

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES -CONTINUED

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

Deferred Outflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	\$ -	\$ 27,883	\$ 27,883
Changes in Assumptions	62,421	1,729	64,150
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	192,153	192,153
Total	\$ 62,421	\$ 221,765	\$ 284,186
Deferred Inflows of Resources	OPEB	Pension	Total
Differences Between Expected and Actual Experiences	\$ -	\$ 3,706	\$ 3,706
Changes in Assumptions	78,959	15,837	94,796
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	64,539	64,539
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	303,004	303,004
Total	\$ 78,959	\$ 387,086	\$ 466,045

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 \$27,883 and \$3,706.

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Notes to Financial Statements September 30, 2025

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES -CONTINUED

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 \$64,150 and \$94,796.

Net Difference between Projected and Actual Investment Earning 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 #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 \$64,539.

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

The change in employer proportionate share is the amount of difference between the employer proportionate shares of net pension liability in the prior year compared to the current year. The difference between employer contributions and proportionate share of contributions is the difference between the total amount of employer contributions and the amount of the proportionate share of employer contributions. The change in proportionate share and the difference between employer contributions and proportionate share of contributions is amortized over a six-year closed period for PERS and OPEB, reflecting the average remaining service life of PERS and OPEB 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 \$192,153 and \$303,004.

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Notes to Financial Statements September 30, 2025

NOTE 11 – 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 are an important aspect of a company's financial management, as it represents its short-term obligations to its vendors and suppliers. Accounts payable on September 30, 2025, and 2024 consist of the following:

	September-25	September-25
	Primary	Component
	Government	Unit
Accounts Payable Vendors	\$ 300,187	\$ 3,121
Accounts Payable - Other Government	226,332	-
Total Accounts Payable	<u>\$ 526,519</u>	<u>\$ 3,121</u>

	September-24	September-24
	Primary	Component
	Government	Unit
Accounts Payable Vendors	\$ 241,605	\$ 13,713
Accounts Payable - Other Government	109,198	-
Accounts Payable - Housing Authority	-	288,666
Total Accounts Payable	<u>\$ 350,803</u>	<u>\$ 302,379</u>

NOTE 12 – 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 PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City of Millville. Under the Cooperation Agreements, the Authority must pay the municipality 10% of its net shelter rent for real property taxes. During the fiscal year ended September 30, 2025, PILOT expense of \$116,144 and \$109,199 for 2024 was recorded.

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Notes to Financial Statements

September 30, 2025

NOTE 13 - 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 September 30, 2025, and 2024 consisted of the following:

	<u>September-25</u>	<u>September-25</u>
	<u>Primary</u>	<u>Component</u>
	<u>Government</u>	<u>Unit</u>
Compensated Absences - Current Portion	\$ 8,507	\$ 171
Accrued Expenses - Wages and Payroll Taxes	27,136	9,357
Accrued Interest Payable	1,860	-
Total Accrued Liabilities	<u>\$ 37,503</u>	<u>\$ 9,528</u>
	<u>September-24</u>	<u>September-24</u>
	<u>Primary</u>	<u>Component</u>
	<u>Government</u>	<u>Unit</u>
Compensated Absences - Current Portion	\$ 8,447	\$ 1,487
Accrued Expenses - Wages and Payroll Taxes	23,652	17,870
Accrued Interest Payable	5,386	-
Total Accrued Liabilities	<u>\$ 37,485</u>	<u>\$ 19,357</u>

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Notes to Financial Statements September 30, 2025

NOTE 14 – 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

Unused sick leave may be carried forward to future periods and used in the event of extended illness. Upon retirement, an employee is entitled to receive payment for 50% of accumulated sick leave, subject to a maximum payment of \$15,000 in accordance with the Authority's current personnel policy.

Generally, employees may carry forward a maximum of six (6) unused vacation days for one year. Upon separation from the Authority, employees are eligible to receive compensation for any unused vacation time earned through their last day of employment.

The Authority has determined that the potential liability for accumulated vacation and sick time on September 30, 2025, and 2024 is as follows:

	September-25 Primary Government	September-25 Component Unit
Accumulated Sick Time	\$ 66,828	\$ 1,589
Accumulated Vacation Time	12,194	-
Payroll Taxes	\$ 6,045	\$ 121
Total	85,067	1,710
Compensated Absences - Current Portion	(8,507)	(171)
Total Compensated Absences - Noncurrent	\$ 76,560	\$ 1,539

	September-24 Primary Government	September-24 Component Unit
Accumulated Sick Time	\$ 65,197	\$ 1,381
Accumulated Vacation Time	13,279	-
Payroll Taxes	\$ 5,999	\$ 106
Total	84,475	1,487
Compensated Absences - Current Portion	(8,447)	(1,487)
Total Compensated Absences - Noncurrent	\$ 76,028	\$ -

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 15 – UNEARNED REVENUE

Unearned revenues arise when resources are received by the Authority before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In conformity with GASB standards, rental payments with acceptance provisions and future delivery commitments, wherein the Authority has not completed its obligations under the lease, are also offset against the associated accounts receivable since the requirements for revenue recognition have not been met. In subsequent periods, when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized. The Authority primary government unearned revenue for September 30, 2025, and 2024 consisted of the following:

