

BEVERLY HOUSING AUTHORITY
Beverly, New Jersey

FINANCIAL STATEMENTS
For the Year Ended
September 30, 2025

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For the Year Ended September 30, 2025

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Beverly Housing Authority
Management Discussion and Analysis
September 30, 2025

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 September 30, 2025. 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 \$3,164,345 (net position) as opposed to \$2,995,521 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 \$1,774,733.

3 – The Authority's cash and cash equivalents balance (including tenant security deposits) at September 30, 2025 was \$2,892,093 representing an increase of \$347,266 from the prior fiscal year.

4 – The Authority had Total Operating Revenues of \$974,795 and Total Operating Expenses of \$854,939 (including depreciation expense of \$82,808) for the year ended September 30, 2025.

5 – The Authority purchased \$115,000 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.

Beverly Housing Authority
Management Discussion and Analysis
September 30, 2025

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 September 30, 2025, 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 September 30, 2025 the Authority's investments in capital assets for its Proprietary Fund was \$1,389,612 (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 September 30, 2025.

Beverly Housing Authority
Management Discussion and Analysis
September 30, 2025

F – Summary of significant changes from September 30, 2024 to September 30, 2025

Cash and other current assets increased \$156,751, or 5.6%, mainly because cash increased \$347,266. The Authority collected an approximate \$180,000 receivable from HUD from the prior fiscal year during the current fiscal year.

Net capital assets increased \$32,191, or 2.4%. The Authority purchased \$115,000 of fixed assets and incurred \$82,809 of depreciation expense during the current fiscal year.

Deferred outflows increased \$51,802, 113.1%, based on the most recent pension liability actuarial report provided by the State of New Jersey.

Total liabilities increased \$119,310, or 12.3%. The Authority's pension liability increased \$45,823 based on the most recent pension liability actuarial report provided by the State of New Jersey. Compensated absences liabilities increased \$40,398, PILOT liability increased \$34,037 and unearned revenue increased \$31,803. These increases were partially offset by accounts payable decreasing \$29,109.

Deferred inflows decreased \$47,390, or 21.6%, based on the most recent pension liability actuarial report provided by the State of New Jersey.

Total operating revenues decreased \$29,116, or 2.9%, primarily because other revenue decreased \$18,223.

Total operating expenses increased \$7,792, or 0.9%. This increase was mainly driven by the following expense categories: Administration expenses increased \$30,689, general expenses increased \$10,224, and depreciation expense increased \$16,747. These increases were partially offset by maintenance expenses decreasing \$51,195.

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 September 30, 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, Beverly Housing Authority, 101 Magnolia Street, Beverly, NJ, 08010 or call (609)-387-0250.

Beverly Housing Authority
Management Discussion and Analysis
September 30, 2025

Composition of Net Position is as follows:

	<u>Year Ended</u>			
	<u>Sep 30, 2025</u>	<u>Sep 30, 2024</u>	<u>Variance</u>	<u>% Var</u>
Cash and Other Current Assets	\$ 2,942,036	\$ 2,785,285	\$ 156,751	5.6%
Capital Assets - Net	1,389,612	1,357,421	32,191	2.4%
Deferred Outflows of Resources	97,611	45,809	51,802	113.1%
Total Assets and Deferred Outflow of Resources	<u>4,429,259</u>	<u>4,188,515</u>	<u>240,744</u>	<u>5.7%</u>
Less: Total Liabilities	1,092,573	973,263	119,310	12.3%
Deferred Inflows of Resources	172,341	219,731	(47,390)	-21.6%
Net Position	<u>\$ 3,164,345</u>	<u>\$ 2,995,521</u>	<u>168,824</u>	<u>5.6%</u>
Net Investment in Capital Assets	1,389,612	1,357,421	32,191	2.4%
Unrestricted Net Position	<u>1,774,733</u>	<u>1,638,100</u>	<u>136,633</u>	<u>8.3%</u>
Total Net Position	<u>\$ 3,164,345</u>	<u>\$ 2,995,521</u>	<u>\$ 168,824</u>	<u>5.6%</u>

Computations of Changes in Net Position are as follows:

