HOUSING AUTHORITY OF THE CITY OF OCEAN CITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2025

WITH
REPORT OF INDEPENDENT AUDITORS

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FOR THE YEAR ENDED SEPTEMBER 30, 2025

REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Housing Authority of the City of Ocean City:

Qualified Opinion

We have audited the accompanying financial statements of the Housing Authority of the City of Ocean City (the "Authority") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2025, and the changes in its financial 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 Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 qualified audit opinion.

We were unable to obtain sufficient audit evidence for the balances related to the net pension liability, net other post employment benefits ("OPEB") liability, deferred outflows of resources, deferred inflows of resources, pension expense, and OPEB expense relating to the Authority's defined benefit pension and OPEB plans because the pension and OPEB plans as of and for the year ended June 30, 2025 have not yet issued their audited actuarial reports. Accordingly, the Authority's net pension liability, OPEB liability, deferred outflows of resources, and deferred inflows of resources are reported from the June 30, 2024 audited actuarial report amounts. Pension and OPEB expense are recorded at its annual contribution amount. We were unable to obtain sufficient appropriate audit evidence for the balances of the net pension liability, net OPEB liability, deferred outflows of resources, deferred inflows of resources, pension expense, and OPEB expense relating to the defined benefit pension and OPEB plans by other auditing procedures. Because the audited actuarial reports for the pension and OPEB plans have not been issued, it is not practicable to quantify the financial effects of this matter.

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.

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Responsibilities of Management for the Financial Statements (continued)

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 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.

Auditors' Responsibility 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 auditors' report that includes our opinion. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 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 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other postemployment benefits information 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 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards, findings and responses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards, findings and responses and financial data schedule are the responsibility of management and were derived from and relate directly 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 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, findings and responses and financial data schedule 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 June 29, 2026 on our consideration of the 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 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 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 the Authority's internal control over financial reporting and compliance.

Novogradac & Company LLP

June 29, 2026
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Ocean City Housing Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activity 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.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Management's Discussion and Analysis is intended to share management's analysis of the Authority's financial performance. The Authority's financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to private businesses, such as real estate development and management. The financial statements included in this report were prepared in accordance with GAAP applicable to governmental entities for Proprietary Fund types ("Business-Type" activities). The financial statements and accompanying data include the following:

1. **The Statements of Net Position** - reports information on all the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and with the difference reported as net position(equity).

2. **The Statements of Revenue, Expenses and Changes in Net Position** - reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.

3. **Statements of Cash Flows** - reports the Authority's net cash from operating, investing, non-capital financing, and capital and related financial activities.

4. **Notes to Financial Statements** - provides disclosures essential to fully understanding the data provided in the financial statements.

5. **Supplemental Information** - presents the schedule of expenditures of Federal Awards as required by the U.S. *Department of Housing and Urban Development.* Also included are the Financial Data Schedule and Capital Grant Schedule. Schedules for the Authority's post-retirement plan and the State-Administered pension plan are presented as Required Supplementary Information.

FINANCIAL HIGHLIGHTS

- The Authority's Total Net Position (equity) increased from 2024 to 2025 by $945,639 due to an increase in Unrestricted Net Position of $799,287, an increase in Net Investment in Capital Assets of $125,132, and an increase in Restricted Net Position of $21,220.

- The Authority's current and other assets balance, including cash, at the reporting year end was $1,033,200 for 2025, and $1,081,745 for 2024. This includes amounts designated for current restricted use.

FINANCIAL HIGHLIGHTS (continued)

- The Authority had Total Revenues of $3,136,686 in 2025 and $3,083,788 in 2024.
  The Authority had Total Expenses of $2,191,047 in 2025 and $2,231,210 in 2024.

- Since fiscal year 2014, the Authority has recorded the adjustment required by Government Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions as required by Generally Accepted Accounting Principles for government entities. Under GASB 68, the Authority must include its proportionate share of the net pension liability of the Public Employees' Retirement System (PERS). For fiscal year 2025, the June 30, 2025 audited pension actuarial report had not been issued as of the auditors' report date. Accordingly, the Authority reported a net pension liability of $89,554, and PERS deferred outflows and deferred inflows of resources of $89,173 and $65,864, respectively, using the June 30, 2024 audited actuarial amounts. Pension expense was recorded at the annual contribution amount.

- Also since fiscal year 2018, the Authority has recorded the adjustment required by Government Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB) as required by Generally Accepted Accounting Principles for government entities. For fiscal year 2025, the June 30, 2025 audited OPEB actuarial report had not been issued as of the auditors' report date. Accordingly, the Authority reported the net OPEB liability of $565,275 using the June 30, 2024 audited actuarial amounts. The Authority also reported OPEB deferred outflows and deferred inflows of resources of $672,738 and $486,450, respectively. OPEB expense was recorded at the annual contribution amount.

OTHER FINANCIAL INFORMATION

The Housing Authority of the City of Ocean City operates various programs involving the provisioning of affordable housing services. Some programs are federal and state instituted and others are management operations of affordable housing.

