FLORENCE HOUSING AUTHORITY
Florence, New Jersey

FINANCIAL STATEMENTS
For the Year Ended
March 31, 2026

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Florence Housing Authority
Management Discussion and Analysis
March 31, 2026

As Management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31 2026. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this report.

A - Financial Highlights

1 – The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by $2,636,101 (net position) as opposed to $2,498,244 for the prior fiscal year.

2 – As of the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Position of $1,842,851.

3 – The Authority's cash and cash equivalents balance (including tenant security deposits) at March 31 2026 was $1,913,950 representing an increase of $121,768 from the prior fiscal year.

4 – The Authority had Total Operating Revenues of $657,194 and Total Operating Expenses of $593,104 (including depreciation expense of $48,913) for the year ended March 31 2026.

5 – The Authority purchased $0 of capital assets during the current fiscal year.

B – Using the Annual Report

1 – Management's Discussion and Analysis

The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements and notes to financial statements included in this Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types.

2 – General Purpose Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of The Comparative Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows.

The Comparative Statements of Net Position present information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Comparative Statements of Revenues, Expenses and Changes in Net Position present information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g.; depreciation and earned but unused vacation leave).

The financial statements report on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The financial statements can be found on pages 8 through 10.

B – Using the Annual Report (Continued)

3 – Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found in this report after the financial statements.

C – The Authority as a Whole

The Authority's Net Position increased $168,824 during the current fiscal year as detailed below. The Authority's revenues are primarily subsidies and grants received from HUD. The Authority receives HUD subsidies each month based on a pre-approved amount. Grants are drawn down based on need against a pre-authorized funding level. The Authority's revenues were sufficient to cover all expenses, excluding depreciation during the fiscal year.

By far, the largest portion of the Authority's net position reflects its 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 not available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

D – Budgetary Highlights

For the year ended March 31 2026, individual program or grant budgets were prepared by the Authority and were approved 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.

E – Capital Assets and Debt Administration

Capital Assets

As of March 31, 2026 the Authority's investments in capital assets for its Proprietary Fund was $793,250 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress. $115,000 of capital assets were purchased during the current fiscal year. Additional information on the Authority's capital assets can be found in Note 4 to the Financial Statements which is included in this report.

Long Term Debt

The Authority has no debt as of March 31 2026.

F – Summary of significant changes from March 31, 2025 to March 31 2026

Cash and other current assets increased $136,669, or 7.4%, mainly because cash increased $121,768. Net cash provided by operating activities was $50,666 and net cash provided by investing activities was $71,102.

Net capital assets decreased $48,913, or 5.8%. The Authority incurred $48,913 of depreciation expense and did not purchase any capital assets.

Deferred outflows decreased $203, 89.0%, based on the most recent pension liability actuarial report provided by the State of New Jersey.

Total liabilities decreased $19,932, or 14.6%, primarily because unearned revenue decreased $18,851.

Deferred inflows of resources decreased $30,372, or 51.9%, based on the most recent pension liability actuarial report provided by the State of New Jersey.

Total tenant revenues increased $31,151, or 9.8%, as tenant recertifications resulted in higher rents. In addition, units months leased increased from 566 in 2025 to 653 in 2026.

Other revenue decreased $62,467, or 91.8%. The Authority had an expense credit from its pension liability actuarial valuation issued by the State of new Jersey in the prior fiscal year.

G – Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending March 31, 2026.

1 – The state of economy, including its impact on tenant income.

2 – Continued anticipated increases in health care insurance and other employee benefit costs.

3 – The use of the Authority's unrestricted net position to fund any shortfalls rising from a possible economic downturn and reduced subsidies and grants. The Authority's unrestricted net position appears sufficient to cover any potential shortfall.

H – Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Florence Housing Authority, 620 W Third Street Florence, NJ, 08010 or call (609)-387-0250.

