

Eastern Iowa Regional Housing Authority

Financial Statements

June 30, 2025

Eastern Iowa Regional Housing Authority
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Independent Auditor's Report

To the Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and discretely presented component unit of the Eastern Iowa Regional Housing Authority (the Authority) as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the Eastern Iowa Regional Housing Authority as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matter

The financial statements of the Authority for the year ended June 30, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on October 25, 2024.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting 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 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 GAS, 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 the management's discussion and analysis 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The *combining financial statements* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were 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 auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements 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 January 16, 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 the testing, and not to provide an opinion on the effectiveness of 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.

Bergan KDV, Ltd.

Minneapolis, Minnesota

January 16, 2026

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**Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2025**

This section of the Eastern Iowa Regional Housing Authority's (the Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2025. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets, all deferred outflows of resources, all liabilities, and all deferred inflows of resources, associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL HIGHLIGHTS

The term "net position" refers to the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The Authority's total net position as of June 30, 2025, was \$5,941,722. The net position decreased by \$160,716 from the prior year.

- The Authority had a net increase of \$146,118 in the Low Rent Public Housing and Capital Fund Programs, \$454,860 net decrease in the Section 8 Housing Choice Vouchers Program, \$59,221 net increase in FSS Escrow Forfeitures, \$3,119 net decrease in the USDA Housing Program, \$4,524 net decrease in Home Investment Partnership Program (Tenant Based Rental Assistance), \$7,882 net decrease in the Tax Credit Program, \$73,227 net increase for the Housing Trust Fund, and a \$31,053 net increase for the Evergreen Meadows and Asbury Meadows segments.
- Revenues for the Authority were \$11,285,301 for the year ended June 30, 2025. This decreased \$484,162 or 4.1% from the prior year.
- Expenses for the Authority were \$11,446,017 for the year ended June 30, 2025. This decreased \$194,165 or 1.7% from the prior year.
- Rental income for the Authority was \$907,845 for the year ended June 30, 2025, an increase of \$59,450 or 7.0% over the prior year.
- Operating grant revenue for the Authority was \$8,793,033 for the year ended June 30, 2025, a decrease of \$836,746 or 8.7% from the prior year.
- Revenue reported from capital grants for the year ended June 30, 2025 was \$425,861, an increase of \$248,389 or 140.0% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required by HUD*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

**Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS - (CONTINUED)

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets and deferred outflows of resources) and obligations of the Authority creditors (liabilities and deferred inflows of resources). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required by HUD*. HUD has established *Uniform Financial Reporting Standards* that requires the Authority to submit financial information electronically to HUD using the FDS format. This financial information is electronically transmitted to the Real Estate Assessment Center (REAC) and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,941,722 at the close of the year ended June 30, 2025, down from \$6,102,438 at the end of fiscal year 2024. The decrease in net position of \$160,716 was due to the reasons noted below.

1. There was notable decrease in the revenue for the Housing Choice Vouchers program due to an offset adjustment that was imposed by HUD during fiscal 2025. Revenues were approximately \$950,000 less in fiscal 2025 as compared to the prior year for that program, while programs expenses only decreased by roughly \$170,000.
2. For the EIRHC component unit, the Housing Trust Fund program experienced an increase in net position of approximately \$73,000 compared to a decrease of roughly \$5,000 in the prior year with revenues increasing by nearly \$160,000 while expenses increased by a comparatively less \$80,000.

**Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2025**

FINANCIAL ANALYSIS - (CONTINUED)

CONDENSED STATEMENTS OF NET POSITION

	<u>FY 2025</u>	<u>FY 2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 2,849,470	\$ 2,523,102	\$ 326,368	12.9%
Non-current assets	<u>6,211,233</u>	<u>6,523,566</u>	<u>(312,333)</u>	<u>-4.8%</u>
Total Assets	<u>9,060,703</u>	<u>9,046,668</u>	<u>14,035</u>	<u>0.2%</u>
Current liabilities	699,550	527,061	172,489	32.7%
Non-current liabilities	<u>2,419,431</u>	<u>2,417,169</u>	<u>2,262</u>	<u>0.1%</u>
Total Liabilities	<u>3,118,981</u>	<u>2,944,230</u>	<u>174,751</u>	<u>5.9%</u>
Net Position				
Net investment in capital assets	4,089,632	4,243,895	(154,263)	-3.6%
Restricted	412,086	660,470	(248,384)	-37.6%
Unrestricted	<u>1,440,004</u>	<u>1,198,073</u>	<u>241,931</u>	<u>20.2%</u>
Total Net Position	<u>\$ 5,941,722</u>	<u>\$ 6,102,438</u>	<u>\$ (160,716)</u>	<u>-2.6%</u>

