HUDSON HOUSING AUTHORITY

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2025

HUDSON HOUSING AUTHORITY

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HUDSON HOUSING AUTHORITY

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Independent Auditors' Report

To The Board of Commissioners
Hudson Housing Authority
Hudson, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Hudson Housing Authority (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, the accompanying 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 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 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 ("*Government Auditing Standards"*). 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 audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information on pages 43 through 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information on pages 47 through 52, as listed in the table of contents, and the and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information on pages 47 through 52, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards 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 26, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, Massachusetts
June 26, 2026

HUDSON HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

The Hudson Housing Authority (the Authority) is pleased to present its basic financial statements as of and for the year ended September 30, 2025, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the inclusion of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. In addition, GAAP requires the inclusion of this management's discussion and analysis (MD&A) section as required supplementary information.

The basic financial statements provide both long-term and short-term information about the Authority's overall financial condition. The basic financial statements also include notes that provide additional information.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation and amortization, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the year ended September 30, 2025, with comparative data for the year ended September 30, 2024. Please read this section in conjunction with the Authority's basic financial statements, which immediately follow this section.

HIGHLIGHTS

- Assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources at September 30, 2025 by $4,998,718 (net position), representing an increase of $762,072 from the prior year.
- Total revenues increased by $870,915 from the prior year, while total expenses increased by $365,415.
- The Authority's current ratio that measures liquidity decreased during the year from 6.75 to 5.81.

OVERVIEW OF THE AUTHORITY'S OPERATIONS

The Authority was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. These services are provided through the administration of the following programs:

Federal Programs

- Low Rent Public Housing Program
- Public Housing Capital Fund Program
- Section 8 Housing Choice Voucher Program

State/Local and Other Programs

- State Consolidated Housing
- State Chapter 689 Housing
- Massachusetts Rental Voucher Program
- State Modernization Program
- Business Activities
- Component Units

For additional information on the Authority's programs, see the notes to financial statements.

FINANCIAL ANALYSIS

Summary of Net Position

Presented below is the Authority's condensed summary of net position at September 30, 2025 compared to September 30, 2024. The statement of net position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the Authority at the end of the fiscal year. The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end of year data for assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (assets and deferred outflows of resources, minus liabilities and deferred inflows of resources).

SUMMARY OF NET POSITION
September 30, 2025 and 2024

	2025	2024	Change	% Change
Current Assets	$ 2,668,511	$ 2,577,522	$ 90,989	3.53%
Capital Assets	4,618,411	3,855,627	762,784	19.78%
Total Assets	7,286,922	6,433,149	853,773	13.27%
Deferred Outflows of Resources	450,800	578,260	(127,460)	-22.04%
Current Liabilities	459,387	381,775	77,612	20.33%
Noncurrent Liabilities	1,789,041	1,766,514	22,527	1.28%
Total Liabilities	2,248,428	2,148,289	100,139	4.66%
Deferred Inflows of Resources	490,576	626,474	(135,898)	-21.69%
Investment in capital assets	4,618,411	3,855,627	762,784	19.78%
Restricted	33,924	8,138	25,786	316.86%
Unrestricted	346,383	372,881	(26,498)	-7.11%
Total Net Position	$ 4,998,718	$ 4,236,646	$ 762,072	17.99%

Total assets of the Authority at September 30, 2025 and 2024 were $7,286,922 and $6,433,149, respectively, a change of 13.27%. The significant components of current assets are cash and receivables. The significant components of noncurrent assets are capital assets. Capital assets include land, buildings and building improvements, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation.

Total liabilities of the Authority at September 30, 2025 and 2024 were $2,248,428 and $2,148,289, respectively, a change of 4.66%. Current liabilities include accounts payable, accrued liabilities and unearned revenue. Noncurrent liabilities are primarily made up of pension and OPEB liabilities.

Deferred inflows and outflows of resources relate to the Authority pension and OPEB liabilities. In 2025, the Authority's deferred outflows decreased by $127,460 and deferred inflows decreased by $135,898. These changes are the result of fluctuations in the actuarial valuations of the liabilities and the change in the value of pension assets.

Net position represents the Authority's equity, which is accounted for in three major categories. The first category, investment in capital assets, represents the Authority's equity in land, buildings and building improvements, construction in progress, and equipment. The next net position category is restricted net position; this shows the amounts subject to external restriction. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Authority. Unrestricted net position decreased by $26,498, or 7.11%, for the fiscal year.

Summary of Revenues, Expenses and Changes in Net Position

Presented below is the condensed summary of revenues, expenses and changes in net position information for fiscal year ended September 30, 2025 compared to the year ended September 30, 2024. The information reflects the results of operations for the Authority and displays the sources of revenue, the nature of expenses for the year and the resulting change in net position. All revenues and expenses are accounted for on an accrual basis. See notes to financial statements.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended September 30, 2025 and 2024

	2025	2024	Change	% Change
Revenue				
Operating Revenues	$ 3,857,039	$ 3,633,800	$ 223,239	6.14%
Non-operating Revenues	1,188,903	541,227	647,676	119.67%
Total Revenues	5,045,942	4,175,027	870,915	20.86%
Expenses				
Housing assistance payments	1,901,455	1,703,619	197,836	11.61%
Repair and maintenance	769,995	769,965	30	0.00%
Administration	632,452	534,646	97,806	18.29%
Depreciation expense	456,536	445,061	11,475	2.58%
Utilities	328,714	292,066	36,648	12.55%
Insurance expense	114,717	110,265	4,452	4.04%
Other general expenses	80,001	62,833	17,168	27.32%
Total Expenses	4,283,870	3,918,455	365,415	9.33%
Change in Net Position	762,072	256,572	505,500	197.02%
Net Position - Beginning of Year	4,236,646	3,980,074	256,572	6.45%
Net Position - End of Year	$ 4,998,718	$ 4,236,646	$ 762,072	17.99%

Generally, operating revenues are amounts received for providing housing to the Authority's tenants as well as subsidies and grants received from the U.S. Department of Housing and Urban Development (HUD) that provide significant funding for the operations of the Authority's housing programs. Operating expenses are those incurred to operate, maintain, and repair the housing units and to provide supportive services to the tenants of the Authority. Nonoperating revenues are revenues earned for which goods and services are not provided, for example, interest income. Capital grants represent revenues earned for public housing capital repairs.