The major programs of the Authority are:

1. Public and Indian Housing Program
2. Public Housing Capital Fund Program
3. Business Activities, consisting of RAD and related management activity.
4. Blended Component Unit, which is legally separate and included in the Authority's reporting entity.

HOUSING FACTS:

1. Over 120 low-income families have been assisted throughout the county by the Housing Authority in 2024; affording them decent, safe, and sanitary housing based on their ability to pay.

BUDGETARY HIGHLIGHTS

As for the year ended September 30, 2025, a budget was prepared by the Authority and was approved by the Board of Commissioners. The budgets are used primarily as a management tool. However, for the Authority's annual entity-wide State budget, the total amount of appropriations constitutes the legal level of control. Expenditures may not exceed appropriations at this level without approval from the State of New Jersey Department of Community Affairs.

In some governmental programs, funding is derived by formula. The Authority experienced major funding changes in recent years, including recent increases.

Net Position, may serve over time as a useful indicator of an agency's financial position. In the case of the Housing Authority of the City of Ocean City, net position was $15,385,627 at the close of the most recent year. The following table shows a summary of changes from the prior years:

STATEMENTS OF NET POSITION

	September 30, 2025	September 30, 2024
Current and Other Assets	$1,033,200	$1,081,745
Capital Assets, net	$17,804,674	$17,679,542
Total Assets	$18,837,874	$18,761,287
Deferred Outflows of Resources	$761,911	$761,911
Current Liabilities	$515,078	$1,341,950
Long-term Liabilities	$3,146,766	$3,188,956
Total Liabilities	$3,661,844	$4,530,906
Deferred Inflows of Resources	$552,314	$552,304
Net Investment in Capital Assets	$15,354,627	$15,229,495
Restricted Net Position	$157,699	$136,479
Unrestricted Net Position	($126,699)	($925,986)
Net Position	$15,385,627	$14,439,988

The statement of activities shows the sources of changes in net position as they arise through various programs and functions. A condensed statement of activities comparing fiscal years 2025 and 2024:

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	September 30, 2025	September 30, 2024
Revenues:		
HUD and other government grant awards	$1,241,882	$2,041,112
Tenant charges	$1,283,836	$780,058
Other Revenues	$610,437	$104,835
Total Revenues	$3,136,155	$2,926,005
Operating Expenses:		
Administrative and Other Expenses	$1,593,734	$1,766,870
Depreciation expense	$572,649	$448,006
Total Operating Expenses	$2,166,383	$2,214,876
Operating Income (Loss)	$969,772	$711,129
Non-Operating Revenues (Expenses):		
Gain on Insurance Recovery, net of impairment los	-	$156,968
Interest expense	($24,664)	($16,334)
Investment Income	$531	$815
Net non-operating revenue (expenses)	($24,133)	$141,449
Increase (decrease) in net position	$945,639	$852,578
Net position at the beginning of the year	$14,439,988	$13,587,410
Net position at the end of the year	$15,385,627	$14,439,988

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes capital assets as of September 30, 2025 and 2024:

	September 30, 2025	September 30, 2024
Land	$352,648	$352,648
Buildings and improvements	$23,744,011	$21,769,173
Furniture and equipment	$552,658	$423,945
Construction-in-progress	$1,160,318	$2,566,088
Total	$25,809,635	$25,111,854
Accumulated Depreciation	($8,004,961)	($7,432,312)
Net Capital Assets	$17,804,674	$17,679,542

Debt:

As of September 30, 2025, the blended component unit had $2,450,047 in outstanding note payable.

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.

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wages rates
- Local inflationary, recession and employment trends, which can affect resident incomes and, therefore, the amount of rental income
- Inflationary pressure on utility rates, supplies, interest rates and other costs

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 information should be addressed to the Executive Director, Ocean City Housing Authority, 635 West Avenue, Ocean City, NJ 08226, 609-399-1062.

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2025

ASSETS

Current assets:	
Cash and cash equivalents	$ 495,681
Tenant security deposits	73,093
Accounts receivable, net	226,809
Prepaid expenses	79,918
Total current assets	875,501
Non-current assets:	
Restricted cash	157,699
Capital assets, net	17,804,674
Total non-current assets	17,962,373
Total assets	18,837,874

DEFERRED OUTFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	89,173
State of New Jersey S.H.B.P.	672,738
Deferred outflows of resources	761,911
Total assets and deferred outflows of resources	$ 19,599,785

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
STATEMENT OF NET POSITION (continued)
AS OF SEPTEMBER 30, 2025

LIABILITIES

Current liabilities:	
Accounts payable	$ 142,135
Accrued expenses	5,886
Tenant security deposits	73,093
Unearned revenue	22,883
Accrued compensated absences, current	2,679
Other current liabilities	268,402
Total current liabilities	515,078
Non-current liabilities:	
Accrued compensated absences, non-current	893
Accrued pension liability	89,554
Accrued OPEB liability	565,275
Note payable, non-current	2,450,047
Accrued interest payable	40,997
Total non-current liabilities	3,146,766
Total liabilities	3,661,844

DEFERRED INFLOWS OF RESOURCES

State of New Jersey P.E.R.S.	65,864
State of New Jersey S.H.B.P.	486,450
Total deferred inflows of resources	552,314