	September-25 Primary Government	September-25 Component Unit
October Prepaid Tenant Rents	\$ 12,777	\$ -
Prepaid Membership Fees	-	13,228
Total Unearned Revenue	\$ 12,777	\$ 13,228

	September-24 Primary Government	September-24 Component Unit
October Prepaid Tenant Rents	\$ 9,120	\$ -
Prepaid Membership Fees	-	11,543
Total Unearned Revenue	\$ 9,120	\$ 11,543

NOTE 16 – LONG TERM DEBT

The Authority had the following notes payable as of September 30, 2025:

	Short Term	Long Term	Total
CFFP Leveraging	\$ 95,001	\$ -	\$ 95,001

Below is the change in long-term debt as of September 30, 2025:

	September-24	Payments	September-25
CFFP Leveraging	\$ 275,001	\$ (180,000)	\$ 95,001

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Notes to Financial Statements September 30, 2025

NOTE 16 – LONG TERM DEBT -CONTINUED

CFFP Leveraging Note

The Authority participated on December 23, 2004, with other New Jersey Housing Authorities in the issuance of \$79,860,000 in Series 2004 HMFA Bonds. The Authority portion of the Series 2004 HMFA Bonds is \$2,875,000. The purpose of the Bonds is restricted. The proceeds from the Bonds must be used in the renovations and capital improvements to the Authority assets in the Low-Income Housing Program. The Bonds are fully registered in denominations of \$5,000. The term of the Bonds is twenty (20) years expiring on November 1, 2026.

The faith and credit of the Millville Housing Authority was not pledged for payment of principal and interest on the Bonds. Additionally, the Bonds are not an obligation of the State of New Jersey, The United States, or the Housing and Urban Development (HUD). The Bonds are not secured directly or indirectly by any collateral in the Authority Low Income Housing Program.

Interest on the Bonds is payable on May 1 and November 1 commencing on May 1, 2005. The interest is calculated on a basis of three hundred sixty (360) day year of twelve (12) thirty (30) day month.

The Bonds are payable by the Authority Capital Fund Program (CFP), which is subject to the availability of appropriations, and paid to the Authority by HUD.

Under the Bond Agreement, the Authority is required to maintain a Debt Service Reserve Fund located at the Bank of New York, an amount equal to the debt service reserve fund requirement. If at any time, the amount on deposit in the debt service reserve fund is insufficient to pay the principal and interest when due, the Trustee is authorized to withdraw the amount due from the reserve fund.

The interest payable for November 1, 2025, is \$2,232. These amounts were not accrued since the payment would be made from the Authority Capital Fund Program (CFP) and would be considered grant revenue in the year ended September 30, 2025.

The debt requirements as to principal reduction of the mortgages for long term debt until exhausted are as follows:

September 30, 2026	<u>\$ 95,001</u>
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MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements

September 30, 2025

NOTE 17 – ACCRUED PENSION AND OPEB LIABILITIES

The Authority as of September 30, 2025, reported accrued pension and OPEB liability amounts as follows:

	September-25	September-24
Accrued OPEB Liability	\$ 282,614	\$ 273,178
Accrued Pension Liability	1,391,918	1,528,594
Total OPEB and Pension Liability	<u>\$ 1,674,532</u>	<u>\$ 1,801,772</u>

These amounts arose due to adoption of GASB #75 in 2018 year as well as GASB #68 which was adopted in 2015 year. This note will discuss the liability associated with GASB #75, which is accrued other postemployment benefits. Note - 18 will discuss the effect of GASB #68 and the liability which arose from that.

OPEB Liability – Plan Description and Benefits Provided

Plan Description: The Authority administers a single-employer defined-benefit post-employment healthcare plan. Spouses are eligible for coverage under the plan and benefits may continue to the surviving spouses.

OPEB Liability

The Authority as of September 30, 2025, reported a net OPEB liability in the amount of \$282,614 due to GASB #75. The component of the current year net OPEB liability of the Authority as of September 30, 2025, the last evaluation date, is as follows:

	September-25	September-24
Employer OPEB Liability	\$ 282,614	\$ 273,178
Plan Net Position	-	-
Employer Net OPEB Liability	<u>\$ 282,614</u>	<u>\$ 273,178</u>

OPEB Liability - Continued

The Authority's net OPEB liability was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. This liability reflects the roll forward calculation for the fiscal year October 1, 2021, to September 30, 2025.

Benefits Provided: Retirees that are vested, are eligible for post-employment medical benefits, including prescription drug benefits, as part of the medical plan on a fully insured basis through New Jersey State Health Benefits Program. Employees will pay Medicare Part B premium and be reimbursed by Authority. Dental coverage and vision coverage are also provided to retirees. All coverage is 100% subsidized by the Authority.

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED

Employees covered by benefits terms: On September 30, 2025 (the census date), the following employees were covered by the benefits terms:

Active Employees	15
Total Employees	<u>15</u>

Assets: The Authority has not accumulated plan assets in an irrevocable trust designated for plan participants.

Net OPEB Liability

The Authority's net OPEB liability was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB Liability in the September 30, 2025, 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 = 2.75% to 6.55%
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. 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.

Discount Rate

The discount rate for September 30, 2025, was 4.47%. The prior year discount rate was 3.97%. 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.