The unrestricted net position was \$1,440,004 as of June 30, 2025. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays, excluding housing assistance payments, for approximately four months. Restricted net position was \$412,086 as of June 30, 2025, of which roughly 60% relates to restricted funds for Evergreen Meadows and Asbury Meadows. Approximately 25% of the restricted total relates to the FSS Escrow Forfeiture Account. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

The largest portion of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less accumulated depreciation and related long-term debt. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

The 2024 approved capital grant (501-24) totals \$357,732 and was 100.0% expended as of June 30, 2025. The following is a summary of individual grant line items, budget amount, percent expended as of 6/30/25, and development account:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Development Account</u>
1406	\$100,000	100.0%	Operations
1410	\$ 10,000	100.0%	Administration
1480	\$247,732	100.0%	General Capital Activity

**Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2025**

FINANCIAL ANALYSIS - (CONTINUED)

While the Statement of Net Position shows the composition of items at a point in time, the Statement of Revenues, Expenses, and Changes in Net Position provides information as to the nature and source of the changes in net position that occurred during the fiscal year.

As can be seen in the table below, total revenues decreased \$484,162 (4.1%) due to the reasons noted on the following page.

CONDENSED STATEMENTS OF NET ASSETS

	FY 2004	FY 2003	Dollar Change	Percent Change
Current and other assets	\$ 266,707.29	\$ 227,463.38	\$ 39,243.91	17.3%
Capital assets	991,832.78	990,944.10	888.68	0.1%
Total Assets	1,258,540.07	1,218,407.48	40,132.59	3.3%
Long-term debt outstanding	-	-	-	0.0%
Other liabilities	32,481.59	40,137.13	(7,655.54)	-19.1%
Total Liabilities	32,481.59	40,137.13	(7,655.54)	-19.1%
 Net Assets				
Invested in capital assets, net of related debt	991,832.78	990,944.10	888.68	0.1%
Restricted	-	-	-	0.0%
Unrestricted	234,225.70	187,326.25	46,899.45	25.0%
Total Net Assets	\$ 1,226,058.48	\$ 1,178,270.35	\$ 47,788.13	4.1%

- As noted on page 6, there was a significant offset adjustment imposed by HUD during fiscal 2025 which was the primary driver for revenues in the Housing Choice Vouchers program being approximately 10% less than the prior year.
- Capital grant revenue increased based on the related budget described on page 7.

Total expenses decreased by \$194,165 (1.7%) due primarily to the reasons noted below.

- Maintenance and operations decreased \$238,044 or 20.2% mainly due to an increased level of non-recurring contracted maintenance services in the prior year.

EIRHA currently owns and manages 163 public housing units. These units are located in Dyersville, Bellevue, Manchester, Colesburg, Miles, Sabula, DeWitt, Holy Cross, Hopkinton, Worthington, Delmar, Preston, Peosta, and Wheatland. Overall, the projects maintain a 98.77% occupancy level. There are 85 units of elderly and 78 units of family. The family housing is scattered site single family homes and duplexes. Currently EIRHA has 4 four-bedroom units, 29 three-bedroom units, 46 two-bedroom units, and 84 one-bedroom units.

**Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2025**

FINANCIAL ANALYSIS - (CONTINUED)

EIRHA is authorized to assist 989 households with the Housing Choice Voucher Rental Assistance Program. Of the 989 vouchers, the City of Maquoketa is given priority to their original 156 vouchers under their Annual Contributions Contract that EIRHA assumed. From July 1, 2024, through June 30, 2025, EIRHA served 87 families in the City of Maquoketa. In July 2014 EIRHA received an additional 100 vouchers from the City of Bettendorf. From July 1, 2024, through June 30, 2025, EIRHA served 301 families in the City of Bettendorf. The Section 8 lease up rate for FY 2025 was 75.34%, down from 91.60% in the prior year. EIRHA expended \$6,121,801 or 105.33% of housing assistance received from HUD during FY 2025.

In February 2020, EIRHA was awarded 30 Mainstream Vouchers to assist non-elderly persons with disabilities. Nine Mainstream Vouchers were awarded under the CARES Act in March 2020. Forty Mainstream Vouchers were awarded in November 2020. And an additional award of 10 vouchers was received in September 2022. The Mainstream Voucher program currently is authorized to assist 89 households. From July 1, 2024 through June 2025, EIRHA served 75 households.

In October 2020, EIRHA was awarded 6 Foster Youth to Independence Vouchers to assist young people aging out of Foster Care. Due to lack of referrals from the Department of Human Services, EIRHC reduced this number to 0 during FY'25. From July 1, 2024, through June 30, 2025, EIRHA served 0 individuals on this program.