Significant changes in revenues and expenses from the fiscal year ended September 30, 2024 to September 30, 2025 include the following:

- Operating revenues increased by $223,239, or 6.14%, due to increases in funding for the Housing Choice Voucher and Massachusetts Rental Voucher Programs. In addition, there was an increase in tenant rent revenues due to inflationary effects.

- Nonoperating revenues increased by $647,676, or 119.67%, due to an increase in funding from the State Modernization Program for various capital projects.

- Housing assistance payments increased by $197,836, or 11.61%, due to an increase in average contract rents.

- Administrative expenses increased by $97,806, or 18.29%, due to an increase in administrative salaries and an increase in employee benefits expense caused by the fluctuations in the pension and OPEB liabilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2025, capital assets, net of accumulated depreciation was $4,618,411 which includes land, buildings and building improvements, construction in progress, and equipment. The schedule below reflects the changes in capital assets, net of depreciation, from September 30, 2024 to September 30, 2025:

CAPITAL ASSET ANALYSIS
September 30, 2025 and 2024

	2025	2024	Change	% Change
Land	$ 314,195	$ 314,195	$ --	0.00%
Buildings	14,568,937	14,372,750	196,187	1.36%
Furniture and equipment	542,643	542,643	--	0.00%
Construction in progress	1,555,489	532,356	1,023,133	192.19%
Total capital assets	16,981,264	15,761,944	1,219,320	7.74%
Accumulated depreciation	(12,362,853)	(11,906,317)	(456,536)	3.83%
Capital assets, net of accumulated depreciation	$ 4,618,411	$ 3,855,627	$ 762,784	19.78%

The majority of the additions were attributable to construction in progress. Additional information on the Authority's capital assets can be found at Note 7 in the notes to financial statements.

Long-Term Debt

At September 30, 2025, the Authority had no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Significant economic factors affecting the Authority's budget in the next year are as follows:

- The Authority is primarily dependent upon HUD and the Massachusetts Executive Office of Housing and Livable Communities (HLC) for the funding of its federal and state programs, respectively; therefore, the Authority is affected more by the federal and state budget than by local economic conditions.
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and, therefore, the amount of rental income
- Inflationary pressure on utility rates, housing costs, supplies and other costs
- Current trends in the housing market
- Local and national property rental markets that determine Housing Assistance Payments

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for additional information should be addressed to Jaclyn Beaulieu, Executive Director, Hudson Housing Authority, 8 Brigham Circle, Hudson, MA 01749.

HUDSON HOUSING AUTHORITY

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

ASSETS		
Current Assets		
Cash and cash equivalents	$	2,520,693
Restricted cash		39,837
Accounts receivable, net		36,608
Prepaid expenses and other current assets		71,373
Total Current Assets		2,668,511
Noncurrent Assets		
Capital assets, non-depreciable		1,869,684
Capital assets, net of accumulated depreciation		2,748,727
Total Noncurrent Assets		4,618,411
TOTAL ASSETS		7,286,922
DEFERRED OUTFLOWS OF RESOURCES		450,800

The accompanying notes are an integral part of these financial statements.

HUDSON HOUSING AUTHORITY

STATEMENT OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2025

LIABILITIES		
Current Liabilities		
Accounts payable	$	73,825
Accounts payable, other government		197,599
Accrued wages and current portion of compensated absences		39,722
Other current liabilities		70,380
Other accrued expenses		9,009
Unearned revenue		62,945
Tenant security deposits		5,907
Total Current Liabilities		459,387
Noncurrent Liabilities		
Net pension liability		886,038
OPEB liability		903,003
Total Noncurrent Liabilities		1,789,041
TOTAL LIABILITIES		2,248,428
DEFERRED INFLOWS OF RESOURCES		490,576
NET POSITION		
Investment in capital assets		4,618,411
Restricted:		
Housing assistance payments		33,924
Unrestricted		346,383
TOTAL NET POSITION	$	4,998,718

The accompanying notes are an integral part of these financial statements.

HUDSON HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2025

OPERATING REVENUES	
HUD grants	$ 1,705,394
Tenant rental income	1,460,609
Other government grants	673,816
Other revenue	17,220
Total Operating Revenues	3,857,039
OPERATING EXPENSES	
Housing assistance payments	1,901,455
Repair and maintenance	769,995
Administration	632,452
Depreciation expense	456,536
Utilities	328,714
Insurance expense	114,717
Other general expenses	80,001
Total Operating Expenses	4,283,870
Operating Loss	(426,831)
NONOPERATING REVENUES	
Interest and investment revenue	62
Total Nonoperating Revenues	62
Loss before Capital Grants	(426,769)
CAPITAL GRANTS	
Other government capital grants	1,023,133
HUD capital grants	165,708
Total Capital Grants	1,188,841
Change in Net Position	762,072
Net Position, Beginning of Year	4,236,646
Net Position, End of Year	$ 4,998,718

The accompanying notes are an integral part of these financial statements.

HUDSON HOUSING AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
HUD grants	$	1,838,891
Other government grants		666,086
Receipts from tenants		1,461,506
Other operating receipts		11,654
Payments to employees		(857,960)
Payments to suppliers		(955,889)
Payments to landlords		(1,901,455)
Net cash provided by operating activities		262,833
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Other government capital grants		1,016,488
HUD capital grants		165,708
Acquisitions of capital assets		(1,219,320)
Net cash used in capital and related financing activities		(37,124)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received		62
Net cash provided by investing activities		62
Net increase in cash, cash equivalents and restricted cash		225,771
Cash, cash equivalents and restricted cash, beginning of year		2,334,759
Cash, cash equivalents and restricted cash, end of year	$	2,560,530

The accompanying notes are an integral part of these financial statements.

HUDSON HOUSING AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Reconciliation of operating loss to net cash provided by operating activities:		
Operating Loss	$	(426,831)
Adjustments:		
Depreciation		456,536
Change in assets and liabilities:		
(Increase) decrease in accounts receivable, tenants		10,059
(Increase) decrease in accounts receivable, other		(4,226)
(Increase) decrease in accounts receivable, HUD		133,497
(Increase) decrease in prepaid expenses and other current assets		2,097
(Decrease) increase in accounts payable		29,678
(Decrease) increase in accounts payable, other government		21,662
(Decrease) increase in compensated absences and accrued wages		12,077
(Decrease) increase in pension, OPEB liabilities, and deferred inflow/outflows of resources		14,089
(Decrease) increase in accrued expenses and other current liabilities		85
(Decrease) increase in tenant security deposits		(20)
(Decrease) increase in unearned operating revenue		14,130
Net cash provided by operating activities	$	262,833
Cash, cash equivalents and restricted cash per Statement of Net Position:		
Cash and cash equivalents	$	2,520,693
Restricted cash - current		39,837
Total cash, cash equivalents and restricted cash per Statement of Net Position	$	2,560,530

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION

The Hudson Housing Authority (the Authority) was incorporated under the laws of the Commonwealth of Massachusetts. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate-income families and elderly individuals.