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Notes to Financial Statements September 30, 2025

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED

Discount Rate:	4.47%, net of OPEB plan investment expense, including inflation.
Assets	Not valued since benefit is unfunded
Information for Valuation	All information provided by Authority
Covered Benefits	Employees that retire are eligible for subsidized postemployment medical, including prescription drug coverage. Benefits are provided for dental, vision, and Medicare Part B premium reimbursements.
Insurance Coverage and Funding Basis	Medical, including prescription drugs, are fully insured through the NJ State Health Benefits Program for Local Government Employer Groups.
Actuarial Cost Method	Entry Age Normal as Percentage of Payroll
Retirement System	Valuation is based on NJ Public Employees' Retirement System (PERS). Decrement tables used in this valuation are from the July 1, 2018 Annual Report of the Actuary.
Mortality	MP 2019 Healthy Male and Femal Tables are base on the Combined Healthy Table for both pre & post reitirement projected with mortality improvements using Projection Scale AA for 2 years plus 7 years for generational improvement.

Change in Assumptions: Effective September 30, 2025.

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.

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED

Changes in Net OPEB Liability:

<u>Total OPEB Liability</u>	<u>2025</u>
Service Cost	\$ 16,861
Interest on Total OPEB liability	12,062
Expected Investment Return	-
Administrative Expenses	-
Changes in Benefits Term	-
Inflows/Outflows of Resources	-
Inputs	(12,827)
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	-
Benefit Payments	(6,660)
Change in Plan	-
Net Change in Total OPEB Liability	9,436
Total OPEB Liability, Beginning	273,178
Total OPEB Liability, Ending	<u>\$ 282,614</u>

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 (3.47%) or one percentage point higher (5.47%) than the current discount rate:

	<u>Discount Rate Sensitivity</u>		
	1% Decrease 3.47%	Current Rate 4.47%	1% Increase 5.47%
Total OPEB Liability	\$ 309,460	\$ 282,614	\$ 258,232

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:

	<u>Healthcare Cost Inflation Rate Sensitivity</u>		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 248,463	\$ 282,614	\$ 320,143

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 17 – ACCRUED OPEB LIABILITIES – CONTINUED

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

For the year ended September 30, 2025, the Authority recognized an OPEB expense of \$16,096 before contribution in the amount of \$6,660, which netted to \$9,436. As of September 30, 2025, the Authority reported a deferred outflows of resources and deferred inflows of resources in relation to OPEB.

Year Ending September 30, 2026	\$	(13,026)
Year Ending September 30, 2027		(9,514)
Year Ending September 30, 2028		(6,002)
Year Ending September 30, 2029		(2,490)
Year Ending September 30, 2030		1,022
Therafter		10,190
Total	\$	<u>(19,820)</u>

NOTE 18 – ACCRUED PENSION LIABILITY

Net Pension Liability Information

The Authority as of September 30, 2025, reported a net pension liability in the amount of \$1,391,918 due to GASB #68. The component of the current year net pension liability of the Authority as of June 30, 2024, the last evaluation date, is as follows:

	September-25	September-24
Employer Total Pension Liability	\$ 4,303,060	\$ 4,433,157
Plan Net Position	(2,911,142)	(2,904,564)
Employer Net Pension Liability	<u>\$ 1,391,918</u>	<u>\$ 1,528,593</u>

The Authority allocation percentage is 0.01024369% for 2025 and 0.01055339% for 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.

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 18 – 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 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 employer, 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.

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 18 – 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, 2024, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2024.

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 2024 the State's pension contribution was less than the actuarial determined amount.

Actuarial Assumptions

The total pension liability for June 30, 2024, measurement dates were determined by using an actuarial valuation as of July 1, 2021, with update procedures used to roll forward the total pension liability to June 30, 2024. 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-2021.

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Notes to Financial Statements September 30, 2025

NOTE 18 – ACCRUED PENSION LIABILITY - CONTINUED

Actuarial Assumptions – Continued

The actuarial assumptions used in the July 1, 2021, valuation was based on the results of an actuarial experience study for the period July 1, 2014, to June 30, 2024.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% on June 30, 2024) 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 weighting 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, 2024, as summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements

September 30, 2025

NOTE 18 – ACCRUED PENSION LIABILITY - CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The prior year was 7%. 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. 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 the Net Pension Liability due to change in the Discount Rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,947,791	\$ 1,391,918	\$ 1,111,917

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, 2025	\$ (78,336)
Year Ending June 30, 2026	(43,724)
Year Ending June 30, 2027	89,994
Year Ending June 30, 2028	(5,541)
Year Ending June 30, 2029	768
Total	<u>\$ (36,839)</u>

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Notes to Financial Statements

September 30, 2025

NOTE 18 – ACCRUED PENSION LIABILITY – CONTINUED

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.

Pension Expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the plan fiscal year ending June 30, 2024, are as follows:

Service Cost	\$	76,791
Interest on the Total Pension Liability		289,998
Benefits Changes		-
Member Contributions		(61,932)
Administrative Expenses		1,355
Expected Investment Return Net of Investment Expenses		(170,940)
Pension Expense Related to Specific Liabilities of Individual Employers		(1,141)
Current Period Recognition (Amortization) of Deferred Outflows and Inflows of Resources:		
Difference Between Expected and Actual Experience		5,006
Changes of Assumptions		(100,447)
Differences Between Projected and Actual Investment Earnings on Pension Plan Investments		(8,356)
Total	\$	<u>30,334</u>

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 19 – 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.

