Report On Audit

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

For the Year Ended December 31, 2025

Housing Authority of the City of Englewood
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HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
MANAGEMENT'S DISCUSSION AND ANALYSIS
ON DECEMBER 31, 2025

As management of the Housing Authority of the City of Englewood (the Authority), we are pleased to present this Management's Discussion and Analysis (MD&A), which is required supplementary information under Governmental Accounting Standards Board (GASB) reporting standards. The MD&A is intended to provide readers with an overview of the Authority's financial activities and to assist in understanding the financial statements and related disclosures presented in this report.

This discussion focuses on the Authority's financial performance during the current fiscal year, highlights significant transactions and events, and identifies known factors that may affect future operations. Because this section is necessarily summarized, it should not be considered a substitute for the financial statements, notes to the financial statements, and other supplementary information contained in this report.

To obtain a more comprehensive understanding of the Authority's financial condition, results of operations, and cash flows, readers are encouraged to review the financial statements and accompanying notes in their entirety, beginning on page 17. The information presented in this MD&A should be considered in conjunction with those financial statements and related disclosures.

FINANCIAL HIGHLIGHTS

- Total net position increased by $5.0 million (137.9%), from $3.64 million in 2024 to $8.65 million in 2025.
- Total assets increased by $10.2 million (67.7%) to $25.3 million, primarily due to ongoing capital development activities and construction projects.
- Capital assets, net of depreciation, increased by $14.6 million, reflecting significant construction activity recorded as construction in progress during 2025.
- Operating revenues increased by $5.3 million (37.3%), reaching $19.4 million.
- Operating income increased to $4.8 million, compared with $1.3 million in 2024.
- Cash and cash equivalents decreased by $3.9 million (35.3%), primarily attributable to capital expenditures associated with redevelopment activities.
- The Authority issued approximately $10.1 million of mortgage debt to finance capital projects and redevelopment initiatives.

FINANCIAL HIGHLIGHTS - CONTINUED

Financial Analysis of the Authority

Statement of Net Position

Item	2025	2024	Change
Current Assets	$ 7,876,544	$ 12,281,315	$ (4,404,771)
Capital Assets, Net	17,466,085	2,827,451	14,638,634
Total Assets	25,342,629	15,108,766	10,233,863
Deferred Outflows	1,415,191	1,446,922	(31,731)
Total Assets & Deferred Outflows	$26,757,820	$ 16,555,688	$10,202,132
Total Liabilities	$16,492,785	$ 11,107,056	$ 5,385,729
Deferred Inflows	1,614,399	1,812,158	(197,759)
Net Position	8,650,636	3,636,474	5,014,162
Total Liabilities, Deferred Inflows and Net Position	$ 26,757,820	$ 16,555,688	$ 10,202,132

The Authority's net position increased by approximately $5.0 million during 2025. The increase was driven primarily by strong operating performance, increased HUD funding, significant growth in other revenue, and investment in redevelopment activities that substantially increased capital assets.

Net investment in capital assets rose from $2.0 million to $7.4 million, reflecting substantial construction and redevelopment expenditures and the related financing structure. Restricted net position increased modestly, while unrestricted net position decreased due primarily to the use of available resources for capital project activities.

Results of Operations

Condensed Statement of Revenues, Expenses and Changes in Net Position

Item	2025	2024	Change
Tenant Rental Revenue	$ 229,398	$ 204,217	$ 25,181
HUD Operating Grants	13,484,723	12,029,917	1,454,806
Other Revenue	5,645,736	1,867,027	3,778,709
Total Revenue	19,359,857	14,101,161	5,258,696
Total Operating Expenses	14,531,573	12,806,862	1,724,711
Operating Income	4,828,284	1,294,299	3,533,985
Nonoperating Income	250,311	272,114	(21,803)
Change in Net Position	$ 5,078,595	$ 1,566,413	$ 3,512,182

FINANCIAL HIGHLIGHTS - CONTINUED

Revenues

Total revenues increased by 37.3% during 2025. HUD operating grants increased by approximately $1.45 million, reflecting enhanced federal funding levels and program activity. Other revenue increased significantly by $3.78 million, accounting for the majority of the year-over-year revenue growth. Tenant rental revenue increased by 12.3%, attributable to improved occupancy and rental collections.

Expenses

Total operating expenses increased by 13.5% to $14.5 million. The largest expense category remained Housing Assistance Payments, which increased by $1.26 million to $12.1 million, consistent with higher levels of voucher program activity. Maintenance costs increased substantially as the Authority continued property improvements and redevelopment efforts. Mortgage interest expense of approximately $227,000 was recognized in 2025 in connection with redevelopment financing.

Operating Income

Operating income increased to $4.8 million, representing a significant improvement from $1.3 million in 2024. This reflects revenue growth that substantially exceeded increases in operating expenses.

Capital Assets and Development Activity

On December 31, 2025, the Authority reported net capital assets of approximately $17.5 million, compared with $2.8 million at the end of 2024. The increase was primarily attributable to $14.5 million in construction in progress of the senior building repairs from the Ida damage.

Major capital asset balances at year-end included:

- Land: $806,719
- Buildings: $8,754,650
- Furniture and Equipment: $856,785
- Construction in Progress: $14,497,046

The major capital additions during the year was:

- Tibbs Rehab Additions
- Senior Building Repairs from IDA Damage
- Office Furniture Replacement

FINANCIAL HIGHLIGHTS - CONTINUED

Debt Administration

During 2025, the Authority entered into significant financing arrangements related to senior building Ida repairs. Mortgage debt increased substantially, with year-end balances consisting of:

Debt Category	2025
Current Portion of Mortgage Payable	$10,110,511
Long-Term Mortgage Payable	-
Total Mortgage Debt	$10,110,511

The Authority recorded proceeds of approximately $10.1 million from debt issuance during the year, which helped finance construction and the repairs on the senior building expenditures.

Cash Flows

Cash and cash equivalents decreased from $10.9 million to $7.1 million, a decrease of $3.85 million.

Operating activities generated positive cash flow of approximately $1.6 million, while capital and financing activities consumed significant cash due to construction expenditures totaling approximately $14.8 million.

The decrease in cash was expected given the Authority's aggressive investment in capital improvements and construction repairs from the IDA damage. Despite the reduction, year-end cash balances remain sufficient to support ongoing operations and project commitments.

The Authority Expenditures of Federal Awards amounted to $13,484,723 for the year 2025 as compared to $12,029,917 for the previous year 2024 for an increase of $1,454,806 or 12%.

FINANCIAL HIGHLIGHTS - CONTINUED

The following are financial highlights of significant items for a four-year period ending on December 31, 2025:

	December-25	December-24	December-23	December-22
Significant Income				
Total Tenant Revenue	$ 229,398	$ 204,217	$ 209,818	$ 199,963
HUD Operating Grants	13,484,723	12,029,917	10,611,767	10,738,583
Investment Income	250,311	272,114	5,457	2,771
Other Income	5,645,736	1,867,027	134,876	167,458
Total	$ 19,610,168	$ 14,373,275	$ 10,961,918	$ 11,108,775
Payroll Expense				
Administrative Salaries	$ 600,098	$ 588,528	$ 517,434	$ 477,160
Tenant Services Salaries	53,555	51,883	48,560	45,360
Utilities Labor	35,500	35,500	35,500	7,903
Maintenance Labor	100,519	94,262	85,779	81,885
Employee Benefits Expense	418,456	394,980	291,123	303,719
Total Payroll Expense	$ 1,208,128	$ 1,165,153	$ 978,396	$ 916,027
Other Significant Expenses				
Other Administrative Expenses	$ 280,926	$ 577,574	$ 181,323	$ 231,651
Utilities Expense	107,110	145,929	172,247	122,655
Maintenance Supplies	131,836	27,779	20,986	31,566
Maintenance Contract Cost	93,099	48,685	69,358	45,992
Insurance Premiums	186,902	158,053	127,346	90,498
Housing Assistance Payments	12,064,687	10,808,418	9,341,487	9,497,207
Total	$ 12,864,560	$ 11,766,438	$ 9,912,747	$ 10,019,569
Total Operating Expenses	$ 14,531,573	$ 12,806,862	$ 11,120,077	$ 11,102,619
Total of Federal Awards	$ 13,484,723	$ 12,029,917	$ 10,611,767	$ 10,738,583

USING THIS ANNUAL REPORT

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

1. Business Activities – RAD Program
2. Section 8 Housing Choice Vouchers

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

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

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

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

The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities in the United States of America for the Enterprise Fund types. The Authority's activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe, and sanitary housing for low income and special needs populations. The financial statements can be found on pages 17 through 21.

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 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.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

Statement of Cash Flows– This statement presents information showing the total cash receipts and cash disbursements of the Housing Authority during the current 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 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 22 through 61.

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.

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.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION - CONTINUED

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 City of Englewood are those which equal or exceeded $1,000,000 in expenditures for the fiscal year ended December 31, 2025. Type B programs for the Housing Authority of the City of Englewood are those which are less than $1,000,000 in expenditures for the fiscal year ended December 31, 2025.

THE HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD PROGRAMS

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

Rental Assistance Demonstration Program: Business Activities

The Rental Assistance Demonstration Program ("RAD") was created in order to give public housing authorities ("PHA's") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continue to pay 30% percent of their income towards rent.

Section 8 New Construction and Substantial Rehabilitation

The New Construction and Substantial Rehabilitation Programs provide rental assistance in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing, including the applicable FHA Multifamily Mortgage Insurance Programs. The maximum term of assistance provided by HUD under the New Construction and Substantial Rehabilitation Programs for a project financed with the proceeds of a loan insured by FHA is 20 years.

Blended Component Units

The Authority also has Component Units which consist of activities pertaining to Englewood Housing Management Services, Inc. (EHMS). The non-profit corporation was formed for the purpose of developing, operating, and managing low- and moderate-income housing in the City of Englewood. The program currently consists of four units. The audit report for EHMS covered the year ended December 31, 2025.

THE AUTHORITY AS A WHOLE

The Authority's 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 net position reflects its net investment in capital assets (e.g., land, buildings, equipment, and construction in progress). The Authority uses these capital assets to provide housing services to its tenants. Consequently, these assets are reported as "Net Investment in Capital Assets" and are not available for future spending. The unrestricted position of the Authority is available for future use to provide program services.

BUDGETARY HIGHLIGHTS

For the year ended December 31, 2025, 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.

NEW INITIATIVES

For the fiscal year ending 2025 the Housing Authority's primary focus has been on funding and accountability. As a public entity that derives approximately 69% percent of its revenue from the Department of Housing and Urban Development, (2024 was 84% 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 made steady progress in various phases of our operations, all the while maintaining a strong 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 of the services.

Regardless of the constraints (financial or regulatory) placed on this Housing Authority, the Authority will continuously look for ways to better provide or expand housing and housing assistance to qualified residents of the City of Englewood, all the while being mindful of their responsibility to be good stewards of the public's tax dollars.