EIRHC owns 10 one-bedroom USDA units that are designed for the elderly/handicapped/disabled, located in Grand Mound (6 units) and Worthington (4 units). In addition, EIRHC also assumed the Limited Partnership interest, for debt only, of the two Tax Credit financed sites that fulfilled their 15-year compliance period. These properties consist of the Evergreen Meadows 24-unit complex located in Peosta, Iowa and has 3 four-bedroom units, 11 three-bedroom units and 10 two bedroom units, and the Asbury Meadows 32 unit complex located in Asbury, Iowa which has 6 four bedroom units, 14 three bedroom units and 12 two bedroom units. The EIRHC is committed to maintaining these properties as affordable housing over the extended use period.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Authority's net investment in capital assets as of June 30, 2025, amounts to \$4,089,632. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress, net of accumulated depreciation and related debt.

The total decrease in the Authority's investment in capital assets for the current fiscal year was approximately 5% in terms of net book value. Actual expenditures for capital assets were \$205,627 for the year. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$493,821 Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Disposals	Ending
Capital assets	\$6,429,415	\$205,627	\$493,821	\$(16,927)	\$6,124,294

**Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration - The USDA project has several mortgages that were used to purchase land and buildings for the Rural Rental Housing Assistance Program. In FY 2021, EIRHC assumed the Asbury Meadows property with a HOME loan and a mortgage loan. In FY 2019, EIRHC assumed the Evergreen Meadows property with a HOME loan and mortgage loan. Total mortgage debt outstanding at the end of fiscal 2025 was \$2,085,144, down from \$2,233,561 at the end of the prior year.

Additional information on the Authority's long-term debt can be found in the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2026 Public Housing budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidies are based on occupied units and approved vacancies, utility consumption and rates, approved add-ons, formula income, and transition funding. The amount of funding is also established and approved by HUD. Formula income is based on rental income from the Authority's rent roll records for the period specified by HUD. Operating expenses are expected to increase by the economy's inflation rate.

The Authority receives annual budget authority from HUD based on prior year leasing and HAP utilization. In addition to annual budget authority, the Authority has \$0 in HAP Reserves and \$436,470 in HUD-Held Program Reserves available for housing assistance payments. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2026 and adjusted for proration which is currently at 88.513%.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Michelle Schnier
Director of Housing and Support Services
Eastern Iowa Regional Housing Authority
7600 Commerce Park
Dubuque, Iowa 52002

BASIC FINANCIAL STATEMENTS

Eastern Iowa Regional Housing Authority
Statement of Net Position
June 30, 2025

	Primary Government	EIRHC Component Unit	Total (Memorandum Only)
Assets			
Current assets			
Cash and cash equivalents	\$ 897,129	\$ 579,181	\$ 1,476,310
Cash and cash equivalents - restricted	597,704	344,249	941,953
Tenant receivables, net	15,662	9,655	25,317
Other receivables	96,063	97,458	193,521
Due from other governments	76,653		76,653
Prepaid expense	63,797	64,707	128,504
Note receivable - current portion		7,212	7,212
Total current assets	<u>1,747,008</u>	<u>1,102,462</u>	<u>2,849,470</u>
Noncurrent assets			
Note receivable		86,939	86,939
Land	823,786	377,286	1,201,072
Buildings and improvements, net	1,633,578	2,966,867	4,600,445
Land improvements, net	166,532	36,802	203,334
Equipment and furniture, net	119,116	327	119,443
Total noncurrent assets	<u>2,743,012</u>	<u>3,468,221</u>	<u>6,211,233</u>
Total assets	<u>\$ 4,490,020</u>	<u>\$ 4,570,683</u>	<u>\$ 9,060,703</u>
Liabilities and Net Position			
Current liabilities			
Accounts payable	\$ 53,890	\$ 126,466	\$ 180,356
Accrued liabilities	13,363		13,363
Accrued interest payable		465	465
Unearned revenue	148,482		148,482
Due to other governments	161,304		161,304
Tenants' security deposits	47,941	38,493	86,434
Notes payable - current portion		109,146	109,146
Total current liabilities	<u>424,980</u>	<u>274,570</u>	<u>699,550</u>
Noncurrent liabilities			
Notes payable		1,975,998	1,975,998
Tenants' FSS escrow	443,433		443,433
Total noncurrent liabilities	<u>443,433</u>	<u>1,975,998</u>	<u>2,419,431</u>
Total liabilities	<u>868,413</u>	<u>2,250,568</u>	<u>3,118,981</u>
Net Position			
Net investment in capital assets	2,743,012	1,346,620	4,089,632
Restricted	106,330	305,756	412,086
Unrestricted	772,265	667,739	1,440,004
Total net position	<u>3,621,607</u>	<u>2,320,115</u>	<u>5,941,722</u>
Total liabilities and net position	<u>\$ 4,490,020</u>	<u>\$ 4,570,683</u>	<u>\$ 9,060,703</u>