	Primary Government	Component Unit
Balance September 30, 2024	\$ 8,224,318	\$ 273,567
Depreciation Expenses	(682,118)	(10,395)
Purchase of Fixed Assets	513,995	-
Payment of Debt	180,000	-
Adjustment to Fixed Assets	(14,706)	
Balance September 30, 2025	<u>\$ 8,221,489</u>	<u>\$ 263,172</u>

NOTE 20 – RESTRICTED NET POSITION

The Authority restricted net position for the Authority primary government account balance on September 30, 2025, consists of the following:

	Primary Government
Section 8 HAP Reserve	\$ 12,366
CFFP Leveraging Funds	2,661
Sale of Scatter site Proceeds	1,200,864
Total Restricted Net Position	<u>\$ 1,215,891</u>

The restricted cash in the amount of \$12,366 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.

The amount of \$2,661 for 2025 is held in trust at the Bank of New York with investments consisting of Morgan Stanley Prime Installment Investments. These funds at Bank of New York are controlled by the New Jersey Housing Mortgage Finance Agency (NJHMFA) for the capital leveraging project.

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 20 – RESTRICTED NET POSITION - CONTINUED

The Authority determined that the proceeds from the sale of scattered-site properties during the year are subject to restriction and, accordingly, classified such proceeds as restricted funds. The balance of restricted funds on September 30, 2025, was \$1,200,864.

Housing Choice Voucher Program HUD Held Reserves Funds

Effective January 1, 2012, HUD was required to control the disbursement of funds in such a way that the Authority does not receive funds before they are needed, resulting in the re-establishment of HUD held program reserves to comply with the Treasury requirements. HUD held reserve is a holding account at the HUD level that maintains the excess of HAP funds that have been obligated (ABA) but undisbursed to the Authority. The excess HAP funds will remain obligated but not disbursed to the Authority. HUD will hold these funds until needed by the Authority. The amount of HUD held reserves for the Authority on September 30, 2025, was not made available.

NOTE 21 – 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 primary government unrestricted net position balance on September 30, 2025, is \$1,719,868 and the component unit net position with a balance of \$7,096 in unrestricted net position is as follows:

Primary Government	PIH Program Reserves	HCV Reserve	COCC Center	Total
Balance September 30, 2024	\$ 716,948	\$ (16,423)	\$ 671,146	\$ 1,371,671
Increase During the Year	-	-	478,848	478,848
Decrease During the Year	(109,004)	(21,647)	-	(130,651)
Balance September 30, 2025	\$ 607,944	\$ (38,070)	\$ 1,149,994	\$ 1,719,868

	Component Unit
Balance September 30, 2024	\$ (80,128)
Increase During the Year	87,224
Balance September 30, 2025	\$ 7,096

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements September 30, 2025

NOTE 22 - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES

HUD contributes operating subsidy for the Public and Indian program approved in the operating budget under the Annual Contribution Contract. The operating subsidy contributions for the year ended September 30, 2025, were \$1,769,145.

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 program provides such payment with respect to existing housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by the participating family and related administrative expense. HUD contributions for the Housing Choice Voucher Program for September 30, 2025, was in the amount of \$2,480,833.

NOTE 23 - 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 \$5,302,473 to the Authority which represents approximately 58% percent of the Authority's total revenue for the fiscal year September 30, 2025.

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements

September 30, 2025

NOTE 24 – CONTINGENCIES AND COMMITMENTS

Litigation – On September 30, 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 ending September 30, 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.

Construction Commitments

On September 30, 2025, the Authority outstanding construction commitments pertaining to its capital fund were not material. The cost pertaining to such commitments will be paid by grants approved and committed to the Authority by the U.S. Department of Housing and Urban Development.

NOTE 25 – RELATED PARTY TRANSACTION

The Millville Housing Authority manages the Holly City Family Center. The property management agreements provide the details for the Authority to provide Holly City Family Center direct cost for administrative salaries, and operating cost expense related to the direct operations and administration of Holly City Family Center. As of September 30, 2025, and 2024 Millville Housing Authority provided the following cost:

	September-25	September-24
Administrative Salaries	\$ 16,631	\$ 11,750
Tenant services	296,053	32,528
Maintenance Salaries	60,572	56,796
Employee Benefits	39,794	41,365
Insurance	30,990	31,793
Audit Fee	5,265	5,265
Other Gernal Expenses	20	10,919
Total Charges	<u>\$ 449,325</u>	<u>\$ 190,416</u>

MILLVILLE HOUSING AUTHORITY

Notes to Financial Statements

September 30, 2025

NOTE 26 – SPECIAL ITEMS

The Authority reported special items in the amount of \$1,361,852. There was a pension adjustment to the opening balance of June 30, 2023 in the amount of \$4,490. The Authority reported a gain on the sale of the scatter site properties in the amount of \$1,357,362.

NOTE 27 – SUBSEQUENT EVENTS

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 April 24, 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.