	<u>Year Ended</u>			
	<u>Sep 30, 2025</u>	<u>Sep 30, 2024</u>	<u>Variance</u>	<u>% Var</u>
<u>Revenues</u>				
Tenant Revenues	\$ 396,789	\$ 402,035	\$ (5,246)	-1.3%
HUD Operating Grants	390,669	396,316	(5,647)	-1.4%
Other	187,337	205,560	(18,223)	-8.9%
Total Operating Revenues	<u>974,795</u>	<u>1,003,911</u>	<u>(29,116)</u>	<u>-2.9%</u>
<u>Expenses</u>				
Total Operating Expenses	772,131	781,086	(8,955)	-1.1%
Depreciation and Amortization Expense	82,808	66,061	16,747	25.4%
Total Operating Expenses	<u>854,939</u>	<u>847,147</u>	<u>7,792</u>	<u>0.9%</u>
Excess/(Deficiency) of Operating Revenues Over Expenses	119,856	156,764	(36,908)	-23.5%
<u>Non-Operating Income/(Expenses)</u>				
Interest on Investments	<u>48,968</u>	<u>86,635</u>	<u>(37,667)</u>	<u>-43.5%</u>
Excess of Revenues Over Expenses	168,824	243,399	(74,575)	-30.6%
Net Position - Beginning Balance	<u>2,995,521</u>	<u>2,752,122</u>	<u>243,399</u>	<u>8.8%</u>
Net Position - Ending Balance	<u>\$ 3,164,345</u>	<u>\$ 2,995,521</u>	<u>\$ 168,824</u>	<u>5.6%</u>



INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Beverly Housing Authority
Beverly, 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 Beverly Housing Authority, as of and for the years ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Beverly 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 September 30, 2025, 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 Beverly 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 Beverly 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

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 Beverly 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 Beverly 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 on pages 1–5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beverly Housing Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* presented for purposes of additional analysis and is not a required part of the basic financial statements. The Financial Data Schedule and supporting schedules of the Authority's portion of the Public Employees Retirement Systems (PERS) and Other Post-Employment Benefits (OPEB) liabilities are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

INDEPENDENT AUDITOR'S REPORT

(Continued)

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the financial data schedule, and the statement and certification of completed modernization grants are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2026 on our consideration of the Beverly 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 Beverly 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 Beverly Housing Authority's internal control over financial reporting and compliance.



POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
May 4, 2026

BEVERLY HOUSING AUTHORITY
Beverly, New Jersey
STATEMENT OF NET POSITION
At September 30, 2025

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	<u>September 30, 2025</u>
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents - Unrestricted	\$ 2,858,282
Cash and Cash Equivalents - Tenant Security Deposits	33,811
Accounts Receivable - Tenants (Net)	23,247
Accounts Receivable - HUD	1,450
Accounts Receivable Miscellaneous	12,184
Accounts Receivable - Other	1,357
Prepaid Expenses	11,705
Total Current Assets	<u>2,942,036</u>
<u>FIXED ASSETS</u>	
Land	54,519
Buildings & Improvements	4,644,445
Furniture, Equipment and Machinery	155,969
Total Fixed Assets	<u>4,854,933</u>
Less: Accumulated Depreciation	<u>(3,465,321)</u>
Net Fixed Assets	<u>1,389,612</u>
 Deferred Outflow of Resources	 <u>97,611</u>
 Total Assets and Deferred Outflow of Resources	 <u>\$ 4,429,259</u>

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

<u>CURRENT LIABILITIES</u>	
Accounts Payable:	
Vendors and Contractors	\$ 19,531
Accrued Payroll and Related Taxes	6,516
Other Government - PILOT	68,626
Due to Tenants:	
Security Deposits	33,811
Unearned Revenue	35,605
Accrued Liabilities - Other	8,187
Compensated Absences - Current Portion	46,770
Total Current Liabilities	<u>219,046</u>
Accrued Compensated Absences - Noncurrent	420,925
Accrued Pension Liability	452,602
Total Liabilities	<u>1,092,573</u>
 Deferred Inflow of Resources	 <u>172,341</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	1,389,612
Unrestricted	1,774,733
Total Net Position	<u>\$ 3,164,345</u>

See Notes to Financial Statements.

