

Edison Housing Authority Board Meeting
Julius Engel Gardens
1 Willard Dunham Drive, Edison, NJ
(Community Room)

Tuesday, February 20, 2024
6:00 pm

AGENDA

Call to Order

Pledge of Allegiance

Please note that adequate notice of this meeting, as required by the Open Public Meetings Act of 1975, has been provided by notice and sent to the Homes News Tribune on December 28, 2023 and a copy of the notice was published in the Home News Tribune on January 7, 2024. Said notice has been posted on the Edison Housing Authority website and at the two housing authority properties in the main lobby area. In addition, a notice has been submitted to the Township of Edison, Clerk and posted in the Municipal Building.

4. Roll Call

5. Approval of January 16, 2024, Regular Meeting Minutes

6. Resolutions:

1-2-2024 Resolution to approve
vouchers for payment of invoices
in the amount of \$391,816.89 for
the month of February.

2-2-2024 Resolution by the Board of
Commissioners of the Edison
Housing Authority to approve the
2023 Year End Audit.

7. Old Business:

- a.) Financial Summary for Review
- b.) Attorney Report

8. New Business:

Audit Presentation, Anthony Giampaolo, Giampaolo & Associates

RAD Presentation, Rick Ginnetti and Charles Lewis, The Brooke Group
Executive Director Report

9. Public Portion

Edison Housing Authority Board Meeting
Julius Engel Gardens
1 Willard Dunham Drive, Edison, NJ
(*Community Room*)

Tuesday, February 20, 2024
6:00 pm

10. Adjournment

EDISON HOUSING AUTHORITY
REGULAR BOARD MEETING

Robert E. Holmes Gardens

Tuesday, January 16, 2024

6:00 PM

MINUTES

The Regular Meeting of the Board of Commissioners of the Edison Housing Authority was held at Robert E. Holmes Gardens, 14 Rev. Samuel Carpenter Blvd., Edison, NJ in the community room. The meeting was called to order at 6:07 pm.

Please note that adequate notice of this meeting, as required by the Open Public Meetings Act of 1975, has been provided by notice and sent to the Home News Tribune on December 28, 2023 and a copy of the notice was published in the Home News Tribune on January 7, 2024. Said notice has been posted on the Edison Housing Authority website and at the two housing authority properties in the main lobby area. In addition, a notice has been submitted to the Township of Edison, Clerk and posted in the Municipal Building.

Roll Call:

In attendance: Chairman, Barry Telesnick, Commissioner Deborah Andrews, Commissioner Toni Johnson, Commissioner Lennox Small, Ed.D., Commissioner Sonali Patel, Deborah Hurley, Executive Director, and Terrance Corriston, Esq., EHA Counsel.

Absent: Vice Chairman Carlos N. Sanchez

Edison Housing Authority Reorganization Meeting:

Elections of Officers – Chairman yields Chair to Attorney Nominations for Chairman:

Nominations: Barry Telesnick

Moved by Commissioner Lennox Small, Ed., D.

Seconded by Commissioner Deborah Andrews

Approved as follows:

	AYES	NAYS	ABSENT	ABSTAIN
Vice Chairman Carlos N. Sanchez	x (via-email)			
Commissioner Barry Telesnick	x			
Commissioner Deborah Andrews	x			
Commissioner Toni Johnson	x			
Commissioner Sonali Patel	x			
Commissioner Lennox Small, Ed.D.	x			

The Attorney returns the gavel to Chairman: Barry Telesnick

Chairman makes Nominations for Vice Chairman

Commissioner Barry Telesnick nominates Commissioner Lennox Small, Ed.D.

Any other nominations: None
Moved by Commissioner Toni Johnson
Seconded by Commissioner Deborah Andrews

Approved as follows:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Chairman Barry Telesnick	x			
Vice Chairman Lennox Small, Ed.D.	x			
Commissioner Deborah Andrews	x			
Commissioner Toni Johnson	x			
Commissioner Sonali Patel	x			
Commissioner Carlos N Sanchez			x	

Chairman makes Nominations for Treasurer
Chairman Barry Telesnick nominates Commissioner Deborah Andrews

Any other nominations: None
Moved by Chairman Barry Telesnick
Seconded by Commissioner Toni Johnson

Approved as follows:

	<u>YES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Chairman Barry Telesnick	x			
Vice Chairman Lennox Small, Ed.D.	x			
Commissioner Deborah Andrews	x			
Commissioner Toni Johnson	x			
Commissioner Sonali Patel	x			
Commissioner Carlos N Sanchez			x	

Secretary by law Executive Director Deborah Hurley is Secretary.

Approval of December 19, 2023, Regular Meeting Minutes

Motion: Vice Chairman Lennox Small Ed.D.

Second: Commissioner Toni Johnson

Discussions: There was no discussion.

Approved as follows:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Chairman Barry Telesnick	X			
Vice Chairman Lennox Small, Ed., D.	X			
Commissioner Deborah Andrews	X			
Commissioner Toni Johnson	X			
Commissioner Sonali Patel	X			
Commissioner Carlos N. Sanchez			X	

Resolution 1-1-2024 to approve vouchers for payment of invoices in the amount of \$146,473.60 for the month of January 2024.

Motion: Commissioner Deborah Andrews

Second: Commissioner Sonali Patel

Discussions: Executive Director, Deborah Hurley mentioned the bill list is large due to the JIF insurance payment. The JIF insurance fees have significantly increased. Payments are divided into two payments. We usually make our first payment in January and the seconded payment will be in June. Commissioner Deborah Andrews inquired about the copied keys. Both Deborah Hurley, Executive Director and Carmen Amalbert, Executive Assistant mentioned that the number of keys copied reflects the need to replace lost keys or correlates with new units and mailboxes.

Approved as follows:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Chairman Barry Telesnick	X			
Vice Chairman Lennox Small, Ed.D.	X			
Commissioner Deborah Andrews	X			
Commissioner Toni Johnson	X			
Commissioner Sonali Patel	X			
Commissioner Carlos N. Sanchez			X	

Resolution 2-1-2024 resolution by the board of Commissioners of the Edison Housing Authority to approve the purchase of Nan McKay Services to assist the Edison Housing Authority with the implementation of HOTMA.

Motion: Commissioner Deborah Andrews

Second: Vice Chairman Lennox Small Ed.D.

Discussions: Executive Director Deborah Hurley and Terrance Corrison, Esq., explained that HOTMA is a new policy that must be adopted by all housing authorities as there has been a change with family incomes will be calculated who participate in the Public Housing and Section 8 programs. The NanMcKay service will involve a week zoom training for staff and assist with updating our Admin and ACOP Plans.

Approved as follows:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Chairman Barry Telesnick	X			
Vice Chairman Lennox Small, Ed.D.	X			
Commissioner Deborah Andrews	X			
Commissioner Toni Johnson	X			
Commissioner Sonali Patel	X			
Commissioner Carlos N. Sanchez			X	

Old Business:

a) **Financial Summary for Review**

Financial summary was provided by Polcari and Polcari

Attorney Report: Terrence Corrison, Esq. mentioned that he will be in court the next day with several residents. Executive Director, Deborah Hurley mentioned that the next steps will be to work on a rfp to secure a collection company.

Executive Directors Report:

- a.) EHA needs a new member on the Personnel Committee since Commissioner Dale Jones has resigned. Commissioner Patel agreed to serve. A meeting will be scheduled to review the Personnel Policy's update with the labor attorney.
- b.) Highland Park Housing Authority board meeting took place recently. Accountant's Polcari and Polcari presented the 2024-2025 FY budget. The Borough of Highland Park's administration is looking forward to working with HPHA and EHA's partnership.

Open to Public at 6:24 pm

Motion: Commissioner Deborah Andrews

Second: Commissioner Sonali Patel

Public Portion:

Martinique Costa, Labor Union 55, Rep.: Requested to be a guest to express appreciation for EHA's partnership. Union 55 appreciate the relationship with our staff. The feedback from the workers assigned to EHA are always favorable, as they always feel that they are treated as part of the staff. Executive Director, Deborah Hurley expressed appreciation for the hard work that is performed by each

person assigned to assist the maintenance team with unit turnarounds and other large-scale projects that needs additional assistance.

Close Public Portion: 6:29 pm

Public Motion: Chairman Toni Johnson

Second: Commissioner Deborah Andrews

Motion to adjourn: Commissioner Deborah Andrews

Second: Commissioner Sonali Patel

Adjourned: 6:31 pm

Approved as follows:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Chairman Barry Telesnick	X			
Vice Chairman Lennox Small Ed.D.	X			
Commissioner Deborah Andrews	X			
Commissioner Toni Johnson	X			
Commissioner Sonali Patel	X			
Commissioner Carlos N. Sanchez			X	

Deborah M. Hurley, Secretary, Executive Director

Edison Housing Authority

Vendor Payment History Report

Filter Criteria Includes: 1) Type: Payment History, 2) Date Range From: 1/13/2024 Thru: 2/16/2024, 3) Program: Public Housing