The Authority maintains its accounting records by program and operates the following programs:

Federal Programs

Low Rent Public Housing – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low-income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income.

Public Housing Capital Fund – HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the Low Rent Public Housing Program. A portion of these funds may also be used to support operations and to make improvements in the management and operation of the Authority.

Section 8 Housing Choice Voucher – HUD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program, qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a predetermined payment standard.

State/Local and Other Programs

State Consolidated Housing – Under these programs, the Authority owns, operates and maintains rental housing acquired with grants from Massachusetts Executive Office of Housing and Livable Communities (HLC). Dwelling units are leased to low income tenants at rates based on their ability to pay. Operations are supported by HLC via operating grants.

NOTE 1 – ORGANIZATION (CONTINUED)

State Chapter 689 Housing – Under this program, the Authority owns operates and maintains rental housing acquired with grants from HLC. The building is generally rented to a non-profit corporation who provides health and human resource needs to mentally disabled individuals.

Massachusetts Rental Voucher Program (MRVP) – HLC provides grants to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority subsidizes the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a contract amount.

State Modernization Program – HLC provides grant funds to authorities with State Consolidated units based on the Authority's application and determination of need. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the State Consolidated Housing Program.

Business Activities – This program was established in order for the Authority to own, rehabilitate and rent residential dwelling units to low and moderate income families. Effective May 15, 2025, the Assabet Valley Affordable Housing, Inc. which was operating under this program is considered a component unit of the Authority due to a change in its governance.

Component Unit

The Authority's financial statements include the accounts of all of the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

NOTE 1 – ORGANIZATION (CONTINUED)

Based on the aforementioned criteria, the Authority's financial statements include one blended component unit:

Assabet Valley Affordable Housing, Inc. (the Corporation) – a nonprofit corporation organized in pursuant of Chapter 180 of the General Laws for the Commonwealth of Massachusetts, to operate exclusively as a charitable organization. Effective May 15, 2025, the Corporation amended its By-Laws which allows the Corporation to be governed solely by the Authority's Board of Commissioners. The Corporation is considered to be a component unit because the Authority can impose its will upon the Corporation.

The Corporation's fiscal year end is September 30, 2025 and accordingly, its financial statements for the year ended September 30, 2025, have been included in the Authority's financial statements. Footnotes regarding policies of the Authority apply to the Corporation. unless otherwise noted. Condensed financial information of the Corporation is presented in Note 14.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND ACCOUNTING

The Authority is a special-purpose government entity engaged only in business-type activities and, as such, the financial statements are presented as a single enterprise fund utilizing the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows.

The Authority's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB). The Authority follows GASB as applied to governmental entities.

The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenses occur and/or the Authority has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.* Grants received in advance of expenses are recorded as a liability until earned.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING STANDARDS ADOPTED

During 2025, the Authority adopted GASB Statement No. 101, *Compensated Absences*, the impact of which was immaterial to the financial statements.

During 2025, the Authority adopted GASB Statement No. 102, *Certain Risk Disclosures,* which did not impact the Authority's financial statements.

USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. Actual amounts could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Authority considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

ACCOUNTS RECEIVABLE

Accounts receivable from tenants are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts receivable. Accounts receivable from tenants are written off with board approval when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Allowances for other non-tenant receivables are reviewed annually. See Note 6 for details of accounts receivable and allowances at year end.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS

Capital assets include property, furniture, equipment and machinery with initial, individual costs that equal or exceed $5,000 and estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of acquisition. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30-40 years
Land and Building Improvements	15-20 years
Furniture, Equipment and Machinery	3-10 years

IMPAIRMENT OF CAPITAL ASSETS

Governmental Accounting Standards Board's, Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* requires certain note disclosures or recognition regarding impairments of capital assets. The Authority did not recognize any impairments of capital assets in fiscal year 2025.

COMPENSATED ABSENCES

Vacation leave accrues from two to five weeks per year based on years of service. An employee may carry unused vacation leave to the following year of up to five days. The Authority's policy does not allow employees to accumulate any sick leave. Total accrued compensated absences at September 30, 2025 aggregated $17,758.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The Authority engages in subscription-based information technology arrangements (SBITA) to meet its operating needs. A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Authority assessed that there were no material SBITAs requiring recognition or disclosure in the financial statements for the year ended September 30, 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING REVENUES AND EXPENSES

Operating revenue includes operating grants and subsidies, rental income, management services provided and all other revenue relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities. Operating expenses include wages, housing assistance payments, utilities, maintenance, depreciation of capital assets, administrative expenses and all other expenses relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities.

NON-OPERATING REVENUES AND EXPENSE

The Authority's nonoperating revenues relate primarily to capital grants provided by HUD and the Commonwealth of Massachusetts and interest income. For reporting purposes, capital grant revenue is recognized when expenditures are incurred, and advance receipts are initially recorded as unearned revenue. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

ECONOMIC DEPENDENCY

The Authority's state and federal programs are economically dependent on grants and annual contributions from HLC and HUD, respectively. These programs operate at a loss prior to receiving these grants and contributions.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement system and additions/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the retirement system.

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Authority and are accounted for in accordance with the requirements of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. These consist of the deferral of the recognition of revenues and expenses until the future period to which the outflows and inflows are related. The Authority's deferred outflows and inflows of resources are related to pension or OPEB. The following is a summary of deferred outflows and inflows of resources at September 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Related to Pensions	$ 228,826	$ 4,420
Related to OPEB	221,974	486,156
Total	$ 450,800	$ 490,576

APPLICATION OF RESOURCES

The Authority would first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 26, 2026, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in these financial statements.

NOTE 3 – NET POSITION

Net position is reported in three categories:

Investment in Capital Assets consists of all capital assets, reduced by accumulated depreciation, the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. The Authority had no debt related to its capital assets at September 30, 2025. At September 30, 2025, the investment in capital assets was $4,618,411.

Restricted Net Position consists of restricted assets, when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. At September 30, 2025, restrictions of $33,924 represent the net position restricted by HUD related to the Housing Choice Voucher Program to be used for future HAP payments.