Florence Housing Authority
Management Discussion and Analysis
March 31, 2026

Composition of Net Position is as follows:

	Year Ended			
	March 2026	March 2025	Variance	% Var
Cash and Other Current Assets	$ 1,987,142	$ 1,850,473	$136,669	7.4%
Capital Assets - Net	793,250	842,163	(48,913)	-5.8%
Deferred Outflows of Resources	25	228	(203)	-89.0%
Total Assets and Deferred Outflow of Resources	2,780,417	2,692,864	87,553	3.3%
Less: Total Liabilities	116,196	136,128	(19,932)	-14.6%
Deferred Inflows of Resources	28,120	58,492	(30,372)	-51.9%
Net Position	$ 2,636,101	$ 2,498,244	137,857	5.5%
Net Investment in Capital Assets	793,250	842,163	(48,913)	-5.8%
Unrestricted Net Position	1,842,851	1,656,081	186,770	11.3%
Total Net Position	$ 2,636,101	$ 2,498,244	$137,857	5.5%

Computations of Changes in Net Position are as follows:

	Year Ended			
	March 2026	March 2025	Variance	% Var
Revenues				
Tenant Revenues	$ 350,137	$ 318,986	$ 31,151	9.8%
HUD Operating Grants	301,455	303,636	(2,181)	-0.7%
Other	5,602	68,069	(62,467)	-91.8%
Total Operating Revenues	657,194	690,691	(33,497)	-4.8%
Expenses				
Operating Expenses	544,191	533,379	10,812	2.0%
Depreciation and Amortization Expense	48,913	58,260	(9,347)	-16.0%
Total Operating Expenses	593,104	591,639	1,465	0.2%
Excess/(Deficiency) of Operating Revenues Over Expenses	64,090	99,052	(34,962)	-35.3%
Non-Operating Income/(Expenses)				
Interest on Investments	73,767	47,441	26,326	55.5%
Excess of Revenues Over Expenses	137,857	146,493	(8,636)	-5.9%
Net Position - Beginning Balance	2,498,244	2,351,751	146,493	6.2%
Net Position - Ending Balance	$ 2,636,101	$ 2,498,244	$137,857	5.5%

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Florence Housing Authority
Florence, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Net Position, Revenue, Expenses, and Changes in Net Position, and Cash Flows of the Florence Housing Authority, as of and for the years ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Florence Housing Authority's 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 net position of the Authority as of March 31, 2026, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Florence Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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 Florence Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Florence Housing Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Authority Contributions to the Public Employees Retirement System presented on pages 1-4 and 26, respectively, be presented to supplement the basic financial statements. Such information, 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 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 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 audits were conducted for the purpose of forming an opinion on the financial statements of the Florence Housing Authority. The Financial Data Schedule is presented for the purpose of additional analysis and in not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes 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.

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The other information referred to in the preceding paragraph is the responsibility of management and was derived from and directly relates to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Financial Data Schedule, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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 October 21, 2026 on our consideration of the Florence Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Florence Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florence Housing Authority's internal control over financial reporting and compliance.



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
October 21, 2026

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FLORENCE HOUSING AUTHORITY
Florence, New Jersey
STATEMENT OF NET POSITION
At March 31, 2026

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	March 31, 2026
CURRENT ASSETS	
Cash and Cash Equivalents - Unrestricted	$ 1,886,792
	27,158
Accounts Receivable - Tenants (Net)	65,221
Accounts Receivable - Other	3,216
Prepaid Expenses	4,755
Total Current Assets	1,987,142
FIXED ASSETS	
Land	22,695
Buildings & Improvements	3,898,879
Furniture, Equipment and Machinery	153,381
Total Fixed Assets	4,074,955
Less: Accumulated Depreciation	(3,281,705)
Net Fixed Assets	793,250
Deferred Outflow of Resources	25
Total Assets and Deferred Outflow of Resources	$ 2,780,417

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

LIABILITIES	
Accounts Payable:	
Vendors and Contractors	$ 35,074
Other Government - PILOT	27,232
Due to Tenants:	
Security Deposits	27,342
Unearned Revenue	26,548
Total Liabilities	116,196
Deferred Inflow of Resources	28,120
NET POSITION	
Net Investment in Capital Assets	793,250
Unrestricted	1,842,851
Total Net Position	$ 2,636,101

See Notes to Financial Statements.