NET POSITION

Net position:	
Net investment in capital assets	15,354,627
Restricted	157,699
Unrestricted	(126,699)
Total net position	15,385,627
Total liabilities, deferred inflows of resources and net position	$ 19,599,785

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Operating revenues:		
Tenant revenue	$	1,283,836
HUD operating grants		340,839
Other government grants		901,043
Other revenues		610,437
Total operating revenues		3,136,155
Operating expenses:		
Administrative		524,095
Tenant services		29,100
Utilities		338,761
Ordinary repairs and maintenance		441,582
Insurance		194,387
General expenses		65,809
Depreciation		572,649
Total operating expenses		2,166,383
Operating income		969,772
Non-operating revenues (expenses):		
Investment income		531
Interest expense		(24,664)
Net non-operating revenues (expenses)		(24,133)
Change in net position		945,639
Total net position, beginning of year		14,439,988
Total net position, end of year	$	15,385,627

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Cash Flows from Operating Activities:	
Cash received from tenants and others	$ 799,722
Cash received from grantors	1,309,239
Cash paid to employees	(603,320)
Cash paid to vendors and suppliers	(1,034,648)
Net cash provided by operating activities	470,993
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	(697,781)
Net cash used in capital and related financing activities	(697,781)
Cash Flows from Investing Activities:	
Investment income	531
Net cash provided by investing activities	531
Net decrease in cash, cash equivalents, and restricted cash	(226,257)
Cash, cash equivalents, and restricted cash, beginning of year	952,730
Cash, cash equivalents, and restricted cash, end of year	$ 726,473

Reconciliation of cash, cash equivalents, and restricted cash
to the Statement of Net Position is as follows:

Cash and cash equivalents	$ 495,681
Tenant security deposits	73,093
Restricted cash	157,699
Total cash, cash equivalents, and restricted cash	$ 726,473

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	969,772
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		572,649
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable, net		(172,629)
Prepaid expenses		(5,084)
Accounts payable		54,583
Accrued expenses		(79,225)
Tenant security deposits liability		8,778
Unearned revenue		(894,659)
Accrued compensated absences		(1,183)
Other liabilities		17,991
Net cash provided by operating activities	$	470,993

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Ocean City (the "Authority") is a governmental, public corporation created under federal and state housing laws as defined by State statute (N.J.S.A. 4A: 12A-1, et. Seq., the “Housing Authority Act”) for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in Ocean City, New Jersey (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous, but is responsible to HUD and the State of New Jersey Department of Community Affairs. An executive director is appointed by the Authority’s board of commissioners to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34"), as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue is recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting / Financial Statement Presentation (continued)

Effective October 1, 2024, the Authority adopted GASB 101, Compensated Absences ("GASB 101"). GASB 101 establishes a more unified model for recognizing and measuring compensated absences, leading to more consistent and comparable financial reporting among government organizations. Key changes resulting from GASB 101 include updating the recognition and measurement of the liability, streamlining the approach and reporting process for consistency, and enhancing disclosures related to the leave types, measurement methods, and key assumptions. For the year ended September 30, 2025, the adoption of GASB 101 did not have a material effect on the financial statements of the Authority.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority’s basic financial statements include those of the Authority and any component units.

Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.

2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.

3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Authority, including the following blended component unit:

<u>Ocean City Community Development Corporation ("OCCDC")</u>
OCCDC was incorporated in the State of New Jersey in 2017 as a non-profit 501(c)(3) corporation to develop the Ocean City community, and its surrounding regions, through housing development, outreach and other services.

In accordance with GASB 61, the Authority's financial statements are presented utilizing the blended method because the Authority's governing body and OCCDC's governing body are substantively the same and as such, a blended presentation of their financial statements is warranted. Additionally, the Authority is considered a component unit of the City and included in their reporting entity on the basis of such criteria.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program
The Public and Indian Housing Program is designed to provide low-cost housing within the Town. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Public Housing Capital Fund Program
The purpose of the Public Housing Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

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

E. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements and contingencies. Actual results could differ significantly from these estimates.

F. Economic Dependency

The Public and Indian Housing Program of the Authority is economically dependent on grants and subsidies from HUD. The program operates at a loss prior to receiving the grants.

G. Cash and Cash Equivalents

New Jersey Authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States, or the State of New Jersey, or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash and Cash Equivalents (continued)

The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, when the funds are secured in accordance with GUDPA.

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit, or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the Statement of Cash Flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

H. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and due from vacated tenants. An allowance for doubtful accounts is established to provide for accounts which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also, included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from other governmental agencies for amounts earned and billed but not received and for amounts unbilled, but earned as of year end.

I. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

J. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of fixed assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

• Buildings and Improvements	40 Years
• Building Improvements	10-20 Years
• Furniture and Equipment	5-15 Years

The Authority has established a capitalization threshold of $3,500.

L. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended September 30, 2025, there were no impairment losses incurred.

M. Inter-program Receivables and Payables

Inter-program receivables and payables are current, and are the result of the use of the Business Activities fund as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes.

N. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. The Authority recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

O. Unearned Revenue

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Compensated Absences

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event takes place.