BEVERLY HOUSING AUTHORITY
Beverly, New Jersey
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2025

	<u>For the Year Ended September 30, 2025</u>
<u>OPERATING REVENUES</u>	
Total Tenant Revenue	\$ 396,789
HUD Grants - Operating	390,669
Other	<u>187,337</u>
Total Operating Revenues	<u>974,795</u>
 <u>OPERATING EXPENSES</u>	
Administration	460,659
Tenant Services	983
Utilities	55,876
Maintenance	133,337
General Expense	121,276
Depreciation Expense	<u>82,808</u>
Total Operating Expenses	<u>854,939</u>
 Excess of Operating Revenues Over Expenses	 119,856
 <u>NON OPERATING REVENUES/(EXPENSES)</u>	
Interest Income	<u>48,968</u>
 Increase/(Decrease) In Net Position	 168,824
Beginning Net Position	2,995,521
Ending Net Position	<u>\$ 3,164,345</u>

See Notes to Financial Statements.

BEVERLY HOUSING AUTHORITY
Beverly, New Jersey
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2025

	<u>September 30, 2025</u>
<u>CASH FLOWS FORM OPERATING ACTIVITIES</u>	
Cash Received:	
From Tenants for Rental & Other Revenue	\$ 434,431
From Government Agencies for Operating Grants	390,669
For Other Operating Revenues	405,199
Cash Paid:	
To Employees for Operations	(333,100)
To Suppliers for Operations	(481,454)
Net Cash Provided by Operating Activities	<u>415,745</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Acquisition of Property and Equipment	<u>(115,000)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(115,000)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Receipt/(Refund) of Security Deposits	(2,447)
Investment Income	<u>48,968</u>
Net Cash Provided by Investing Activities	<u>46,521</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	347,266
Cash and Equivalents at Beginning of Period	<u>2,544,827</u>
Cash and Equivalents at End of Period	<u>\$ 2,892,093</u>
 Reconciliation of Operating Income/(Loss) to Net Cash	
Provided/(Used) by Operations	
Operating Income/(Loss)	\$ 119,856
Adjustments to Reconcile Operating Income/(Loss) to Net	
Cash Provided/(Used) by Operating Activities	
Depreciation	82,809
Decrease/(Increase) in Assets	
Accounts Receivable - Tenants (Net)	5,839
Accounts Receivable - HUD	183,825
Accounts Receivable - Miscellaneous	(556)
Accounts Receivable - Other	1,635
Prepaid Expenses	(228)
Deferred Outflow of Resources	(51,802)
Increase/(Decrease) in Liabilities	
Accounts Payable	(29,109)
Accrued Payroll	331
Other Government - PILOT	34,037
Unearned Revenue	31,803
Accrued Liabilities - Other	(1,526)
Compensated Absences	40,398
Deferred Inflow of Resources	(47,390)
Accrued Pension and OPEB	45,823
Net Cash Provided by Operating Activities	<u>\$ 415,745</u>

See Notes to Financial Statements.

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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

A. Organization – The Beverly 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 Belmar. 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:

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.

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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

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 from 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.

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.

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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

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 September 30, 2025, 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 \$2,892,093 at September 30, 2025 consisted of the following:

	<u>2025</u>
Checking Accounts	\$ 2,858,007
Tenant Security Deposits	33,811
Petty Cash	<u>275</u>
Total Cash and Equivalents	<u>\$ 2,892,093</u>

The carrying amount of the Authority's cash and cash equivalents on deposit at financial institutions as of September 30, 2025 was \$2,892,093 and the bank balances were \$2,891,551. 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 September 30, 2025:

	<u>2025</u>
Tenant Accounts Receivable	\$ 30,811
Less: Allowance for Doubtful Accounts	<u>(7,564)</u>
Net Tenant Accounts Recivable	<u>\$ 23,247</u>

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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 September 30, 2025:

	Sep. 30, 2024	Additions	Disposals	Transfers	Sep. 30, 2025
Land	\$ 54,519	\$ -	\$ -	\$ -	\$ 54,519
Buildings	3,764,358	115,000	-	-	3,879,358
Furniture and Equipment	155,969	-	-	-	155,969
Leasehold Improvements	765,087	-	-	-	765,087
Construction in Progress	-	-	-	-	-
Total Capital Assets	4,739,933	115,000	-	-	4,854,933
Accumulated Depreciation	(3,382,512)	(82,809)	-	-	(3,465,321)
Net Capital Assets	\$ 1,357,421	\$ 32,191	\$ -	\$ -	\$ 1,389,612

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:

	<u>Years</u>
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 Borough of Belmar. 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 September 30, 2025, the Authority incurred PILOT expense of \$34,037 and the total PILOT liability was \$68,626.

NOTE 6 – Accrued Compensated Absences

Accrued compensated absences represents amounts to which employees are entitled to be paid for accumulated leave earned in accordance with the authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service. Vacation leave is payable to the maximum of 60 days accrued plus the current year. The Authority has determined that the potential for accumulated leave at September 30, 2025 is \$467,695.

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE 7 – 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 September 30, 2025, 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 8 – Construction Commitments

At September 30, 2025, 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 9 – Economic Dependency

For the year ended September 30, 2025, 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 10 – 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 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

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE 10 – Pension (Continued)

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 September 30, 2025, the Authority reported \$452,602 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 September 30, 2025 was .0033%.

The components of the Authority's net pension liability as of September 30, 2025 are as follows:

	<u>2025</u>
Total Pension Liability	\$ 1,442,761
Plan Fiduciary Net Position	<u>996,077</u>
Net Pension Liability	<u>\$ 452,602</u>

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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 - 6.55%
	based on years of service
Investment Rate of Return	7.00%

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE 10 – Pension (Continued)

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.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

Asset Class	Target Allocation	Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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.

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE 10 – Pension (Continued)

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 September 30, 2025, 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
2025	\$ 625,834	\$ 452,602	\$ 330,241

At September 30, 2025, the Authority reported deferred outflows inflows of resources related to pensions from the following sources:

	2025 Deferred Outflows of Resources	2025 Deferred Inflows of Resources
Changes of assumptions	\$ 562	\$ 5,150
Differences between expected and actual experience	9,066	1,205
Net differences between projected and actual earnings on plan investments	-	20,986
Changes in proportion	87,983	145,000
Authority's contributions subsequent to the measurement date	-	-
TOTAL	<u><u>\$ 97,611</u></u>	<u><u>\$ 172,341</u></u>

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 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 for the years 2024, 2023, 2022, 2021, 2020 and 2019 respectively.

Year ended June 30:

2025	\$ (19,305)
2026	14,938
2027	(8,594)
2028	(4,961)
2029	129
Total	<u><u>\$ (17,794)</u></u>

NOTE 11 – Prior Period Adjustments

There were no prior period adjustments recorded during the fiscal year ending September 30, 2025.

BEVERLY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE 12 – 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 May 4, 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.

BEVERLY HOUSING AUTHORITY
Beverly, New Jersey
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2025

	<u>Beginning Balance</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Ending Balance</u>
<u>US Department of Housing and Urban Development</u>				
Low Rent Public Housing (CFDA # 14.850)	\$ -	\$ 201,525	\$ 201,525	\$ -
apital Fund Pogram (CFDA # 14.872)	-	189,144	189,144	-
Total US Department of Housing and Urban Development	-	390,669	390,669	-
Total Federal Financial Assistance	\$ -	\$ 390,669	\$ 390,669	\$ -

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.

Beverly Housing Authority (NJ018)