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 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	2025	2024	2023	2022
Service Cost	\$ 16,861	\$ 17,951	\$ 16,831	\$ 16,751
Interest on Total OPEB liability	12,062	7,012	4,383	9,348
Expected Investment Return	-	-	-	-
Administrative Expenses	-	-	-	-
Changes in Benefits Term	-	-	(265)	-
Inflows/Outflows of Resources	-	-	-	-
Inputs	(12,827)	68,632	-	-
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	-	-	(31,825)	(43,230)
Benefit Payments	(6,660)	(6,822)	10,501	(264)
Change in Plan	-	-	-	-
Net Change in Total OPEB Liability	9,436	86,773	(375)	(17,395)
Total OPEB Liability, Beginning	273,178	186,405	186,405	203,800
Total OPEB Liability, Ending	\$ 282,614	\$ 273,178	\$ 186,030	\$ 186,405
Covered, Employee Payroll	\$ 835,536	\$ 835,536	\$ 889,303	\$ 921,627
Total OPEB Liability as a percentage of covered employee payroll	33.82%	32.69%	20.92%	20.23%

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

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 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.

<u>Total OPEB Liability</u>	2021	2020	2019	2018
Service Cost	\$ 17,254	\$ 16,831	\$ 6,984	\$ 6,984
Interest on Total OPEB liability	4,192	4,383	5,890	5,892
Expected Investment Return	-	-	-	-
Administrative Expenses	-	-	-	-
Changes in Benefits Term	-	(265)	-	-
Inflows/Outflows of Resources	(553)	-	-	-
Inputs	-	-	-	-
Net Difference Between Projected and Actual Investments Earning on OPEB Plan Investments	-	(31,825)	-	-
Benefit Payments	(303)	-	-	-
Change in Plan	-	-	-	-
Net Change in Total OPEB Liability	20,590	(10,876)	12,874	12,876
Total OPEB Liability, Beginning	183,210	194,086	181,212	168,336
Total OPEB Liability, Ending	\$ 203,800	\$ 183,210	\$ 194,086	\$ 181,212
Covered, Employee Payroll	\$ 983,777	\$ 863,719	\$ 878,099	\$ 789,904
Total OPEB Liability as a percentage of covered employee payroll	20.72%	21.21%	22.10%	22.94%

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

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 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	0.01024369%	0.01055339%	0.00867144%	0.01175835%	0.01233229%
Housing Authority's proportionate share of the net pension liability	\$ 1,391,918	\$ 1,528,593	\$ 1,308,639	\$ 1,392,953	\$ 2,011,074
Housing Authority's covered employee payroll	\$ 835,536	\$ 889,303	\$ 889,303	\$ 921,627	\$ 983,777
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	166.59%	171.89%	147.15%	151.14%	204.42%
Plan fiduciary net position as a percentage of the total pension liability	67.65%	78.49%	78.49%	70.65%	75.91%

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

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 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.

	2020	2019	2018	2017	2016
Housing Authority's proportion of the net pension liability	0.01204928%	0.01204928%	0.01332332%	0.01576555%	0.01526477%
Housing Authority's proportionate share of the net pension liability	\$ 2,171,099	\$ 2,171,097	\$ 2,623,296	\$ 3,669,968	\$ 4,520,986
Housing Authority's covered employee payroll	\$ 863,719	\$ 878,099	\$ 1,088,794	\$ 1,091,357	\$ 1,121,636
Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	251.37%	247.25%	240.94%	336.28%	403.07%
Plan fiduciary net position as a percentage of the total pension liability	43.42%	43.42%	53.60%	48.01%	59.86%

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

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 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	\$ 139,388	\$ 141,049	\$ 109,351	\$ 137,704	\$ 143,886
Contribution in relation to the contractually required contribution	(139,388)	(141,049)	(109,351)	(137,704)	(143,886)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 835,536	\$ 835,536	\$ 889,303	\$ 921,627	\$ 983,777
Contribution as a percentage of covered employee payroll	16.68%	15.86%	12.30%	14.94%	14.63%

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

MILLVILLE HOUSING AUTHORITY

Required Supplementary Information
September 30, 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	\$ 117,204	\$ 117,204	\$ 132,524	\$ 146,051	\$ 135,160
Contribution in relation to the contractually required contribution	(117,204)	(117,204)	(132,524)	(146,051)	(135,160)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 863,719	\$ 878,099	\$ 1,088,794	\$ 1,091,357	\$ 1,121,636
Contribution as a percentage of covered employee payroll	13.57%	13.35%	12.17%	13.38%	12.05%

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

MILLVILLE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2025

Programs funded by:

U.S. Department of Housing and Urban Development

	<u>CFDA #'s</u>	<u>Beginning Balance</u>	<u>Revenue Recognized</u>	<u>Fiscal Year Expenditures</u>	<u>Ending Balance</u>
<u>Public and Indian Housing Program</u>					
NJ061	14.850	\$ -	\$ 1,769,145	\$ 1,769,145	\$ -
Grant Total 14.850		-	1,769,145	1,769,145	-
<u>Section 8 Housing Choice Voucher Program</u>					
NJ39P061	14.871	-	2,480,833	2,480,833	-
Grant Total 14.871		-	2,480,833	2,480,833	-
<u>Public Housing Capital Fund Program</u>					
NJ39P061	14.872	-	1,052,495	1,052,495	-
Grant Total 14.872		-	1,052,495	1,052,495	-
Total Expenditures of Federal Awards		\$ -	\$ 5,302,473	\$ 5,302,473	\$ -

MILLVILLE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2025

Note 1. Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Millville Housing Authority is under programs of the federal government for the year ended September 30, 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 Millville Housing Authority, it is not intended to and does not present the financial position, change in net position, or cash flows of the Millville Housing Authority.