FLORENCE HOUSING AUTHORITY
Florence, New Jersey
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended March 31, 2026

	For the Year Ended March 31, 2026
OPERATING REVENUES	
Total Tenant Revenue	$ 350,137
HUD Grants - Operating	301,455
Other	5,602
Total Operating Revenues	657,194
OPERATING EXPENSES	
Administration	312,668
Utilities	77,079
Maintenance	104,663
Insurance	19,676
PILOT	27,232
Bad Debt	2,873
Depreciation Expense	48,913
Total Operating Expenses	593,104
Excess of Operating Revenues Over Expenses	64,090
NON OPERATING REVENUES/(EXPENSES)	
Interest Income	73,767
Increase/(Decrease) In Net Position	137,857
Beginning Net Position	2,498,244
Ending Net Position	$ 2,636,101

See Notes to Financial Statements.

FLORENCE HOUSING AUTHORITY
Florence, New Jersey
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2026

	March 31, 2026
CASH FLOWS FORM OPERATING ACTIVITIES	
Cash Received:	
From Tenants for Rental & Other Revenue	$ 312,916
From Government Agencies for Operating Grants	301,455
For Other Operating Revenues	7,989
Cash Paid:	
To Employees for Operations	(373,829)
To Suppliers for Operations	(194,992)
Net Cash Provided by Operating Activities	50,666
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Property and Equipment	-
Net Cash Provided/(Used) by Capital and Related Financing Activiti	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt/(Refund) of Security Deposits	(2,665)
Investment Income	73,767
Net Cash Provided by Investing Activities	71,102
Net Increase/(Decrease) in Cash and Cash Equivalents	121,768
Cash and Equivalents at Beginning of Period	1,792,182
Cash and Equivalents at End of Period	$ 1,913,950
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operations	
Operating Income/(Loss)	$ 64,090
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Depreciation	48,913
Decrease/(Increase) in Assets	
Accounts Receivable - Tenants (Net)	(18,370)
Accounts Receivable - Other	3,250
Prepaid Expenses	219
Deferred Outflow of Resources	203
Increase/(Decrease) in Liabilities	
Accounts Payable	1,120
Other Government - PILOT	2,387
Unearned Revenue	(18,851)
Accrued Liabilities - Other	(1,923)
Deferred Inflow of Resources	(30,372)
Net Cash Provided by Operating Activities	$ 50,666

See Notes to Financial Statements.

FLORENCE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE 1 –Summary of Organization, Activities and Significant Accounting Policies:

A. Organization – The Florence Housing Authority (The Authority) is a governmental, public corporation created under the laws of the state of New Jersey to provide housing for qualified individuals in accordance with rules and regulations prescribed by the United States Department of Housing and Urban Development. The Authority is governed by a Board of Commissioners which is essentially autonomous but is responsible to the New Jersey Department of Community Affairs. An Executive Director is appointed by the Authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance and management of public housing for low and moderate income families residing in the Borough of Florence. Operating and modernization subsidies are provided to the Authority by the federal government.

B. Activities – The combined financial statements include all the accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The Authority is not included in any Governmental "reporting entity" since its board members, while they are appointed primarily by the mayor, have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary responsibility for accounting and fiscal matters. The Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity.

C. Significant Accounting Policies

a. Basis of Accounting – The accrual basis of accounting is used for measuring financial position and operating results of Proprietary Fund Types. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Proprietary Fund revenues and expenses are recognized on the accrual basis, with revenues recognized in the accounting period in which they are earned and become measurable, and expenses recognized in the period incurred, if measurable. Thus, for example, proprietary funds recognize revenue in the period in which a service is provided, regardless of how long after the end of the period the revenue is expected to be collected.

Using the accrual basis of accounting is consistent with the proprietary fund focus on measuring all the costs of providing goods or services for the period and matching those costs with the revenues earned during the period by providing the goods or services.

b. Report Presentation – The financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to governmental entities for Proprietary Fund Types. The Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (Statement No. 34). The Authority also adopted the provisions of Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38 "Certain Financial Statement Note Disclosures", which supplement Statement No. 34. Statement No. 34 established standards for all state and local governmental entities that includes a statement of net position, a statement of activities and a statement of cash flows. It requires the classification of net position into three components – Invested in Capital Assets, Net of Related Debt; Restricted Net Position and Unrestricted Net Position. These classifications are defined as follows:

NOTE 1 –Summary of Organization, Activities and Significant Accounting Policies (Continued):

Net Investment in Capital Assets – This component consists of land, construction in progress and depreciable assets, net of accumulated depreciation and net of the 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 Invested in Capital Assets, Net Investment in Capital Assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted Net Position – This component includes net assets subject to restrictions placed on net asset use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component consists of net assets that do not meet the definition of Restricted Net Position or Invested in Net Investment in Capital Assets.