CAPITAL ASSETS AND DEBT ADMINISTRATION

1 – Capital Assets

The Authority's investment in capital assets as of December 31, 2025, was $17,466,085 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, equipment, and construction in progress. The total increase during the year in the Authority's investment in capital assets was $14,638,634. Major capital expenditures of $14,771,447 were made during the year. Major capital assets events during the year included the following:

- Tibbs Rehab Additions
- Senior Building Repairs from IDA Damage
- Office Furniture Replacement

	December-25	December-24	Increase (Decrease)
Land	$ 806,719	$ 806,719	$ -
Building	8,754,650	8,752,748	1,902
Furniture, Equipment - Dwelling	300,870	300,870	-
Furniture, Equipment - Administration	555,915	283,416	272,499
Construction in Progress	14,497,046	-	14,497,046
Total Fixed Assets	24,915,200	10,143,753	14,771,447
Accumulated Depreciation	(7,449,115)	(7,316,302)	(132,813)
Net Book Value	$ 17,466,085	$ 2,827,451	$ 14,638,634

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

2 - Debt Administration

As of December 31, 2025, the only note outstanding was with Connect One, formally called Bank of New Jersey, in the amount of $10,110,511 of which $10,110,511 was stated as the current portion. Interest is payable at 4.35% percent. The monthly payments are $-0-, until the credit line is converted to permanent financing 30 days from Certificate of Occupancy.

Additional information on the Authority's debt on December 31, 2025, can be found in Note 15 of the notes to the financial statements, which is included in this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority of the City of Englewood remains substantially dependent upon funding provided by the U.S. Department of Housing and Urban Development (HUD) to support its operations and programs. As a result, the Authority's financial condition is influenced more significantly by federal funding levels and appropriations than by local economic conditions. Ongoing pressure on the federal budget, driven by competing national priorities and fiscal constraints, continues to create uncertainty regarding future funding levels. Management expects these conditions to remain a factor in the foreseeable future.

In developing the Authority's budget for the year ending December 31, 2026, management considered several economic and operational factors that may affect future financial performance:

- Economic conditions within the State of New Jersey and the local service area, including employment trends, wage growth, inflation, and overall economic activity. These factors directly influence resident income levels and, consequently, tenant rental revenue, which is generally calculated based on household income.

- Continued increases in health insurance and other employee benefit costs that are expected to place upward pressure on personnel-related expenditures over the next several years.

- Inflationary impacts on utilities, maintenance materials, contracted services, insurance, and other operating costs, which may continue to affect the Authority's cost structure.

- Conditions within the local housing market, including the availability of rental units and increases in rents charged by private landlords. These trends are expected to continue influencing Housing Choice Voucher (Section 8) Housing Assistance Payments (HAP). In addition, the Authority has assumed administration of project-based Housing Choice Vouchers under a 15-year commitment, further expanding its long-term housing assistance responsibilities.

Management will continue to focus on redevelopment initiatives, capital modernization activities, and the provision of quality affordable housing services to residents and program participants. The significant investments made in construction of the senior building during 2025 position the Authority to enhance its housing portfolio, improve service delivery, and address future community housing needs.

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

The Authority will also continue to monitor federal funding levels, inflationary pressures, construction costs, interest rate trends, and other economic factors that may affect operations and capital projects. Despite these challenges, management believes the Authority remains financially well-positioned due to its improved net position, strong operating results, and substantial investment in capital assets during 2025. These factors provide a solid foundation for maintaining operations and pursuing strategic objectives in future years.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide residents, taxpayers, funding agencies, creditors, and other interested parties with a general overview of the Housing Authority of the City of Englewood's financial position and operating results.

Questions regarding the information presented in this report, or requests for additional financial information, should be directed to:

Domingo Senande
Executive Director
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631
(201) 871-3451

Management appreciates the continued support of residents, commissioners, employees, HUD, and the community partners who contribute to the Authority's mission of providing safe, decent, and affordable housing opportunities to the citizens of Englewood.

GIAMPAOLO
& ASSOCIATES

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

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business type activities and blended component unit of the Housing Authority of the City of Englewood, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Englewood 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 type activities and blended component unit of the Housing Authority of the City of Englewood as of December 31, 2025, 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 City of Englewood 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 City of Englewood'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 City of Englewood '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 City of Englewood.

- Housing Authority of the City of Englewood'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 PERS supplemental information on pages 1 through 12 and pages 62-67 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 City of Englewood's basic financial statements. The accompanying supplemental information on pages 68-79 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 blended component unit financial statements were also required by U.S. Department of Housing and Urban Development's Real Estate Assessment Center.

The Schedule of Expenditures of Federal Awards, the Financial Data Schedule and the blended component unit financial statements 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, the Financial Data Schedule, and the blended component unit financial statements, 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 August 21, 2026, in our consideration of the Housing Authority of the City of Englewood'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 City of Englewood'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 City of Englewood's internal control over financial reporting and compliance.

Giampaolo & Associates

Lincroft, New Jersey
Date: August 21, 2026

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

	2025
Assets	
Current Assets:	
Cash and Cash Equivalents	
Operating	$ 6,185,358
Restricted	886,325
Total cash and equivalents	7,071,683
Accounts Receivables, Net of Allowances	794,789
Prepaid Expenses	10,072
Total Current Assets	7,876,544
Noncurrent Assets	
Capital Assets	
Land	806,719
Building	8,754,650
Furniture, Equipment - Dwelling	300,870
Furniture, Equipment - Administration	555,915
Construction in Progress	14,497,046
Total Capital Assets	24,915,200
Less: Accumulated Depreciation	(7,449,115)
Net Book Value	17,466,085
Total Assets	25,342,629
Deferred Outflow of Resources	
Total Deferred Outflows of Resources	1,415,191
Total Assets and Deferred Outflow of Resources	$ 26,757,820

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

	2025
Liabilities	
Current Liabilities:	
Accounts Payable	$ 1,666,827
Accrued Liabilities	87,275
Tenant Security Deposit Payable	37,587
Unearned Revenue	468
Mortgage Payable - Current Portion	10,110,511
Total Current Liabilities	11,902,668
Noncurrent Liabilities	
Mortgage Payable - Long Term	-
Accrued Compensated Absences - Long-Term	94,130
Accrued Pension and OPEB Liabilities	4,495,987
Total Noncurrent Liabilities	4,590,117
Total Liabilities	16,492,785
Deferred Inflow of Resources	
Total Deferred Inflow of Resources	1,614,399
Net Position:	
Net Investment in Capital Assets	7,355,574
Restricted	849,438
Unrestricted	445,624
Total Net Position	8,650,636
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 26,757,820

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

	2025
Revenue:	
Tenant Rental Revenue	$ 229,398
HUD PHA Operating Grants	13,484,723
Other Revenue	5,645,736
Total Revenue	19,359,857
Operating Expenses:	
Administrative Expense	1,143,938
Tenant Services	78,984
Utilities Expense	176,343
Maintenance Expense	421,834
Other Operating Expenses	286,375
Housing Assistance Payments	12,064,687
Mortgage Interest Expense	226,598
Depreciations Expense	132,814
Total Operating Expenses	14,531,573
Excess Income From Operations	4,828,284
Non Operating Income:	
Interest Income	250,311
Total Non Operating Income	250,311
Change in Net Position	5,078,595
Beginning Net Position	3,636,474
Prior Period Adjusments	(64,433)
Beginning Net Position, Restated	3,572,041
Ending Net Position	$ 8,650,636

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF CASH FLOWS - 1
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

	2025
Cash Flow From Operating Activities	
Receipts from Tenants	$ 215,675
Receipts from Federal Grants	13,484,723
Receipts from Misc. Sources	1,645,736
Payments to Vendors and Suppliers	(466,474)
Payments for Housing Assistance Payments	(12,064,687)
Payments to Employees	(789,672)
Payment of Employee Benefits	(418,456)
Net Cash Provided by Operating Activities	1,606,845
Cash Flow From Capital and Related Financing Activities	
Acquisitions and Construction of Capital Assets	(14,771,447)
Principal Payments made on Mortgage	(846,230)
Proceeds of Issurance of Debt	10,110,511
Change in Accrued Pension and OPEB Liabilities	29,922
Net Effect of Deferred Inflows and Outflows	(166,029)
Prior Period Adjustment	(64,433)
Net Cash (Used) by and Related Financing Activities	(5,707,706)
Cash Flow From Investing Activities	
Interest Income	250,311
Net Cash Provided by From Investing Activities	250,311
Net (Decrease) in Cash and Cash Equivalents	(3,850,550)
Beginning Cash	10,922,233
Ending Cash	$ 7,071,683
Reconciliation of Cash Balances:	
Cash and Cash Equivalents - Unrestricted	$ 6,185,358
Restricted Deposits	886,325
Total Ending Cash	$ 7,071,683

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
STATEMENT OF CASH FLOWS - 2
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

	2025
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Excess of Income from Operations	$ 4,828,284
Adjustments to reconcile excess income	
to net cash provided by operating activities:	
Depreciation Expense	132,814
(Increase) Decrease in:	
Accounts Receivables	556,058
Prepaid Expenses	(1,837)
Increase (Decrease) in:	
Accounts Payable	1,576,063
Accrued Liabilities	61,428
Unearned Revenue	(5,552,461)
Tenant Security Deposits	4,421
Compensated Absences - Non current	2,075
Net Cash Provided by Operating Activities	$ 1,606,845
Supplemental Cash Flows Disclosures	
Interest Expense Paid During the Year	$ 188,933

See accompanying notes to the financial statements.

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

Organization – The Authority is a governmental public corporation established pursuant to federal and state housing laws, including the New Jersey Housing Authorities Law (N.J.S.A. 40A:12A-1 et seq.). The Authority was created to develop, acquire, administer, and manage affordable housing programs and related initiatives designed to serve low- and moderate-income families residing in the City of Englewood. These activities are carried out in accordance with the rules, regulations, and guidelines established by the U.S. Department of Housing and Urban Development (HUD).

The Authority is governed by a Board of Commissioners that operates with substantial autonomy while remaining accountable to HUD and the New Jersey Department of Community Affairs. The Board appoints an Executive Director who is responsible for the Authority's day-to-day operations and administration. The Authority oversees the development, maintenance, and management of public housing and other affordable housing programs serving eligible residents of the City of Englewood. Federal operating and capital funding, including modernization subsidies, is provided to support these programs and activities.

The accompanying financial statements include all accounts and operations of the Authority. The Authority represents the lowest level of government over which its Board of Commissioners and Executive Director exercise oversight responsibility. Although the Authority's commissioners are appointed primarily by the Mayor and City Council of the City of Englewood, the Authority is not considered a component unit of another governmental reporting entity. The Board possesses independent decision-making authority, including the power to appoint management, significantly influence operations, and maintain primary responsibility for accounting, budgeting, and fiscal matters. Accordingly, the Authority has determined that it should not be included within the City of Englewood's financial reporting entity.

As a result, the Authority's financial statements are presented as those of a separate and independent governmental entity.