Q. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey, Public Employees Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Other Post Employment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the net OPEB, OPEB expense, and information about the fiduciary net position of the State Health Benefits Plan ("SHBP") and additions to/deductions from SHBP's fiduciary net position have been determined on the same basis as they are reported by SHBP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Net Position Classifications

Net position is classified in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

U. Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

V. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

W. Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended September 30, 2025, rental revenue earned by the Authority under the aforementioned leases totaled $1,262,337.

X. Taxes

The Authority is a unit of local government under New Jersey law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Y. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods. Pursuant to N.J.S.A 40A:5A-10 and N.J.A.C. 5:31, the Authority is also required to submit an authority wide budget for each fiscal year to the Director of the Division of Local Government Services sixty (60) days prior to the end of the fiscal year.

Z. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is a member of the New Jersey Public Housing Authorities Joint Insurance Fund ("JIF"). The joint insurance pool is both an insured and self-administered group of housing authorities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the previous three years.

NOTE 2. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

As of September 30, 2025, the Authority had funds on deposit in checking, savings, and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was $726,473, and the bank balances approximated $805,173.

Cash Category		Amount
Unrestricted	$	495,681
Tenant security deposits		73,093
Restricted		157,699
Total cash, cash equivalents, and restricted cash	$	726,473

Of the bank balances, $267,575 was covered by federal depository insurance and the remaining $537,598 was collateralized by GUDPA as of September 30, 2025.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2025, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at September 30, 2025:

Description	Amount
Accounts receivable - other governments	$ 3,944
Accounts receivable - tenants, net	11,742
Accounts receivable - miscellaneous	211,123
Total accounts receivable, net	$ 226,809

Accounts Receivable - Other Governments
As of September 30, 2025, Accounts receivable - other government consisted of amounts due to the Authority by other Public Housing Authorities. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Tenants, Net
Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of $15,606.

Accounts Receivable - Miscellaneous
As of September 30, 2025, Accounts receivable - miscellaneous consisted of amounts due to the Authority for amounts expended that have not yet been reimbursed from the City through a Shared Services Agreement and other miscellaneous sources. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

NOTE 4. RESTRICTED DEPOSITS

As of September 30, 2025, restricted deposits consisted of the following:

Cash Category	Amount
Tenant security deposits	$ 73,093
Reserve for replacement	157,699
Total restricted deposits	$ 230,792

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the program, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

Reserve for replacement represents funds that are restricted for repairs and replacement of building components and equipment.

NOTE 5. CAPITAL ASSETS, NET

The following is a summary of the changes in capital assets during the year ended September 30, 2025:

Description	September 30, 2024	Additions	Dispositions	Transfers	September 30, 2025
Non-depreciable:					
Land	$ 352,648	$ -	$ -	$ -	$ 352,648
Construction in progress	2,566,088	509,556	-	(1,915,326)	1,160,318
Total	2,918,736	509,556	-	(1,915,326)	1,512,966
Depreciable:					
Buildings and improvements	21,769,173	59,512	-	1,915,326	23,744,011
Furniture and equipment	423,945	128,713	-	-	552,658
Total	22,193,118	188,225	-	1,915,326	24,296,669
Less: accumulated depreciation	7,432,312	572,649	-	-	8,004,961
Net capital assets	$ 17,679,542	$ 125,132	$ -	$ -	$ 17,804,674

Depreciation expense for the year ended September 30, 2025 amounted to $572,649.

NOTE 6. ACCOUNTS PAYABLE

As of September 30, 2025, accounts payable consisted of the following:

Description	Amount
Accounts payable - vendors	$ 101,851
Accounts payable - other governments	40,284
Total accounts payable	$ 142,135

Accounts Payable - Vendors
Accounts payable - vendors represents the amounts payable to contractors and vendors for materials received or services rendered.

Accounts Payable - Other Governments
Accounts payable - other governments represents amounts due and payable to the City for payments in lieu of taxes.

NOTE 7. NON-CURRENT LIABILITIES

Non-current liabilities as of September 30, 2025 consisted of the following:

Description	September 30, 2024	Additions	Payments	September 30, 2025	Amounts due within one Year
Compensated absences	$ 4,755	$ -	$ (1,183)	$ 3,572	$ 2,679
Accrued pension liability	89,554	-	-	89,554	-
Accrued OPEB liability	565,275	-	-	565,275	-
Note payable	2,450,047	-	-	2,450,047	-
Accrued interest payable	16,334	24,663	-	40,997	-
Total long-term liabilities	$ 3,125,965	$ 24,663	$ (1,183)	$ 3,149,445	$ 2,679

NOTE 8. PAYMENTS IN LIEU OF TAXES

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 certain Authority owned properties in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. For the year ended September 30, 2025, PILOT expense totaled $40,284.