Eastern Iowa Regional Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

	Primary Government	EIRHC Component Unit	Total (Memorandum Only)
Operating Revenues			
Rental Income	\$ 434,403	\$ 473,442	\$ 907,845
Operating grants	8,293,968	499,065	8,793,033
Other operating revenue	91,499	1,055,683	1,147,182
Total operating revenues	<u>8,819,870</u>	<u>2,028,190</u>	<u>10,848,060</u>
Operating Expenses			
Administration	1,234,504	122,770	1,357,274
Tenant services	445,275	445,275	
Utilities	106,383	89,093	195,476
Maintenance and operations	761,269	177,324	938,593
General expense	140,238	873,606	1,013,844
Housing assistance payments	6,555,307	433,208	6,988,515
Depreciation	254,084	239,737	493,821
Total operating expenses	<u>9,497,060</u>	<u>1,935,738</u>	<u>11,432,798</u>
Operating income (loss)	<u>(677,190)</u>	<u>92,452</u>	<u>(584,738)</u>
Non-Operating Revenues (Expenses)			
Interest Income	1,808	4,916	6,724
Interest subsidy		4,656	4,656
Capital grants	425,861		425,861
Interest expense		(13,219)	(13,219)
Net non-operating revenues (expenses)	<u>427,669</u>	<u>(3,647)</u>	<u>424,022</u>
Change in net position	<u>(249,521)</u>	<u>88,805</u>	<u>(160,716)</u>
Net Position			
Beginning of year	3,871,128	2,231,310	6,102,438
End of year	<u>\$ 3,621,607</u>	<u>\$ 2,320,115</u>	<u>\$ 5,941,722</u>

Eastern Iowa Regional Housing Authority
Statement of Cash Flows
Year Ended June 30, 2025

	Primary Government	EIRHC Component Unit	Total (Memorandum Only)
Cash Flows - Operating Activities			
Cash received from tenants	\$ 434,199	\$ 485,072	\$ 919,271
Cash received from grantors	8,508,104	499,065	9,007,169
Other income received	91,499	965,259	1,056,758
Cash payments to employees	-	-	-
Cash payments for housing assistance	(6,555,307)	(433,208)	(6,988,515)
Net cash flows - operating activities	<u>(118,798)</u>	<u>254,410</u>	<u>135,612</u>
Cash Flows - Capital and Related Financing Activities			
Capital grants	425,861	-	425,861
Acquisition of capital assets	(205,627)	-	(205,627)
Principal paid on long-term debt	-	(148,417)	(148,417)
Interest paid on long-term debt	-	(13,556)	(13,556)
Net cash flows - capital and related financing activities	<u>220,234</u>	<u>(161,973)</u>	<u>58,261</u>
Cash Flows - Investing Activities			
Interest received	<u>1,808</u>	<u>5,423</u>	<u>7,231</u>
Net change in cash and restricted cash and equivalents	<u>103,244</u>	<u>97,860</u>	<u>201,104</u>
Cash and Restricted Cash and Equivalents			
Beginning of year	<u>1,391,589</u>	<u>825,570</u>	<u>2,217,159</u>
End of year	<u>\$ 1,494,833</u>	<u>\$ 923,430</u>	<u>\$ 2,418,263</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities			
Operating income (loss)	\$ (677,190)	\$ 92,452	\$ (584,738)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Depreciation	254,084	239,737	493,821
Changes in assets and liabilities			
Receivables	6,083	(85,828)	(79,745)
Due from other governments	12,701	-	12,701
Prepaid expense	(17,354)	(62,428)	(79,782)
Accounts payable	29,931	63,444	93,375
Accrued liabilities	(35,445)		(35,445)
Due to other governments	50,958		50,958
Unearned revenue	146,962	5,595	152,557
Tenants' security deposits	(1,969)	1,438	(531)
Tenants' FSS escrow	<u>112,441</u>		<u>112,441</u>
Net cash flows - operating activities	<u>\$ (118,798)</u>	<u>\$ 254,410</u>	<u>\$ 135,612</u>

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Eastern Iowa Regional Housing Authority (the Authority) is organized pursuant to the provisions of Chapter 403A and Chapter 28E of the Code of Iowa for the purposes of owning and providing affordable housing rental units and to provide rent subsidies to low and moderate-income individuals in Dubuque, Delaware, Jackson, Cedar, Clinton, Jones and Scott counties excluding the cities of Dubuque, Clinton, Camanche and Davenport. The Authority Board consists of elected directors and housing commissioners from those counties.