The adoption of Governmental Accounting Standards Board Statements 34, 37 and 38 have no significant effect on the basic financial statements, except for the classification of net position in accordance with Statement No. 34.

Significant Accounting Policies are as follows:

1 – Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include cash in banks, petty cash, certificates of deposit, and other investments with original maturities of less than three months from the date of purchase.

Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts.

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

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

5 – The Authority is subsidized by the Federal Government. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal and State income tax returns.

6 – Operating subsidies received form HUD are recorded as income when earned.

7 – The costs of accumulated unpaid compensated absences, including fringe benefits, are reported in the period earned rather than in the period paid.

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

9 – Inventories in the Proprietary Fund consist of supplies and are recorded at the lower cost or market.

NOTE 1 –Summary of Organization, Activities and Significant Accounting Policies (Continued):

10 - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

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

12 – The Authority does not have any infrastructure assets for its Proprietary Fund.

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

14 – Long-lived assets to be held and used are tested for recoverability whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell. As of March 31, 2026, the Authority has not recognized any reduction in the carrying value of its fixed assets when considering AU 360.

15 - The Authority implemented GASB Statement No. 65. Under GASB 65, debt issuance costs are expensed in the period incurred. This represents a significant change from the previous practice which was to record these costs as assets and amortize them over the life of the related debt.

c. **Budgetary Policy Control** – 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 Authority's Board of Commissioners. Once adopted, the Board 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.

NOTE 2 – Cash and Cash Equivalents

The Authority maintains cash and investments in local banks. These funds are covered by the Governmental Unit Deposit Protection Act of the state of New Jersey, which requires the institutions to pool collateral for all of governmental deposits and have the collateral held by an approved custodian in the institution's name. Cash and Cash Equivalents of $1,913,950 at March 31, 2026 consisted of the following:

	2026
Checking Accounts	$ 1,886,742
Tenant Security Deposits	27,158
Petty Cash	50
Total Cash and Equivalents	$ 1,913,950

The carrying amount of the Authority's cash and cash equivalents on deposit at financial institutions as of March 31, 2026 was $1,913,950 and the bank balances were $1,913,900. Of the bank balances $250,000 was covered by FDIC insurance.

NOTE 3 – Tenant Accounts Receivable

The following is a summary of tenant accounts receivables at March 31, 2026:

	2026
Tenant Accounts Receivable	$ 86,961
Less: Allowance for Doubtful Accounts	(21,740)
Net Tenant Accounts Recivable	$ 65,221

NOTE 4 – Capital Assets

Capital assets consist primarily of expenditures to acquire, construct, place in operation and improve the facilities of the Authority and are stated at cost less accumulated depreciation. The following is a summary of the changes in capital assets for the year ended March 31, 2026:

	March 2025	Additions	Disposals	Transfers	March 2026
Land	$ 22,695	$ -	$ -	$ -	$ 22,695
Buildings	3,045,811	-	-	-	3,045,811
Furniture and Equipment	153,381	-	-	-	153,381
Leasehold Improvements	853,068	-	-	-	853,068
Construction in Progress	-	-	-	-	-
Total Capital Assets	4,074,955	-	-	-	4,074,955
Accumulated Depreciation	(3,232,792)	(48,913)	-	-	(3,281,705)
Net Capital Assets	$ 842,163	$ (48,913)	$ -	$ -	$ 793,250

Depreciation expense for the fiscal year ended March 31, 2026 was $48,913. Expenditures are capitalized when they meet the Capitalization Policy requirements. Under that policy assets purchased or constructed at a cost not to exceed $1,000 are expensed when incurred.