NOTE 9. NOTE PAYABLE

Note payable as of September 30, 2025 consisted of the following:

Description	Amount
On October 3, 2022, the Authority's blended component unit, Ocean City Community Development Corporation, received a loan in the amount of $2,450,047 from the State of New Jersey, Department of Community Affairs, National Housing Trust Fund 2021 Program. This loan was used to develop 10 units of affordable housing. Interest shall accrue at 1% compound interest per annum beginning February 1, 2024. The loan matures in February 2054 and is secured by the underlying property.	$ 2,450,047

NOTE 9. NOTE PAYABLE (continued)

Annual debt service for principal and interest over the next five years and in five year increments thereafter is as follows:

Year	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
2041-2045	-	-	-
2046-2050	-	-	-
2051-2054	2,450,047	2,927,702	5,377,749
	$ 2,450,047	$ 2,927,702	$ 5,377,749

Interest expense for the year ended September 30, 2025 totaled $24,664.

NOTE 10. RESTRICTED NET POSITION

Restricted net position consists of the following as of September 30, 2025:

Description	Amount
Reserve for replacement	$ 157,699

Reserve for replacement represents funds that are restricted for repairs and replacement of building components and equipment.

NOTE 11 PENSION PLAN

The information required to present the schedule of changes in net pension liability, deferred inflows of resources, and deferred outflows of resources was not available as of the date of this report and accordingly, the net pension liability, deferred inflows of resources, deferred outflows of resources, and actuarial pension expense / benefit related to PERS are being reported from the 2024 audited actuarial report.

A. Plan Description

The PERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about PERS, please refer to the Division's Annual Comprehensive Financial Report, which can be found at https://www.state.nj.us/treasury/pensions/annual-reports.shtml.

NOTE 11. PENSION PLAN (continued)

B. Benefits

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:

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

Service retirement benefits of $1/55^{th}$ 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 retirement benefits of $1/60^{th}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

Early retirement benefits are available to tiers one and two before reaching age 60, tiers 3 and 4 before age 62 with 25 years or more 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 a member retires prior to the age at which a member 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 the service retirement age for the respective tier.

C. Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by all 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. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The local employers' contribution amounts are based on the actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

NOTE 11. PENSION PLAN (continued)

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

At September 30, 2025, the Authority reported a liability of $89,554, for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2023, and rolled forward to June 30, 2024.

For the year ended September 30, 2025, the Authority recognized pension expense of $10,100. At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 111	$ 1,019
Changes in Proportion	85,026	60,455
Differences between expected and actual experience	1,794	238
Net differences between projected and actual investment earnings on pension plan investments	-	4,152
Contributions paid subsequent to the measurement date	2,242	-
Total	$ 89,173	$ 65,864

The Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2026	$ 23,047
2027	(19,568)
2028	11,258
2029	6,499
2030	(169)
	$ 21,067

E. Actuarial Assumptions

The collective total pension liability at 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 assumptions.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary increases: Through 2026	2.75 - 6.55% based on years of service
Investment rate of return	7.00%

NOTE 11. PENSION PLAN (continued)

E. Actuarial Assumptions (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 adjustments 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.

F. Long-Term Expected Rate of Return

The long-term expected rate of return is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and 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, including the PERS's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
US Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	3.00%	8.20%
Real Estate	8.00%	10.95%
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%

G. 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 the 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 to determine the total pension liability.

NOTE 11. PENSION PLAN (continued)

H. Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	$ 119,243	$ 89,554	$ 64,288

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS

The information required to present the schedule of changes in net OPEB liability, deferred inflows of resources, and deferred outflows of resources was not available as of the date of this report and accordingly, the net OPEB liability, deferred inflows of resources, deferred outflows of resources, and actuarial OPEB expense / benefit related to SHBP are being reported from the 2024 audited actuarial report.

A. Plan Description

The State Health Benefit Local Government Retired Employees Plan ("SHBP") is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Division. It covers employees of local government employers that have adopted a resolution to participate in the SHBP. For additional information about SHBP, please refer to the Division's Annual Comprehensive Financial Report, which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

B. Benefits

SHBP provides medical and prescription drug to retirees and their covered dependents of the employers. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of services credit in a State of locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement. Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (continued)

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2025, the Authority reported a liability of $565,275, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of July 1, 2023, and rolled forward to June 30, 2024.

For the year ended September 30, 2025, the Authority recognized an OPEB expense of $91,761. At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 94,503	$ 218,961
Changes in Proportion	549,608	43,392
Differences between expected and actual experience	28,627	223,500
Net differences between projected and actual investment earnings on OPEB plan investments	-	597
Total	$ 672,738	$ 486,450

Other amounts reported as deferred outflow of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

	Amount
Year ending September 30:	
2026	$ 99,053
2027	42,645
2028	7,328
2029	39,070
2030	24,891
Thereafter	(26,699)
	$ 186,288

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (continued)

D. Actuarial Assumptions

The total OPEB 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 assumptions:

Salary increases:	2.75% to 6.55% based on years of service

Mortality rates were based on Pub-2010 general classification headcount weighted mortality with fully generationally monthly improvement projections from the central year using Scale MP-2021.

Certain actuarial assumptions used in the July 1, 2023 valuation were based on the results of the pension plans' experience studies prepared for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

E. Discount Rate

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

F. Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net OPEB liability calculated using the discount rate of 3.93%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate.