In accordance with Statement No. 61, issued by the Governmental Accounting Standards Board (GASB), the basis criterion for including a legally separate organization as a component unit is the degree of financial accountability the Authority has with the organization. The following circumstances set forth the Authority's financial accountability for a legally separate organization.

The Authority is financially accountable if it appoints a voting majority of the organization's governing body and (1) can impose its will on the organization or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority.

The Authority may be financially accountable if an organization is fiscally dependent on the Authority regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Based upon the application of these criteria, this report includes the following component unit: The Eastern Iowa Regional Housing Corporation (EIRHC), which is shown as a discretely presented component unit because of the significance of its operational and financial relationship with the Authority, including having the same governing board.

EIRHC is a not-for-profit 501(c)(3) corporation established under the laws of the State of Iowa. Its purpose is to provide housing and community development projects that are outside the range of services the Authority can provide. EIRHC owns and operates ten one-bedroom USDA units and two other apartment complexes, Asbury Meadows and Evergreen Meadows, all of which provide low-income housing to eligible households. EIRHC is also a Housing Trust Fund (HTF) designee under Iowa Code Section 16.181. The intended use of these funds is for the development and preservation of low-income housing. The last program that EIRHC operates is the Home Investment Partnership Program (TBRA), which provides rental subsidies for low-income families. EIRHC has entered into agreements with the Authority and the East Central Intergovernmental Association (ECIA) for staffing services. EIRHC does not have separately issued financial statements.

B. Programs Administered by the Housing Authority

The programs of the Authority are recorded in one enterprise fund. Each program is maintained using a separate set of self-balancing accounts. The programs include Public Housing, Housing Choice Vouchers, ROSS FSS/ESS, Housing Counseling Assistance, FSS Escrow Forfeiture, Lead Grant and the HRH Grant.

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

The Authority's basic financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Authority applies all pronouncements of the GASB.

All activities of the Authority are accounted for within one proprietary (enterprise) fund. A proprietary fund is used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the government body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

A proprietary fund distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Authority is rents collected from tenants and operating grants. Operating expenses for a proprietary fund include the cost of operating properties owned, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included in the statement of net position. Net position (i.e. total assets net of total liabilities) is segregated into net investment in capital assets, restricted, and unrestricted components. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

E Cash and Cash Equivalents - Restricted

Restricted cash and cash equivalents are segregated resources held for tenant security deposits, unspent housing assistance payments, tenant self-sufficiency (FSS) deposits and replacement reserve deposits.

F. Accounts Receivable

Accounts receivable are recorded at the gross amount, less an allowance for doubtful accounts. The allowance for doubtful accounts was \$428 for Public Housing and \$51,490 for Housing Choice Vouchers as of June 30, 2025. The component unit has recorded allowances for doubtful accounts of \$2,000 for Evergreen Meadows and \$4,000 for Asbury Meadows.

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Expenses

Prepaid expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2025. The premiums on all major insurance policies are charged to prepaid expenses and amortized over the life of the policy.

H. Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to capitalize fixed assets costing more than \$10,000 and expected to last more than one year. The cost of maintenance and repairs that do not add value to assets or materially extend asset lives is not capitalized. Buildings, improvements, and equipment are depreciated using a straight-line method over their estimated useful lives as follows:

Buildings	40 years
Building and land improvements	5-20 years
Equipment and furniture	3-10 years

I. Impairment of Long-Lived Assets

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate the value of an asset may not be recovered. If the fair value is less than the carrying amount of an asset, an impairment loss is recognized for the difference. No impairment loss was recognized during the year ended June 30, 2025.

J. Note Receivable

The note receivable of the component unit consists of a 2% per annum promissory note from Community Housing Initiative, Inc., secured by a mortgage on property it owns.

K. Net Position Classifications

Net position represents the difference between the total assets and the total liabilities. Net position is divided into three categories: 1) Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets; 2) Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments; and 3) Unrestricted net position is net position for which the Authority has no legal financial obligations.

L. Federal and State Aids

Federal and state aids for reimbursable programs are recognized as revenue in the year the related program expenses are incurred. Aids received prior to meeting revenue recognition criteria are recorded as unearned revenue.