Unrestricted Net Position is designed to represent the net available assets, for the entire Authority. At September 30, 2025, the unrestricted net position was $346,383.

NOTE 4 – CASH AND CASH EQUIVALENTS

The Authority has adopted HUD's Investment Regulation PIH 1996-33 as its investment policy. HUD regulations require that all HUD deposits in financial institutions and investments be fully insured or collateralized, by U.S. Government obligations that have a fair value of not less than the principal amount of the deposits. The policy also requires that investments not have a maturity period longer than three years.

Custodial Credit Risk – Cash Deposits

At times, the Authority's balances may exceed the Federal insurance limits; however, the Authority has not experienced any losses with respect to its bank balance in excess of government provided insurance. Management believes that no significant risk exists with respect to cash balances as of September 30, 2025.

NOTE 5 – RESTRICTED CASH

The Authority's restricted cash balance consists of funds restricted for future HAP payments, as well as funds designated for tenant security deposits. These amounts support either a corresponding liability or restricted net position. At September 30, 2025, restricted cash was categorized as follows:

Category of Restriction	Amount
Housing assistance payments	$ 33,924
Tenant security deposits	5,913
Total	$ 39,837

NOTE 6 – ACCOUNTS RECEIVABLE

The following is a listing of receivables for the Authority including the applicable allowances for uncollectible accounts at September 30, 2025.

Category of Receivable	Amount
Other Government	$ 18,935
PHA Projects	2,322
Miscellaneous	862,819
Tenants	17,618
Gross Receivables	901,694
Allowance - Tenants	(6,571)
Allowance - Other	(858,515)
Net Receivables	$ 36,608

NOTE 7 – CAPITAL ASSETS

The following is a summary of changes in capital assets and related accumulated depreciation.

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital assets not being depreciated				
Land	$ 314,195	$ --	$ --	$ 314,195
Construction in progress	532,356	1,210,770	(187,637)	1,555,489
Total capital assets not being depreciated	846,551	1,210,770	(187,637)	1,869,684
Capital assets being depreciated				
Buildings	14,372,750	196,187	--	14,568,937
Furniture, equipment & machinery	542,643	--	--	542,643
Total capital assets being depreciated	14,915,393	196,187	--	15,111,580
Less accumulated depreciation				
Buildings	11,625,405	394,566	--	12,019,971
Furniture, equipment & machinery	280,912	61,970	--	342,882
Total accumulated depreciation	11,906,317	456,536	--	12,362,853
Capital Assets Net	$ 3,855,627	$ 950,421	$ (187,637)	$ 4,618,411

Depreciation expense was charged to:	
Federal Public Housing	$ 329,792
State/Local Programs	$ 117,867
Business Activities	$ 5,548

NOTE 8 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended September 30, 2025 is as follows:

	October 1, 2024	Additions	Reductions	September 30, 2025	Amount due within one year
Compensated Absences	$ 14,523	$ 3,263	$ (28)	$ 17,758	$ 17,758
Net Pension Liability	906,627	120,432	(141,021)	886,038	--
OPEB Liability	859,887	43,116	--	903,003	--
Total	$ 1,781,037	$ 166,811	$ (141,049)	$ 1,806,799	$ 17,758

NOTE 9 – REAL ESTATE TAXES

Property owned by the Authority is exempt from local real estate taxes. The Authority makes a payment in lieu of taxes equal to 10% of rental income charged less utility expenses annually for all of its properties constructed with and funded by HUD. State funded scattered site units make payments in lieu of real estate taxes equal to ½ of the Municipality's tax rate plus $100 multiplied by the number of available bedrooms. State funded family properties make payments in lieu of real estate taxes equal to $3 per unit per month. The payment in lieu of taxes for the year ended September 30, 2025 aggregated $51,063.

NOTE 10 – COST-SHARING DEFINED BENEFIT PENSION PLAN

PLAN DESCRIPTION

The Authority provides pension benefits to certain employees through the Middlesex County Retirement System (MCRS), a cost-sharing, multiple-employer public employee retirement system regulated by Public Employee Retirement Administration Commission (PERAC). The plan is a defined benefit plan. Participation is mandatory for all full time employees of the Authority. The retirement plan is a pooled risk type of plan. Under this type of plan, funding is determined based on all employees covered for all employing units. The funding liabilities are shared by each employing unit pro-rata based on the number of employees in the employing unit. Since the Authority's share of the net pension liability is not based on their employees, pension expense is determined by the total required payment to be made to the retirement plan for the year. The MCRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to MCRS, 25 Linnell Circle, Billerica, MA 01865 or by calling (978) 439-3000.

PLAN MEMBERSHIP

The Authority has 7 employees participating in the plan.

SIGNIFICANT PLAN PROVISIONS AND REQUIREMENTS

State law establishes benefit provisions and contribution requirements of the MCRS. Employees who have at least 10 years of longevity and have attained 55 years of age are eligible to receive retirement benefits. Retired employees receive an allowance based upon the average of their three highest consecutive salary years of service multiplied by (1) the number of years and full months of creditable service at the time of retirement and (2) a percentage based on age at retirement in accordance with a schedule provided by state law. Assuming normal retirement at age 65, this percentage is 2.5%, which is reduced for individuals who retire prior to age 65 to reflect the longer payout period. Employees may elect early retirement after 20 years of service or at any time after attaining age 55 with 10 years of eligible service. Plan members who become permanently and totally disabled may be eligible to receive a disability retirement allowance. The amount of benefits to be received depends on several factors, including the member's age, compensation, veteran status, years of creditable service, and whether or not the disability is work-related. In addition, certain death benefits exist for beneficiaries of employees who die in active service.

NOTE 10 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

FUNDING POLICY

Depending on their employment date, active Plan members must contribute either 5%, 7%, 8%, or 9% of their gross regular compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of $30,000. These deductions earn interest at a rate determined by PERAC that vests based upon years of service. Member employers are required to contribute the remaining amounts necessary to finance benefits, except for certain cost-of-living adjustments (COLAs) granted before July 1, 1998, which are reimbursed by the Commonwealth. The current and two preceding years' apportionment of the annual pension cost between the employers required the Authority to contribute approximately 0.054% of the total. The Authority's required and actual contributions to MCRS for the year ended September 30, 2025 were $101,908. Employee contributions for the same period were $47,102.