Note 2. Summary of Significant Accounting Policies:

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

Note 3. Indirect Cost Rate

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

Note 4. Loans Outstanding:

Millville Housing Authority has notes payable in the amount of \$95,001 outstanding on September 30, 2025. See Note 16 on pages 51-52 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 September 30, 2025.

Note 6. Sub recipients:

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	Component Unit - Discretely	Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,208,596	\$34,512	\$35,218	\$1,452,291	\$2,730,617		\$2,730,617
112 Cash - Restricted - Modernization and Development	\$2,661				\$2,661		\$2,661
113 Cash - Other Restricted	\$1,200,864		\$12,366		\$1,213,230		\$1,213,230
114 Cash - Tenant Security Deposits	\$12,193				\$12,193		\$12,193
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$2,424,314	\$34,512	\$47,584	\$1,452,291	\$3,958,701		\$3,958,701
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$59,570				\$59,570		\$59,570
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous	\$32,750		\$1,494		\$34,244		\$34,244
126 Accounts Receivable - Tenants	\$31,307				\$31,307		\$31,307
126.1 Allowance for Doubtful Accounts - Tenants	-\$17,059				-\$17,059		-\$17,059
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable	\$6,127		\$426	\$3,573	\$10,126		\$10,126
120 Total Receivables, Net of Allowances for Doubtful	\$112,695	\$0	\$1,920	\$3,573	\$118,188		\$118,188
131 Investments - Unrestricted	\$642,712		\$36,230	\$584,028	\$1,262,970		\$1,262,970
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$96,453		\$4,858	\$2,219	\$103,530		\$103,530
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	\$3,276,174	\$34,512	\$90,592	\$2,042,111	\$5,443,389		\$5,443,389
161 Land	\$517,188				\$517,188		\$517,188
162 Buildings	\$30,483,003	\$438,476		\$21,512	\$30,942,991		\$30,942,991
163 Furniture, Equipment & Machinery - Dwellings	\$2,691,359				\$2,691,359		\$2,691,359
164 Furniture, Equipment & Machinery - Administration	\$3,426,758	\$117,467	\$13,733	\$115,270	\$3,673,228		\$3,673,228

Millville Housing Authority (NJ061)

MILLVILLE, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	6.1 Component Unit - Discretely	Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
165 Leasehold Improvements	\$2,346,162	\$13,333		\$2,503	\$2,361,998		\$2,361,998
166 Accumulated Depreciation	-\$33,548,281	-\$306,104	-\$11,916	-\$135,189	-\$34,001,490		-\$34,001,490
167 Construction in Progress	\$2,394,388				\$2,394,388		\$2,394,388
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$8,310,577	\$263,172	\$1,817	\$4,096	\$8,579,662		\$8,579,662
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current -							
173 Grants Receivable - Non Current							
174 Other Assets	\$499,159				\$499,159		\$499,159
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$8,809,736	\$263,172	\$1,817	\$4,096	\$9,078,821		\$9,078,821
200 Deferred Outflow of Resources	\$155,299		\$13,171	\$115,716	\$284,186		\$284,186
290 Total Assets and Deferred Outflow of Resources	\$12,241,209	\$297,684	\$105,580	\$2,161,923	\$14,806,396		\$14,806,396
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$291,315	\$3,121	\$1,314	\$7,558	\$303,308		\$303,308
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$18,791	\$9,357	\$2,951	\$5,394	\$36,493		\$36,493
322 Accrued Compensated Absences - Current Portion	\$1,356	\$171	\$1,244	\$5,907	\$8,678		\$8,678
324 Accrued Contingency Liability							
325 Accrued Interest Payable	\$1,860				\$1,860		\$1,860
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	\$226,332				\$226,332		\$226,332
341 Tenant Security Deposits	\$12,193				\$12,193		\$12,193
342 Unearned Revenue	\$12,777	\$13,228			\$26,005		\$26,005
343 Current Portion of Long-term Debt - Capital	\$95,001				\$95,001		\$95,001
344 Current Portion of Long-term Debt - Operating							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To							

Millville Housing Authority (NJ061)

MILLVILLE, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	6.1 Component Unit - Discretely	Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
348 Loan Liability - Current							
310 Total Current Liabilities	\$659,625	\$25,877	\$5,509	\$18,859	\$709,870		\$709,870
351 Long-term Debt, Net of Current - Capital							
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current	\$12,204	\$1,539	\$11,196	\$53,160	\$78,099		\$78,099
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities	\$843,694		\$89,495	\$741,343	\$1,674,532		\$1,674,532
350 Total Non-Current Liabilities	\$855,898	\$1,539	\$100,691	\$794,503	\$1,752,631		\$1,752,631
300 Total Liabilities	\$1,515,523	\$27,416	\$106,200	\$813,362	\$2,462,501		\$2,462,501
400 Deferred Inflow of Resources	\$698,641		\$23,267	\$194,471	\$916,379		\$916,379
508.4 Net Investment in Capital Assets	\$8,215,576	\$263,172	\$1,817	\$4,096	\$8,484,661		\$8,484,661
511.4 Restricted Net Position	\$1,203,525		\$12,366	\$0	\$1,215,891		\$1,215,891
512.4 Unrestricted Net Position	\$607,944	\$7,096	-\$38,070	\$1,149,994	\$1,726,964		\$1,726,964
513 Total Equity - Net Assets / Position	\$10,027,045	\$270,268	-\$23,887	\$1,154,090	\$11,427,516		\$11,427,516
600 Total Liabilities, Deferred Inflows of Resources and	\$12,241,209	\$297,684	\$105,580	\$2,161,923	\$14,806,396		\$14,806,396