M. Internal Activity

During the course of operations, numerous transactions occur between individual programs for goods provided or services rendered. These receivables and payables are eliminated in the basic financial statements.

N. Rental Income

Rental income is recognized as rents come due.

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Economic Dependency

The Authority (including the component unit) receives approximately 80% of its total operating revenues from the federal government.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Q. Budgetary Process

The Authority prepares an annual operating budget with formal approval prior to the start of its fiscal year from the governing board. The United States Department of Housing and Urban Development (HUD) requests that the Authority keep the budget on file and to submit to HUD the calculation for the operating subsidy. The Authority must prepare a revised operating budget only when total expenses exceed the amount originally budgeted. The revised budget, if amended, is also kept on file at the Authority's office.

R. Subsequent Events

The Authority has evaluated subsequent events through January 16, 2026, the date on which the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Applicable regulations and statutes authorize the Authority to have deposits in checking accounts, certificates of deposit, money market funds, United States government securities, and repurchase agreements fully collateralized by United States government securities.

At June 30, 2025, the primary government reported cash and cash equivalents as follows:

Cash and cash equivalents	\$ 897,129
Cash and cash equivalents - restricted	<u>597,704</u>
 Total	 <u>\$ 1,494,833</u>

At June 30, 2025, the component unit reported cash and cash equivalents as follows:

Cash and cash equivalents	\$ 579,181
Cash and cash equivalents - restricted	<u>344,249</u>
 Total	 <u>\$ 923,430</u>

A. Determining Fair Value

The fair value of the Authority's deposits is determined as follows: deposits with stated interest rates (operating accounts, savings accounts, certificates of deposit, repurchase agreements, and money market accounts) are stated at cost, which approximates fair market value.

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

B. Income Allocation

Interest income is generally allocated to the program that owns the operating account, savings account, certificates of deposit, repurchase agreement, or money market account.

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The primary government and component unit do not have a deposit policy for custodial credit risk. The bank deposits were entirely covered by FDIC insurance or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Iowa Code. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. Amounts in excess of FDIC insurance varied during the fiscal year.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the primary government is as follows:

	Balance 6/30/2024	Additions	Deductions	Balance 6/30/2025
Land (non-depreciable)	\$ 823,786	\$ -	\$ -	\$ 823,786
Depreciable capital assets				
Land improvements	297,501	-	-	297,501
Buildings and improvements	10,575,031	193,803	22,082	10,746,752
Furniture and equipment				
Dwellings	136,237	11,824	-	148,061
Administration	328,302	-	-	328,302
	<u>11,337,071</u>	<u>205,627</u>	<u>22,082</u>	<u>11,520,616</u>
Total capital assets	12,160,857	205,627	22,082	12,344,402
Less accumulated depreciation				
Land improvements	113,148	17,821	-	130,969
Buildings and improvements	8,920,774	197,555	5,155	9,113,174
Furniture and equipment				
Dwellings	63,115	12,592	-	75,707
Administration	255,424	26,116	-	281,540
	<u>9,352,461</u>	<u>254,084</u>	<u>5,155</u>	<u>9,601,390</u>
Net capital assets	<u><u>\$ 2,808,396</u></u>	<u><u>\$ (48,457)</u></u>	<u><u>\$ 16,927</u></u>	<u><u>\$ 2,743,012</u></u>

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 3 - CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets for the component unit is as follows:

	Balance 6/30/2024	Additions	Deductions	Balance 6/30/2025
Land (non-depreciable)	\$ 377,286	\$ -	\$ -	\$ 377,286
Depreciable capital assets				
Land improvements	373,207	-	-	373,207
Buildings and improvements	7,405,450	-	-	7,405,450
Furniture and equipment				
Dwellings	561,707	-	-	561,707
Administration	31,770	-	-	31,770
	<u>8,372,134</u>	<u>-</u>	<u>-</u>	<u>8,372,134</u>
Total capital assets	8,749,420	-	-	8,749,420
Accumulated depreciation				
Land improvements	333,625	2,780	-	336,405
Buildings and improvements	4,201,776	236,807	-	4,438,583
Furniture and equipment				
Dwellings	561,230	150	-	561,380
Administration	31,770	-	-	31,770
	<u>5,128,401</u>	<u>239,737</u>	<u>-</u>	<u>5,368,138</u>
Net capital assets	<u>\$ 3,621,019</u>	<u>\$ (239,737)</u>	<u>\$ -</u>	<u>\$ 3,381,282</u>

NOTE 4 - LONG-TERM OBLIGATIONS

Details of the primary government's long-term obligations are set forth below:

Tenant FSS escrow account activity is summarized below:

Balance 6/30/2024	Net Additions	Net Reductions	Balance 6/30/2025	Amount Due Within One Year
<u>\$ 330,992</u>	<u>\$ 112,441</u>	<u>\$ -</u>	<u>\$ 443,433</u>	<u>\$ -</u>

Details of the component unit's long-term obligations are set forth below:

Balance 6/30/2024	Net Additions	Net Reductions	Balance 6/30/2025	Amount Due Within One Year
<u>\$ 2,233,561</u>	<u>\$ -</u>	<u>\$ 148,417</u>	<u>\$ 2,085,144</u>	<u>\$ 109,146</u>

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2025, long-term obligations of the component unit consist of:

USDA

Mortgage note payable to USDA, interest at 7.25%, monthly payments of \$1,200, including interest (which is subsidized to 1%). Matures on July 1, 2044 and is collateralized by real and personal property.	\$ 132,502
Mortgage note payable to USDA, interest at 6.50%, monthly payments of \$654, including interest (which is subsidized to 1%). Matures on April 1, 2044 and is collateralized by real and personal property.	84,955
Mortgage note payable to USDA, interest at 6.50%, monthly payments of \$23, including interest (which is subsidized to 1%). Matures on April 1, 2044 and is collateralized by real and personal property.	2,924

Evergreen Meadows

Note payable to MidWestOne Bank, interest at 4.97%, monthly payments of \$5,986, including interest. Matures on January 1, 2026 and is collateralized by real and personal property.	27,292
Note payable to Iowa Finance Authority (IFA), 0% interest, with annual payments of \$1,000, commencing September 30, 2019. Balloon due on September 30, 2026. Collateralized by real and personal property.	748,012

Asbury Meadows

Note payable to MidWestOne Bank, interest at 3.75%, monthly payments of \$6,180, including interest. Matures on October 16, 2028 and is collateralized by real and personal property.	229,358
Note payable to Iowa Finance Authority (IFA), 0% interest, with annual payments of \$6,000 - \$8,000, commencing May 19, 2021. Balloon due on April 30, 2026. Collateralized by real and personal property.	860,101
Total long-term obligations - component unit	2,085,144
Less: current maturities	<u>109,146</u>

Total noncurrent portion of long-term obligations - component unit \$ 1,975,998

Eastern Iowa Regional Housing Authority
Notes to Financial Statements

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

Future maturities of the component unit long-term obligations at June 30, 2025 are:

June 30,	Principal	Interest
2026	\$ 109,146	\$ 20,340
2027	832,134	16,887
2028	925,470	14,134
2029	30,934	13,366
2030	9,817	12,704
2031-2035	60,824	51,778
2036-2040	86,274	26,328
2041-2045	<u>30,545</u>	<u>3,534</u>
 Totals	 <u>\$ 2,085,144</u>	 <u>\$ 159,071</u>

On October 10, 2025, the Iowa Finance Authority executed the paperwork for the forgiveness of the note payable, for Evergreen Meadows, as shown on the previous page in the amount of \$748,012.

NOTE 5 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 6 - RESTRICTED NET POSITION

The following is a summary of individual net position restrictions for the primary government at June 30, 2025:

Program	Purpose	Amount
FSS Escrow Forfeiture	Tenant FSS's forfeited escrow	\$ 106,330

The following is a summary of individual net position restrictions for the component unit at June 30, 2025:

Program	Purpose	Amount
Rural Rental Housing	Replacement reserve	\$ 52,452
Evergreen Meadows	Operating reserve	31,823
Asbury Meadows	Operating reserve	221,481
 Total		 <u>\$ 305,756</u>

SUPPLEMENTARY INFORMATION

Eastern Iowa Regional Housing Authority
Combining Statement of Net Position - Primary Government
June 30, 2025