In accordance with Section 2100 and 2300 of the Governmental Accounting Standards Board (GASB) Codification, the Authority evaluates whether any organization should be included as component units within its reporting entity. The criteria include:

- Legal separateness (ability to sue and be sued)
- Possession of corporate powers
- Appointment of a voting majority of the organization's board
- Ability to impose its will on the organization
- Potential for financial benefit or burden
- Fiscal dependency on the Authority

As of December 31, 2025, based upon the application of these criteria, the Authority considers Englewood Housing Management Services, Inc. (EHMS) to be a component unit because the organization meets the financial accountability criteria for inclusion.

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 like 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.

In January 2022, the Authority adopted GASB Statement No. 87, *Accounting for Leases.* This standard enhances the usefulness and comparability of governmental financial statements by requiring recognition of certain lease receivables and liabilities previously unreported. It establishes a single model for lessees and lessors and improves decision-usefulness by mandating detailed note disclosures regarding the timing, significance, and purpose of leasing arrangements.

GASB Statement No. 87, Accounting for Leases, is a standard issued by the Governmental Accounting Standards Board to improve how leases are reported in governmental financial statements. Here's a clear explanation:

Purpose

Before GASB 87, many leases were treated as operating leases and kept off the balance sheet, which limited transparency. GASB 87 requires governments to recognize most leases as assets and liabilities, similar to how capital leases were previously treated, creating a more accurate picture of financial obligations.

Significant Accounting Policies - Continued

Blended Component Unit

The Authority has identified the Englewood Housing Management Services, Inc. (EHMS) as a component unit. Englewood Housing Management Services, Inc. (EHMS) is economically dependent on the Housing Authority of the City of Englewood to provide funding via management services revenues administered by the Housing Authority of the City of Englewood which meets the financial accountability criteria for inclusion. 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 the Corporation at the end of its year, which is December 31, 2025.

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The Authority accounts for compensated absences in accordance with the provisions of This Statement that requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has already been used but not yet paid in cash or settled through noncash means.

During the fiscal year, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. GASB Statement No. 102 requires governments to disclose certain concentrations or constraints that make a reporting unit vulnerable to the risk of a substantial impact when an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to occur within 12 months of the financial statement issuance date. The implementation of this Statement did not have a material effect on the Authority's financial statements or note disclosures.

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.

Basis of Accounting – Continued

Revenue Recognition

The Authority's revenues are classified as either exchange or nonexchange transactions, in accordance with applicable Governmental Accounting Standards Board (GASB) guidance. The Authority reports are in conformity with GASB standards and, accordingly, Accounting Standards Codification (ASC) Topic 606 does not apply. The Authority provides housing assistance payments to participating owners on behalf of eligible tenants. The Authority also provides decent, safe, and sanitary housing for extremely low and very low-income families. The revenue is recorded as earned since it is measurable and available.

The major sources of revenue are HUD operating subsidies, tenants dwelling rents, HAP portability payments, management fees and all other revenue. Other revenue composed primarily of miscellaneous fees from the tenant, cable charges and laundry income. The Authority recognizes short-term rental income from tenants who have signed a lease agreement for less than one year, in accordance with HUD guidelines.

Exchange Revenues

Exchange revenues include dwelling rental income and certain fees received from tenants, in which each party receives and gives up essentially equal value. Rental income is recognized monthly as it is earned, based on tenant occupancy of housing units and collectible amounts. Tenant charges, including late fees and excess utility charges, are recognized when earned and considered collectible.

Nonexchange Revenues

Nonexchange revenues consist primarily of operating subsidies, grants received from the U.S. Department of Housing and Urban Development (HUD). These revenues are accounted for in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Operating Subsidies

HUD operating subsidies for the Section 8 Housing Choice Voucher Program is classified as government-mandated nonexchange transactions. Revenue is recognized in the period in which the Authority meets all applicable eligibility requirements, including statutory and regulatory compliance, and when any time requirements imposed by HUD are satisfied. Amounts received prior to meeting eligibility or time requirements are reported as unearned revenue.

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 December 31, are accounts receivable and any amounts received for subsequent period are recorded as deferred revenue.

Recently Issued Accounting Standards Not Yet Adopted

GASB Statement No. 103 – Financial Reporting Model Improvements

GASB 103 was issued in April 2024 to improve key components of the governmental financial reporting model established under GASB 34. The objective is to enhance the usefulness, consistency, and transparency of financial reporting for users of governmental financial statements. GASB 103 is effective for fiscal years beginning after June 15, 2025, with earlier application encouraged. For housing authorities with a December 31 year-end, the standard is generally first applicable to the December 31, 2026 financial statements.

For a housing authority such as Housing Authority of the City of Englewood, the most significant impacts will typically be:

- Revised MD&A format and content.
- Evaluation and presentation of unusual or infrequent transactions.
- Potential updates to proprietary fund statement presentation.
- For the notes disclosure, GASB 103 generally does not change the entity description language you provided, but it will affect the structure and content of the MD&A section accompanying the financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets,* was issued in September 2024 and is effective for fiscal years beginning after June 15, 2025. The Statement requires governments to separately disclose certain types of capital assets, including lease assets, subscription assets, and other intangible assets, within the capital assets note disclosures. The Statement also establishes additional disclosure requirements for capital assets held for sale. The Authority adopted the provisions of GASB Statement No. 104 during the year ended December 31, 2025. The adoption of this Statement did not have a material effect on the Authority's financial position, results of operations, or cash flows; however, it may require additional disclosures in the notes to the financial statements.

GASB Statement No. 105, *Subsequent Events,* was issued in December 2025. The objective of this Statement is to improve financial reporting requirements for subsequent events by enhancing consistency in their application and providing more useful information to financial statement users. GASB 105 establishes a revised definition of subsequent events, clarifies the distinction between recognized and non-recognized subsequent events, requires disclosure of the date through which subsequent events have been evaluated, and establishes specific disclosure requirements for certain non-recognized subsequent events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026. The Authority is currently evaluating the impact that adoption of this Statement will have on its financial statements. For a December 31 year-end Housing Authority, GASB 105 would generally first be effective for the year ending December 31, 2027.

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.

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. 14.

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 a Component Unit which consists of activities pertaining to Englewood Housing Management Services, Inc. (EHMS). Englewood Housing Management Services, Inc. (EHMS) meets the financial accountability criteria for inclusion in the Authority financial statements. The non-profit corporation was formed for the purpose of developing, operating, and managing low- and moderate-income housing in the City of Englewood. The program currently consists of four units.

Board of Commissioners
The following criteria define the scope of the entity for financial reporting purposes:

1. Oversight of Financial Independence
   The Board has the authority to supervise and ensure the financial independence of any component unit.

2. Governing and Decision-Making Authority
   The Board possesses ultimate governing authority, including responsibility for financial decision-making and accountability for those decisions.

3. Appointment and Accountability of Management
   The Board appoints the Authority's management team, which is responsible for day-to-day operations and is directly accountable to the Board.

4. Influence Over Operations
   The Board exercises significant influence over operations through budget approvals, contract authorization, control of facilities, and decisions regarding the hiring or retention of key managerial personnel.

5. Fiscal Control and Accountability
   The Board maintains absolute authority over all funds of the Authority and assumes full accountability for fiscal matters.

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 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.

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

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

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

Other accounting policies - continued

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

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

9- Advertising cost is charged to expense when incurred.

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

11- 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.

12- 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.

13 - 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:

Other accounting policies - continued

13 - Net Position -continued

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."

14 -Unearned Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenses have been incurred in compliance with grant restrictions. Amounts unspent are recorded in the statement of net position as unearned revenue.

15 Operating Revenue and Expenses

Operating revenue includes HUD operating subsidies, tenants dwelling rents, HAP portability payments, management fees and all other revenue. Other revenue composed primarily of miscellaneous fees from the tenant, and laundry income. Operating expenses include wages, utilities, maintenance, depreciation of capital assets, 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.

Nonoperating Revenue and Expenses

The Authority's nonoperating revenue relates primarily to interest income. For reporting purposes. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

16- Impairment Losses
The Authority has been and is currently involved in various activities in conjunction with its modernization programs. In accordance within accordance with GASB #42 *"Accounting for the Impairment or Disposal of Capital Assets and for Insurance Recoveries.* Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. As of December 31, 2025, the Authority has determined that no impairment of its long-lived assets exists.

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

Budgetary and Policy Control –
The Authority submits its annual operating budgets 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.

Revenue from Rental Contracts
The Authority recognizes rental revenue from tenants 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. Tenants have to be income qualified in accordance with income limitations before allowed to occupy unit the tenant(s) may also qualify for a Housing Assistance Payment (HAP). HAP payments are used to subsidize the tenants(s) rental payment to allow them the ability to afford a unit in the development.

The lease agreement has similar terms therefore all lease contract revenue has been aggregated in the caption rental income 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 is completed simultaneously each month, they are treated as performance obligation.

Revenue from Rental Contracts -Continued
Tenants(s) lease payments, including the HAP payment, are due on the first day of each month of the lease term. The monthly unit rental charge is determined based on the amount determined at the RAD conversion and increased annually by HUD published OCAF. Any tenant(s) rental payment is not received by the fifth day of each month. Will be charged a late fee. HAP payments received directly from a HUD are not subject to late fees. 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.

Rent Increases
Under the HAP Contract, the Authority RAD housing program may not increase rents charged to tenants more than the amount provided by the Section 8 regulations.

Activities - The programs administered by the Authority were:

Program	CFDA #	Project #	Units Authorized
Section 8 Housing			
Housing Choice Vouchers	14.871	NJ39-VO55-001	761
N/C S/R Program	14.182	NJ55-SRO-001	13
Business Activities			
Rental Assistance Demonstration Program (RAD)			152
John J. Foti Sr. Property			9
Component Unit			
Englewood Housing Management Services, Inc. (EHMS)			4

Business Activities - RAD
The Authority converted its 152 Public and Indian Housing Program units to Rental Assistance Demonstration Program (RAD) Project Based Vouchers (PBV). The conversion took place in December 2017. The RAD Program was created in order to give public housing authorities (PHA's") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continue to pay 30% percent of their income towards rent.

The Authority also owns and manages a 9-unit apartment building at 115 Humphry Street, known as the John J. Foti, Sr. Property. Since there is no Federal funding, it is referred to as Business Activities on the Financial Data Schedule.

Activities - Continued

Blended Component Unit

The Authority also has Component Units which consist of activities pertaining to Englewood Housing Management Services, Inc. (EHMS). The non-profit corporation was formed for the purpose of developing, operating, and managing low- and moderate-income housing in the City of Englewood. The program currently consists of four units. 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 the entity at the end of its year, which was December 31, 2025.

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

Section 8 New Construction and Substantial Rehabilitation

The New Construction and Substantial Rehabilitation Programs provide rental assistance in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing, including the applicable FHA Multifamily Mortgage Insurance Programs. The maximum term of assistance provided by HUD under the New Construction and Substantial Rehabilitation Programs for a project financed with the proceeds of a loan insured by FHA is 20 years.

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. 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/2025divisioncombined.pdf

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and Chapter 115, P.L. of 1998, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employees' contributions are actuarially determined annually by the Division of Pensions. Employee contributions are currently 6.64% 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 2025 is $164,582 and $164,653 for 2024 year.