PENSION LIABILITIES

At September 30, 2025, the Authority reported a liability of $886,038 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 10 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

For the year ended September 30, 2025, the Authority recognized pension expense of $120,432. At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,584	$ --
Changes of assumptions	2,958	--
Net difference between projected and actual earnings on pension plan investments	27,616	--
Changes in proportion and differences between contributions and proportionate share of contributions	76,760	4,420
Contributions subsequent to the measurement date	101,908	--
Total	$ 228,826	$ 4,420

The $101,908 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Deferred Outflows (Inflows) of Resources
2026	$ 51,774
2027	65,679
2028	9,767
2029	(4,722)
Total	$ 122,498

NOTE 10 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

ACTUARIAL METHODS & ASSUMPTIONS

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal Cost Method
Investment rate of return	7.15%
Discount rate	7.15%
Inflation	3.25%
Salary increases	4.00% - 4.50%
Cost of living adjustments	3.00% of the first $16,000.
Mortality rates	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Rate of Return
Domestic equity	23.50%	5.82%
International developed markets equity	9.00%	5.91%
International emerging markets equity	3.50%	7.06%
Core fixed income	15.00%	1.81%
High-yield fixed income	9.00%	3.34%
Real estate	10.00%	3.34%
Timber	4.00%	3.82%
Hedge funds, GTAA, risk parity	10.00%	2.77%
Private equity	16.00%	9.20%

NOTE 10 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY 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, 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 or 1-percentage-point higher than the current rate:

	1% Decrease 6.15%	Current Discount 7.15%	1% Increase 8.15%
Net pension liability	$ 1,123,754	$ 886,037	$ 686,088

PENSION PLAN FIDUCIARY NET POSITION

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

PAYABLES TO THE PENSION PLAN

As of September 30, 2025, the Authority had no outstanding payables to MCRS.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

PLAN DESCRIPTION AND BENEFITS PROVIDED

The Authority's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the Authority. The OPEB plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

The Authority provides comprehensive medical insurance, both with and without Medicare coordination, and life insurance to its employees who meet certain eligibility requirements. Employees are eligible for postretirement benefits if he/she has reached the age of 55 as an active employee and completed 10 years of service.

All active employees who retire from the Authority and meet the eligibility criteria will receive these benefits. The duration of these benefits is for the employee's lifetime. Under this cost sharing plan, these benefits cover 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for both individuals and family members (percentages represent the employees' portion).

The face value of each life insurance policy is $5,000. Life insurance benefits do not apply to family members, this benefit covers 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for individuals.

PLAN MEMBERSHIP

At September 30, 2025, there are 7 active employees and 7 retired employees enrolled in the plan.

TOTAL OPEB LIABILITY

The Authority's total OPEB liability of $903,003 was measured as of October 1, 2024 and was determined by an actuarial valuation as of October 1, 2023.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Individual Entry Age Normal
Municipal Bond Rate	4.87% as of October 1, 2023 (source: S&P Municipal Bond 20-Year High Grade Index –SAPIHG)
Discount Rate	4.87%
Inflation	2.50%
Salary Increase	3.00%
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 , set forward 1 year for females.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females.
Mortality Experience Study	The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.
Healthcare Trend	4.96%
Withdrawal Rates	Plan participants are expected to withdraw from the plan at a decreasing rate, based on years of service and age, from 27.0% at age 20 and 0-4 years of service to 3.50% at age 60 and 10+ years of service.
Retirement Rates	Plan participants are expected to retire at an increasing rate based on age and gender. Males are expected to retire at a rate of 3% for those aged 50 years, to 100% for those aged 70 years. Females are expected to retire at a rate of 3% for those aged 50 years, to 100% for those aged 70 years.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

Balance at beginning of year	$	859,887
Changes for the year:		
Service cost		27,183
Interest		42,560
Benefit payments		(26,627)
Net changes		43,116
Balance at end of year	$	903,003

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the Plan's total OPEB liability, calculated using the discount rate of 4.87% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower, or 1 percentage-point higher, than the current rate.

	1% Decrease 3.87%	Current Discount 4.87%	1% Increase 5.87%
Total OPEB liability	$ 1,050,922	$ 903,003	$ 785,455

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE TREND RATE

The following table presents the net other postemployment benefit liability, calculated the healthcare trend rate if it was 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1% Decrease 3.96%	Current Trend 4.96%	1% Increase 5.96%
Total OPEB liability	$ 772,715	$ 903,003	$ 1,070,669

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended September 30, 2025, the Authority recognized OPEB expenses of $16,738. At September 30, 2025, the Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,820	$ 146,300
Changes of assumptions	190,527	339,856
Contributions subsequent to the measurement date	26,627	--
Total	$ 221,974	$ 486,156

The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending October 1,	Deferred Outflows (Inflows) of Resources
2026	$ (29,819)
2027	(16,184)
2028	(74,532)
2029	(100,749)
2030	(69,525)
Total	$ (290,809)

NOTE 12 – OTHER RETIREMENT PLANS

The Authority provides to employees a separate deferred compensation plan in accordance with IRC §457. The plan is open to all employees. There were no employee or employer contributions for 2025.

NOTE 13 – RISK MANAGEMENT

LITIGATION

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the Authority.

GRANTS

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE 14 – BLENDED COMPONENT UNIT

The following tables reflect the condensed summary of net position, summary of revenues, expenses, and changes in net position, and summary of cash flows for Assabet Valley Affordable Housing Inc. as of and for the year ended September 30, 2025:

Condensed Summary of Net Position

Assets	
Current	$ 75,565
Capital	122,249
Total Assets	197,814
Liabilities	
Current	117,750
Total Liabilities	117,750
Net Position	
Net investment in capital assets	122,249
Unrestricted	(42,185)
Total Net Position	$ 80,064

Condensed Summary of Revenues, Expenses and Changes in Net Position

Operating Revenues	
Tenant rental revenue	$ 23,550
Total Operating Revenues	23,550
Operating Expenses	
Administration	6,132
Repair and maintenance	5,068
Depreciation expense	3,329
Utilities	156
Insurance expense	910
Other general expenses	3,333
Total Operating Expenses	18,928
Operating Income	4,622
Change in Net Position	4,622
Beginning Net Position	75,442
Ending Net Position	$ 80,064

NOTE 14 – BLENDED COMPONENT UNIT (CONTINUED)

Condensed Summary of Cash Flows

Net Cash Provided by:	
Operating Activities	$ (13,331)
Net Change in Cash	(13,331)
Cash and cash equivalents at beginning of year	83,353
Cash and cash equivalents at end of year	$ 70,022