Depreciation of Capital Assets is provided using the straight-line method for reporting purposes at rates based upon the following estimated useful lives:

	Years
Buildings	40
Components	20
Site Improvements	20
Furniture	5
Equipment	5
Vehicles	5
Computers	3

NOTE 5 – Payment in Lieu of Taxes (PILOT)

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 Township of Florence. Under the Cooperation Agreement, the Authority must pay the municipality the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended March 31, 2026, the Authority incurred PILOT expense of $27,232 and the total PILOT liability was $27,232.

NOTE 6 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft, damage to assets, errors and omissions, and natural disasters for which the Authority carries commercial insurance. During the year ended March 31, 2026, the Authority's risk management program, in order to deal with potential liabilities, consisted of various insurance policies for fire, general liability, crime, auto and public officials' errors and omissions. The Authority conducts an annual physical inspection of its Projects for the purpose of determining potential liability issues. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Settled claims relating to the commercial insurance have not exceeded the amount of insurance in any of the past three fiscal years.

NOTE 7 – Construction Commitments

At March 31, 2026, the authority's outstanding construction commitments pertaining to its capital fund were not material. The costs 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 8 – Economic Dependency

For the year ended March 31, 2026, a substantial portion of the Authority's revenues were received from the U.S. Dept. Housing & Urban Development, which are subject to availability of funds and Congressional approval, as well as the Authority's compliance with Federal rules and regulations.

NOTE 9 – Pension

General Information about the Pension Plan

Plan Description - The Authority participates in the New Jersey Public Employees Retirement System (PERS) which is sponsored and administered by the New Jersey Division of Pensions and Benefits. PERS is a cost-sharing, multiple-employer defined benefits pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). PERS issues a publicly available report that can be obtained at the following website: www.state.nj.us/terasury/pensions/annrpts.shtml.

Benefits Provided - 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 following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and to tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a

NOTE 9 – Pension (Continued)

fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 9, 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 employer, for the reduced normal and accrued liability contributions provided under this law. The 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.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2026, the Authority reported $0 for its proportionate share of the net pension liability. The Authority's portion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's allocation percentage as of March 31, 2026 was 0.00%.

The components of the Authority's net pension liability as of March 31, 2026 are as follows:

	2026
Total Pension Liability	$ -
Plan Fiduciary Net Position	-
Net Pension Liability	$ -

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Actuarial Assumptions - The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following actuarial assumptions:

NOTE 9 – Pension (Continued)

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	3.25 - 7.75% based on years of service
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 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2024.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer after consultation with the Director of the Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%

NOTE 9 – Pension (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. 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 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 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 Authority's proportionate share of the net pension liability to changes in the discount rate - The following presents the collective net pension liability of the Authority as of March 31, 2026, using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease	Discount Rate	At 1% Increase
2026	$ -	$ -	$ -

At March 31, 2026, the Authority reported deferred outflows inflows of resources related to pensions from the following sources:

	2026 Deferred Outflows of Resources	2026 Deferred Inflows of Resources
Changes of assumptions	$ -	$ -
Differences between expected and actual experience	-	-
Net differences between projected and actual earnings on plan investments	-	-
Changes in proportion	25	28,120
Authority's contributions subsequent to the measurement date	-	-
TOTAL	$ 25	$ 28,120

The amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) relate to pensions will be recognized in pension expense as shown in the below chart. The 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) over the average of the expected remaining service lives of all plan members, which is 5.15, 5.08, 5.08, 5.04, 5.13 and 5.16 for the years 2025, 2024, 2023, 2022, 2021 and 2020 respectively.

Year ended June 30:	
2026	$ -
2027	-
2028	-
2029	-
2030	-
Total	$ -

NOTE 10 – Prior Period Adjustments

There were no prior period adjustments recorded during the fiscal year ending March 31, 2026.