BEVERLY, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 9/30/2025

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$2,858,282	\$2,858,282	\$2,858,282
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$33,811	\$33,811	\$33,811
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$2,892,093	\$2,892,093	\$2,892,093
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$1,450	\$1,450	\$1,450
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous	\$12,184	\$12,184	\$12,184
126 Accounts Receivable - Tenants	\$30,811	\$30,811	\$30,811
126.1 Allowance for Doubtful Accounts - Tenants	-\$7,564	-\$7,564	-\$7,564
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery	\$2,714	\$2,714	\$2,714
128.1 Allowance for Doubtful Accounts - Fraud	-\$1,357	-\$1,357	-\$1,357
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$38,238	\$38,238	\$38,238
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$11,705	\$11,705	\$11,705
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$2,942,036	\$2,942,036	\$2,942,036
161 Land	\$54,519	\$54,519	\$54,519
162 Buildings	\$3,879,358	\$3,879,358	\$3,879,358
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$155,969	\$155,969	\$155,969
165 Leasehold Improvements	\$765,087	\$765,087	\$765,087
166 Accumulated Depreciation	-\$3,465,321	-\$3,465,321	-\$3,465,321
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,389,612	\$1,389,612	\$1,389,612
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	\$1,389,612	\$1,389,612	\$1,389,612

Beverly Housing Authority (NJ018)

BEVERLY, NJ

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 9/30/2025

	Project Total	Subtotal	Total
200 Deferred Outflow of Resources	\$97,611	\$97,611	\$97,611
290 Total Assets and Deferred Outflow of Resources	\$4,429,259	\$4,429,259	\$4,429,259
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$19,531	\$19,531	\$19,531
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$6,516	\$6,516	\$6,516
322 Accrued Compensated Absences - Current Portion	\$46,770	\$46,770	\$46,770
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$68,626	\$68,626	\$68,626
341 Tenant Security Deposits	\$33,811	\$33,811	\$33,811
342 Unearned Revenue	\$35,605	\$35,605	\$35,605
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	\$8,187	\$8,187	\$8,187
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$219,046	\$219,046	\$219,046
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	\$420,925	\$420,925	\$420,925
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities	\$452,602	\$452,602	\$452,602
350 Total Non-Current Liabilities	\$873,527	\$873,527	\$873,527
300 Total Liabilities	\$1,092,573	\$1,092,573	\$1,092,573
400 Deferred Inflow of Resources	\$172,341	\$172,341	\$172,341
508.4 Net Investment in Capital Assets	\$1,389,612	\$1,389,612	\$1,389,612
511.4 Restricted Net Position	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$1,774,733	\$1,774,733	\$1,774,733
513 Total Equity - Net Assets / Position	\$3,164,345	\$3,164,345	\$3,164,345
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,429,259	\$4,429,259	\$4,429,259

Beverly Housing Authority (NJ018)
BEVERLY, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 9/30/2025

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$396,247	\$396,247	\$396,247
70400 Tenant Revenue - Other	\$542	\$542	\$542
70500 Total Tenant Revenue	\$396,789	\$396,789	\$396,789
70600 HUD PHA Operating Grants	\$390,669	\$390,669	\$390,669
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	\$48,968	\$48,968	\$48,968
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$15,022	\$15,022	\$15,022
71500 Other Revenue	\$172,315	\$172,315	\$172,315
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$1,023,763	\$1,023,763	\$1,023,763
91100 Administrative Salaries	\$339,494	\$339,494	\$339,494
91200 Auditing Fees	\$12,000	\$12,000	\$12,000
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$43,195	\$43,195	\$43,195
91600 Office Expenses	\$33,086	\$33,086	\$33,086
91700 Legal Expense	\$4,158	\$4,158	\$4,158
91800 Travel	\$12,149	\$12,149	\$12,149
91810 Allocated Overhead			
91900 Other	\$16,577	\$16,577	\$16,577
91000 Total Operating - Administrative	\$460,659	\$460,659	\$460,659
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$983	\$983	\$983
92500 Total Tenant Services	\$983	\$983	\$983
93100 Water	\$682	\$682	\$682
93200 Electricity	\$10,814	\$10,814	\$10,814
93300 Gas	\$1,995	\$1,995	\$1,995

Beverly Housing Authority (NJ018)
BEVERLY, NJ
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 9/30/2025