HUDSON HOUSING AUTHORITY

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST EIGHT FISCAL YEARS

Year	Total OPEB Liability - Beginning	Service cost	Interest	Changes of benefit terms	Difference between expected and actual experience	Changes of Assumptions	Benefit payments	Net Change in Total OPEB Liability	Total OPEB Liability - Ending
2025	$ 859,887	$ 27,183	$ 42,560	$ --	$ --	$ --	$ (26,627)	$ 43,116	$ 903,003
2024	$ 1,460,492	$ 65,765	$ 36,289	$ --	$ (195,129)	$ (478,890)	$ (28,640)	$ (600,605)	$ 859,887
2023	$ 1,400,398	$ 61,841	$ 34,659	$ --	$ --	$ --	$ (36,406)	$ 60,094	$ 1,460,492
2022	$ 844,233	$ 29,161	$ 32,034	$ --	$ 13,164	$ 520,443	$ (38,637)	$ 556,165	$ 1,400,398
2021	$ 821,942	$ 28,667	$ 31,200	$ --	$ --	$ --	$ (37,576)	$ 22,291	$ 844,233
2020	$ 1,028,490	$ 27,631	$ 36,340	$ --	$ (163,543)	$ (71,018)	$ (35,958)	$ (206,548)	$ 821,942
2019	$ 989,518	$ 37,434	$ 35,356	$ --	$ --	$ --	$ (33,818)	$ 38,972	$ 1,028,490
2018	$ 1,068,783	$ 38,150	$ 34,011	$ (119,218)	$ --	$ --	$ (32,208)	$ (79,265)	$ 989,518

Year	Covered Payroll	OPEB Liability as a Percentage of Covered Payroll
2025	$ 499,780	180.68%
2024	$ 485,223	177.21%
2023	$ 464,264	314.58%
2022	$ 450,742	310.69%
2021	$ 432,228	195.32%
2020	$ 419,639	195.87%
2019	$ 383,232	268.37%
2018	$ 372,070	265.95%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

See Notes to Required Supplementary Information

HUDSON HOUSING AUTHORITY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MIDDLESEX COUNTY RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

Measurement Period Ending December 31,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.054%	$ 886,037	$ 511,974	173.06%	58.240%
2023	0.054%	$ 906,627	$ 489,311	185.29%	55.210%
2022	0.048%	$ 807,927	$ 444,259	181.86%	52.610%
2021	0.042%	$ 568,228	$ 423,443	134.19%	61.140%
2020	0.040%	$ 616,643	$ 371,288	166.08%	53.420%
2019	0.044%	$ 704,594	$ 357,369	197.16%	49.450%
2018	0.789%	$ 1,223,133	$ 269,655	453.59%	46.400%
2017	0.810%	$ 1,155,541	$ 257,663	448.47%	49.270%
2016	0.101%	$ 1,432,641	$ 325,812	439.71%	47.650%
2015	0.102%	$ 1,399,262	$ 283,285	493.94%	46.130%

See Notes to Required Supplementary Information

HUDSON HOUSING AUTHORITY

SCHEDULE OF PENSION CONTRIBUTIONS
MIDDLESEX COUNTY RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	$ 77,357	$ 77,357	$ --	$ 511,974	15.11%
2023	$ 72,524	$ 72,524	$ --	$ 489,311	14.82%
2022	$ 62,228	$ 62,228	$ --	$ 444,259	14.01%
2021	$ 58,322	$ 58,322	$ --	$ 423,443	13.77%
2020	$ 98,078	$ 98,078	$ --	$ 371,288	26.42%
2019	$ 91,276	$ 91,276	$ --	$ 357,369	25.54%
2018	$ 107,481	$ 107,481	$ --	$ 269,655	39.86%
2017	$ 100,489	$ 100,489	$ --	$ 257,663	39.00%
2016	$ 96,064	$ 96,064	$ --	$ 325,812	29.48%
2015	$ 89,676	$ 89,676	$ --	$ 283,285	31.66%

See Notes to Required Supplementary Information

HUDSON HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

NOTE 1 – OTHER POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the Total OPEB Liability and Related Ratios details the Plan's other postemployment benefit liability and the covered employee payroll. It demonstrates the Plan's total liability and the Plan's liability as a percentage of covered payroll.

10-YEAR TREND INFORMATION

The Schedule of Changes in the Total OPEB Liability and Related Ratios is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

CHANGES IN BENEFIT TERMS

There were no changes in benefit terms from the prior measurement date.

CHANGES IN ASSUMPTIONS

There were no changes in assumptions from the prior measurement date.

NOTE 2 – PENSION PLAN SCHEDULES

DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of the Proportionate Share of the Net Pension Liability presents multi-year trend information on the Authority's share of the Net Pension Liability and related ratios.

The Schedule of Contributions presents multiyear trend information for the Authority's required and actual contributions relating to the pension plan.

CHANGES IN BENEFIT TERMS

There were no changes in benefit terms from the prior measurement date.

CHANGES IN ASSUMPTIONS

There were no changes in assumptions from the prior measurement date.