Check Name		SSN / TIN	Check Address		Print 1099		
AB Universal Messaging		56-2554760	PO Box 195 Spring Lake NJ 07762		Yes		
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/07/2024	5471	CHK	738001272024	answering service and Patch charges - February 2024	01/24	\$102.24	\$102.24
Totals For Vendor: AB Universal Messaging							\$102.24
Acme Windows		36 Somerset Street Plainfield NJ 07060		No			
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5485	CHK	50451	2 windows repair & 4 Window tube Balances	02/24	\$1,745.00	\$1,745.00
Totals For Vendor: Acme Windows							\$1,745.00
Acuity Specialty Products		PO Box 3338 Boston MA 02241-3338		No			
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5486	CHK	9009382746	REH 3 pallets ice melt salt	02/24	\$4,454.95	
			9009382747	JEG-1 pallet ice melt Salt	02/24	\$1,536.15	\$5,991.10
Totals For Vendor: Acuity Specialty Products Inc. Zep Sales & Service							\$5,991.10
Aflac		1932 Wynnnton Road Columbus GA 31999-0797		No			
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/07/2024	5472	CHK	909597	insurance premium - January 24	01/24	\$264.50	\$264.50
Totals For Vendor: Aflac							\$264.50
American Shredder, Inc.		170 Oberlin Avenue North Unit: Suite 20 Lakewood NJ 07764		No			
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5487	CHK	25759	shredding service-02/14/2024	02/24	\$55.00	\$55.00
Totals For Vendor: American Shredder, Inc.							\$55.00
April Mobley		7 Catherine St Carteret NJ 07008		No			
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5488	CHK	013124	Mileage for Food Pantry -264 miles for January 24	02/24	\$172.92	\$172.92
Totals For Vendor: April Mobley							\$172.92
Breslin and Breslin, P.A.		41 Main Street Hackensack NJ 07601-7087		No			
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5489	CHK	012924	Eviction complaints filed for 11 tenants @\$57 and add 3 tenants Warrants requests sent at \$42/each	02/24	\$779.97	\$779.97
Totals For Vendor: Breslin and Breslin, P.A.							\$779.97
Carmen Amalbert		11 Vermeer Drive South Amboy NJ 08879		No			
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5490	CHK	013124	Staff Christmas Lunch- 12/20/23, Mileage for court and highland park office, parking fees, Food pantry	02/24	\$202.65	
			110323-STEM	STEM Program Rubber bands for Bracelet ,computer tower stand	02/24	\$30.90	\$233.55
Totals For Vendor: Carmen Amalbert							\$233.55

Commissioner of LWD PO Box 392 Trenton NJ 08625-0392 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/26/2024	5461	CHK	27	3 yr boiler operator license renewal for Marc	01/24	\$160.00	\$160.00

Totals For Vendor: Commissioner of LWD \$160.00

De Lage Landen Financial PO Box 41602 Philadelphia PA 19101-1602 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/29/2024	5468	CHK	81805669	REH copier lease 01/15/2024 - 02/14/2024	01/24	\$366.37	\$366.37
02/16/2024	5491	CHK	81961016	REH copier lease 02/15/2024 - 03/14/2024	02/24	\$366.37	\$366.37

Totals For Vendor: De Lage Landen Financial Services, Inc. \$732.74

Deborah Hurley 1434 Maplewood Terrace Plainfield NJ 07060 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5492	CHK	020924	Breakfast for staff meeting on 1/26/24 and Food pantry meeting	02/24	\$328.28	\$328.28

Totals For Vendor: Deborah Hurley \$328.28

Elizabethtown Gas PO Box 6031 Bellmawr NJ 08099 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/29/2024	5469	CHK	3996554541-123123	REH gas - 11/30/23 to 12/31/23	01/24	\$13,234.54	\$13,234.54
02/07/2024	5473	CHK	3922309254-011924	REH gas 12/16/23 -01/19/2415 beaver Ave.	01/24	\$1,220.74	\$1,220.74
02/07/2024	5474	CHK	0577138900-011924	REH gas 12/16/23 - 01/19/24 - 5 Weston Forbes CT	01/24	\$10.50	\$10.50

Totals For Vendor: Elizabethtown Gas \$14,465.78

Gannett New York-New PO Box 631202 Cincinnati OH 45263-1202 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5493	CHK	0006175533	AD for EHA board of commissioner's meeting schedule	02/24	\$111.60	\$111.60

Totals For Vendor: Gannett New York-New Jersey LocaliQ \$111.60

General Security 971 Lehigh Avenue Union NJ 07083 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5494	CHK	1876810	alarm monitoring & service contract 03/01/2024 -05/31/2024	02/24	\$297.42	\$297.42

Totals For Vendor: General Security \$297.42

Halecon, Inc 136 Billian Street Bridgewater NJ 08807 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/29/2024	5467	CHK	7650	REH Basketball Court Improvements -Constructions	01/24	\$261,170.88	\$261,170.88

Totals For Vendor: Halecon, Inc \$261,170.88

Home Depot Credit Dept 32 - 2531888992,PO Box 70293 Philadelphia PA No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5495	CHK	23466	REH maint materials	02/24	\$194.03	
			9314930	jeg maint material	02/24	\$913.63	
			9010604	jeg maint material	02/24	\$535.76	
			4320560	jeg maint material	02/24	\$267.51	\$1,910.93

Totals For Vendor: Home Depot Credit Services \$1,910.93

InterGlobe		4295 Arthur Kill Road Staten Island NY 10309				No	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/07/2024	5475	CHK	240315721	REH telephone service - February 2024	01/24	\$982.65	\$982.65
Totals For Vendor: InterGlobe Communications, Inc.							\$982.65
Jaden Terrell		154-17-9474 1030 Grove Ave Apt 30C Edison NJ 08820				Yes	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/26/2024	5462	CHK	1162023	snow removal help 7 hours @ \$15/hr. on 1/16/2023	01/24	\$105.00	\$105.00
Totals For Vendor: Jaden Terrell							\$105.00
Marczak's		247 Central Avenue Metuchen NJ 08840				No	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5496	CHK	11524	1996 Jeep repairs and Maintenance	02/24	\$1,073.00	\$1,073.00
Totals For Vendor: Marczak's							\$1,073.00
Marquise Webb		137-19-6991 10 A Cleveland Place Edison NJ 08820				Yes	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/26/2024	5463	CHK	011623	Snow Removal part time help on 1/16/2024	01/24	\$105.00	\$105.00
Totals For Vendor: Marquise Webb							\$105.00
McLaughlin Stauffer & Shaklee, PC		4814 Outlook Drive Unit: Suite 112 Wall Township NJ 07756				No	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5497	CHK	01-20719	legal services(labor matters)- January 2024	02/24	\$405.00	\$405.00
Totals For Vendor: McLaughlin Stauffer & Shaklee, PC							\$405.00
Metuchen Mower		865 Middlesex Avenue Metuchen NJ 08840				No	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5498	CHK	117566	3 gal oil for the chainsaw	02/24	\$51.00	\$51.00
Totals For Vendor: Metuchen Mower							\$51.00
Miaili Wilson		136-11-3493 17D Beaver Avenue Edison NJ 08820				Yes	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/29/2024	5466	CHK	12324	Food pantry and section 8 help - part time \$10 01/03/24-01/23/24	01/24	\$231.50	\$231.50
02/07/2024	5476	CHK	020524	Food pantry and section 8 help - part time \$10 01/24/24-02/05/24	01/24	\$194.50	\$194.50
Totals For Vendor: Miaili Wilson							\$426.00
Middlesex Water		PO Box 826538 Philadelphia PA 19182-6538				No	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/29/2024	5470	CHK	5535300000 121624	Water bill for JEG for 12/14/23 to 01/16/24	01/24	\$4,876.96	\$4,876.96
Totals For Vendor: Middlesex Water Company							\$4,876.96
Mitchell's Plumbing and Heating		85-2317043 247 Speedwell Ave Morristown NJ 07960				Yes	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5499	CHK	935	Bld. 8 Leak in Piping -remove and replaced	02/24	\$1,500.00	
			940	8 C Leak shower tub diverter - remove and replaced	02/24	\$1,200.00	

			959	REH Bld 15, Leak on main heating pipe removed and replaced	02/24	\$2,800.00	
			962	REH- Bld 4 A & B Heating pipe leak and repaired	02/24	\$1,800.00	
			963	Bld. 4 C& D Main Hot water pipe leakage, removed and replaced	02/24	\$2,800.00	
			936	JEG Boiler Pump Emergency replacement and whole heating system on Jan 19,2024	02/24	\$12,500.00	
			937	JEG-boiler room heat circulator pump replacement	02/24	\$1,100.00	
			938	JEG-Bldg. C Sewer back-up, cleared & replaced	02/24	\$750.00	
			939	JEG-L3 no heat clog in heating piping remove & replaced	02/24	\$1,225.00	
			945	JEG-Boiler Room Emergency Pump replacement and heating system on 1/26/24	02/24	\$15,000.00	
			951	JEG- Apt J3 remove and Replace tub diverter	02/24	\$1,850.00	
			952	JEG-Apt F4 heating line baseboard piping removed and replaced	02/24	\$1,300.00	
			958	JEG-Bld C Emergency Sewer blockage removal	02/24	\$750.00	
			961	JEG-Bld C remove leaking valve and replace with copper valve	02/24	\$2,400.00	\$46,975.00
Totals For Vendor: Mitchell's Plumbing and Heating,LLC							\$46,975.00

Mold Test Company 62 Industrial Park Road Dawsonville GA 30534 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5500	CHK	042029	Apt 3A -Mold test for REH -Mold Inspection	02/24	\$609.00	\$609.00

Totals For Vendor: Mold Test Company **\$609.00**

NetConnect, Inc. 111 Storer Avenue Unit: Suite B2 Staten Island NY 10309 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5501	CHK	N8882	microsoft licenses,remote access service,go daddy web,domain,word press renewal,e-mail encryption	02/24	\$3,315.53	\$3,315.53

Totals For Vendor: NetConnect, Inc. **\$3,315.53**

New Jersey American Box 371331 Pittsburgh PA 15250-7331 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5502	CHK	1018-21002183632 4-012924	9 LYLE PL H EDISON WATER BILL-12/28/23-01/29/24	02/24	\$405.54	\$405.54
02/16/2024	5503	CHK	1018-21002165669 6 012924	15 LYLE PLACE H EDISON-12/28/23-01/29/24	02/24	\$2,904.87	\$2,904.87
02/16/2024	5504	CHK	1018-21002183711 2 012924	3 WESTON FORBES CT D EDISON-12/28/23-01/29/24	02/24	\$185.08	\$185.08
02/16/2024	5505	CHK	1018-21002183781 5 012924	2 WESTON FORBES CT C EDISON-12/28/23-01/29/24	02/24	\$364.25	\$364.25
02/16/2024	5506	CHK	1018 21002160495 4 012924	14 rev Samuel carpenter water 12/28/23-01/29/24	02/24	\$122.38	\$122.38

