenance								
97200 Casualty Losses - Non-capitalized								
97300 Housing Assistance Payments					\$4,139,878		\$4,139,878	\$4,139,878
97350 HAP Portability-In					\$292,682		\$292,682	\$292,682
97400 Depreciation Expense			\$94,283	\$32,285	\$4,608		\$131,176	\$131,176
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	\$0	\$0	\$415,628	\$288,480	\$5,026,306	\$149,798	\$5,880,212	\$5,880,212
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	\$0	\$0	\$0	\$0

Edgewater Housing Authority (NJ075)  
EDGEWATER, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.218	6.2	1 Business Activities	14.871	14.HCC HCV CARES Act Funding	Subtotal	Total
	Community Development Block	Component Unit - Blended		Housing Choice Vouchers			
Project Total							
10000 Excess (Deficiency) of Total Revenue Over (Under)	\$0	-\$29,759	-\$24,342	\$565,498	\$15,551	\$569,733	\$569,733
Total Expenses							
11020 Required Annual Debt Principal Payments	\$0	\$19,669	\$19,669	\$0	\$0	\$39,338	\$39,338
11030 Beginning Equity	\$0	\$607,935	\$92,439	\$162,699	\$0	\$985,162	\$985,162
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$122,089		\$122,089	\$15,551	-\$15,551	\$0	\$0
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				\$743,748		\$743,748	\$743,748
11180 Housing Assistance Payments Equity				\$0		\$0	\$0
11190 Unit Months Available	0	372	360	8232	0	8964	8964
11210 Number of Unit Months Leased	0	371	358	7928	0	8657	8657
11270 Excess Cash	\$0					\$0	\$0
11610 Land Purchases	\$0					\$0	\$0
11620 Building Purchases	\$0					\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0					\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0					\$0	\$0
11650 Leasehold Improvements Purchases	\$0					\$0	\$0
11660 Infrastructure Purchases	\$0					\$0	\$0
13510 CFFP Debt Service Payments	\$0					\$0	\$0
13901 Replacement Housing Factor Funds	\$0					\$0	\$0

**HOUSING AUTHORITY OF THE BOROUGH OF EDGEWATER  
STATEMENT AND CERTIFICATION OF  
ACTUAL CAPITAL FUND GRANT COST  
AS OF DECEMBER 31, 2021**

	NJ39P075501-17		
	Approved Budget	Actual Cost	Overrun
Operations	\$ 28,396	\$ 28,396	\$ -
Total	\$ 28,396	\$ 28,396	\$ -
Funds Advanced	\$ 28,396		
Funds Expended	28,396		
Excess of Funds Advanced	\$ -		

1. The distribution of cost by project and account classification accompanying the Actual Capital Fund Cost Certificates submitted to HUD for approval were in agreement with the Authority's records.
2. All Capital Fund cost have been paid and all related liabilities have been discharged through payment.
3. The Capital Fund Program 501-17 was completed by June 13, 2019
4. There were no budget overruns noted.

**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  
Housing Authority of the Borough of Edgewater  
300 Undercliff Avenue  
Edgewater, New Jersey 07020

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 business type activities and blended component unit of Housing Authority of the Borough of Edgewater, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater'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  
Housing Authority of the Borough of Edgewater  
300 Undercliff Avenue  
Edgewater, New Jersey 07020

**Report on Compliance for Each Major Federal Program  
*Opinion on Each Major Federal Program***

We have audited Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater's major federal programs for the year ended December 31, 2021. Housing Authority of the Borough of Edgewater's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

### ***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 Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater'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 Housing Authority of the Borough of Edgewater'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, Housing Authority of the Borough of Edgewater complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 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

**HOUSING AUTHORITY OF THE BOROUGH OF EDGEWATER**  
 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	\$ 5,417,758

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  
Housing Authority of the Borough of Edgewater  
300 Undercliff Avenue  
Edgewater, New Jersey 07020

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.

Housing Authority of the Borough of Edgewater 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 CFDAs, 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 Housing Authority of the Borough of Edgewater 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 Housing Authority of the Borough of Edgewater 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