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 due to the adoption of GASB 68 can be found in Note 17– Accrued Pension Liability.

NOTE 4 – CASH, CASH EQUIVALENTS

The Authority's cash and cash equivalents are carried at cost, which approximates fair value. Cash and cash equivalents include cash on deposit in financial institutions, petty cash, money market accounts, certificates of deposit, and other highly liquid investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, cash and cash equivalents consist of all cash balances and highly liquid investments with original maturities of three months or less at the time of purchase.

Concentration of Credit Risk

HUD regulations require housing authorities to invest excess funds in obligations of the United States Government, certificates of deposit, or other federally insured investments. HUD further requires that deposits be fully collateralized. Acceptable collateral includes FDIC insurance and the market value of securities pledged by the financial institution to secure public deposits. Pursuant to HUD requirements, obligations of the United States Government may be used as collateral for deposits. Such collateral must be held by the Authority or by an independent bank or trust company in the Authority's name. The Authority's deposits maintained at various financial institutions are collateralized in accordance with New Jersey banking laws and regulations governing public funds.

Risk Disclosures

Collateral for Deposits

Pursuant to N.J.S.A. 40A:5-14, the Authority is required to deposit public funds in financial institutions located in the State of New Jersey and organized under the laws of the United States or the State of New Jersey, or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 prescribes the types of investments that may be held by public entities in New Jersey.

The Authority is also required to maintain its deposits in public depositories protected under the Governmental Unit Deposit Protection Act (GUDPA). Enacted in 1970, GUDPA safeguards governmental units against the loss of funds on deposit resulting from the failure of a participating financial institution in the State of New Jersey.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. To mitigate its exposure to such risk, the Authority's investment policy generally limits investments to maturities of no more than two years from the date of purchase. As of December 31, 2025, all of the Authority's deposits and investments were either available on demand or had remaining maturities of less than two years.

NOTE 4 – CASH AND CASH EQUIVALENTS -CONTINUED

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The Authority's investment policy limits exposure to credit risk by prohibiting excessive concentration in the securities of any single issuer, except for obligations of the United States Government and its agencies and instrumentalities. The Authority's cash deposits and investments are evaluated to determine the level of credit risk assumed. Custodial credit risk is the risk that, in the event of a financial institution's failure, the Authority may not be able to recover its deposits or collateral securities held by the institution.

The categories of custodial credit risk are described below.

	Bank Balances	
Depository Accounts	Primary Government	Component Unit
Insured	$ 250,500	$ 250,000
Collateralized held by pledging bank's trust department in the Authority's name	6,100,298	-
Unisured	-	470,885
Total Cash, Cash Equivalents	$ 6,350,798	$ 720,885

Englewood Housing Management Services, Inc. (EHMS) maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. Englewood Housing Management Services, Inc. (EHMS) has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalent. As of December 31, 2025, the uninsured cash was $470,885.

Restricted Deposits

The restricted deposits accounts on December 31, 2025, consist of the following:

Restricted Deposits	Primary Government	Component Unit
Tenant Security Deposit	$ 34,957	$ 1,930
HCV Restricted Reserves	23,336	$ -
Replacement Reserve Account	817,667	-
Loan Escrow Reserve	8,435	-
Total Restricted Cash	$ 884,395	$ 1,930

NOTE 4 – CASH, CASH EQUIVALENTS - CONTINUED

Tenant Security Deposit Account

The Authority has total tenant security deposit restricted deposits on December 31, 2025, was in the amount of $36,887. This amount is held as security deposits for them in an interest-bearing account.

HCV HAP Reserves

The restricted cash in the amount of $23,336 was reported under the Housing Choice Voucher Program as a HAP reserve for future use. In accordance with HUD's PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

Restricted Deposit – Loan Escrow

In connection with the temporary loan agreement, the lender requires an escrow account to be established in the amount of $8,435, for future loan interest, until the loan is converted to permanent financing.

Restricted Deposits -RAD Accounts

In connection with the RAD conversion, the Authority is required to maintain certain escrow accounts and reserves by HUD and Connect One. RAD capital reserve escrow funds are restricted for capital improvements related to properties specified in the mortgage agreement with Connect One. The details of the required reserve accounts are as follows on December 31, 2025:

	Capital Repair Account	Critical Repair Account	Replacement Reserve
Beginning Balance	$ 122,365	$ 55,772	571,432
Required Deposit Made	-	-	221,627
Interest Earned	1,567	714	24,608
Withdrawals Made	(123,932)	(56,486)	-
Ending Balance	$ -	$ -	$ 817,667

Investments

The Authority's investments on December 31, 2025, included the following:

Investments	Maturities	Interest Rate	Fair Value
Certificate of Deposit	1/7/2026	0.50%	$ 480,935
ICS Sweep Account	Upon Demand	3.20%	1,783,561
ICS Sweep Account	Upon Demand	3.20%	606,818
ICS Sweep Account	Upon Demand	3.20%	722,500
ICS Sweep Account	Upon Demand	3.20%	468,309
			$ 4,062,123

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts Receivable on December 31, 2025, consisted of the following:

	Primary Government	Component Unit
Tenants Accounts Receivable	$ 9,822	$ 3,901
Less: Allowance for Doubtful Accounts	(9,379)	-
Net Tenants Accounts Receivable	443	3,901
Accounts Receivable - Other Authorities	2,092	-
Advance Receivable - Westmoor Gardens	388,353	400,000
Total Accounts Receivable	$ 390,888	$ 403,901

Tenant Rent and Receivables Policy

Tenant rent is due on the first day of each month. Payments not received by the fifth day are considered past due, and late fees are assessed accordingly.

Tenant receivables are reported at the net amount management reasonably expects to collect, after deducting an allowance for doubtful accounts. Receivables deemed uncollectible are charged to bad debt expense following a periodic review conducted by management.

While generally accepted accounting principles (GAAP) in the United States require the use of the allowance method to recognize bad debts, the impact of applying the direct write-off method is not materially different from the results that would be achieved under the allowance method.

Any recoveries of previously written-off debts are recognized as income in the year they are received. For the fiscal period ending December 31, 2025, the total bad debt expense recorded was $3,644 and for 2024 was $10,683.

NOTE 6 – INTERFUND ACTIVITY

Interfund activity is reported as short-term loans, services provided during operations, reimbursements, or transfers. Short-term loans are reported as interfund short term receivable and payable as appropriate. The amounts between the various programs administered by the Authority on December 31, 2025, 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 7 – 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 monthly. Acquisition of materials and supplies is accounted for by the consumption method, that is, the expenses are charged when the items are consumed. Inventory of supplies is recorded at the lower of cost (determined by using the "first-in-first- out" method) or market. Prepaid expenses on December 31, 2025, and 2024 consisted of the following:

	2025 Primary Government	2024 Primary Government
Prepaid Insurance Cost	$ 10,072	$ 8,235

NOTE 8 - FIXED ASSETS

Fixed assets primarily represent expenditures incurred to acquire, construct, place into operation, and improve the Authority's facilities. These assets are recorded at cost, as determined by appraisal.

Routine repairs, maintenance, and minor renewals are expensed in the year incurred, while major renewals and improvements are capitalized. Capitalization occurs when expenditure meets the requirements outlined in the Authority's Capitalization Policy. Under this policy, assets purchased or constructed at a cost of $5,000 or less are expense immediately.

Property and equipment are stated at cost, and donated fixed assets are recorded at their fair value on the date of donation.

Depreciation

Depreciation expense for the period ending December 31, 2025, was $132,814 and $119,331 for 2024. 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

The Authority has been and is currently involved in various activities in conjunction with its modernization programs. In accordance with in accordance with GASB #42 *"Accounting for the Impairment or Disposal of Capital Assets and for Insurance Recoveries.* Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations.

NOTE 8 - FIXED ASSETS - CONTINUED

As of December 31, 2025, the Authority has determined that no impairment of its long-lived assets exists.

Below is a schedule of changes in fixed assets for the twelve months ending December 31, 2025:

	December-24	Additions	December-25
Land	$ 806,719	$ -	$ 806,719
Building	8,752,748	1,902	8,754,650
Furniture, Equipment - Dwelling	300,870	-	300,870
Furniture, Equipment - Administration	283,416	272,499	555,915
Construction in Progress	-	14,497,046	14,497,046
Total Fixed Assets	10,143,753	14,771,447	24,915,200
Accumulated Depreciation	(7,316,302)	(132,813)	(7,449,115)
Net Book Value	$ 2,827,451	$ 14,638,634	$ 17,466,085

The capital additions were:

- Tibbs Rehab Additions
- Senior Building Repairs from Ida Damage
- Office Furniture Replacement

Below is a schedule of the netbook value of the fixed assets for the Authority as of December 31, 2025:

Net Book Value of the Fixed Assets	December-25
Land	$ 806,719
Building	1,738,438
Furniture, Equipment - Dwelling	-
Furniture, Equipment - Administration	423,882
Construction in Progress	14,497,046
Net Book Value	$ 17,466,085

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

The OPEB and Pension Liability discussed in Note 16 and 17 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 OPEB and PERS, reflecting the average remaining service life of members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The Authority's deferred outflows and inflows are as follows:

Deferred Outflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	$ 152,684	$ 42,228	$ 194,912
Changes in Assumptions	504,037	234	504,271
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	700,379	15,629	716,008
Total	$ 1,357,100	$ 58,091	$ 1,415,191

Deferred Inflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	$ 510,831	$ 1,583	$ 512,414
Changes in Assumptions	500,458	17,063	517,521
Net Difference Between Projected and Actual Earning on Pension Plan Investments	1,365	123,502	124,867
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	428,810	30,787	459,597
Total	$ 1,441,464	$ 172,935	$ 1,614,399

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-CONTINUED

Difference in Expected and Actual Experience

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a five-year closed period reflecting the average remaining service life of the plan members (active and inactive), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $194,912 and $512.414.

Changes in Assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over a five-year closed period, reflecting the average remaining service life of the plan members (active and inactive members), respectively. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $504,271 and $517,521.

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

The difference between the System's expected rate of return of and the actual investment earnings on pension plan investments is amortized over a five-year closed period in accordance with GASB 68 and GASB 75. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The collective amount of the difference between expected and actual experience for the fiscal year is $-0- and $124,867.

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

The change in employer proportionate share is the amount of difference between the employer proportionate shares of net pension liability in the prior year compared to the current year. The difference between employer contributions and proportionate share of contributions is the difference between the total amount of employer contributions and the amount of the proportionate share of employer contributions. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a six-year closed period for OPEB and PERS, reflecting the average remaining service life of ERS members (active and inactive members), respectively. The changes in proportion and differences between employer contributions and proportionate share of contributions for the fiscal year are $716,008 and $459,597.