02/16/2024	5507	CHK	1018-21002160560 5-012924	17 Beaver street-REH water- 12/28/23-01/29/24	02/24	\$844.49	\$844.49
02/16/2024	5508	CHK	10182100218 38511 012924	4 WESTON FORBES CT C- 12/28/23-01/29/24	02/24	\$247.80	\$247.80
02/16/2024	5509	CHK	1018-21002183938 5 012924	5 WESTON FORBES CT B - 12/28/23-01/29/24	02/24	\$2,457.06	\$2,457.06
02/16/2024	5510	CHK	1018-21002184069 9 012924	6 WESTON FORBES CT D- 12/28/23-01/29/24	02/24	\$229.87	\$229.87
02/16/2024	5511	CHK	1018-21002190279 5 012924	12 Wintergreen Ave WE Edison NJ-12/28/23-01/29/24	02/24	\$238.84	\$238.84
02/16/2024	5512	CHK	1018-21002190243 6 012924	8 Weston Forbes CT E Edison - 12/28/23-01/29/24	02/24	\$229.87	\$229.87
02/16/2024	5513	CHK	1018-21002190173 0 012924	7 Weston Forbes CT. D Edison- 12/28/23-01/29/24	02/24	\$310.50	\$310.50
02/16/2024	5514	CHK	1018-21002190134 1-012924	8 Weston Forbes CT C water 12/28/23-01/29/24	02/24	\$543.42	\$543.42
02/16/2024	5515	CHK	1018-21001896733 8 012924	1 wintergreen Ave. WB edison- 12/28/23-01/29/24	02/24	\$256.74	\$256.74
02/16/2024	5516	CHK	10182100216 57798-012924	11 LYLE PL A -12/28/23- 01/29/24	02/24	\$701.15	\$701.15
Totals For Vendor: New Jersey American Water							\$10,041.86

Nexacomm LLC 1869 E Seltice Way # 521 Post Falls ID 83854 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5517	CHK	0004624	JEG telephone service - February 2024	02/24	\$89.97	\$89.97

Totals For Vendor: Nexacomm LLC **\$89.97**

NJ BLD. Laborers 485 Route 1 south, Bld. B suite 401 Iselin NJ 08830 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5518	CHK	122923	dues for 49 hours union 2 laborers 12/23/23 -12/29/23	02/24	\$356.61	\$356.61

Totals For Vendor: NJ BLD. Laborers Statewide Welfare Fund **\$356.61**

Optimum PO Box 70340 Philadelphia PA 19176-0340 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/07/2024	5477	CHK	07875-453477 01-2 -020524	maintenance internet service 01/22/24-02/21/24-5 Weston Forbes APT C Basement	01/24	\$165.44	\$165.44
02/07/2024	5478	CHK	07875-207961 03-9-022124	JEG Internet 01/22/24-02/21/24	01/24	\$154.94	\$154.94
02/07/2024	5479	CHK	07875-386464 01-1-02124	REH office internet 01/22/24- 02/21/24	01/24	\$180.94	\$180.94

Totals For Vendor: Optimum **\$501.32**

Paulus, Sokolowski & 3 Mountainview Road Warren NJ 07059 No

Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5519	CHK	165201	REH Basketball Court Improvements- professional fee- 11/1/23-11/30/23	02/24	\$630.00	

			165279	REH Basketball Court Improvements- professional fee- 12/1/23-12/29/23	02/24	\$472.50	\$1,102.50
Totals For Vendor: Paulus, Sokolowski & Sartor LLC							\$1,102.50
Phoenix Specialties, LLC			650-C South Avenue Garwood NJ 07027			No	
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
02/16/2024	5520	CHK	40566	maintenance janitorial supplies	02/24	\$476.50	\$476.50
Totals For Vendor: Phoenix Specialties, LLC							\$476.50
Picture-It, Inc.			1703 Route 27 Edison NJ 08817			No	
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
02/16/2024	5521	CHK	14545	3 nameplates-wood finish plastic	02/24	\$55.50	\$55.50
Totals For Vendor: Picture-It, Inc.							\$55.50
Polcari & Co.			2035 Hamburg Turnpike Unit: H Wayne NJ 07470			No	
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
02/16/2024	5522	CHK	15109	accounting services - January 2024	02/24	\$3,300.00	\$3,300.00
Totals For Vendor: Polcari & Co.							\$3,300.00
PSE&G CO			PO Box 144444 New Brunswick NJ 08906-4444			No	
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
02/07/2024	5480	CHK	6691572106-012024	JEG gas & electric 12/20/23-01/20/24	01/24	\$9,041.57	\$9,041.57
02/07/2024	5481	CHK	7704040707-012324	Vacant Apt A3 -JEG gas & electric 12/29/23-01/23/24	01/24	\$4.31	\$4.31
02/07/2024	5482	CHK	1300007818 013024	REH Electric January 2024	01/24	\$3,248.41	\$3,248.41
Totals For Vendor: PSE&G CO							\$12,294.29
Quadient Finance USA,			PO Box 6813 Carol Stream IL 60197-6813			No	
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
02/16/2024	5523	CHK	79000440810 31555-12824	postage refill - Jan 2024	02/24	\$500.00	\$500.00
Totals For Vendor: Quadient Finance USA, Inc.							\$500.00
Quincy Good			149-94-6399	1030 Grove Avenue Apt 25A Edison NJ 08820	Yes		
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
01/26/2024	5464	CHK	11623	snow removal help 7 hours @ \$15/hr. on 1/16/2023	01/24	\$105.00	\$105.00
Totals For Vendor: Quincy Good							\$105.00
Standard Waste Services			21 Edgeboro Road East Brunswick NJ 08816			No	
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
02/16/2024	5524	CHK	486813	REH trash service- February 2024 Account ID EDISON HSG	02/24	\$2,808.00	
			488567	REH-30 yard waste picked up on 01/31/2024	02/24	\$365.30	\$3,173.30
Totals For Vendor: Standard Waste Services							\$3,173.30
Staples			PO Box 70242 Philadelphia PA 19176-0242			No	
<i>Pay Date</i>	<i>Pay Num</i>	<i>Pay Type</i>	<i>Inv Num</i>	<i>Invoice Description</i>	<i>Period</i>	<i>Amount</i>	<i>Doc Total</i>
02/16/2024	5525	CHK	8072831117	office supplies-hardboard clip, desk pad, notebook	02/24	\$65.62	
			8073051571	office supplies-2 pocket presentation folders, printer for Section 8	02/24	\$990.52	\$1,056.14

Totals For Vendor: Staples							\$1,056.14
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Starlite Services LLC		27-4731068	PO Box 487 Perth Amboy NJ 08862		Yes		
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Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5526	CHK	0068	apt 9F vacant apt cleaning-REH	02/24	\$489.00	
			0069	JEG power was cleaning on 1/29/24-Breezeways-floors walls and stairs,window sills,hailway railings	02/24	\$4,788.00	\$5,277.00

Totals For Vendor: Starlite Services LLC							\$5,277.00
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Steven Galante		151-82-0716	6 Atlantic Road Somerset NJ 08873		Yes		
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Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5527	CHK	123123	Website maintenance for EHA December 2023	02/24	\$150.00	\$150.00

Totals For Vendor: Steven Galante							\$150.00
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Steve's Appliance Doctor,		6 Eardley Road Edison NJ 08817	No				
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Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5528	CHK	43141	REH apt 9E Replaced Oven ignitor	02/24	\$208.50	
			43142	REH apt 17 H Adjusted temp controls, cleared ice from airducts	02/24	\$169.50	
			43143	REH apt 11B Adjusted stove burners	02/24	\$149.50	
			46090	REH apt 15A Adjusted and cleaned right front Burner	02/24	\$139.50	
			46092	REH apt 4A replaced Oven Ignitor	02/24	\$208.50	
			46093	REH apt 7A Replaced oven ignitor	02/24	\$208.50	
			46091	JEG apt H2 Refrigerator not cooling repaired	02/24	\$139.50	\$1,223.50

Totals For Vendor: Steve's Appliance Doctor, Inc.							\$1,223.50
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Terrel Bradley		156-06-3231	1045 Grove Avenue Unit: 7A Edison NJ 08820		Yes		
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Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
01/26/2024	5465	CHK	11924	reh snow removal 7 hours@\$15/hour and part time help on moving cart 8 hours 1/9/24-1/19/24	01/24	\$195.00	\$195.00
02/07/2024	5483	CHK	020224	part time maint. help collecting shopping carts 01/23/24- 02/02/24- 8 hrs.	01/24	\$120.00	\$120.00

Totals For Vendor: Terrel Bradley							\$315.00
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The Brooke Group LLC		27-0950485	209 E. Egnor Drive Absecon NJ 08205		Yes		
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Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5529	CHK	EHA-GD12-2023	RAD Consulting - December 2023	02/24	\$1,837.50	\$1,837.50

Totals For Vendor: The Brooke Group LLC							\$1,837.50
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The Print Post		274 Chestnut Street Newark NJ 07105	No				
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Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5530	CHK	30069	2 Poster rendering fair	02/24	\$72.00	\$72.00

Totals For Vendor: The Print Post							\$72.00
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Verizon Wireless		PO Box 408 Newark NJ 07101-0408	No				
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Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
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02/07/2024	5484	CHK	9955396806	cell phone service December 29-January 28 2023	01/24	\$359.52	\$359.52
Totals For Vendor: Verizon Wireless							\$359.52
Woodbridge Housing			800B Bunns Lane Woodbridge NJ 07095			No	
Pay Date	Pay Num	Pay Type	Inv Num	Invoice Description	Period	Amount	Doc Total
02/16/2024	5531	CHK	1012024	Administrative fee for Social worker at HPHA-January 2024	02/24	\$2,083.33	\$2,083.33
Totals For Vendor: Woodbridge Housing Authority							\$2,083.33
Grand Totals:				Total Payments:		48	\$391,816.89

RESOLUTION # 1-2-2024

APPROVE VOUCHERS FOR PAYMENT OF INVOICES

WHEREAS, the Commissioners of the Edison Housing Authority approves voucher for payment of invoices for the month of February in the amount of \$391,816.89.