NOTE 11 – Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated subsequent events through October 21, 2026 the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

FLORENCE HOUSING AUTHORITY
Florence, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2026

	Beginning Balance	Revenue Recognized	Expenditures	Ending Balance
US Department of Housing and Urban Development				
Low Rent Public Housing (CFDA # 14.850)	$ -	$ 166,567	$ 166,567	$ -
Capital Fund Pogram (CFDA # 14.872)	-	134,888	134,888	-
Total US Department of Housing and Urban Development	-	301,455	301,455	-
Total Federal Financial Assistance	$ -	$ 301,455	$ 301,455	$ -

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation - The Schedule of Expenditures of Federal Awards is presented in accordance with generally accepted accounting principles and is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

2. There were no subrecipient activities during the audit period.

3. The Authority has elected not to use the 10% de minimis cost rate.

4. The Authority received no non-cash assistance.

5. The Authority did not have any HUD issued mortgages or loans.

Florence Housing Authority (NJ038)
Florence, NJ
Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2026

	Project Total	Subtotal	Total
111 Cash - Unrestricted	$1,886,792	$1,886,792	$1,886,792
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	$27,158	$27,158	$27,158
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	$1,913,950	$1,913,950	$1,913,950
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	$86,961	$86,961	$86,961
126.1 Allowance for Doubtful Accounts -Tenants	-$21,740	-$21,740	-$21,740
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery	$6,433	$6,433	$6,433
128.1 Allowance for Doubtful Accounts - Fraud	-$3,217	-$3,217	-$3,217
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	$68,437	$68,437	$68,437
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	$4,755	$4,755	$4,755
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	$1,987,142	$1,987,142	$1,987,142
161 Land	$22,695	$22,695	$22,695
162 Buildings	$3,045,811	$3,045,811	$3,045,811
163 Furniture, Equipment & Machinery - Dwellings	$41,716	$41,716	$41,716
164 Furniture, Equipment & Machinery - Administration	$111,665	$111,665	$111,665
165 Leasehold Improvements	$853,068	$853,068	$853,068
166 Accumulated Depreciation	-$3,281,705	-$3,281,705	-$3,281,705
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	$793,250	$793,250	$793,250
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	$793,250	$793,250	$793,250

Florence Housing Authority (NJ038)
Florence, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2026

	Project Total	Subtotal	Total
200 Deferred Outflow of Resources	$25	$25	$25
290 Total Assets and Deferred Outflow of Resources	$2,780,417	$2,780,417	$2,780,417
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	$35,074	$35,074	$35,074
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	$27,232	$27,232	$27,232
341 Tenant Security Deposits	$27,342	$27,342	$27,342
342 Unearned Revenue	$26,548	$26,548	$26,548
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	$116,196	$116,196	$116,196
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities	$0	$0	$0
350 Total Non-Current Liabilities	$0	$0	$0
300 Total Liabilities	$116,196	$116,196	$116,196
400 Deferred Inflow of Resources	$28,120	$28,120	$28,120
508.4 Net Investment in Capital Assets	$793,250	$793,250	$793,250
511.4 Restricted Net Position	$0	$0	$0
512.4 Unrestricted Net Position	$1,842,851	$1,842,851	$1,842,851
513 Total Equity - Net Assets / Position	$2,636,101	$2,636,101	$2,636,101
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$2,780,417	$2,780,417	$2,780,417

Florence Housing Authority (NJ038)
Florence, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2026

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	$348,446	$348,446	$348,446
70400 Tenant Revenue - Other	$1,691	$1,691	$1,691
70500 Total Tenant Revenue	$350,137	$350,137	$350,137
70600 HUD PHA Operating Grants	$301,455	$301,455	$301,455
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	$73,767	$73,767	$73,767
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	$5,284	$5,284	$5,284
71500 Other Revenue	$318	$318	$318
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	$730,961	$730,961	$730,961
91100 Administrative Salaries			
91200 Auditing Fees	$12,250	$12,250	$12,250
91300 Management Fee	$192,336	$192,336	$192,336
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative			
91600 Office Expenses	$30,097	$30,097	$30,097
91700 Legal Expense	$17,337	$17,337	$17,337
91800 Travel	$24,097	$24,097	$24,097
91810 Allocated Overhead			
91900 Other	$36,551	$36,551	$36,551
91000 Total Operating - Administrative	$312,668	$312,668	$312,668
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	$0	$0	$0
93100 Water	$44,987	$44,987	$44,987
93200 Electricity	$11,273	$11,273	$11,273
93300 Gas	$13,806	$13,806	$13,806