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable are a liability account that represents the amount owed by the Authority to its creditors for goods or services received but not yet paid for. When the Authority receives goods or services on credit, it incurs a liability to pay the vendor or supplier in the future. This liability is recorded as an account payable on the Authority's financial statements, specifically on the Statement of Net Position under the category of current liabilities. Accounts payable is an important aspect of a company's financial management, as they represent its short-term obligations to its vendors and suppliers. Accounts payable on December 31, 2025, consist of the following:

	Primary Government	Component Unit
Accounts Payable Vendors	$ 1,621,708	$ 45
Accounts Payable - Other Authorities	29,681	
Accounts Payable - PHA Program	15,393	
Total Accounts Payable	$ 1,666,782	$ 45

NOTE 11 – ACCOUNTS PAYABLE – OTHER GOVERNMENT (PILOT PAYABLE)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the rental units in accordance with the provisions of its Cooperation Agreement with the City of Englewood. Under the Cooperation Agreements, the Authority must pay the municipality 10% of its net shelter rent for the full real property taxes. PILOT payable on December 31, 2025, consists of the following:

	Component Unit
Balance Beginning of Year	$ -
P.I.L.O.T. Accrued	11,249
Less: Payments Made	(11,249)
Total P.I.L.O.T. Payable	$ -

NOTE 12 – ACCRUED EXPENSES

Accrued expenses are Authority expenses that have been incurred but have not yet paid. These expenses are recognized in the financial statements before payment has been made, and typically refer to items such as salaries, interest, and taxes. Accrued expenses on December 31, 2025, and 2024, consisted of the following:

	2025 Primary Government	2024 Primary Government
Compensated Absences - Current Portion	$ 10,440	$ 10,228
Accrued Interest Payable	40,836	3,170
Accrued - Various Vendors	11,406	896
Accrued Wages	24,593	11,553
Total Accrued Liabilities	$ 87,275	$ 25,847

NOTE 13 – ACCRUED COMPENSATED ABSENCES

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 101.* A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

Policy

An employee may not carry over unused vacation days in which the vacation days are earned. When an employee's employment is terminated, the employee will be entitled to receive payment for any unused accumulated vacation time.

Unused sick leave may be carried to future periods and used in the event of extended illness. In the event of voluntary resignation of employment, an employee shall be entitled to be paid for fifty (50%) percent of unused sick time not to exceed $15,000.

For December 31, 2025, the Authority has determined that the potential liability for accumulated vacation time, sick leave, and terminal pay to be as follows:

Balance December-24	Additions	Payment	Balance December-25	Current Portion
$ 102,283	$ 6,738	$ (4,451)	$ 104,570	$ 10,440

NOTE 14 – UNEARNED REVENUE

Unearned revenue represents resources received or recognized before the Authority has satisfied the requirements for revenue recognition. Such amounts are recorded as liabilities until the related services are provided, eligibility requirements are met, or the applicable time period has elapsed.

Unearned revenue primarily consists of tenant's rent payments, grant proceeds received in advance of allowable expenditures, and other amounts received prior to being earned. As of December 31, 2025, and 2024, the Authority reported unearned revenue of $468 and $5,552,929 for insurance proceeds.

NOTE 15 – LONG TERM DEBT

Note Payable – Connect One

The Authority received a note from Connect One formally called Bank of New Jersey in the amount of $1,000,000 in connection with the Authority's RAD program to provide long-term capital improvement funding for low-income properties in Englewood, New Jersey. The loan term is 20 years based upon a 30-year amortization schedule with and interest rate of 4.35% percent. Payments will be made in 240 equal monthly installments of principal and interest with a balloon payment at maturity. The balance on December 31, 2025, was $-0-. This loan was paid off and a new construction loan was issued during the year.

Balance December-24	Payment	Balance December-25	Current Portion
$ 846,230	$ (846,230)	$ -	$ -

In March 2025, the Authority obtained a construction loan in the amount of $15,000,000 to finance repairs and improvements to the Authority's senior housing building. The construction loan matures 30 days following the issuance of a Certificate of Occupancy. Interest accrues at a rate of 5.50% per annum and is payable monthly on the outstanding principal balance.

Upon completion of construction and satisfaction of the lender's conversion requirements, the construction loan will be converted to a permanent loan. The permanent loan will have a maturity of 240 months from the conversion date and will bear interest at the applicable permanent loan interest rate. Repayment will be made in equal monthly installments of principal and interest, with payments applied first to accrued interest and then to principal.

The monthly payment amount will be calculated to fully amortize the loan based on a 360-month amortization schedule. The outstanding principal balance, together with any accrued and unpaid interest and other charges, will become due and payable on the permanent loan maturity date.

NOTE 15 – LONG TERM DEBT - CONTINUD

Note Payable – Connect One

The outstanding loan balance as of December 31, 2025, is $10,110,511. The annual debt service requirements to maturity, including principal and interest are as follows:

Year	Principal
2026	$ 10,110,511

NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

The Authority as of December 31, 2025, reported accrued pension and OPEB liability amounts as follows:

	December-25	December-24
Accrued OPEB Liability	$ 3,014,919	$ 2,796,619
Accrued Pension Liability	1,481,068	1,669,446
Total OPEB and Pension Liability	$ 4,495,987	$ 4,466,065

These amounts arose due to adoption of GASB #75 (OPEB) in 2018 year as well as GASB #68 (Pension) which was adopted in 2014 year. This note will discuss the liability associated with GASB #75, which is accrued to other postemployment benefits. Note - 17 will discuss the effect of GASB #68 pension liability which arose from that.

OPEB Liability

The Authority as of December 31, 2025, reported a net OPEB liability in the amount of $3,014,919 due to GASB #75. The component of the current year net OPEB liability of the Authority as of June 30, 2024, the last evaluation date, is as follows:

	June-24	June-23
Employer Total OPEB Liability	$ 2,988,452	$ 2,774,822
Plan Net Position	26,467	21,797
Employer Net OPEB Liability	$ 3,014,919	$ 2,796,619

The Authority allocation percentage is 0.016838% for June 30, 2024, and 0.0186360% as of June 30, 2023.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS - CONTINUED

OPEB Liability – Plan Description and Benefits Provided

Plan Description: The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple- employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

Benefits Provided: The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission.

Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who:

1) retired on a disability pension; or

2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or

3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or

4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation's agreement.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS - CONTINUED

OPEB Liability – Plan Description and Benefits Provided -Continued

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The total OPEB liability for the year ended December 31, 2025, was $3,014,919.

Employees covered by benefits terms: On June 30, 2024 (the census date), the following employees were covered by the benefits terms:

Plan Members	16

Net OPEB Liability

The total OPEB liability as of June 30, 2024, latest report, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Assumptions: The total OPEB Liability on June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Inflation Rate = 2.16%
Salary Increases
Through 2026 = 2.00% to 6.00%
Thereafter = 3.00% to 7.00%

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2021 scale.

NOTE 16 – OPEB LIABILITIES – CONTINUED

Net OPEB Liability

Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2021 scale.

Certain actuarial assumptions used in the June 30, 2024, valuation was based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2013, to June 30, 2024, and July 1, 2014, to June 30, 2024, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2024, was 3.93% and 3.65% for 2023. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the OPEB Liability to changes in the discount rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	Discount Rate Sensitivity		
	1% Decrease 2.93%	Current Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	$ 3,512,056	$ 3,014,919	$ 2,616,757

NOTE 16 – OPEB LIABILITIES - CONTINUED

Sensitivity of the OPEB Liability to changes in healthcare cost trend rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates than the current healthcare cost trend rates:

	Healthcare Cost Inflation Rate Sensitivity		
	1% Decrease	Current	1% Increase
Total OPEB Liability	$ 2,550,006	$ 3,014,919	$ 3,612,666

Change in Assumptions: *Effective* June 30, 2024.

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 year for the 2024.

Changes in Net OPEB Liability:

Total OPEB Liability	**2024**	**2023**
Service Cost	$ 91,782	$ 111,282
Interest on Total OPEB liability	93,358	108,345
Expected Investment Return	-	584
Administrative Expenses	1,051	2,351
Changes in Benefits Term	-	4,294
Inflows/Outflows of Resources	18,130	(167,636)
Inputs	(210,295)	(149,696)
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	292,306	158,508
Benefit Payments	-	-
Change in Plan	-	-
Net Change in Total OPEB Liability	286,332	68,032
Total OPEB Liability, Beginning	2,728,587	2,728,587
Total OPEB Liability, Ending	$ 3,014,919	$ 2,796,619

NOTE 16 – OPEB LIABILITIES - CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ending June 30, 2025	$ (189,255)
Year Ending June 30, 2026	(81,480)
Year Ending June 30, 2027	(14,002)
Year Ending June 30, 2028	(74,649)
Year Ending June 30, 2029	(47,559)
Therafter	51,012
Total	$ (355,933)

NOTE 17 – ACCRUED PENSION LIABILITY

Net Pension Liability Information

The Authority as of December 31, 2025, reported a net pension liability in the amount of $1,481,068 due to GASB 68. The component of the current year net pension liability of the Authority as of June 30, 2025, the last evaluation date, is as follows:

	June-25	June-24
Employer Total Pension Liability	$ 9,305,059	$ 9,044,233
Plan Net Position	(7,823,991)	(7,374,787)
Employer Net Pension Liability	$ 1,481,068	$ 1,669,446

The Authority allocation percentage is 0.0120425266% for June 2025 and 0.0122861384% for June 30, 2024.

Plan Description

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. The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.gov/treasury/pensions/financial-reports.shtml.

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Net Pension Liability Information

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The Authority participates in the State of New Jersey, Public Employees' Retirement System (PERS).

The following represents the membership tiers for PERS:

1) Tier 1 – Members who enrolled prior to July 1, 2007
2) Tier 2 – Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3) Tier 3 – Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4) Tier 4 – Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5) Tier 5 – Members who were eligible to enroll on or after June 28, 2011.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employers, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

Allocation Percentage Methodology

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Allocation Percentage Methodology

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2025, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2025.

The contribution for PERS is set by NJSA 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which include the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2025 the State's pension contribution was less than the actuarial determined amount.

Actuarial Assumptions

The total pension liability for June 30, 2025, measurement dates were determined by using an actuarial valuation as of July 1, 2022, with update procedures used to roll forward the total pension liability to June 30, 2025. The actuarial valuations used the following actuarial assumptions:

Inflation	2.75%
Salary Increases:	
Through 2026	2.00-6.00%, based on age
Thereafter	3.00-7.00%, based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2025.

The actuarial assumptions used in July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2014, to June 30, 2025.

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Actuarial Assumptions -Continued

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% on June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025, as summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.00%	10.23%
Private Equity	13.00%	11.42%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025, and for 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the current-period net pension liability of the employers calculated using the current-period discount rate assumption of 7.0% percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.0% percent) or 1 percentage-point higher (8.0% percent) than the current assumption (in thousands). Sensitivity of the Authority's proportionate share of Net Pension Liability due to change in the Discount Rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Authority's Proprortionate Share of the Net Pension Liability (Asset)	$ 2,044,985	$ 1,481,068	$ 1,024,128

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

Year Ending June 30, 2026	$ 27,431
Year Ending June 30, 2027	(57,255)
Year Ending June 30, 2028	(44,181)
Year Ending June 30, 2029	(25,862)
Year Ending June 30, 2030	181
Total	$ (99,686)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for the 2021, 2020, 2019, 2018, 2017, and 2016 amounts, respectively.