NOW, THEREFORE, Be It Resolved by the Board of Commissioner of the Edison Housing Authority that Resolution 1-2-2024 shall be approved.

MOVED: _____

SECONDED: _____

Member Recorded Vote

Ayes

Nays

Abstain

Absent

Chairman Barry Telesnick

Vice Chairman Lennox Small, Ed.D.

Commissioner Deborah Andrews

Commissioner Toni Johnson

Commissioner Sonali Patel

Commissioner Carlos N. Sanchez

PASSED AND ADOPTED THE 20 day of February, 2024

I, Deborah M. Hurley, Secretary of the Housing Authority of the Township of Edison, hereby certify that the foregoing is a true copy of a resolution of the Authority adopted at a regular meeting February 20, 2024

Deborah M. Hurley, Secretary, Executive Director

Report On Audit

**HOUSING AUTHORITY OF THE
TOWNSHIP OF EDISON**

**For the Year Ended
June 30, 2023**

Housing Authority of the Township of Edison
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Township of Edison
14 Rev. Samuel Carpenter Blvd.
Edison, New Jersey 08820

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business activities and the discretely present component unit of the Housing Authority of the Township of Edison, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Township of Edison 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, business activities and the discretely present component unit of the Housing Authority of the Township of Edison as of June 30, 2023, 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 Housing Authority of the Township of Edison 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 Housing Authority of the Township of Edison'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 Housing Authority of the Township of Edison'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 Housing Authority of the Township of Edison.
- Housing Authority of the Township of Edison'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 and OPEB and Pension supplemental information on pages 5 through 18 and pages 63-67 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 Housing Authority of the Township of Edison's basic financial statements. The accompanying supplemental information on pages 68-76 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024, in our consideration of the Housing Authority of the Township of Edison'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 Housing Authority of the Township of Edison'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 Housing Authority of the Township of Edison's internal control over financial reporting and compliance.

Giampaolo & Associates

Lincroft, New Jersey

Date: January 19, 2024

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023

As Management of the Housing Authority of the Township of Edison (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's 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 19 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 primary government exceeded its liabilities at the close of the most recent fiscal year by \$1,538,278, an increase in the financial position of \$238,139 or 18% percent as compared to the prior fiscal year.

As noted above, the net position of the Authority primary government was \$1,538,278 as of June 30, 2023. Of this amount, the primary government unrestricted net position is a deficit balance of \$930,028, representing a decrease in the deficit of \$289,228 or 24% percent from the previous year. During the year, the Authority recorded a prior period adjustment for the State of NJ GASB #75 OPEB report in the amount of \$81,549. Additional information on the Authority's unrestricted net positions can be found in Note 21 the financial statements, which is included in this report.

The Authority primary government net investment in capital assets decreased \$127,533 or 5% percent for an ending balance of \$2,377,391. The major factor that contributed to the decrease was the purchase of fixed assets in the amount of \$79,355 plus debt payments in the amount of \$60,000, less the recording of depreciation expense in the amount of \$266,888.

The Authority primary government restricted net position increased \$76,444 from the previous year for an ending balance of \$90,915. Additional information on the Authority's restricted net position can be found in Note 20 of the financial statements, which is included in this report.

The Authority's primary government total cash and cash equivalents on June 30, 2023, is \$1,475,537 representing an increase of \$192,877 or 15% percent from the prior fiscal year. Total primary government operating cash increased \$117,337 or 10% percent for an ending balance of \$1,325,895. Total primary government restricted cash and funded reserves increased \$75,540 or 102% percent for an ending balance of \$149,642. The full detail of this amount can be found in the Statement of Cash Flows on pages 22-23 of this report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

FINANCIAL HIGHLIGHTS - CONTINUED

The Authority's primary government total assets and deferred outflows are \$5,926,107 of which capital assets net book value is \$2,652,391, deferred outflows in the amount of \$537,907, other assets in the amount of \$1,697, leaving total current assets at \$2,734,112.

Total current assets increased from the previous year by \$239,907 or 10% percent. Unrestricted cash and cash equivalents increased by \$117,337, restricted cash increased by \$75,540, accounts receivables increased by \$65,498, investments increased by \$807, and prepaid expenses decreased \$19,275.

The Authority primary government capital assets reported a decrease in the net book value of the capital assets in the amount of \$187,533 or 7% percent. The major factor that contributed to the decrease was the purchase of fixed assets in the amount of \$79,355 less the recording of depreciation expense in the amount of \$266,888. A full detail of capital outlays can be found in the Notes to the Financial Statements Section Note – 8 Fixed Assets.

Other assets right to use assets decreased by \$4,073 or 71% percent for an ending balance of \$1,697. A full detail of the right to use assets can be found in the Notes to the Financial Statements Section Note – 9 Right to Use Asset and lease payable at year end.

The Authority primary government reported an increase in the deferred outflow for the pension cost in the amount of \$82,058 for an ending balance of \$537,907. The Authority primary government reported a decrease in the deferred inflow for the pension cost in the amount of \$214,659 for an ending balance of \$1,223,156. A full detail of the pension reporting requirement can be found in the Notes to the Financial Statements Section Note – 10 Deferred Outflows/Inflows of Resources.

The Authority's primary government total liabilities are reported at \$3,164,673, of which current liabilities are stated at \$308,009 and noncurrent liabilities are stated at \$2,856,664. Total primary government liabilities increased during the year as compared to the prior year in the amount of \$106,879 or 3% percent. Total primary government current liabilities increased during the year by \$49,430, leaving non-current liabilities for an increase of \$57,449 as compared to the previous year.

As previously stated, total primary government current liabilities increased from the previous year by \$49,430 or 19% percent. Accounts payable increased by \$94,288, accrued liabilities decreased by \$47,181, tenant security deposit payable increased by \$1,767, unearned revenue decreased by \$2,054, and the current portion of the lease payable decreased by \$2,390. The current portion of the Capital Project Bonds payable increased from the prior year by \$5,000 for an ending balance of \$65,000.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

FINANCIAL HIGHLIGHTS - CONTINUED

The Authority primary government total noncurrent liabilities increased by \$57,449 or 2% percent. The increase was comprised of four accounts, long-term note payable which decreased by \$65,000 for an ending balance of \$210,000, accrued compensated absences – long term with no offsetting assets decreased \$711 from the prior fiscal year for an ending balance of \$27,280, and leases payable - noncurrent decreased \$1,880.

Accrued pension and other post-employment benefits (OPEB) liabilities increased \$125,040 for an ending balance of \$2,619,384. Additional information on GASB #68 pension and GASB #75 effect the Authority's accrued OPEB liabilities on June 30, 2023, can be found in Notes 17-18 to the financial statements, which is included in this report.

The Authority primary government had total operating revenue of \$7,774,700 as compared to \$7,469,445 from the prior year for an increase of \$305,255 or 4% percent.

The Authority primary government had total operating expenses of \$7,731,619 as compared to \$7,455,141 from the previous year for an increase of \$276,478 or 4% percent, resulting in excess revenue from operations in the amount of \$43,081 for the current year as compared to excess revenue from operations in the amount of \$14,304 during the prior year for an increase of \$28,777 or 224% percent from the previous year.

Total primary government capital improvements contributions from HUD were in the amount of \$106,350 as compared to \$145,482 from the previous year for a decrease of \$39,132 or 27% percent. The Authority primary government had capital outlays in the amount of \$79,355 for the fiscal year.

The Authority's Expenditures of Federal Awards amounted to \$6,008,776 for the fiscal year 2023 as compared to \$5,952,714 for the previous fiscal year 2022 for an increase of \$56,062 or 1% percent.

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 programs:

1. Public and Indian Housing Program
2. Section 8 Housing Choice Vouchers
3. Public Housing Capital Fund Program
4. Continuum of Care (CoC) Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the 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.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

This discussion and analysis are intended to serve as an introduction to the Housing Authority's primary government financial statements. The financial statements are prepared on an entity wide basis excluding the discretely presented component units 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 19 through 23.

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.

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 page 24 through 61.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments and Non-profit Organizations. The schedule of Expenditures of Federal Awards can be found on pages 68-69 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 Housing Authority of the Township of Edison are those which equal or exceeded \$750,000 in expenditures for the fiscal year ended June 30, 2023. Type B programs for the Housing Authority of the Township of Edison are those which are less than \$750,000 in expenditures for the fiscal year ended June 30, 2023.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE)

The following summarizes the computation of Net Position of the primary government between June 30, 2023 and June 30, 2022:

Computations of Net Position of the primary government are as follows:

	<u>Year Ended</u>		Increase (Decrease)
	June-23	June-22	
Cash	\$ 1,475,537	\$ 1,282,660	\$ 192,877
Other Current Assets	1,258,575	1,211,545	47,030
Capital Assets - Net	2,652,391	2,839,924	(187,533)
Right to Use Assets	1,697	5,770	(4,073)
Deferred Outflows	537,907	455,849	82,058
Total Assets	5,926,107	5,795,748	130,359
Less: Current Liabilities	(308,009)	(258,579)	(49,430)
Less: Non Current Liabilities	(2,856,664)	(2,799,215)	(57,449)
Less: Deferred Inflows	(1,223,156)	(1,437,815)	214,659
Net Position	\$ 1,538,278	\$ 1,300,139	\$ 238,139
Net Investment in Capital Assets	\$ 2,377,391	\$ 2,504,924	\$ (127,533)
Restricted Net Position	90,915	14,471	76,444
Unrestricted Net Position	(930,028)	(1,219,256)	289,228
Net Position	\$ 1,538,278	\$ 1,300,139	\$ 238,139

Cash and restricted cash increased by \$192,877 or 15% percent. Net cash provided by operating activities was \$310,565, net cash used by capital and related financing activities was \$120,823, and net cash provided by investing activities was \$3,135. The full detail of this amount can be found in the Statement of Cash Flows on pages 22-23 of this audit report.