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,115,289				\$2,115,289		\$2,115,289
70400 Tenant Revenue - Other	\$40,085				\$40,085		\$40,085
70500 Total Tenant Revenue	\$2,155,374	\$0	\$0	\$0	\$2,155,374	\$0	\$2,155,374
70600 HUD PHA Operating Grants	\$2,189,209		\$2,480,833		\$4,670,042		\$4,670,042
70610 Capital Grants	\$632,431				\$632,431		\$632,431
70710 Management Fee				\$566,819	\$566,819	-\$566,819	\$0
70720 Asset Management Fee				\$57,420	\$57,420	-\$57,420	\$0
70730 Book Keeping Fee				\$56,161	\$56,161	-\$56,161	\$0
70740 Front Line Service Fee				\$16,298	\$16,298	-\$16,298	\$0
70750 Other Fees				\$36,000	\$36,000		\$36,000
70700 Total Fee Revenue				\$732,698	\$732,698	-\$696,698	\$36,000
70800 Other Government Grants							
71100 Investment Income - Unrestricted	\$28,578	\$134	\$1,587	\$18,979	\$49,278		\$49,278
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery			\$14,136		\$14,136		\$14,136
71500 Other Revenue	\$206,173	\$739,625	\$40,370	\$56,472	\$1,042,640		\$1,042,640
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted	\$4,052				\$4,052		\$4,052
70000 Total Revenue	\$5,215,817	\$739,759	\$2,536,926	\$808,149	\$9,300,651	-\$696,698	\$8,603,953
91100 Administrative Salaries	\$370,321	\$16,631	\$108,987	\$185,139	\$681,078		\$681,078
91200 Auditing Fees	\$9,180	\$5,265	\$5,355	\$765	\$20,565		\$20,565
91300 Management Fee	\$524,376		\$42,443		\$566,819	-\$566,819	\$0
91310 Book-keeping Fee	\$39,953		\$16,208		\$56,161	-\$56,161	\$0
91400 Advertising and Marketing		\$1,124			\$1,124		\$1,124
91500 Employee Benefit Contributions - Administrative	\$138,946	\$1,774	\$55,309	\$84,683	\$280,712		\$280,712
91600 Office Expenses	\$158,902	\$28,439	\$9,917	\$39,035	\$236,293		\$236,293
91700 Legal Expense	\$44,304			\$40,705	\$85,009		\$85,009
91800 Travel	\$2,494		\$1,858	\$802	\$5,154		\$5,154
91810 Allocated Overhead							

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	6.1 Component Unit - Discretely	Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
91900 Other	\$139,493	\$12,831	\$1,204	\$82,578	\$236,106	-\$16,298	\$219,808
91000 Total Operating - Administrative	\$1,427,969	\$66,064	\$241,281	\$433,707	\$2,169,021	-\$639,278	\$1,529,743
92000 Asset Management Fee	\$57,420				\$57,420	-\$57,420	\$0
92100 Tenant Services - Salaries		\$296,053			\$296,053		\$296,053
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services		\$31,559			\$31,559		\$31,559
92400 Tenant Services - Other	\$28,216	\$109,928	\$15,980		\$154,124		\$154,124
92500 Total Tenant Services	\$28,216	\$437,540	\$15,980	\$0	\$481,736	\$0	\$481,736
93100 Water	\$332,417				\$332,417		\$332,417
93200 Electricity	\$393,240	\$21,601			\$414,841		\$414,841
93300 Gas	\$268,293	\$1,043			\$269,336		\$269,336
93400 Fuel							
93500 Labor							
93600 Sewer							
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	\$993,950	\$22,644	\$0	\$0	\$1,016,594	\$0	\$1,016,594
94100 Ordinary Maintenance and Operations - Labor	\$310,770	\$60,572			\$371,342		\$371,342
94200 Ordinary Maintenance and Operations - Materials and	\$199,271	\$12,467	\$288		\$212,026		\$212,026
94300 Ordinary Maintenance and Operations Contracts	\$1,041,456	\$15,777			\$1,057,233		\$1,057,233
94500 Employee Benefit Contributions - Ordinary	\$79,458	\$6,461			\$85,919		\$85,919
94000 Total Maintenance	\$1,630,955	\$95,277	\$288	\$0	\$1,726,520	\$0	\$1,726,520
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other	\$20,448				\$20,448		\$20,448
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$20,448	\$0	\$0	\$0	\$20,448	\$0	\$20,448
96110 Property Insurance							
96120 Liability Insurance							