NOTE 17 – ACCRUED PENSION LIABILITY – CONTINUED

Pension Expense

The components of allocable pension expense, which exclude pension expenses related to specific liabilities of individual employers, for the plan fiscal year ending June 30, 2025, are as follows:

Service Cost	$	97,166
Interest on the Total Pension Liability		358,254
Benefits Changes		-
Member Contributions		(79,580)
Administrative Expenses		2,586
Expected Investment Return Net of Investment Expenses		(230,150)
Pension Expense Related to Specific Liabilities of Individual Employers		(1,311)
Current Period Recognition (Amortization) of Deferred Outflows and Inflows of Resources:		
Difference Between Expected and Actual Experience		10,925
Changes of Assumptions		(16,675)
Differences Between Projected and Actual Investment Earnings on Pension Plan Investments		(90,052)
Total	$	51,163

NOTE 18 – NET INVESTMENT IN CAPITAL ASSETS

This component consists of land, construction in process and depreciable assets, net of accumulation and net of related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of investment in Net Investment in Capital Assets. Rather, that portion of the debt is included in the same net asset component as the unspent proceeds.

Balance December 31, 2024	$	1,979,631
Fixed Assets Additions		14,771,447
Depreciation Expense		(131,223)
Payment on Debt		846,230
Issuance of Debt		(10,110,511)
Balance December 31, 2025	$	7,355,574

NOTE 19 – RESTRICTED NET ASSETS

The Authority restricted net position account balance on December 31, 2025, is $849,438. The details of the reserve account balances are as follows:

	RAD Capital Reserves	HCV HAP Reserve	Total
Balance December 31, 2024	$ 749,569	$ -	$ 749,569
Increase During the Year	76,533	23,336	99,869
Decrease During the Year	-	-	-
Balance December 31, 2025	$ 826,102	$ 23,336	$ 849,438

In connection with the Connect One loan (Note 15) and Cash (Note 4), the RAD units of the Authority are required to maintain certain replacement and capital repairs escrow accounts. In accordance with the bank loan, the restricted deposited and funded reserves are held by Connect One.

The restricted cash in the amount of $23,336 was reported under the Housing Choice Voucher Program as a HAP reserve for future use. In accordance with HUD's PIH Notice 2007-03, the reserve fund balance may only be used to assist additional families up to the number of units under contract.

Housing Choice Voucher Program HUD Held Reserves Funds

Effective January 1, 2012, HUD was required to control the disbursement of funds in such a way that the Authority does not receive funds before they are needed, resulting in the re-establishment of HUD held program reserves to comply with the Treasury requirements. HUD held reserve is a holding account at the HUD level that maintains the excess of HAP funds that have been obligated (ABA) but undisbursed to the Authority. The excess HAP funds will remain obligated but not disbursed to the Authority. HUD will hold these funds until needed by the Authority. The amount of HUD reserves held for the Authority on December 31, 2025, was not made available.

NOTE 20 – UNRESTRICTED NET POSITION -

Unrestricted net position is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

The Authority's unrestricted net position account balance on December 31, 2025, is $445,624. The details of the account balance are as follows:

	Section 8		Shelter	Business	Component	
	N/C - S/R	HCV	Care	Activities	Unit	Total
Balance December 31, 2024	$ 95,163	$ 1,923,400	$ 165	$ (2,159,295)	$ 1,047,841	$ 907,274
Increase During the Year	19,511	191,251	-	-	74,523	285,285
Decrease During the Year	-	-	-	(746,935)	-	(746,935)
Balance December 31, 2025	$ 114,674	$ 2,114,651	$ 165	$ (2,906,230)	$ 1,122,364	$ 445,624

Housing Choice Voucher Program - Reserves

Administrative fee paid by HUD to the Authority in excess of administrative expenses are also part of the undesignated fund balance and are considered to be administrative fee reserves. Administrative fee reserves accumulated prior to January 1, 2005, are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR 982.155 – i.e. other housing purposes permitted by state and local law. Excess administrative fees earned in 2005 and subsequent years must be used for activities related to the provision of tenant based rental assistance authorized under Section 8 of the United States Housing Act of 1937, including related development activities.

NOTE 21 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. During the year ended December 31, 2025, the Authority's risk management program, in order to deal with the above potential liabilities, purchased various insurance policies for fire, general liability, crime, auto, employee bond, worker's compensation, and public-officials errors omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its buildings for the purpose of determining potential liability issues.

NOTE 22 – CONTINGENCIES AND COMMITMENTS

Litigation – On December 31, 2025, the Authority was not involved in any threatened litigation.

Contingencies

The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended December 31, 2025.

Other Insurance

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

NOTE 23 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES

Annual Contributions Contracts for the Section 8 Housing Choice Voucher Program to provide housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The programs provide such payment with respect to existing housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expenses. HUD contributions for the Section 8 Housing Choice Voucher for December 31, 2025, were in the amount of $13,427,880.

NOTE 24 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority operations are concentrated in the low-income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Total financial support by HUD was $13,484,723 to the Authority which represents approximately 69% percent of the Authority's total revenue for the year ended December 31, 2025.

NOTE 25 – RELATED PARTIES

The Housing Authority of the City of Englewood charged Westmoor Gardens, Inc. for administrative expenses, salaries, and payroll related expenses with $388,353 remains as receivable on December 31, 2025. Administrative expenses, salaries and payroll related expenses, and other charges as of December 31, 2025, consisted of:

	December-25	December-24
Administrative Salaries	$ 124,797	$ 103,334
Tenant Services Salaries	-	19,010
Maintenance Labor	162,200	152,245
Employee Benefits Cost	151,323	133,922
Management Fee	46,307	48,508
Total Charges	$ 484,627	$ 457,019

NOTE 26 - PRIOR PERIOD ADJUSTMENTS

For year ending December 31, 2025

As of December 31, 2025, the Authority had a prior period adjustment in the amount of ($64,433) while recording the opening OPEB and Pension Liability as of January 1, 2025, for the change in the discount rate from the prior year.

NOTE 27 – SUBSEQUENT EVENTS

Hurricane Ida

On September 1, 2021, Hurricane Ida caused dangerous flooding across New Jersey. The Authority was in the affected area of the storm. The storm flash flood impacted the Authority senior building for a total of one hundred fifty-two (152) apartments need to be evacuated due to the with flood damage to the entire building which all of the tenants were displace to move to a hotel or with a family member.

The Authority purchased flood insurance in the current and previous years. As of August 9, 2025, all the tenants have not returned to their units with a preliminary date of June 1, 2026. Per Management, the estimated amount of damage is to be $15 million dollars. The insurance company has not made their final cost estimate for the damage. Management already applied for FEMA funds to cover any shortfall of expenses. The Town of Englewood has been asked to sponsor FEMA application for the hotel relocation cost of the tenants estimated to be about $4 million dollars.

In the opinion of Authority, any liability resulting from excess expenses should not be material in relation to the Authority financial position and results of operations as the cost of the damage would be covered by insurance and FEMA funds.

The events described in the statements pertain to the period between the statement of net assets date and the availability of the financial statements for issuance. During this interim period, any events that occurred must be assessed for potential recognition or disclosure. The effects of subsequent events serve as evidence regarding conditions that existed after the statement of net assets date, necessitating disclosure in the accompanying notes.

Management has conducted an evaluation of the Authority's activity up to August 21, 2026, which is the date when the financial statements became available for issuance. Following this assessment, it has been determined that no subsequent events have transpired that would require recognition in the financial statements or disclosure in the notes accompanying the financial statements.

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Required Supplementary Information
December 31, 2025

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS

GASB #75 requires supplementary information which includes changes in the Authority's total OPEB liability along with related ratios as listed below:

Total OPEB Liability	**2024**	**2023**	**2022**	**2021**
Service Cost	$ 91,782	$ 111,282	$ 127,402	$ 128,257
Interest on Total OPEB liability	93,358	108,345	62,316	62,734
Expected Investment Return	-	584	(359)	(361)
Administrative Expenses	1,051	2,351	1,707	1,718
Changes in Benefits Term	-	4,294	306	308
Inflows/Outflows of Resources	18,130	(167,636)	(105,943)	(106,653)
Inputs	(210,295)	(149,696)	(56,510)	(56,889)
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	292,306	158,508	(28,919)	(56,229)
Benefit Payments	-	-	-	-
Change in Plan	-	-	-	-
Net Change in Total OPEB Liability	286,332	68,032	-	(27,115)
Total OPEB Liability, Beginning	2,728,587	2,728,587	2,728,587	2,755,702
Total OPEB Liability, Ending	$ 3,014,919	$ 2,796,619	$ 2,728,587	$ 2,728,587
Covered, Employee Payroll	$ 789,672	$ 718,290	$ 605,990	$ 639,403
Total OPEB Liability as a percentage of covered employee payroll	381.79%	389.34%	450.27%	426.74%

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

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Required Supplementary Information
December 31, 2025

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS

GASB #75 requires supplementary information which includes changes in the Authority's total OPEB liability along with related ratios as listed below:

Total OPEB Liability	**2020**	**2019**	**2018**
Service Cost	$ 93,044	$ 95,367	$ 57,035
Interest on Total OPEB liability	76,383	91,004	104,598
Expected Investment Return	(1,172)	1,615	-
Administrative Expenses	1,522	1,356	-
Changes in Benefits Term	159	(272)	-
Inflows/Outflows of Resources	(84,544)	(88,618)	-
Inputs	(64,285)	(115,798)	-
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	796,559	512	-
Benefit Payments	-	-	(24,263)
Change in Plan	-	(949,216)	-
Net Change in Total OPEB Liability	817,666	(964,050)	137,370
Total OPEB Liability, Beginning	1,938,036	2,902,086	2,764,716
Total OPEB Liability, Ending	$ 2,755,702	$ 1,938,036	$ 2,902,086
Covered, Employee Payroll	$ 605,990	$ 561,539	
Total OPEB Liability as a percentage of covered employee payroll	454.74%	345.13%	

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Required Supplementary Information
December 31, 2025

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

GASB #68 requires supplementary information which includes the Authority's share of the net pension liability along with related ratios as listed below. The schedule below displays the Authority's proportionate share of Net Pension Liability.

	2025	2024	2023	2022	2021
Housing Authority's proportion of the net pension liability	0.0120425266%	0.0122861384%	0.0123194644%	0.0123193564%	0.011273646%
Housing Authority's proportionate share of the net pension liability	$ 1,481,068	$ 1,669,446	$ 1,487,616	$ 1,859,160	$ 1,838,437
Housing Authority's covered employee payroll	$ 789,672	$ 718,290	$ 687,273	$ 950,105	$ 609,396
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	187.55%	232.42%	216.45%	195.68%	301.68%
Plan fiduciary net position as a percentage of the total pension liability	15.92%	34.48%	34.48%	21.51%	24.09%

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

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Required Supplementary Information
December 31, 2025

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

The schedule below displays the Authority's proportionate share of Net Pension Liability.