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Authority's proportionate share of the net OPEB liability	$ 658,484	$ 565,275	$ 490,622

G. Healthcare Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreased to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (continued)

H. Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the healthcare trend rate as disclosed above, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of the net OPEB liability	$ 478,107	$ 565,275	$ 677,348

NOTE 13. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNIT

	Ocean City Community Development Corporation
Assets:	
Current assets	$ 175,809
Capital assets, net	3,966,981
Total assets	4,142,790
Liabilities:	
Current	36,142
Non-current	2,491,044
Total liabilities	2,527,186
Net Position:	
Net investment in capital assets	1,516,934
Restricted	63,749
Unrestricted	34,921
Net position	$ 1,615,604

NOTE 13. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNIT (continued)

	Ocean City Community Development Corporation
Operating revenues:	
Tenant revenue	$ 105,293
Other revenues	42,666
Total operating revenues	147,959
Operating expenses:	
Administrative	$ 42,619
Utilities	3,730
Ordinary repairs and maintenance	20,124
Insurance	18,526
Depreciation	102,419
Total operating expenses	187,418
Other income (expense)	
Interest income	111
Interest expense	(24,664)
Net other expense	(24,553)
Net loss	$ (64,012)

NOTE 14. MANAGEMENT AGREEMENT

The Authority entered into an agreement to retain management services from the Housing Authority of the City of Vineland and has agreed to pay $80,000 annually and to be invoiced monthly. The Housing Authority of the City of Vineland provides management services and additional services on an as-needed basis to the Authority. The current agreement became effective as of October 1, 2021 and expires September 30, 2026. This agreement will renew one additional five-year term through September 30, 2031 unless written notice is received 30 days prior to expiration. The total management fees paid were $358,647 for the year ended September 30, 2025.

NOTE 15. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of September 30, 2025, the Authority estimates that no material liabilities will result from such audits.

NOTE 16. SUBSEQUENT EVENTS

Events that occur after the financial statement 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 financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through June 29, 2026 (the date the financial statements were available to be issued) and determined that the following subsequent event requires disclosure:

- In December 2025, the Authority closed on the conversion of AMP NJ053000001B Peck's Beach Family (the "Project") to Section 8 Project Based Vouchers via HUD's Rental Assistance Demonstration Program using a Section 18 blend. The Project, which will consist of 60 units after construction is completed, broke ground in March 2026 and is estimated to take 18 to 24 months, with completion targeted for late 2027 or early 2028. The Project is being financed with Tax Exempt Bonds and 4% Low Income Housing Tax Credits. After completion, the Authority will own a .01% managing member interest in the Project.

INDEPENDENT AUDITORS' 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*

To the Board of Commissioners
Housing Authority of the City of Ocean City:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Housing Authority of the City of Ocean City (the "Authority") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Novogradac & Company LLP

June 29, 2026
Toms River, New Jersey

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS, FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. Federal Awards

Federal Grantor / Program Title	Federal AL Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Public and Indian Housing	14.850	$ 121,911
Public Housing Capital Fund	14.872	218,928
Total Expenditures of Federal Awards		$ 340,839

II. Financial Statement Findings

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Schedule of Prior Year Audit Findings

There were no findings or questioned costs in the prior year.

See Report of Independent Auditors.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
REQUIRED PENSION INFORMATION
SEPTEMBER 30, 2025

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS

	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024	September 30, 2025 (A)
Contractually required contribution	$ 26,473	$ 16,773	$ 17,766	$ 9,231	$ 5,291	$ 6,351	$ 7,139	$ -	$ 8,968	$ -
Contributions in relation to the contractually required contribution	26,473	16,773	17,766	9,231	5,291	6,351	7,139	-	8,968	-
(Over) / under funded	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 150,816	$ 119,932	$ 66,830	$ 58,750	$ 49,675	$ 41,728	$ 25,559	$ 51,168	$ 66,070	$ 104,173
Contributions as a percentage of covered-employee payroll	17.55 %	13.99 %	26.58 %	15.71 %	10.65 %	15.22 %	27.93 %	- %	13.57 %	- %

(A) Information relating to the defined benefit pension plan was not available because the Pension plan for the year ended September 30, 2025 had not been audited as of the date of the auditors' report.

See Report of Independent Auditors.

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THEIR NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS

	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024	September 30, 2025 (A)
Authority's proportion of the net pension liability	0.0030 %	0.0018 %	0.0018 %	0.0009 %	0.0005 %	0.0005 %	0.0006 %	- %	0.0007 %	- %
Authority's proportionate share of the net pension liability	$ 882,561	$ 421,472	$ 351,676	$ 170,996	$ 78,872	$ 64,244	$ 85,435	$ -	$ 89,554	$ 89,554
Authority's covered-employee payroll	$ 150,816	$ 119,932	$ 66,830	$ 58,750	$ 49,675	$ 41,728	$ 25,559	$ 51,168	$ 66,070	$ 104,173
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	585.19 %	351.43 %	526.22 %	291.06 %	158.78 %	153.96 %	334.27 %	- %	135.54 %	85.97 %
Plan fiduciary net position as a percentage of the total pension liability	40.14 %	48.10 %	53.60 %	56.27 %	58.32 %	70.33 %	62.91 %	65.23 %	68.22 %	- %

(A) Information relating to the defined benefit pension plan was not available because the Pension plan for the year ended September 30, 2025 had not been audited as of the date of the auditors' report.