Other current assets increased \$47,030. Accounts receivables increased by \$65,498, investments increased by \$807 and prepaid expenses decreased by \$19,275.

The Authority primary government capital assets reported a decrease in the net book value of the capital assets in the amount of \$187,533 or 7% percent. The major factor that contributed to the decrease was the purchase of fixed assets in the amount of \$79,355 less the recording of depreciation expense in the amount of \$266,888.

Other assets right to use assets decreased by \$4,073 or 71% percent. A full detail of the right to use assets can be found in the Notes to the Financial Statements Section Note – 9 Right to Use Asset and lease payable at year end.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The Authority primary government reported an increase in the deferred outflow for the pension cost in the amount of \$82,058 for an ending balance of \$537,907. The Authority primary government reported a decrease in the deferred inflow for the pension cost in the amount of \$214,659 for an ending deficit balance of \$1,223,156.

Total primary government current liabilities increased from the previous year by \$49,430 or 19% percent. Accounts payables increased by \$94,288, accrued liabilities decreased by \$47,181, tenant security deposit payable increased by \$1,767, unearned revenue decreased by \$2,054, and the current portion of leases payable decreased \$2,390. The current portion of the Capital Project Bonds payable increased by \$5,000 for an ending balance of \$65,000.

The Authority primary government total noncurrent liabilities increased by \$57,449 or 2% percent. The increase was comprised of four accounts, long-term note payable which decreased by \$65,000 for an ending balance of \$210,000, accrued compensated absences – long term with no offsetting assets decreased \$711 from the prior fiscal year for an ending balance of \$27,280, and leases payable – noncurrent decreased \$1,880. Additional information about the Authority primary government's leases payable – noncurrent can be found in the Notes to the Financial Statements Note 9.

Accrued pension and other post-employment benefits (OPEB) liabilities increased \$125,040 for an ending balance of \$2,619,384. Additional information on GASB #68 pension and GASB #75 effect the Authority's accrued OPEB liabilities on June 30, 2023 can be found in Notes 17-18 to the financial statements, which is included in this report.

The Authority's primary government reported net position is \$1,538,278 which is made up of three categories. The Authority primary government reported net investment in capital assets in the amount of \$2,377,391. The net investment in capital assets (e.g., land, buildings, vehicles, equipment, and construction in process); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide housing services to the tenants; consequently, these assets are not available for future spending. The schedule below reflects the activity in this account for the current fiscal year:

Balance June 30, 2022	\$ 2,504,924
Acquisition in Fixed Assets	79,355
Payment of Debt	60,000
Depreciation Expense	(266,888)
Balance June 30, 2023	<u>\$ 2,377,391</u>

The Housing Authority of the Township of Edison primary government operating results for June 30, 2023, reported an increase in unrestricted net position of \$289,228 or 24% percent for an ending deficit balance of \$930,028. A full detail of this account can be found in the Notes to the Financial Statements Section Note 21.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The primary government restricted net position increased \$76,444 from the previous year for an ending balance of \$90,915. Additional information on the Authority's restricted net position can be found in Note 20 to the financial statements, which is included in this report.

The following summarizes the changes in Net Position of the primary government between June 30, 2023, and June 30, 2022:

Computation of Changes in Net Position of the primary government are as follows:

	<u>Year Ended</u>		Increase
	June-23	June-22	(Decrease)
<u>Revenues</u>			
Tenant Revenues	\$ 835,766	\$ 797,956	\$ 37,810
HUD Subsidies	5,873,768	5,791,735	82,033
Other Governmental Grants	28,658	15,497	13,161
Other Revenues	1,039,725	864,257	175,468
Total Operating Income	<u>7,777,917</u>	<u>7,469,445</u>	<u>308,472</u>
<u>Expenses</u>			
Operating Expenses	7,464,732	7,170,054	294,678
Depreciation Expense	266,887	285,087	(18,200)
Total Operating Expenses	<u>7,731,619</u>	<u>7,455,141</u>	<u>276,478</u>
Operating Income before Non Operating Income	46,298	14,304	31,994
Interest Income	3,942	3,667	275
Capital Grants	106,350	145,482	(39,132)
Change in Net Position	<u>156,590</u>	<u>163,453</u>	<u>(6,863)</u>
Net Position Prior Year	1,300,139	868,221	431,918
Prior Period Adjustments	81,549	268,465	(186,916)
Total Net Position	<u>\$ 1,538,278</u>	<u>\$ 1,300,139</u>	<u>\$ 238,139</u>

Approximately 76% percent of the Authority's primary government total operating revenue was provided by HUD operating subsidy, while 10% percent resulted from tenant revenue. Charges for various services and fraud recovery provided 13% percent of the total income, and other governmental grants provided the remaining 1% percent of the total income.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The Housing Authority of the Township of Edison received from the capital fund program \$106,350 in grant money, representing a decrease of \$39,132 from the prior fiscal year. The Authority had capital expenditures of \$79,355. The current year's additions included the replacement of hot water heaters and HVAC renovations.

The Authority's primary government operating expenses cover a range of expenses. The largest expense was for housing assistance payment expenses representing 68% percent of total operating expenses. Administrative expenses accounted for 13% percent, tenant services accounted for less than 1% percent, utilities expense accounted for 6% percent, maintenance expense accounted for 6% percent, other operating expenses accounted for 3% percent, and depreciation accounted for the remaining 3% percent of the total operating expenses.

The Authority primary government operating revenue exceeded its operating expenses resulting in excess revenue from operations in the amount of \$46,298 from operations as compared to excess revenue from operations of \$14,304 for the previous year. The key elements for the decrease in surplus revenue in comparison to the prior year are as follows:

- The Authority primary government tenant rental revenue increased \$37,810 or 5% percent due to an increase in tenant household income.
- The Authority primary government reported an increase in HUD PHA operating grants in the amount of \$82,033 or 1% percent.
- Other governmental grants increased by \$13,161 or 85% percent.
- Total other revenue increased in the amount of \$175,468 or 20% percent.
- The Authority reported an increase in the following expense accounts:
 - Administrative expenses increased \$202,205 or 25% percent.
 - Utilities expenses increased \$21,601 or 5% percent.
 - Housing Assistance Payments increased \$83,584 or 2% percent.
- The Authority reported a decrease in the following expense accounts:
 - Tenant services expenses decreased \$1,907 or 22% percent.
 - Maintenance expenses decreased \$951 or less than 1% percent.
 - Other operating expenses decreased \$9,854 or 5% percent.
 - Depreciation expense decreased \$18,200 or 6% percent.

Total net cash provided by operating activities during the year was \$310,565 as compared to cash provided in the amount of \$86,559 for the prior fiscal year. A full detail of these amounts can be found on the Statement of Cash Flows on pages 22-23 of this report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY WIDE) - CONTINUED

The following are financial highlights of significant items for the primary government for a four-year period of time ending on June 30, 2023:

	June-23	June-22	June-21	June-20
Significant Income				
Total Tenant Revenue	\$ 835,766	\$ 797,956	\$ 750,928	\$ 699,948
HUD Operating Grants	5,873,768	5,791,735	5,826,809	5,512,031
HUD Capital Grants	106,350	145,482	185,946	112,968
Other Governmental Grants	28,658	15,497	9,889	-
Investment Income	3,942	3,667	5,128	6,851
Other Income	1,039,725	864,257	853,439	346,296
Total	<u>\$ 7,888,209</u>	<u>\$ 7,618,594</u>	<u>\$ 7,632,139</u>	<u>\$ 6,678,094</u>
Payroll Expense				
Administrative Salaries	\$ 435,201	\$ 430,944	\$ 263,755	\$ 415,799
Maintenance Labor	177,383	231,730	171,855	172,801
Utility Labor	19,709	-	-	-
Employee Benefits Expense	228,459	173,577	305,538	305,142
Total Payroll Expense	<u>\$ 860,752</u>	<u>\$ 836,251</u>	<u>\$ 741,148</u>	<u>\$ 893,742</u>
Other Significant Expenses				
Other Administrative Expenses	\$ 314,679	\$ 255,622	\$ 207,368	\$ 267,375
Utilities Expense	483,706	435,018	359,570	364,304
Maintenance Supplies	78,196	92,312	44,188	57,737
Maintenance Contract Cost	183,838	116,496	137,350	162,534
Insurance Premiums	99,893	85,529	75,969	70,098
Housing Assistance Payments	4,294,174	5,193,327	5,091,135	4,473,051
Total	<u>\$ 5,454,486</u>	<u>\$ 6,178,304</u>	<u>\$ 5,915,580</u>	<u>\$ 5,395,099</u>
Total Operating Expenses	<u>\$ 7,731,619</u>	<u>\$ 7,282,557</u>	<u>\$ 6,657,192</u>	<u>\$ 6,860,119</u>
Total of Federal Awards	<u>\$ 6,008,776</u>	<u>\$ 5,952,714</u>	<u>\$ 6,022,644</u>	<u>\$ 5,624,999</u>

THE AUTHORITY AS A WHOLE

The Authority's primary government revenues consist primarily of rents and subsidies and grants received from HUD. The Authority receives subsidies each month based on a pre-approved amount by HUD. Grants are drawn down based on need against a pre-authorized funding level. By far, the largest portion of the Authority's primary government net position reflects its net investment in capital assets. The net investment in capital assets (e.g., land, buildings, equipment, and construction in progress) uses these capital assets to provide housing services to its tenants.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON PROGRAMS

Public and Indian Housing Program:

Under the Public Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD's rent subsidy program provides housing assistance to low-income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) the Housing Authority of the Township of Edison flat rent amount.

Public Housing Capital Fund Program:

The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments to keep them clean, safe and in good condition.