HUDSON HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE
(presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	State/Local	Business Activities	Component Unit - Blended	Eliminations	Total
111	Cash - Unrestricted	1,548,143	154,541	747,987	--	70,022	--	2,520,693
113	Cash - Other Restricted	--	33,924	--	--	--	--	33,924
114	Cash - Tenant Security Deposits	--	--	5,913	--	--	--	5,913
100	Total Cash	1,548,143	188,465	753,900	--	70,022	--	2,560,530
121	Accounts Receivable - PHA Projects	--	2,322	--	--	--	--	2,322
124	Accounts Receivable - Other Government	--	--	18,935	--	--	--	18,935
125	Accounts Receivable - Miscellaneous	--	3,804	500	--	858,515	--	862,819
126	Accounts Receivable - Tenants	10,571	--	5,992	--	--	--	16,563
126.1	Allowance for Doubtful Accounts -Tenants	(3,433)	--	(2,083)	--	--	--	(5,516)
126.2	Allowance for Doubtful Accounts - Other	--	--	--	--	(858,515)	--	(858,515)
128	Fraud Recovery	--	--	1,055	--	--	--	1,055
128.1	Allowance for Doubtful Accounts - Fraud	--	--	(1,055)	--	--	--	(1,055)
120	Total Receivables, Net of Allowances for Doubtful Accounts	7,138	6,126	23,344	--	--	--	36,608
142	Prepaid Expenses and Other Assets	49,883	2,094	13,853	--	5,543	--	71,373
144	Inter Program Due From	--	--	117,300	--	--	(117,300)	--
150	Total Current Assets	1,605,164	196,685	908,397	--	75,565	(117,300)	2,668,511
161	Land	54,035	--	260,160	--	--	--	314,195
162	Buildings	8,694,258	--	5,606,226	--	268,453	--	14,568,937
163	Furniture, Equipment & Machinery - Dwellings	164,760	--	--	--	--	--	164,760
164	Furniture, Equipment & Machinery - Administration	320,112	--	57,771	--	--	--	377,883
166	Accumulated Depreciation	(7,458,231)	--	(4,758,418)	--	(146,204)	--	(12,362,853)
167	Construction in Progress	--	--	1,555,489	--	--	--	1,555,489
160	Total Capital Assets, Net of Accumulated Depreciation	1,774,934	--	2,721,228	--	122,249	--	4,618,411
180	Total Non-Current Assets	1,774,934	--	2,721,228	--	122,249	--	4,618,411
200	Deferred Outflow of Resources	166,894	39,256	244,650	--	--	--	450,800
290	Total Assets and Deferred Outflow of Resources	3,546,992	235,941	3,874,275	--	197,814	(117,300)	7,737,722
312	Accounts Payable <= 90 Days	--	18	73,357	--	450	--	73,825
321	Accrued Wage/Payroll Taxes Payable	--	--	21,964	--	--	--	21,964

See Independent Auditors' Report on Supplementary Information

HUDSON HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE
(presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	State/Local	Business Activities	Component Unit - Blended	Eliminations	Total
322	Accrued Compensated Absences - Current Portion	6,303	1,759	9,696	--	--	--	17,758
333	Accounts Payable - Other Government	123,957	--	73,642	--	--	--	197,599
341	Tenant Security Deposits	--	--	5,907	--	--	--	5,907
342	Unearned Revenue	1,056	--	61,889	--	--	--	62,945
345	Other Current Liabilities	21,164	--	49,216	--	--	--	70,380
346	Accrued Liabilities - Other	3,836	--	5,173	--	--	--	9,009
347	Inter Program - Due To	--	--	--	--	117,300	(117,300)	--
310	Total Current Liabilities	156,316	1,777	300,844	--	117,750	(117,300)	459,387
357	Accrued Pension and OPEB Liabilities	661,195	155,736	972,110	--	--	--	1,789,041
350	Total Non-Current Liabilities	661,195	155,736	972,110	--	--	--	1,789,041
300	Total Liabilities	817,511	157,513	1,272,954	--	117,750	(117,300)	2,248,428
400	Deferred Inflow of Resources	180,945	42,220	267,411	--	--	--	490,576
508.4	Net Investment in Capital Assets	1,774,934	--	2,721,228	--	122,249	--	4,618,411
511.4	Restricted Net Position	--	33,924	--	--	--	--	33,924
512.4	Unrestricted Net Position	773,602	2,284	(387,318)	--	(42,185)	--	346,383
513	Total Equity - Net Assets / Position	2,548,536	36,208	2,333,910	--	80,064	--	4,998,718
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	3,546,992	235,941	3,874,275	--	197,814	(117,300)	7,737,722
70300	Net Tenant Rental Revenue	530,333	--	893,782	12,944	23,550	--	1,460,609
70500	Total Tenant Revenue	530,333	--	893,782	12,944	23,550	--	1,460,609
70600	HUD PHA Operating Grants	284,334	1,421,060	--	--	--	--	1,705,394
70610	Capital Grants	165,708	--	--	--	--	--	165,708
70700	Total Fee Revenue	--	--	--	--	--	--	--
70800	Other Government Grants	--	--	1,696,949	--	--	--	1,696,949
71100	Investment Income - Unrestricted	31	--	31	--	--	--	62
71400	Fraud Recovery	--	1,340	--	--	--	--	1,340
71500	Other Revenue	5,307	172,985	3,543	--	--	--	181,835
70000	Total Revenue	985,713	1,595,385	2,594,305	12,944	23,550	--	5,211,897

See Independent Auditors' Report on Supplementary Information

HUDSON HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE
(presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	State/Local	Business Activities	Component Unit - Blended	Eliminations	Total
91100	Administrative Salaries	94,634	53,958	151,051	--	--	--	299,643
91200	Auditing Fees	11,000	11,000	4,500	--	--	--	26,500
91300	Management Fee	--	--	--	694	1,496	--	2,190
91500	Employee Benefit contributions - Administrative	46,960	27,137	75,976	--	--	--	150,073
91700	Legal Expense	27,066	10,056	--	4,203	4,067	--	45,392
91800	Travel	340	234	323	--	--	--	897
91900	Other	35,429	26,843	44,334	582	569	--	107,757
91000	Total Operating - Administrative	215,429	129,228	276,184	5,479	6,132	--	632,452
92500	Total Tenant Services	--	--	--	--	--	--	--
93100	Water	49,183	--	74,181	--	--	--	123,364
93200	Electricity	27,650	--	131,743	124	80	--	159,597
93300	Gas	45,025	--	--	652	76	--	45,753
93000	Total Utilities	121,858	--	205,924	776	156	--	328,714
94100	Ordinary Maintenance and Operations - Labor	125,210	--	166,688	--	--	--	291,898
94200	Ordinary Maintenance and Operations - Materials and Other	32,647	--	27,289	3,274	823	--	64,033
94300	Ordinary Maintenance and Operations Contracts	59,763	--	63,943	8,228	4,245	--	136,179
94500	Employee Benefit Contributions - Ordinary Maintenance	59,123	--	80,126	--	--	--	139,249
94000	Total Maintenance	276,743	--	338,046	11,502	5,068	--	631,359
95000	Total Protective Services	--	--	--	--	--	--	--
96110	Property Insurance	40,957	--	41,036	887	532	--	83,412
96120	Liability Insurance	8,845	1,004	--	629	378	--	10,856
96130	Workmen's Compensation	3,414	896	5,002	--	--	--	9,312
96140	All Other Insurance	4,839	491	5,807	--	--	--	11,137
96100	Total insurance Premiums	58,055	2,391	51,845	1,516	910	--	114,717
96200	Other General Expenses	--	--	13,959	--	--	--	13,959
96210	Compensated Absences	1,391	--	1,872	--	--	--	3,263
96300	Payments in Lieu of Taxes	40,848	--	1,440	5,442	3,333	--	51,063
96400	Bad debt - Tenant Rents	3,433	--	2,083	6,200	--	--	11,716
96000	Total Other General Expenses	45,672	--	19,354	11,642	3,333	--	80,001