See Report of Independent Auditors.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
SEPTEMBER 30, 2025

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS***

	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024	September 30, 2025 (A)
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ 12,276	$ -	$ -
Contributions in relation to the statutorily required contribution	-	-	-	-	-	12,276	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 66,830	$ 58,750	$ 49,675	$ 41,728	$ 25,559	$ 51,168	$ 66,070	$ 104,173
Contributions as a percentage of covered-employee payroll	- %	- %	- %	- %	- %	23.99 %	- %	- %

(A) Information relating to the defined benefit OPEB plan was not available because the OPEB plan for the year ended September 30, 2025 had not been audited as of the date of the auditors' report.

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

See Report of Independent Auditors.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION
SEPTEMBER 30, 2025

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THEIR NET OPEB LIABILITY FOR THE LAST TEN FISCAL YEARS***

	September 30 2018	September 30 2019	September 30 2020	September 30 2021	September 30 2022	September 30 2023	September 30 2024	September 30 2025 (A)
Authority's proportion of the net OPEB liability	- %	- %	- %	- %	- %	0.0011 %	0.0032 %	- %
Authority's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ 164,472	$ 565,275	$ 565,275
Authority's covered-employee payroll	$ 66,830	$ 58,750	$ 49,675	$ 41,728	$ 25,559	$ 51,168	$ 66,070	$ 104,173
Authority's proportionate share of the net OPEB liability as a percentage of its covered- employee payroll	- %	- %	- %	- %	- %	321.44 %	855.57 %	542.63 %
Plan fiduciary net position as a percentage of the total OPEB liability	1.97 %	1.98 %	0.91 %	0.28 %	(0.36)%	(0.79)%	(0.89)%	- %

(A) Information relating to the defined benefit OPEB plan was not available because the OPEB plan for the year ended September 30, 2025 had not been audited as of the date of the auditors' report.

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

See Report of Independent Auditors.

Ocean City Housing Authority (NJ053)

Ocean City, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2025

	Project Total	6.2 Component Unit - Blended	1 Business Activities	ELIM	Total
111 Cash - Unrestricted	$236,185	$90,456	$169,040		$495,681
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		$63,749	$93,950		$157,699
114 Cash - Tenant Security Deposits	$18,724	$17,057	$37,312		$73,093
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	$254,909	$171,262	$300,302	$0	$726,473
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government			$3,944		$3,944
125 Accounts Receivable - Miscellaneous	$204,504		$6,619		$211,123
126 Accounts Receivable - Tenants	$18,593	$896	$7,859		$27,348
126.1 Allowance for Doubtful Accounts -Tenants	-$11,129	$0	-$4,477		-$15,606
126.2 Allowance for Doubtful Accounts - Other	$0		$0		$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	$211,968	$896	$13,945	$0	$226,809
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	$46,632	$3,651	$29,635		$79,918
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From			$3,953	-$3,953	$0
145 Assets Held for Sale					
150 Total Current Assets	$513,509	$175,809	$347,835	-$3,953	$1,033,200
161 Land	$179,648		$173,000		$352,648
162 Buildings	$4,353,364	$4,072,000	$9,968,046		$18,393,410
163 Furniture, Equipment & Machinery - Dwellings	$50,060		$105,683		$155,743
164 Furniture, Equipment & Machinery - Administration	$235,271		$161,644		$396,915
165 Leasehold Improvements	$563,272	$31,441	$4,755,888		$5,350,601
166 Accumulated Depreciation	-$3,697,508	-$136,460	-$4,170,993		-$8,004,961
167 Construction in Progress	$1,160,318				$1,160,318
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	$2,844,425	$3,966,981	$10,993,268	$0	$17,804,674
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	$2,844,425	$3,966,981	$10,993,268	$0	$17,804,674
200 Deferred Outflow of Resources	$339,109		$422,802		$761,911
290 Total Assets and Deferred Outflow of Resources	$3,697,043	$4,142,790	$11,763,905	-$3,953	$19,599,785

Submission Type: Audited/Non Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2025

	Project Total	6.2 Component Unit - Blended	1 Business Activities	ELIM	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	$28,119	$7,276	$66,456		$101,851
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	$2,736		$3,150		$5,886
322 Accrued Compensated Absences - Current Portion	$1,621		$1,058		$2,679
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	$18,379		$21,905		$40,284
341 Tenant Security Deposits	$18,724	$17,057	$37,312		$73,093
342 Unearned Revenue	$15,205	$309	$7,369		$22,883
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	$227,826	$11,500	$29,076		$268,402
347 Inter Program - Due To	$3,953			-$3,953	$0
348 Loan Liability - Current					
310 Total Current Liabilities	$316,563	$36,142	$166,326	-$3,953	$515,078
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$2,450,047			$2,450,047
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		$40,997			$40,997
354 Accrued Compensated Absences - Non Current	$540		$353		$893
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities	$299,455		$355,374		$654,829
350 Total Non-Current Liabilities	$299,995	$2,491,044	$355,727	$0	$3,146,766
300 Total Liabilities	$616,558	$2,527,186	$522,053	-$3,953	$3,661,844
400 Deferred Inflow of Resources	$226,970		$325,344		$552,314
508.4 Net Investment in Capital Assets	$2,844,425	$1,516,934	$10,993,268		$15,354,627
511.4 Restricted Net Position	$0	$63,749	$93,950		$157,699
512.4 Unrestricted Net Position	$9,090	$34,921	-$170,710		-$126,699
513 Total Equity - Net Assets / Position	$2,853,515	$1,615,604	$10,916,508	$0	$15,385,627
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$3,697,043	$4,142,790	$11,763,905	-$3,953	$19,599,785