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 contract that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

Continuum of Care (CoC) Program

The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

BUDGETARY HIGHLIGHTS

For the year ended June 30, 2023, 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 Authority submits its annual operating and capital budgets 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

1 – Capital Assets

The Authority's primary government net investment in capital assets as of June 30, 2023, was \$2,652,391 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and construction in progress. The total decrease during the year in the Authority's investment in capital assets was \$187,533 or 7% percent. Major capital expenditures of \$79,355 were made during the year. Major capital assets events during the fiscal year included the following:

- Hot Water Heaters
- HVAC Renovations

The Primary Government:

	June-23	June-22	Increase (Decrease)
Land	\$ 400,000	\$ 400,000	\$ -
Building	10,091,707	10,060,163	31,544
Furniture, Equipment - Dwelling	276,698	275,237	1,461
Furniture, Equipment - Administration	614,257	614,257	-
Construction in Process	601,626	555,276	46,350
Total Fixed Assets	11,984,288	11,904,933	79,355
Accumulated Depreciation	(9,331,897)	(9,065,009)	(266,888)
Net Book Value	\$ 2,652,391	\$ 2,839,924	\$ (187,533)

Additional information on the Authority's capital assets can be found in Note 8 to the financial statements, which is included in this report.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION -CONTINUED

2 - Debt Administration

The Authority has participated in the New Jersey pooled leveraging program. The Capital Project Bond payable in the amount of \$275,000 was outstanding as of June 30, 2023. A full disclosure of loans payable on June 30, 2023, can be found in Note 16.

NEW INITIATIVES

For the fiscal year 2023 the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 76% percent of its revenue from the Department of Housing and Urban Development, (2022 was 78% percent), the Authority is 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 been exploring a Rental Assistance Application (RAD) which would involve converting current public housing units to a Section 8 platform. While this process takes time the Authority has remained diligent in being proactive in regards to maintaining the condition of their buildings.

The Authority has made steady progress in various phases of the operations, all the while increasing the occupancy percentage in the public housing units and a high utilization rate in Housing Assistance Programs. Interactions with the residents are a constant reminder of the need for 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 Township of Edison all the while being mindful of their responsibility to be good stewards of the public's tax dollars.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority of the Township of Edison 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 capital budgets for the 2024 fiscal year have already been submitted to HUD for approval and no major changes were made. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing property including administrative fees involved in the modernization.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON JUNE 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - CONINUED

The following factors were considered in preparing the Authority's budget for the fiscal year ending June 30, 2024.

- 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.
- Continued increases in health care insurance are expected to impact employee benefits cost over the next several years.
- Converting Public and Indian Housing Program rental units into RAD subsidy units.
- 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.
- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs.

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 the Ms. Deborah Hurley, Executive Director, Housing Authority Township of Edison, 14 Rev. Samuel Carpenter Blvd., Edison, NJ or call (908) 561-2525.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
STATEMENT OF NET POSITION - 1
AS OF JUNE 30, 2023

Assets	Primary Government	Component Unit June-23	Total (Memorandum)
Current Assets:			
Cash and Cash Equivalents			
Operating	\$ 1,325,895	\$ 651,340	\$ 1,977,235
Restricted	149,642	2,023	151,665
Total cash and equivalents	<u>1,475,537</u>	<u>653,363</u>	<u>2,128,900</u>
Accounts Receivables, Net of Allowances	432,117	-	432,117
Investments	772,589	-	772,589
Prepaid Expenses	53,869	-	53,869
Total Current Assets	<u>2,734,112</u>	<u>653,363</u>	<u>3,387,475</u>
Noncurrent Assets			
Capital Assets			
Land	400,000	20,000	420,000
Building	10,091,707	81,521	10,173,228
Furniture, Equipment - Dwelling	276,698	-	276,698
Furniture, Equipment - Administration	614,257	-	614,257
Construction in Process	601,626	-	601,626
Total Capital Assets	<u>11,984,288</u>	<u>101,521</u>	<u>12,085,809</u>
Less: Accumulated Depreciation	<u>(9,331,897)</u>	<u>(19,342)</u>	<u>(9,351,239)</u>
Net Book Value	<u>2,652,391</u>	<u>82,179</u>	<u>2,734,570</u>
Other Assets			
Right to Use Assets	1,697	-	1,697
Total Other Assets	<u>1,697</u>	<u>-</u>	<u>1,697</u>
Total Assets	<u>5,388,200</u>	<u>735,542</u>	<u>6,123,742</u>
Deferred Outflow of Resources			
NJ Pension and OPEB	537,907	-	537,907
Total Assets and Deferred Outflow of Resources	<u>5,926,107</u>	<u>735,542</u>	<u>6,661,649</u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
STATEMENT OF NET POSITION - 2
AS OF JUNE 30, 2023

	Primary Government	Component Unit June-23	Total (Memorandum)
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 153,694	\$ 26,438	\$ 180,132
Accrued Liabilities	15,535	-	15,535
Tenant Security Deposit Payable	58,727	2,023	60,750
Unearned Revenue	13,173	1,175	14,348
Current Portion - Long Term Debt	65,000	-	65,000
Lease Payable - Current Portion	1,880	-	1,880
Total Current Liabilities	<u>308,009</u>	<u>29,636</u>	<u>337,645</u>
Noncurrent Liabilities			
Long Term Debt - CFFP	210,000	-	210,000
Accrued Compensated Absences - Long-Term	27,280	-	27,280
Accrued Other Post-Employment Benefits (OPEB)	2,619,384	-	2,619,384
Total Noncurrent Liabilities	<u>2,856,664</u>	<u>-</u>	<u>2,856,664</u>
 Total Liabilities	 <u>3,164,673</u>	 <u>29,636</u>	 <u>3,194,309</u>
Deferred Inflow of Resources			
NJ Pension and OPEB	<u>1,223,156</u>	<u>-</u>	<u>1,223,156</u>
Net Position:			
Net Investment in Capital Assets	2,377,391	82,179	2,459,570
Restricted	90,915	-	90,915
Unrestricted	(930,028)	623,727	(306,301)
Total Net Position	<u>1,538,278</u>	<u>705,906</u>	<u>2,244,184</u>
 Total Liabilities, Deferred Inflow of Resources, and Net Position	 <u>\$ 5,926,107</u>	 <u>\$ 735,542</u>	 <u>\$ 6,661,649</u>

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2023**

	Primary Government	Component Unit June-23	Total (Memorandum)
Revenue:			
Tenant Rental Revenue	\$ 835,766	\$ 22,815	\$ 858,581
HUD PHA Operating Grants	5,873,768	-	5,873,768
Other Governmental Grants	28,658	-	28,658
Other Revenue	1,039,725	35,374	1,075,099
Total Revenue	<u>7,777,917</u>	<u>58,189</u>	<u>7,836,106</u>
Operating Expenses:			
Administrative Expenses	1,001,650	21,313	1,022,963
Tenant Services	6,660	-	6,660
Utilities Expense	483,706	-	483,706
Maintenance Expense	500,285	-	500,285
Other Operating Expenses	195,520	-	195,520
Housing Assistance Payments	5,276,911	-	5,276,911
Depreciation Expense	266,887	2,038	268,925
Total Operating Expenses	<u>7,731,619</u>	<u>23,351</u>	<u>7,754,970</u>
Excess Revenue From Operations	<u>46,298</u>	<u>34,838</u>	<u>81,136</u>
Nonoperating Revenue			
Investment Income	3,942	221	4,163
Capital Grant Contributions	106,350	-	106,350
Total Nonoperating Revenue	<u>110,292</u>	<u>221</u>	<u>110,513</u>
Change in Net Position	<u>156,590</u>	<u>35,059</u>	<u>191,649</u>
Beginning Net Position	1,300,139	670,847	1,970,986
Prior Period Adjustment	81,549	-	81,549
Beginning Net Position - Restated	<u>1,381,688</u>	<u>670,847</u>	<u>2,052,535</u>
Ending Net Position	<u>\$ 1,538,278</u>	<u>\$ 705,906</u>	<u>\$ 2,244,184</u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
STATEMENT OF CASH FLOWS-1
FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

	Primary Government	Component Unit June-23	Total (Memorandum)
Cash Flow From Operating Activities			
Receipts from Tenants	\$ 836,697	\$ 22,815	\$ 859,512
Receipts from Federal Grants	6,014,609		6,014,609
Receipts from Misc. Sources	1,065,166	35,374	1,100,540
Payments to Vendors and Suppliers	(950,370)	(10,903)	(961,273)
Payments for Housing Assistance Payments	(5,276,911)	-	(5,276,911)
Payments to Employees	(651,507)		(651,507)
Payment of Employee Benefits	(228,459)		(228,459)
Payment of Utilities Expenses	(498,660)		(498,660)
Net Cash Provided by Operating Activities	<u>310,565</u>	<u>47,286</u>	<u>357,851</u>
Cash Flow From Capital and Related Financing Activities			
Receipts from Capital Grants	106,350	-	106,350
Acquisitions and Construction of Capital Assets	(79,355)	-	(79,355)
Change in Long Term Compensated Absences	(711)	-	(711)
Net Effect of Deferred Inflows and Outflows	(293,499)	-	(293,499)
Lease Payable	(4,270)	-	(4,270)
Right to Use Assets - Copiers	4,073	-	4,073
Prior Period Adjustment	81,549	-	81,549
Accrued Other Post-Employment Benefits (OPEB) Liabilities	125,040	-	125,040
Principal Payment on Debt	(60,000)	-	(60,000)
Net Cash (Used) by and Related Financing Activities	<u>(120,823)</u>	<u>-</u>	<u>(120,823)</u>
Cash Flow From Investing Activities			
Interest Income	3,942	221	4,163
(Purchase) of Investment	(807)		(807)
Net Cash Provided by Investing Activities	<u>3,135</u>	<u>221</u>	<u>3,356</u>
Net Increase in Cash and Cash Equivalents	192,877	47,507	240,384
Beginning Cash, Cash Equivalents and Restricted Cash	<u>1,282,660</u>	<u>605,856</u>	<u>1,888,516</u>
Ending Cash, Cash Equivalents and Restricted Cash	<u>\$ 1,475,537</u>	<u>\$ 653,363</u>	<u>\$ 2,128,900</u>
Reconciliation of Cash Balances:			
Cash and Cash Equivalents - Unrestricted	1,325,895	\$ 651,340	\$ 1,977,235
Cash and Cash Equivalents - Restricted	149,642	2,023	151,665
Total Ending Cash	<u>\$ 1,475,537</u>	<u>\$ 653,363</u>	<u>\$ 2,128,900</u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON
STATEMENT OF CASH FLOWS -2
FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