	2020	2019	2018	2017	2016
Housing Authority's proportion of the net pension liability	0.011273646%	0.011118474%	0.00863812%	0.00323170%	0.00323170%
Housing Authority's proportionate share of the net pension liability	$ 1,838,437	$ 2,003,380	$ 2,014,287	$ 2,010,817	$ 2,061,133
Housing Authority's covered employee payroll	$ 609,396	$ 605,990	$ 561,539	$ 539,244	$ 534,241
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	301.68%	330.60%	358.71%	372.90%	402.18%
Plan fiduciary net position as a percentage of the total pension liability	24.09%	43.43%	53.60%	48.01%	59.86%

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Required Supplementary Information
December 31, 2025

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

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

	2025	2024	2023	2022	2021
Contractually required contribution	$ 164,582	$ 164,653	$ 164,653	$ 155,353	$ 123,328
Contribution in relation to the contractually required contribution	(164,582)	(164,653)	(164,653)	(155,353)	(123,328)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 789,672	$ 718,290	$ 639,403	$ 639,403	$ 609,396
Contribution as a percentage of covered employee payroll	20.84%	22.92%	23.96%	16.35%	20.24%

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

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD

Required Supplementary Information
December 31, 2025

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

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

	2020	2019	2018	2017	2016
Contractually required contribution	$ 123,328	$ 108,150	$ 101,758	$ 80,023	$ 86,949
Contribution in relation to the contractually required contribution	(123,328)	(108,150)	(101,758)	(80,023)	(86,949)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 609,396	$ 605,990	$ 561,539	$ 539,244	$ 534,241
Contribution as a percentage of covered employee payroll	20.24%	17.85%	18.12%	14.84%	16.28%

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

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

	CFDA #'s	Beginning Balance	Revenue Recognized	Fiscal Year Expenditures	Ending Balance
Section 8 Housing Choice Voucher Program					
NJ39PO55	14.871	-	13,427,880	13,427,880	-
Grant Total 14.871		-	13,427,880	13,427,880	-
N/C S/R Section 8 Program					
NJ055SR0001	14.182	-	56,843	56,843	-
Grant Total 14.182		-	56,843	56,843	-
Total Expenditures of Federal Awards		$ -	$ 13,484,723	$ 13,484,723	$ -

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

Note 1. Presentation:
The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Housing Authority of the City of Englewood under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority of the City of Englewood, it is not intended to and does not present the financial position, change in net position, or cash flow of the Housing Authority of the City of Englewood.

Note 2. Summary of Significant Accounting Policies:
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate
The Housing Authority of the City of Englewood has not elected to use the 10 percent de minimis indirect cost rate as allowable under the Uniform Guidance.

Note 4. Loans Outstanding:
Housing Authority of the City of Englewood has one mortgage payable in the amount of $10,110,511 outstanding on December 31, 2025. See Note 15 on pages 45-46 of this report for full detail.

Note 5. Non- Cash Federal Assistance:
The Authority did not receive any non-cash Federal assistance for the year ended December 31, 2025.

Note 6. Sub recipients:
Of the federal expenditures presented in the schedule above, the Housing Authority of the City of Englewood did not provide federal awards to any sub recipients.

ENGLEWOOD HOUSING MANAGEMENT SERVICES, INC.
Statements of Financial Position
As of December 31, 2025 and 2024

	December 31, 2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	$ 718,955	$ 645,482
Cash and Cash Equivalents - Restricted	1,930	1,930
Cash and Cash Equivalents	720,885	647,412
Accounts Receivable - Tenants	3,901	2,890
Accounts Receivable - Other	400,000	400,000
Total Current Assets	1,124,786	1,050,302
Fixed Assets		
Land	54,400	54,400
Building Improvements	520,473	520,473
Furniture & Fixtures - Administrative	1,141	1,141
Furniture & Fixtures - Dwelling Units	7,155	7,155
Total	583,169	583,169
Less: Accumulated Depreciation	(494,112)	(491,779)
Net Book Value	89,057	91,390
Total Assets	$ 1,213,843	$ 1,141,692
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 45	$ 45
Accrued Liabilities	-	-
Security Deposit Payable	1,930	1,930
Unearned Revenues	447	486
Total Current Liabilities	2,422	2,461
Net Assets		
Net Assets without Donor Restriction	1,211,421	1,139,231
Total Liabilities and Net Assets	$ 1,213,843	$ 1,141,692

ENGLEWOOD HOUSING MANAGEMENT SERVICES, INC.
Statements of Activities and Changes in Net Assets
For The Twelve Months Ended December 31, 2025 and 2024

	December 31, 2025	2024
INCOME		
Tenants Rental Income	$ 78,240	$ 73,583
Interest Income	22,685	16,113
Management Fee Revenue	16,042	17,500
Total Revenue	116,967	107,196
OPERATING EXPENSES		
Administrative Expenses	4,506	4,881
Utilities	633	494
Maintenance and Repairs	7,673	8,511
Taxes and Insurance	29,631	28,570
Total Operating Expenses	42,443	42,456
Income from Operations Before Depreciation	74,524	64,740
Depreciation Expense	(2,334)	(2,029)
Change in Total Net Assets without Donor Restriction	72,190	62,711
Beginning Net Assets without Donor Restriction	1,139,231	1,076,520
Net Assets without Donor Restriction	$ 1,211,421	$ 1,139,231

ENGLEWOOD HOUSING MANAGEMENT SERVICES, INC.
Statements of Cash Flows
For The Twelve Months Ended December 31, 2025 and 2024

	December 31, 2025	2024
Cash Flows from Operating Activities:		
Net Income from Operations	74,524	64,740
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:		
Interest Income	(16,042)	(16,113)
Changes in Assets - Decrease (Increase)		
Accounts Receivables	(1,012)	(1,870)
Changes in Liabilities - Increase (Decrease)		
Accounts Payable	-	(110)
Accrued Liabilities	-	(33)
Unearned Revenues	(39)	469
Net Cash Provided by Operating Activities	57,431	47,083
Cash Flow from Investing Activities		
Interest Income	16,042	16,113
Net Cash Provided by Investing Activities	16,042	16,113
Cash Flow from Financing Activities		
Acquisitions of Capital Assets	-	-
Net Cash (Used) Financing Activities	-	-
Net Increase in Cash	73,473	63,196
Cash at Beginning of Year	647,412	584,216
Cash at End of Year - December 31,	$ 720,885	$ 647,412
Supplemental Disclosures		
Interest expense paid during the year	$ -	$ -

Englewood Housing Authority (NJ055)

ENGLEWOOD, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	Total
111 Cash - Unrestricted			$718,955	$115,124	$1,594,393	$3,756,721	$165	$6,185,358	$6,185,358
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted					$826,102	$23,336		$849,438	$849,438
114 Cash - Tenant Security Deposits			$1,930		$34,957			$36,887	$36,887
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	$0	$0	$720,885	$115,124	$2,455,452	$3,780,057	$165	$7,071,683	$7,071,683
121 Accounts Receivable - PHA Projects						$2,092		$2,092	$2,092
122 Accounts Receivable - HUD Other Projects									
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous			$400,000		$388,353			$788,353	$788,353
126 Accounts Receivable - Tenants			$3,901		$9,822			$13,723	$13,723
126.1 Allowance for Doubtful Accounts -Tenants			$0		-$9,379			-$9,379	-$9,379
126.2 Allowance for Doubtful Accounts - Other			$0		$0	$0		$0	$0
127 Notes, Loans, & Mortgages Receivable - Current									
128 Fraud Recovery									
128.1 Allowance for Doubtful Accounts - Fraud									
129 Accrued Interest Receivable									
120 Total Receivables, Net of Allowances for Doubtful	$0	$0	$403,901	$0	$388,796	$2,092	$0	$794,789	$794,789
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current									
142 Prepaid Expenses and Other Assets					$10,072			$10,072	$10,072
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From									
145 Assets Held for Sale									
150 Total Current Assets	$0	$0	$1,124,786	$115,124	$2,854,320	$3,782,149	$165	$7,876,544	$7,876,544
161 Land			$54,400		$752,319			$806,719	$806,719
162 Buildings			$520,473		$8,234,177			$8,754,650	$8,754,650
163 Furniture, Equipment & Machinery - Dwellings		$30,000	$7,155		$263,715			$300,870	$300,870
164 Furniture, Equipment & Machinery - Administration		$62,302	$1,141		$212,026	$280,446		$555,915	$555,915
165 Leasehold Improvements									
166 Accumulated Depreciation		-$62,302	-$494,112		-$6,854,999	-$37,702		-$7,449,115	-$7,449,115
167 Construction in Progress					$14,497,046			$14,497,046	$14,497,046
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$30,000	$89,057	$0	$17,104,284	$242,744	$0	$17,466,085	$17,466,085
171 Notes, Loans and Mortgages Receivable - Non-Current									

Englewood Housing Authority (NJ055)

ENGLEWOOD, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	Total
172 Notes, Loans, & Mortgages Receivable - Non Current -									
173 Grants Receivable - Non Current									
174 Other Assets									
176 Investments in Joint Ventures									
180 Total Non-Current Assets	$0	$30,000	$89,057	$0	$17,104,284	$242,744	$0	$17,466,085	$17,466,085
200 Deferred Outflow of Resources					$1,203,669	$211,522		$1,415,191	$1,415,191
290 Total Assets and Deferred Outflow of Resources	$0	$30,000	$1,213,843	$115,124	$21,162,273	$4,236,415	$165	$26,757,820	$26,757,820
311 Bank Overdraft									
312 Accounts Payable <= 90 Days			$45	$450	$1,592,708	$28,550		$1,621,753	$1,621,753
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable					$4,107	$20,486		$24,593	$24,593
322 Accrued Compensated Absences - Current Portion					$3,050	$7,390		$10,440	$10,440
324 Accrued Contingency Liability									
325 Accrued Interest Payable					$40,836			$40,836	$40,836
331 Accounts Payable - HUD PHA Programs						$15,393		$15,393	$15,393
332 Account Payable - PHA Projects						$29,681		$29,681	$29,681
333 Accounts Payable - Other Government									
341 Tenant Security Deposits			$1,930		$35,657			$37,587	$37,587
342 Unearned Revenue			$447		$21			$468	$468
343 Current Portion of Long-term Debt - Capital					$10,110,511			$10,110,511	$10,110,511
344 Current Portion of Long-term Debt - Operating									
345 Other Current Liabilities									
346 Accrued Liabilities - Other					$11,406			$11,406	$11,406
347 Inter Program - Due To									
348 Loan Liability - Current									
310 Total Current Liabilities	$0	$0	$2,422	$450	$11,798,296	$101,500	$0	$11,902,668	$11,902,668
351 Long-term Debt, Net of Current - Capital					$0			$0	$0
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Non-current Liabilities - Other									
354 Accrued Compensated Absences - Non Current					$27,614	$66,516		$94,130	$94,130
355 Loan Liability - Non Current									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities					$3,070,027	$1,425,960		$4,495,987	$4,495,987
350 Total Non-Current Liabilities	$0	$0	$0	$0	$3,097,641	$1,492,476	$0	$4,590,117	$4,590,117
300 Total Liabilities	$0	$0	$2,422	$450	$14,895,937	$1,593,976	$0	$16,492,785	$16,492,785