See Independent Auditors' Report on Supplementary Information

HUDSON HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE
(presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 01	Housing Choice Vouchers	State/Local	Business Activities	Component Unit - Blended	Eliminations	Total
96700	Total Interest Expense and Amortization Cost	--	--	--	--	--	--	--
96900	Total Operating Expenses	717,757	131,619	891,353	30,915	15,599	--	1,787,243
97000	Excess of Operating Revenue over Operating Expenses	267,956	1,463,766	1,702,952	(17,971)	7,951	--	3,424,654
97100	Extraordinary Maintenance	59,893	--	75,715	3,028	--	--	138,636
97300	Housing Assistance Payments	--	1,272,137	629,318	--	--	--	1,901,455
97350	HAP Portability-In	--	165,955	--	--	--	--	165,955
97400	Depreciation Expense	329,792	--	117,867	5,548	3,329	--	456,536
90000	Total Expenses	1,107,442	1,569,711	1,714,253	39,491	18,928	--	4,449,825
10100	Total Other financing Sources (Uses)	--	--	--	--	--	--	--
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(121,729)	25,674	880,052	(26,547)	4,622	--	762,072
11030	Beginning Equity	2,670,265	10,534	1,453,858	101,989	--	--	4,236,646
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	--	--	--	(75,442)	75,442	--	--
11170	Administrative Fee Equity	--	2,284	--	--	--	--	2,284
11180	Housing Assistance Payments Equity	--	33,924	--	--	--	--	33,924
11190	Unit Months Available	1,104	864	2,098	16	8	--	4,090
11210	Number of Unit Months Leased	1,075	831	2,098	9	8	--	4,021
11620	Building Purchases	165,708	--	--	--	--	--	165,708

See Independent Auditors' Report on Supplementary Information

HUDSON HOUSING AUTHORITY

SUPPLEMENTARY SCHEDULE OF ACTUAL MODERNIZATION COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Project:	**MA01P091501-22**	**MA01P091501-23**
Modernization Funds Approved	$ 240,356	$ 239,971
Modernization Funds Expended	240,356	239,971
Excess of Modernization Funds Approved	$ --	$ --
Modernization Funds Advanced	$ 240,356	$ 239,971
Modernization Funds Expended	240,356	239,971
Excess of Modernization Funds Advanced	$ --	$ --

Based on our review of the completed projects:

1) All work in connection with the projects is complete.

2) All liabilities have been incurred and discharged through payment.

See Independent Auditors' Report on Supplementary Information

HUDSON HOUSING AUTHORITY

SUPPLEMENTARY SCHEDULE OF ACTUAL MODERNIZATION COSTS – UNCOMPLETED

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Project:	**MA01P091501-24**
Modernization Funds Approved	$ 244,923
Modernization Funds Expended	15,831
Excess of Modernization Funds Approved	$ 229,092
Modernization Funds Advanced	$ 15,831
Modernization Funds Expended	15,831
Excess of Modernization Funds Advanced	$ --

See Independent Auditors' Report on Supplementary Information

HUDSON HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
Department of Housing & Urban Development (HUD)				
Housing Voucher Cluster				
Housing Choice Vouchers	14.871	--	$ --	$ 1,403,756
Total Housing Voucher Cluster			--	1,403,756
Public and Indian Housing	14.850	--	--	284,334
Public Housing Capital Fund (CFP)	14.872	--	--	165,708
Total Department of Housing & Urban Development			--	1,853,798
Department of the Treasury				
Passed through Commonwealth of Massachusetts:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	--	--	922,295
Total Department of the Treasury			--	922,295
Total Expenditures of Federal Awards			$ --	$ 2,776,093

See Notes to the Schedule of Expenditures of Federal Awards

HUDSON HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Hudson Housing Authority, under programs of the federal government for the year ended September 30, 2025. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Hudson Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of Hudson Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. For cost-reimbursement awards, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. For performance-based awards, expenditures reported represent amounts earned.

NOTE 3 – INDIRECT COST RATE

The Hudson Housing Authority has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

CBIZ CPAs P.C.

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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 of
Hudson Housing Authority
Hudson**,** Massachusetts

We have audited, in accordance with the 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 ("*Government Auditing Standards*"), the financial statements of the Hudson Housing Authority (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, and have issued our report thereon dated June 26, 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 Authority'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 Authority'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.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, Massachusetts
June 26, 2026

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Commissioners
Hudson Housing Authority
Hudson, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However,

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, Massachusetts
June 26, 2026

HUDSON HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None Reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

FEDERAL AWARDS

Internal control over the major federal program:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None Reported

Type of auditors' report issued on compliance for the major federal program: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes __X__ No

Identification of the major federal program:

Assistance Listing Number	**Name of Federal Program or Cluster**
14.871	Housing Voucher Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000

Auditee qualified as low-risk auditee? __X__ Yes ____ No

HUDSON HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II - FINANCIAL STATEMENTS FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No prior audit findings.

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Hudson Housing Authority
Hudson, Massachusetts

We have performed the procedures described in the third paragraph of this report on the electronic submission of certain information that was included with the related hard copy documents within the audit reporting package. Hudson Housing Authority (the "Authority") is responsible for the accuracy and completeness of the electronic submission.

The Authority and the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

> We compared the electronic submission of the items listed in the "*UFRS Rule Information*" column with the corresponding printed documents listed in the "*Hard Copy Documents*" column. The results of the performance of our agreed-upon procedures indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

We were engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of the Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the Authority as of and for the year ended September 30, 2025 and have issued our reports thereon dated June 26, 2026. The information in the "*Hard Copy Documents*" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated June 26, 2026, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package, required by the Uniform Guidance, which includes the auditors' reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC Online Systems.

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

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Boston, Massachusetts
June 26, 2026

Attachment to *Independent Accountants' Report on Applying Agreed-Upon Procedures*

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	FINDING
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDAs, If applicable	**Agrees**
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	**Agrees**
3	Type of opinion on FDS (data element G3100-040)	Auditors' supplemental report on FDS	**Agrees**
4	Audit findings narrative (data element G5200-010	Schedule of Findings and Questioned costs	**Agrees**
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	**Agrees**
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	**Agrees**
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	**Agrees**
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	**Agrees**
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	**Agrees**