	Primary Government	Component Unit June-23	Total (Memorandum)
Reconciliation of Operating Income to Net Cash			
Provided by Operating Activities	\$ 46,298	\$ 34,838	\$ 81,136
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:			
Depreciation Expense	266,887	2,038	268,925
(Increase) Decrease in:			
Accounts Receivables	(65,498)	921	(64,577)
Prepaid Expenses	19,275	-	19,275
Increase (Decrease) in:			
Accounts Payable	94,288	9,303	103,591
Accrued Liabilities	(47,181)	-	(47,181)
Unearned Revenue	(2,054)	185	(1,869)
Tenant Security Deposit Payable	1,767	1	1,768
Net Cash Provided by Operating Activities	<u>\$ 313,782</u>	<u>\$ 47,286</u>	<u>\$ 361,068</u>
Supplementary information			
Interest Expense Paid during the Year	<u>\$ 17,146</u>	<u>\$ -</u>	<u>\$ 17,146</u>
Lease Payments paid during the year	<u>\$ 4,270</u>	<u>\$ -</u>	<u>\$ 4,270</u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements June 30, 2023

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

Organization - The Authority is a governmental public corporation which was organized under the public corporation law created under federal and state housing law 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 Township of Edison 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. The Authority is responsible for the development, maintenance, and management of public housing for low- and moderate-income families residing in Edison. Operating and modernization subsidies are 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 Edison 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 Township of Edison 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 aforementioned criteria, the Authority has identified one (1) entity which should be subject to evaluation for inclusion in the Authority's reporting entity.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Organization - Continued

Edison Affordable Housing Inc. entity is legally separate from the Housing Authority of the Township of Edison but is considered part of the reporting entity. The Authority manages the financial affairs for Edison Affordable Housing Inc. This entity is being reported as a discretely presented component unit. The financial data included in this report is based on the information for Edison Affordable Housing Inc. at the end of its fiscal year, which was June 30, 2023.

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.

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 employers 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.

The Authority adopted in July 2021, GASB Statement No. 87, *Accounting for Leases*. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease receivables and liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Significant Accounting Policies

Component Unit – Discretely Presented

Edison Affordable Housing Inc. entity is legally separate from the Housing Authority of the Township of Edison but is considered part of the reporting entity. The Authority manages the financial affairs for Edison Affordable Housing Inc. The purpose of the Corporation was to promote additional affordable housing in the Township of Edison. This corporation operates on a fiscal year that ended on June 30. The method of accounting for the component unit is in accordance with accounting principles generally accepted in the United States of America. This entity is being reported as a discretely presented component unit. The financial data included in this report is based on the information for Edison Affordable Housing Inc. at the end of its fiscal year, which was June 30, 2023.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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 like 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.

Revenue Recognition

The Authority's major sources of revenue are HUD operating subsidies, tenants dwelling rents, and other revenue. Other revenue composed primarily of miscellaneous fees from the tenant, portability income for the Housing Choice Voucher program, administrative management fees. The Authority recognizes rental revenue from tenant(s) who entered into a lease agreement (contract) for a unit in the development with durations of less than one year. The Authority records revenue for such leases as prescribed by HUD. This standard indicates that government subsidies and tenant payments are to be considered subject to ASC 606. The Authority believes that both rental and subsidy income streams are exempt from compliance with ASC 606 due to their inclusion under current and future lease standards. Revenue streams subject to ASC 606 include: tenant reimbursement of consumption-based costs paid by the Authority on behalf of the tenant, such as utilities monthly fees.

Additional revenue includes miscellaneous fees from the tenant, portability income for the Housing Choice Voucher program, administrative management fees. Such fees are necessary to the primary activities of the operations and are recognized as revenue at the point in time such fees are incurred.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Basis of Accounting - Continued

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. Tenants dwelling rental charges are determined and billed monthly and are recognized as revenue when assessed because they are measurable and are collectible within the current period. The amounts not received by June 30, are accounts receivable and any amounts received for subsequent period are recorded as deferred revenue.

HUD's rent subsidy program provides housing to low-income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts:

- (a) 30% of the family's adjusted monthly income,
- (b) 10% of the family's monthly income, or
- (c) Housing Authority Township of Edison's flat rent amount.

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. In accordance with GASB Statement No. 34 (as amended), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("Statement"). The Statement requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. The Statement also requires the Authority to include Management's Discussion and Analysis as part of Required Supplementary Information.

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 included as Supplemental information.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Financial Reporting Entity

The financial reporting entity includes organizations, functions, and activities over which appointed officials exercise oversight responsibility. Oversight responsibility is determined based on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

All governmental activities and functions performed for the Authority are its direct responsibility. The financial reporting entity consists of:

- (a) the primary government which is the Authority,
- (b) organizations for which the primary government is financially accountable, and
- (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 61.

The decision to include a potential unit in the Authority's reporting entity is based on several criteria set forth in GASB Statement No. 61, including legal standing, fiscal dependency, and financial accountability. The Authority has identified Edison Affordable Housing Inc. as a discretely presented component unit. In accordance with GASB Statement No. 61, due to the Authority manages the financial affairs of this nonprofit entity; this entity is being reported as a discretely presented component unit.

Therefore, the activity of this nonprofit corporation is presented as a component unit on the Authority's electronically filed financial data schedule. The method of accounting for the component unit is in accordance with accounting principles generally accepted in the United States of America. The financial data included in this report is based on the information for Edison Affordable Housing Inc. at the end of its calendar year, which was June 30, 2023.

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. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in the management's judgment, deserve current recognition in estimating bad debts.

3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight-line basis.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Other accounting policies - Continued

4 – Repairs funded out of operations, such as painting, roofing and plumbing, are charged against income for all programs.

5 – Operating subsidies received from HUD are recorded as income when earned.

6 – The cost of accumulated unpaid compensated absences, including fringe benefits, is reported in the period earned rather than in the period paid.

7 – Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

8 – The Authority does not have any infrastructure assets for its Enterprise Fund.

9 – 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.

10- Advertising cost is charged to expense when incurred.

11- Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized. Liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site-specific costs. Generally, such recognition coincides with the Authority's commitment to a formal plan of action.

12- 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.

13 - 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. However, the Authority is required to make payments in lieu of taxes (PILOT) for the low-income housing program in accordance with the provision of a Cooperation Agreement. Under the Cooperation Agreement, the Authority pay the municipality a 10% of its net shelter rent.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Other accounting policies - Continued

14- 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.

15 - 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."

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Other accounting policies - Continued

16 - Operating and non-operating revenues and expenses

The Authority's major sources of revenue are HUD operating subsidies, tenants dwelling rents, and other revenue. Other revenue composed primarily of miscellaneous fees from the tenant, portability income for the Housing Choice Voucher program, administrative management fees.

Operating expenses include wages, utilities, maintenance, depreciation of capital assets, HAP tenant payments, administrative expenses and all other expenses relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities.

The Authority's nonoperating revenues relate primarily to capital grants provided by HUD and interest income. For reporting purposes, capital grant revenue is recognized when expenditures are incurred, and advance receipts are initially recorded as unearned revenue. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

17-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 asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. No impairment losses were recognized in 2023.

18- 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.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements June 30, 2023

Budgetary and Policy Control –

The Authority submits its annual operating subsidy and capital budgets to HUD. The Authority also submits its annual operating and capital budgets 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:

Program	CFDA #	Project #	Units Authorized
<u>Public Housing</u>			
Public and Indian Housing	14.850	NJ-43	160
Capital Fund	14.872		
<u>Section 8 Housing</u>			
Housing Choice Vouchers	14.871	NJ-39V0-43	328
Continuum of Care	14.267		70
Community Development Block Grant	14.218		

Public and Indian Housing Program:

Under the Public and Indian Housing Program, the Authority rents units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD. HUD's rent subsidy program provides housing assistance to low-income families so that they are able to lease "decent, safe, and sanitary" housing for specific eligible tenants. The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family's adjusted monthly income, (b) 10% of the family's monthly income, or (c) the Housing Authority of the Township of Edison flat rent amount.

Public Housing Capital Fund Program:

The Public Housing Capital Fund was established under the Quality Housing & Work Responsibility Act of 1998 (QHWRA). Substantially all additions to land, structures and equipment are accomplished through these programs (included in the financial statements under PHA Owned Housing). These funds replace or materially upgrade deteriorated portions of existing Authority property. This fund is used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's apartments to keep them clean, safe and in good condition.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Activities - Continued

Section 8 Housing Choice Voucher 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. HUD provides annual contributions funding to enable the Authority to structure a contract that sets the participants' rent at approximately 30% of household income subject to certain restrictions.

Continuum of Care (CoC) Program

The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Community Development Block Grant

CDBG funds may be used to undertake certain economic development activities. These activities include acquiring, constructing, reconstructing, rehabilitating, or installing structures, and other real property equipment and improvements. These are economic development projects undertaken by nonprofit entities. Assistance may include grants, loans, loan guarantees, and technical assistance; and providing economic development services in connection with otherwise eligible CDBG economic development activities. In addition to meeting one of the organizational types listed above, the entity must be carrying out neighborhood revitalization, community economic development or energy conservation projects.