	Project Total	6.2 Component Unit - Blended	1 Business Activities	ELIM	Total
70300 Net Tenant Rental Revenue	$338,955	$101,928	$821,454		$1,262,337
70400 Tenant Revenue - Other	$13,098	$3,365	$5,036		$21,499
70500 Total Tenant Revenue	$352,053	$105,293	$826,490	$0	$1,283,836
70600 HUD PHA Operating Grants	$340,839				$340,839
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				$0	$0
70800 Other Government Grants			$901,043		$901,043
71100 Investment Income - Unrestricted	$286	$111	$134		$531
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery	$1,128				$1,128
71500 Other Revenue	$553,647	$42,666	$68,573	-$55,577	$609,309
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	$1,247,953	$148,070	$1,796,240	-$55,577	$3,136,686
91100 Administrative Salaries					
91200 Auditing Fees	$6,050	$5,000	$11,200		$22,250
91300 Management Fee	$201,193	$35,542	$157,454	-$35,542	$358,647
91310 Book-keeping Fee					
91400 Advertising and Marketing	$657	$100	$560		$1,317
91500 Employee Benefit contributions - Administrative					
91600 Office Expenses	$1,440	$209	$1,226		$2,875
91700 Legal Expense	$11,007		$12,319		$23,326
91800 Travel					
91810 Allocated Overhead					
91900 Other	$43,637	$1,768	$70,275		$115,680
91000 Total Operating - Administrative	$263,984	$42,619	$253,034	-$35,542	$524,095
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	$14,379		$14,721		$29,100
92500 Total Tenant Services	$14,379	$0	$14,721	$0	$29,100

	Project Total	6.2 Component Unit - Blended	1 Business Activities	ELIM	Total
93100 Water	$98,615	$3,730	$56,985		$159,330
93200 Electricity	$15,234		$117,776		$133,010
93300 Gas	$41,322		$4,839		$46,161
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense	$143		$117		$260
93000 Total Utilities	$155,314	$3,730	$179,717	$0	$338,761
94100 Ordinary Maintenance and Operations - Labor	$55,789		$50,054		$105,843
94200 Ordinary Maintenance and Operations - Materials and Other	$19,411	$78	$22,019		$41,508
94300 Ordinary Maintenance and Operations Contracts	$53,825	$20,046	$130,584	-$10,945	$193,510
94500 Employee Benefit Contributions - Ordinary Maintenance	$53,680		$47,041		$100,721
94000 Total Maintenance	$182,705	$20,124	$249,698	-$10,945	$441,582
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	$0	$0	$0	$0	$0
96110 Property Insurance	$49,920	$5,243	$42,524	-$9,090	$88,597
96120 Liability Insurance	$21,810	$6,862	$18,579		$47,251
96130 Workmen's Compensation	$1,139		$971		$2,110
96140 All Other Insurance	$34,589	$6,421	$15,419		$56,429
96100 Total insurance Premiums	$107,458	$18,526	$77,493	-$9,090	$194,387
96200 Other General Expenses					
96210 Compensated Absences					
96300 Payments in Lieu of Taxes	$18,379		$21,905		$40,284
96400 Bad debt - Tenant Rents	$20,783		$4,742		$25,525
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	$39,162	$0	$26,647	$0	$65,809
96710 Interest of Mortgage (or Bonds) Payable		$24,664			$24,664
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	$0	$24,664	$0	$0	$24,664
96900 Total Operating Expenses	$763,002	$109,663	$801,310	-$55,577	$1,618,398

Ocean City Housing Authority (NJ053)

Ocean City, NJ

Submission Type: Audited/Non Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2025

	Project Total	6.2 Component Unit - Blended	1 Business Activities	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	$484,951	$38,407	$994,930	$0	$1,518,288
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	$88,282	$102,419	$381,948		$572,649
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	$851,284	$212,082	$1,183,258	-$55,577	$2,191,047
10010 Operating Transfer In	$218,928			-$218,928	$0
10020 Operating transfer Out	-$218,928			$218,928	$0
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$396,669	-$64,012	$612,982	$0	$945,639
11020 Required Annual Debt Principal Payments	$0	$0	$0		$0
11030 Beginning Equity	$2,581,233	$1,679,616	$10,427,912		$14,688,761
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$124,387		-$124,386		-$248,773
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	480	120	996		1596
11210 Number of Unit Months Leased	478	120	968		1566

See report of independent auditors.