Englewood Housing Authority (NJ055)

ENGLEWOOD, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	Total
400 Deferred Inflow of Resources					$1,352,691	$261,708		$1,614,399	$1,614,399
508.4 Net Investment in Capital Assets		$30,000	$89,057		$6,993,773	$242,744		$7,355,574	$7,355,574
511.4 Restricted Net Position					$826,102	$23,336		$849,438	$849,438
512.4 Unrestricted Net Position	$0	$0	$1,122,364	$114,674	-$2,906,230	$2,114,651	$165	$445,624	$445,624
513 Total Equity - Net Assets / Position	$0	$30,000	$1,211,421	$114,674	$4,913,645	$2,380,731	$165	$8,650,636	$8,650,636
600 Total Liabilities, Deferred Inflows of Resources and	$0	$30,000	$1,213,843	$115,124	$21,162,273	$4,236,415	$165	$26,757,820	$26,757,820

Englewood Housing Authority (NJ055)

ENGLEWOOD, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	Total
70300 Net Tenant Rental Revenue			$78,240		$151,158			$229,398	$229,398
70400 Tenant Revenue - Other									
70500 Total Tenant Revenue	$0	$0	$78,240	$0	$151,158	$0	$0	$229,398	$229,398
70600 HUD PHA Operating Grants				$56,843		$13,427,880		$13,484,723	$13,484,723
70610 Capital Grants									
70710 Management Fee									
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Service Fee									
70750 Other Fees									
70700 Total Fee Revenue									
70800 Other Government Grants									
71100 Investment Income - Unrestricted			$22,685	$2,131	$108,057	$92,829		$225,702	$225,702
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery									
71500 Other Revenue			$16,042		$5,629,469	$225		$5,645,736	$5,645,736
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted					$24,609			$24,609	$24,609
70000 Total Revenue	$0	$0	$116,967	$58,974	$5,913,293	$13,520,934	$0	$19,610,168	$19,610,168
91100 Administrative Salaries				$11,136	$103,981	$484,981		$600,098	$600,098
91200 Auditing Fees			$4,275	$450	$10,825	$9,155		$24,705	$24,705
91300 Management Fee									
91310 Book-keeping Fee									
91400 Advertising and Marketing									
91500 Employee Benefit contributions - Administrative				$3,665	$53,608	$205,641		$262,914	$262,914
91600 Office Expenses			$231	$2,085	$55,772	$162,794		$220,882	$220,882
91700 Legal Expense				$543	$10,863	$23,631		$35,037	$35,037
91800 Travel				$7		$295		$302	$302
91810 Allocated Overhead									
91900 Other									
91000 Total Operating - Administrative	$0	$0	$4,506	$17,886	$235,049	$886,497	$0	$1,143,938	$1,143,938
92000 Asset Management Fee									
92100 Tenant Services - Salaries				$1,013	$8,444	$44,098		$53,555	$53,555
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services				$319	$7,228	$17,882		$25,429	$25,429

Englewood Housing Authority (NJ055)

ENGLEWOOD, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	Total
92400 Tenant Services - Other									
92500 Total Tenant Services	$0	$0	$0	$1,332	$15,672	$61,980	$0	$78,984	$78,984
93100 Water					$19,873			$19,873	$19,873
93200 Electricity			$633		$44,923	$2,674		$48,230	$48,230
93300 Gas					$36,251			$36,251	$36,251
93400 Fuel									
93500 Labor					$35,500			$35,500	$35,500
93600 Sewer					$1,917			$1,917	$1,917
93700 Employee Benefit Contributions - Utilities					$33,733			$33,733	$33,733
93800 Other Utilities Expense					$839			$839	$839
93000 Total Utilities	$0	$0	$633	$0	$173,036	$2,674	$0	$176,343	$176,343
94100 Ordinary Maintenance and Operations - Labor					$100,519			$100,519	$100,519
94200 Ordinary Maintenance and Operations - Materials			$100		$131,736			$131,836	$131,836
94300 Ordinary Maintenance and Operations Contracts			$7,573		$85,526			$93,099	$93,099
94500 Employee Benefit Contributions - Ordinary					$96,380			$96,380	$96,380
94000 Total Maintenance	$0	$0	$7,673	$0	$414,161	$0	$0	$421,834	$421,834
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs									
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0
96110 Property Insurance			$6,220		$66,213			$72,433	$72,433
96120 Liability Insurance			$11,582		$38,078			$49,660	$49,660
96130 Workmen's Compensation				$135	$23,563	$5,874		$29,572	$29,572
96140 All Other Insurance			$580		$34,657			$35,237	$35,237
96100 Total insurance Premiums	$0	$0	$18,382	$135	$162,511	$5,874	$0	$186,902	$186,902
96200 Other General Expenses					$53,923	$23,919		$77,842	$77,842
96210 Compensated Absences						$6,738		$6,738	$6,738
96300 Payments in Lieu of Taxes			$11,249					$11,249	$11,249
96400 Bad debt - Tenant Rents					$3,644			$3,644	$3,644
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	$0	$0	$11,249	$0	$57,567	$30,657	$0	$99,473	$99,473
96710 Interest of Mortgage (or Bonds) Payable					$226,598			$226,598	$226,598

Englewood Housing Authority (NJ055)

ENGLEWOOD, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	Total
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$226,598	$0	$0	$226,598	$226,598
96900 Total Operating Expenses	$0	$0	$42,443	$19,353	$1,284,594	$987,682	$0	$2,334,072	$2,334,072
97000 Excess of Operating Revenue over Operating	$0	$0	$74,524	$39,621	$4,628,699	$12,533,252	$0	$17,276,096	$17,276,096
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments				$20,110		$12,044,577		$12,064,687	$12,064,687
97350 HAP Portability-In									
97400 Depreciation Expense		$2	$2,334		$99,134	$31,344		$132,814	$132,814
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	$0	$2	$44,777	$39,463	$1,383,728	$13,063,603	$0	$14,531,573	$14,531,573
10010 Operating Transfer In									
10020 Operating transfer Out									
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under)	$0	-$2	$72,190	$19,511	$4,529,565	$457,331	$0	$5,078,595	$5,078,595
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
11030 Beginning Equity	$0	$30,002	$1,139,231	$95,163	$448,513	$1,923,400	$165	$3,636,474	$3,636,474
11040 Prior Period Adjustments, Equity Transfers and					-$64,433			-$64,433	-$64,433
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition									

Englewood Housing Authority (NJ055)

ENGLEWOOD, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	Project Total	14.218 Community Development Block	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	Total
11080 Changes in Special Term/Severance Benefits									
11090 Changes in Allowance for Doubtful Accounts -									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity						$2,357,395		$2,357,395	$2,357,395
11180 Housing Assistance Payments Equity						$23,336		$23,336	$23,336
11190 Unit Months Available	0	0	48	156	108	10452	0	10764	10764
11210 Number of Unit Months Leased	0	0	48	68	98	9005	0	9219	9219
11270 Excess Cash	$0							$0	$0
11610 Land Purchases	$0							$0	$0
11620 Building Purchases	$0							$0	$0
11630 Furniture & Equipment - Dwelling Purchases	$0							$0	$0
11640 Furniture & Equipment - Administrative Purchases	$0							$0	$0
11650 Leasehold Improvements Purchases	$0							$0	$0
11660 Infrastructure Purchases	$0							$0	$0
13510 CFFP Debt Service Payments	$0							$0	$0
13901 Replacement Housing Factor Funds	$0							$0	$0

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Lincroft, NJ 07738
Tel: 732-842-4550

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

Board of Commissioners
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities business type activities and blended component unit of Housing Authority of the City of Englewood, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Housing Authority of the City of Englewood's basic financial statements, and have issued our report thereon dated August 21, 2026.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Housing Authority of the City of Englewood's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Englewood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Englewood's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority of the City of Englewood's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Giampaolo & Associates

Lincroft, New Jersey
Date: August 21, 2026

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& ASSOCIATES

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Tel: 732-842-4550

INDEPENDENT AUDITOR'S REPORT
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631

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

We have audited Housing Authority of the City of Englewood's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Englewood's major federal programs for the year ended December 31, 2025. The Housing Authority of the City of Englewood's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of the City of Englewood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority of the City of Englewood's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Housing Authority of the City of Englewood's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Englewood's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Housing Authority of the City of Englewood as of and for the year ended December 31, 2025, and have issued our report thereon dated August 21, 2026, which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 is fairly stated in all material respects in relation to the financial statements as a whole

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Giampaolo & Associates

Lincroft, New Jersey
Date: August 21, 2026

HOUSING AUTHORITY OF THE CITY OF ENGLEWOOD
Schedule of Findings and Questioned Cost
Year Ended December 31, 2025

Prior Audit Findings
None reported

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control over Financial Reporting:

Material Weakness (es) Identified?	yes	X no
Significant Deficiency(ies) identified that are considered to be material weakness(es)?	yes	X none reported

Noncompliance Material to Financial Statements Noted? yes X no

Federal Awards

Internal Control over Major Programs:

Material Weakness (es) Identified?	yes	X no
Significant Deficiency(ies) identified that are considered to be material weakness(es)?	yes	X none reported

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

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

Identification of Major Programs

CFDA#	Name of Federal Program	Amount
14.871	Section 8 Housing Choice Vouchers Program	$ 13,427,880

Dollar threshold used to Distinguish between Type A and Type B Programs $ 1,000,000

Auditee qualified as a low-risk auditee X yes no

FINDINGS – FINANCIAL STATEMENT AUDIT
None reported

FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAM AUDIT
None reported

GIAMPAOLO
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Englewood
111 West Street
Englewood, New Jersey 07631

We have performed the applicable procedures enumerated in the American Institute of Certified Public Accountants' Statement of Position (SOP) 02-1, Performing Agreed-Upon Procedures Engagements that Address the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), by Housing Authority of the City of Englewood (the PHA) compliance with the reporting requirements of Title 2 U.S. Code of the Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), for the year ended December 31, 2025. Management of Housing Authority of the City of Englewood is responsible for compliance with the requirements of the electronic submission of the items listed in the "UFRS Rule Information" column.

The management of Housing Authority of the City of Englewood has agreed to and acknowledged that the procedures performed are appropriate to assist users in evaluating Housing Authority of the City of Englewood's compliance with the reporting requirements of the "UFRS Rule Information" column for the year ended December 31, 2025. This report may not be suitable for any other purpose. The procedures may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the findings are included in the attached Appendix.

We were engaged by the Housing Authority of the City of Englewood to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged in and did not conduct an examination or review engagement, the objective of which would be the expression of the "UFRS Rule Information" column an opinion or conclusion, respectively, on Housing Authority of the City of Englewood's compliance with the requirements of "UFRS Rule Information" column for the year ended December 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for the information and use of the PHA and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Giampaolo & Associates

Lincroft, New Jersey
August 21, 2026

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDAs, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200,G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic Financial Statements (inclusive of auditor reports)	Agrees