Component Unit

Edison Affordable Housing Inc. entity is legally separate from the Housing Authority of the Township of Edison but is considered part of the reporting entity. The Authority manages the financial affairs for Edison Affordable Housing Inc. The purpose of the Corporation was to promote additional affordable housing in the Township of Edison. This corporation operates on a fiscal year that ended on June 30. The method of accounting for the component unit is in accordance with accounting principles generally accepted in the United States of America. This entity is being reported as a discretely presented component unit. The financial data included in this report is based on the information for Edison Affordable Housing Inc. at the end of its fiscal year, which was June 30, 2023.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

Revenue from Rental Contracts

The Authority recognizes rental revenue from tenant(s) who entered into a lease agreement (contract) for a unit in the development. The lease agreement allows the tenant use of the unit the expiration of the lease term or cancellation by the tenant or landlord due to cause. Lease terms are for one year, unless mutually agreed to by the landlord and the tenant(s) prior to move in. Tenant(s) have to be income qualified in accordance with income limitations before allowed to occupy unit.

The lease agreement has similar terms therefore, all lease contract revenue has been aggregated in the caption rental revenue in the statement of income. The lease contract revenue is recognized at the end of each month when the performance obligation of providing a unit is complete. The performance obligation each month also includes applicable maintenance services provided to maintain the tenant(s) unit and the buildings(s). Since the performance of these services are completed simultaneously each month, they are treated as performance obligation.

Tenant(s) lease payments are due the first day of each month of the lease term. The monthly unit rental charge is determined based on HUD calculation. Any tenant(s) rental payment not received by the fifth day of each month will be charged a late fee. Any rental payment received in advance of the first day of the month are recognized as deferred revenue since the conditions for recognizing revenue will not occur until the end of the following month.

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.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

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 collectability 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 those estimates, particularly given that the COVID-19 pandemic continues to create financial uncertainty throughout the economy. The most significant estimates included in the preparation of the financial statements are allowance for doubtful accounts and estimated fixed asset lives.

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 employers 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/2014divisioncombined.pdf>

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

NOTE 3 - PENSION PLAN -CONTINUED

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.

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 2023 amounted to \$91,879.

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.

Further information on the Pension Plan and its effects of GASB #68 can be found in Note 18 - Accrued Pension Liability.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority's cash, cash equivalents are stated at cost, which approximates market. Cash, cash equivalents and investment include 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.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements June 30, 2023

NOTE 4 – CASH, CASH EQUIVALENTS – CONTINUED

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 June 30, 2023, 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.

The Authority's primary government checking accounts and investments 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 on June 30, 2023:

	Bank Balances	
	Primary Government	Component Unit
<u>Depository Accounts</u>		
Insured	\$ 607,090	\$ 480,437
Collateralized held by pledging bank's trust department in the Authority's name	1,641,036	-
Uninsured	-	172,926
Total Cash, Cash Equivalents	<u>\$ 2,248,126</u>	<u>\$ 653,363</u>

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

NOTE 4 – CASH, CASH EQUIVALENTS – CONTINUED

The Edison Affordable Housing Inc. maintains its cash in financial institutions insured by Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The Edison Affordable Housing Inc. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalent.

Restricted Cash

The Authority has total noncurrent restricted cash on June 30, 2023, which consists of the following:

	Primary Government	Component Unit
Tenant Security Deposits	\$ 58,727	\$ 2,023
HAP Reserve	90,915	-
Total Restricted Cash	<u>\$ 149,642</u>	<u>\$ 2,023</u>

The restricted cash in the amount of \$90,915 was reported under the Housing Choice Voucher Program as a HAP reserve for future use. The Authority invested these funds with Provident Bank. 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.

Investments

The Authority's primary government investments on June 30, 2023, included the following:

Investments	Maturities	Interest Rate	Fair Value
Certificate of Deposit	9-Jul-23	0.00%	\$ 105,858
Certificate of Deposit	9-Jul-23	0.00%	159,906
Certificate of Deposit	9-Jul-23	0.00%	27,523
Certificate of Deposit	11-Nov-23	0.05%	104,872
Checking Plus	Upon Demand	0.05%	2,000
Money Market Account	Upon Demand	Variable	100,209
Money Market Account	Upon Demand	Variable	272,221
Total			<u>\$ 772,589</u>

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

NOTE 5 - ACCOUNTS RECEIVABLE -

Accounts Receivable on June 30, 2023 and 2022, consisted of the following:

	Primary Government June-23	Primary Government June-22
Tenants Accounts Receivable - Present	\$ 186,887	\$ 164,082
Less: Allowance for Doubtful Accounts - Tenants	(141,685)	(107,619)
Net Tenants Accounts Receivable	45,202	56,463
Accounts Receivable - HUD	104,848	245,689
Accounts Receivable - Other Government's	253,898	39,310
Accounts Receivable - Fees	28,169	25,157
Net Other Receivables	386,915	310,156
Net Accounts Receivables Total	\$ 432,117	\$ 366,619
	Component Unit June-23	Component Unit June-22
Tenants Accounts Receivable - Present	\$ -	\$ 921
Less: Allowance for Doubtful Accounts - Tenants	-	-
Net Tenants Accounts Receivable	\$ -	\$ 921

Tenant rents are due the first of each month. Management considers rents outstanding after the 5th day of the month as past due and late charges are applied accordingly. The Authority carries its accounts receivable at cost less an allowance for doubtful accounts. An allowance for doubtful accounts is established, as necessary, based on experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include growth and composition of accounts receivable, the relationship of the allowance for doubtful accounts to accounts receivable, and current economic conditions. The determination of the collectability of amounts due requires the Authority to make judgments regarding future events and trends. Allowances for doubtful accounts are determined based on assessing the Authority's portfolio on an individual tenants and on an overall basis. This process consists of a review of historical collection experience, current aging status of the tenant's account. Based on a review of these factors, the Authority establishes or adjusts the allowance for specific tenants and the accounts receivable portfolio as a whole. The Authority increased its allowance for doubtful accounts primary due to the economic disruption caused by COVID-19 which is reflected in bad debt expense. 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.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

NOTE 6 – PREPAID EXPENSES

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items. All purchases of insurance premiums are written off on a monthly basis. Prepaid expenses on June 30, 2023, and 2022 consisted of the following:

	Primary Government June-23	Primary Government June-22
Prepaid Insurance	\$ 53,869	\$ 46,024
Prepaid Sewer Charges	-	27,120
Total Prepaid Expenses	<u>\$ 53,869</u>	<u>\$ 73,144</u>

NOTE 7 – 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 June 30, 2023, are detailed on the Financial Data Schedule of this report. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

NOTE 8 - FIXED ASSETS

Fixed assets consist primarily of expenditures to acquire, construct, place in operations, and improve the facilities of the Authority and are stated by an appraisal value.

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. Donated fixed assets are stated at their fair value on the date donated.

Depreciation

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

1. Building and Structure	40 years
2. Office Improvements	7 years
3. Site Improvements	15 years
4. Building Components	15 years
5. Office Equipment	5 years

Depreciation expense for the primary government for the period ended June 30, 2023 was \$266,887 and \$285,087 for 2022 and \$2,038 for 2023 and 2022 the component unit.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

NOTE 8 - FIXED ASSETS - CONTINUED

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 asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. No impairment losses were recognized in 2023.

Below is a schedule of changes in fixed assets for the twelve months ending June 30, 2023

Primary Government

	June-22	Additions	June-23
Land	\$ 400,000	\$ -	\$ 400,000
Building	10,060,163	31,544	10,091,707
Furniture, Equipment - Dwelling	275,237	1,461	276,698
Furniture, Equipment - Administration	614,257	-	614,257
Construction in Process	555,276	46,350	601,626
Total Fixed Assets	11,904,933	79,355	11,984,288
Accumulated Depreciation	(9,065,009)	(266,888)	(9,331,897)
Net Book Value	\$ 2,839,924	\$ (187,533)	2,652,391

Component Unit

	June-22	Additions	June-23
Land	\$ 20,000	\$ -	\$ 20,000
Building	81,521	-	81,521
Total Fixed Assets	101,521	-	101,521
Accumulated Depreciation	(17,304)	(2,038)	(19,342)
Net Book Value	\$ 84,217	\$ (2,038)	\$ 82,179

Below is a schedule of the net book value of the fixed assets for the Housing Authority of the Township of Edison as of June 30, 2023:

	Primary Government	Component Unit
Net Book Value of Fixed Assets		
Land	\$ 400,000	\$ 20,000
Building	1,601,615	62,179
Furniture, Equipment - Dwelling	12,302	-
Furniture, Equipment - Administration	36,848	-
Construction in Process	601,626	-
Net Book Value	\$ 2,652,391	\$ 82,179

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

NOTE 9 – RIGHT TO USE ASSETS

In September 2018, the Authority entered into a lease with a copy company to lease a copier. The agreement requires 63 monthly payments of \$366. The Authority has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The discount rate used was 3.0%. The right to use assets are amortized on a straight-line basis over the life of the related lease. The amount of amortization expense for June 2023 was \$4,073.

Initial Copier Present Value	\$	21,384
Less Accumulated Depreciation		(19,687)
Net Right to Use Asset	\$	<u>1,697</u>

Future minimum lease payments under operating leases as of June 30, 2023, are as follows

June-24	\$	1,880
Total Lease Payable	\$	<u>1,880</u>

NOTE 10 – 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 OPEB and Pension Liability discussed in Note 17 and 18 resulted in the Authority incurring deferred outflows and inflows. 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 and OPEB, 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.

HOUSING AUTHORITY OF THE TOWNSHIP OF EDISON

Notes to Financial Statements

June 30, 2023

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-CONTINUED

The Authority's deferred outflows and inflows are as follows:

Deferred Outflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	\$ 38,265	\$ 7,936	\$ 46,201
Changes in Assumptions	245,312	3,407	248,719
Net Difference Between Projected and Actual Earning on Pension Plan Investments	815	45,509	46,324
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	15,800	180,863	196,663
Total	<u>\$ 300,192</u>	<u>\$ 237,715</u>	<u>\$ 537,907</u>
Deferred Inflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	\$ 281,713	\$ 6,998	\$ 288,711
Changes in Assumptions	518,692	164,646	683,338
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	159,556	91,551	251,107
Total	<u>\$ 959,961</u>	<u>\$ 263,195</u>	<u>\$ 1,223,156</u>

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 OPEB and 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 \$46,201 and \$288,711.