	Project Total	Subtotal	Total
93400 Fuel			
93500 Labor	\$11,445	\$11,445	\$11,445
93600 Sewer	\$27,648	\$27,648	\$27,648
93700 Employee Benefit Contributions - Utilities	\$3,292	\$3,292	\$3,292
93800 Other Utilities Expense			
93000 Total Utilities	\$55,876	\$55,876	\$55,876
94100 Ordinary Maintenance and Operations - Labor	\$34,335	\$34,335	\$34,335
94200 Ordinary Maintenance and Operations - Materials and Other	\$24,941	\$24,941	\$24,941
94300 Ordinary Maintenance and Operations Contracts	\$48,558	\$48,558	\$48,558
94500 Employee Benefit Contributions - Ordinary Maintenance	\$9,876	\$9,876	\$9,876
94000 Total Maintenance	\$117,710	\$117,710	\$117,710
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	\$46,841	\$46,841	\$46,841
96100 Total Insurance Premiums	\$46,841	\$46,841	\$46,841
96200 Other General Expenses			
96210 Compensated Absences	\$40,398	\$40,398	\$40,398
96300 Payments in Lieu of Taxes	\$34,037	\$34,037	\$34,037
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$74,435	\$74,435	\$74,435
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	\$756,504	\$756,504	\$756,504
97000 Excess of Operating Revenue over Operating Expenses	\$267,259	\$267,259	\$267,259
97100 Extraordinary Maintenance	\$15,627	\$15,627	\$15,627
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$82,808	\$82,808	\$82,808

Beverly Housing Authority (NJ018)

BEVERLY, NJ

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 9/30/2025

	Project Total	Subtotal	Total
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$854,939	\$854,939	\$854,939
10010 Operating Transfer In	\$189,144	\$189,144	\$189,144
10020 Operating transfer Out	-\$189,144	-\$189,144	-\$189,144
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	\$168,824	\$168,824	\$168,824
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,995,521	\$2,995,521	\$2,995,521
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	813	813	813
11270 Excess Cash	\$2,643,796	\$2,643,796	\$2,643,796
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$115,000	\$115,000	\$115,000
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

Beverly Housing Authority
Required Supplementary Information
September 30, 2025

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Housing Authority's Proportion of the Net Pension Liability	0.00335%	0.00281%	0.00422%	0.00391%	0.00396%	0.00390%	0.00382%	0.00372%	0.00353%	0.00335%
Housing Authority's Proportionate Share of the Net Pension Liability	\$ 452,602	\$ 406,779	\$ 636,806	\$ 463,131	\$ 645,631	\$ 703,582	\$ 751,415	\$ 866,083	\$ 153,230	\$ 866,083
Housing Authority's Covered Employee Payroll	373,829	305,812	316,316	284,726	318,168	297,553	297,220	285,638	49,247	285,638
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	121.07%	133.02%	201.32%	162.66%	202.92%	236.46%	252.81%	303.21%	311.15%	303.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	48.10%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 38,661	\$ 37,535	\$ 53,212	\$ 45,784	\$ 43,311	\$ 37,982	\$ 37,960	\$ 34,467	\$ 31,327	\$ 28,754
Contribution in relation to the contractually Required Contribution	<u>(38,661)</u>	<u>(37,535)</u>	<u>(53,212)</u>	<u>(45,784)</u>	<u>(43,311)</u>	<u>(37,982)</u>	<u>(37,960)</u>	<u>(34,467)</u>	<u>(31,327)</u>	<u>(28,754)</u>
Contribution Deficiency/(excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's covered payroll	373,829	305,812	316,316	284,726	318,168	297,553	297,220	285,638	49,247	285,638
Contribution as a Percentage of Covered Employee Payroll	10.34%	12.27%	16.82%	16.08%	13.61%	12.76%	12.77%	12.07%	63.61%	10.07%

Until a full 10 year trend is compiled, the Authority is presenting information for those years that are available.



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
Beverly Housing Authority
Beverly, 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 Beverly Housing Authority ("the Authority") as of and for the years ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Beverly Housing Authority's basic financial statements and have issued our report thereon dated May 4, 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 Beverly 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*.

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 & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
May 4, 2026

BEVERLY HOUSING AUTHORITY
Beverly, New Jersey
September 30, 2025

SCHEDULE OF FINDINGS AND QUESTIONED 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 Beverly Housing Authority.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Beverly Housing Authority's financial statements for the year ended September 30, 2025.
3. No instances of noncompliance material to the financial statements of the Beverly Housing Authority were disclosed during the audit.
4. The Beverly Housing Authority was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None.

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.