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
96130 Workmen's Compensation							
96140 All Other Insurance	\$337,119	\$30,990	\$6,974	\$6,974	\$382,057		\$382,057
96100 Total Insurance Premiums	\$337,119	\$30,990	\$6,974	\$6,974	\$382,057	\$0	\$382,057
96200 Other General Expenses							
96210 Compensated Absences	\$525	\$20	-\$2,107	\$2,172	\$610		\$610
96300 Payments in Lieu of Taxes	\$116,144				\$116,144		\$116,144
96400 Bad debt - Tenant Rents	\$54,901				\$54,901		\$54,901
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$171,570	\$20	-\$2,107	\$2,172	\$171,655	\$0	\$171,655
96710 Interest of Mortgage (or Bonds) Payable	\$7,286				\$7,286		\$7,286
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs	\$610				\$610		\$610
96700 Total Interest Expense and Amortization Cost	\$7,896	\$0	\$0	\$0	\$7,896	\$0	\$7,896
96900 Total Operating Expenses	\$4,675,543	\$652,535	\$262,416	\$442,853	\$6,033,347	-\$696,698	\$5,336,649
97000 Excess of Operating Revenue over Operating	\$540,274	\$87,224	\$2,274,510	\$365,296	\$3,267,304	\$0	\$3,267,304
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			\$2,263,319		\$2,263,319		\$2,263,319
97350 HAP Portability-In			\$37,447		\$37,447		\$37,447
97400 Depreciation Expense	\$679,620	\$10,395	\$909	\$1,589	\$692,513		\$692,513
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$5,355,163	\$662,930	\$2,564,091	\$444,442	\$9,026,626	-\$696,698	\$8,329,928
10010 Operating Transfer In	\$295,412				\$295,412		\$295,412

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
10020 Operating transfer Out	-295,412				-295,412		-295,412
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)	\$1,231,325		\$16,976	\$113,551	\$1,361,852		\$1,361,852
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)	\$1,231,325	\$0	\$16,976	\$113,551	\$1,361,852	\$0	\$1,361,852
10000 Excess (Deficiency) of Total Revenue Over (Under)	\$1,091,979	\$76,829	-\$10,189	\$477,258	\$1,635,877	\$0	\$1,635,877
11020 Required Annual Debt Principal Payments	\$118,694	\$0	\$0	\$0	\$118,694		\$118,694
11030 Beginning Equity	\$8,935,066	\$193,439	-\$13,698	\$676,832	\$9,791,639		\$9,791,639
11040 Prior Period Adjustments, Equity Transfers and							
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts -							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity			-\$36,253		-\$36,253		-\$36,253
11180 Housing Assistance Payments Equity			\$12,366		\$12,366		\$12,366
11190 Unit Months Available	5868		2282		8150		8150
11210 Number of Unit Months Leased	5295		2162		7457		7457
11270 Excess Cash	\$937,332				\$937,332		\$937,332
11610 Land Purchases	\$0			\$0	\$0		\$0
11620 Building Purchases	\$234,690			\$0	\$234,690		\$234,690
11630 Furniture & Equipment - Dwelling Purchases	\$217,741			\$0	\$217,741		\$217,741
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0	\$0		\$0

Millville Housing Authority (NJ061)

MILLVILLE, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2025

	Project Total	6.1 Component Unit - Discretely	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
11650 Leasehold Improvements Purchases	\$0			\$0	\$0		\$0
11660 Infrastructure Purchases	\$0			\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$180,000			\$0	\$180,000		\$180,000
13901 Replacement Housing Factor Funds	\$0			\$0	\$0		\$0

**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
Millville Housing Authority
122 East Main Street
Millville, New Jersey 08332

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, and the discretely present component unit of Millville Housing Authority, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Millville Housing Authority's basic financial statements, and have issued our report thereon dated April 24, 2026.

Report on Internal Control over Financial Reporting

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

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

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of This Report

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



Lincroft, New Jersey

Date: April 24, 2026

**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
Millville Housing Authority
122 East Main Street
Millville, New Jersey 08332

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Millville Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Millville Housing Authority's major federal programs for the year ended September 30, 2025. Millville Housing Authority's major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Millville Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 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 Millville Housing Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Millville Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Millville Housing Authority'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 the Millville Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Millville Housing Authority's compliance with the requirements of each major federal program as a whole.

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

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

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

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 Millville Housing Authority as of and for the year ended September 30, 2025, and have issued our report thereon dated April 24, 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: April 24, 2026

MILLVILLE HOUSING AUTHORITY

**Schedule of Findings, Questioned Costs, and Recommendations
Year Ended September 30, 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	Housing Choice Voucher Program	\$ 2,480,833
14.872	Public Housing Capital Fund Program	\$ 1,052,495

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 AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAM
AUDIT**

None reported

FINDINGS – FINANCIAL STATEMENT AUDIT

None reported

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Millville Housing Authority
122 East Main Street
Millville, New Jersey 08332

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 Millville Housing Authority (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 September 30, 2025. Management of Millville Housing Authority is responsible for compliance with the requirements of the electronic submission of the items listed in the "UFRS Rule Information" column.

The management of Millville Housing Authority has agreed to and acknowledged that the procedures performed are appropriate to assist users in evaluating Millville Housing Authority's compliance with the reporting requirements of the "UFRS Rule Information" column for the year ended September 30, 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 Millville Housing Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Millville Housing Authority's compliance with the requirements of "UFRS Rule Information" column for the year ended September 30, 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 Millville Housing Authority 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.

Giampolo Associates

Lincroft, New Jersey
April 24, 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 CFDA's, 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