Florence Housing Authority (NJ038)
Florence, NJ
Entity Wide Revenue and Expense Summary
Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2026

	Project Total	Subtotal	Total
93400 Fuel			
93500 Labor			
93600 Sewer	$7,013	$7,013	$7,013
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	$77,079	$77,079	$77,079
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and Other	$39,112	$39,112	$39,112
94300 Ordinary Maintenance and Operations Contracts	$65,551	$65,551	$65,551
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	$104,663	$104,663	$104,663
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
96110 Property Insurance			
96120 Liability Insurance			
96130 Workmen's Compensation			
96140 All Other Insurance	$19,676	$19,676	$19,676
96100 Total insurance Premiums	$19,676	$19,676	$19,676
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	$27,232	$27,232	$27,232
96400 Bad debt - Tenant Rents	$2,873	$2,873	$2,873
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	$30,105	$30,105	$30,105
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	$0	$0	$0
96900 Total Operating Expenses	$544,191	$544,191	$544,191
97000 Excess of Operating Revenue over Operating Expenses	$186,770	$186,770	$186,770
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			

Florence Housing Authority (NJ038)
Florence, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2026

	Project Total	Subtotal	Total
97400 Depreciation Expense	$48,913	$48,913	$48,913
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	$593,104	$593,104	$593,104
10010 Operating Transfer In	$134,888	$134,888	$134,888
10020 Operating transfer Out	-$134,888	-$134,888	-$134,888
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$137,857	$137,857	$137,857
11020 Required Annual Debt Principal Payments	$0	$0	$0
11030 Beginning Equity	$2,498,244	$2,498,244	$2,498,244
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	852	852	852
11210 Number of Unit Months Leased	653	653	653
11270 Excess Cash	$1,820,842	$1,820,842	$1,820,842
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

Florence Housing Authority
Required Supplementary Information
March 31, 2026

SCHEDULE OF PROPOPRTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Housing Authority's Proportion of the Net Pension Liability	0.00000%	0.00000%	0.00000%	0.00000%	0.00072%	0.00071%	0.11891%	0.11891%	0.00069%	0.00066%
Housing Authority's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -	$ -	$ 84,870	$ 116,050	$ 214,250	$ 214,250	$ 136,742	$ 153,230
Housing Authority's Covered Employee Payroll	-	-	-	2,275	72,524	41,479	51,996	51,996	72,215	49,247
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	117.02%	279.78%	412.05%	412.05%	189.35%	311.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	61.80%	65.23%	62.91%	70.33%	58.32%	56.27%	56.27%	53.60%	48.10%

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ 8,390	$ 7,785	$ 11,566	$ 6,908	$ 6,098	$ 5,889
Contribution in relation to the contractually Required Contribution	-	-	-	-	(8,390)	(7,785)	(11,566)	(6,908)	(6,098)	(5,889)
Contribution Deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered payroll	-	-	-	2,275	72,524	41,479	51,996	51,996	72,215	49,247
Contribution as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	11.57%	18.77%	22.24%	13.29%	8.44%	11.96%

Polcari & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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
Florence Housing Authority
Florence, New Jersey

We have audited, 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, the financial statements of Florence Housing Authority ("the Authority") as of and for the years ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Florence Housing Authority's basic financial statements and have issued our report thereon dated October 21, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Florence Housing Authority financial statements are free of 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 determination of financial statement amounts. 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*.

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

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. The 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.

Polcari & Co. CPAs

POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
October 21, 2026

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FLORENCE HOUSING AUTHORITY
Florence, New Jersey
March 31, 2026

SCHEDULE OF FINDINGS AND QUESTONED COSTS

PRIOR AUDIT FINDINGS

The prior audit contained no findings.

CURRENT AUDIT FINDINGS

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the Florence Housing Authority.

2. No significant deficiencies relating to the audit of the financial statements are reported in the Florence Housing Authority's financial statements for the year ended March 31, 2026.

3. No instances of noncompliance material to the financial statements of the Florence Housing Authority were disclosed during the audit.

4. The Florence Housing Authority was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None.

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.