	Public Housing	Housing Choice Vouchers	ROSS FSS/ESS Program	Housing Counseling Assistance Program	FSS Escrow Forfeiture Account	Lead Grant Program	HRH Grant Program	Total
Assets								
Current assets								
Cash and cash equivalents	\$ 348,992	\$ 548,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897,129
Cash and cash equivalents - restricted	177,685	313,689	-	-	106,330	-	-	597,704
Tenant receivables, net	15,662	-	-	-	-	-	-	15,662
Other receivables	14,317	81,746	-	-	-	-	-	96,063
Due from other governments	-	13,806	23,413	1,892	-	2,232	35,310	76,653
Prepaid expense	28,602	35,195	-	-	-	-	-	63,797
Total current assets	585,258	992,573	23,413	1,892	106,330	2,232	35,310	1,747,008
Noncurrent assets								
Land	823,786	-	-	-	-	-	-	823,786
Buildings and improvements, net	1,633,578	-	-	-	-	-	-	1,633,578
Land improvements, net	166,532	-	-	-	-	-	-	166,532
Equipment and furniture, net	108,096	11,020	-	-	-	-	-	119,116
Total noncurrent assets	2,731,992	11,020	-	-	-	-	-	2,743,012
Total assets	\$ 3,317,250	\$ 1,003,593	\$ 23,413	\$ 1,892	\$ 106,330	\$ 2,232	\$ 35,310	\$ 4,490,020
Liabilities								
Current liabilities								
Accounts payable	\$ 43,042	\$ 10,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,890
Accrued liabilities	13,363	-	-	-	-	-	-	13,363
Due to other governments	38,994	59,463	23,413	1,892	-	2,232	35,310	161,304
Unearned revenue	10,785	137,697	-	-	-	-	-	148,482
Tenants' security deposits	47,941	-	-	-	-	-	-	47,941
Total current liabilities	154,125	208,008	23,413	1,892	-	2,232	35,310	424,980
Noncurrent liabilities								
Tenants' FSS escrow	129,744	313,689	-	-	-	-	-	443,433
Total liabilities	283,869	521,697	23,413	1,892	-	2,232	35,310	868,413
Net Position								
Net investment in capital assets	2,731,992	11,020	-	-	-	-	-	2,743,012
Restricted	-	-	-	-	106,330	-	-	106,330
Unrestricted	301,389	470,876	-	-	-	-	-	772,265
Total net position	3,033,381	481,896	-	-	106,330	-	-	3,621,607
Total liabilities and net position	\$ 3,317,250	\$ 1,003,593	\$ 23,413	\$ 1,892	\$ 106,330	\$ 2,232	\$ 35,310	\$ 4,490,020

Eastern Iowa Regional Housing Authority
Combining Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
Year Ended June 30, 2025

	Public Housing	Housing Choice Vouchers	ROSS FSS/ESS Program	Housing Counseling Assistance Program	FSS Escrow Forfeiture Account	Lead Grant Program	HRH Grant Program	Total
Operating Revenues								
Rental income	\$ 434,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,403
Operating grants	632,105	7,025,554	420,670	24,605	-	57,190	133,844	8,293,968
Other operating revenue	4,862	27,416	-	-	59,221	-	-	91,499
Total operating revenues	<u>1,071,370</u>	<u>7,052,970</u>	<u>420,670</u>	<u>24,605</u>	<u>59,221</u>	<u>57,190</u>	<u>133,844</u>	<u>8,819,870</u>
Operating Expenses								
Administration	349,979	875,521	-	-	-	9,004	-	1,234,504
Tenant services	-	-	420,670	24,605	-	-	-	445,275
Utilities	106,383	-	-	-	-	-	-	106,383
Maintenance and operations	573,774	5,465	-	-	-	48,186	133,844	761,269
General expense	74,701	65,537	-	-	-	-	-	140,238
Housing assistance payments	-	6,555,307	-	-	-	-	-	6,555,307
Depreciation	246,878	7,206	-	-	-	-	-	254,084
Total operating expenses	<u>1,351,715</u>	<u>7,509,036</u>	<u>420,670</u>	<u>24,605</u>	<u>59,221</u>	<u>57,190</u>	<u>133,844</u>	<u>9,497,060</u>
Operating income (loss)	<u>(280,345)</u>	<u>(456,066)</u>	<u>-</u>	<u>-</u>	<u>59,221</u>	<u>-</u>	<u>-</u>	<u>(677,190)</u>
Non-Operating Revenues								
Interest Income	602	1,206	-	-	-	-	-	1,808
Capital grants	425,861	-	-	-	-	-	-	425,861
Net non-operating revenues	<u>426,463</u>	<u>1,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,669</u>
Change in net position	<u>146,118</u>	<u>(454,860)</u>	<u>-</u>	<u>-</u>	<u>59,221</u>	<u>-</u>	<u>-</u>	<u>(249,521)</u>
Net Position								
Beginning of year	<u>2,887,263</u>	<u>936,756</u>	<u>-</u>	<u>-</u>	<u>47,109</u>	<u>-</u>	<u>-</u>	<u>3,871,128</u>
End of year	<u>\$ 3,033,381</u>	<u>\$ 481,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,621,607</u>

Eastern Iowa Regional Housing Authority
Combining Statement of Cash Flows - Primary Government
Year Ended June 30, 2025

	Public Housing	Housing Choice Vouchers	ROSS FSS/ESS Program	Housing Counseling Assistance Program	FSS Escrow Forfeiture Account	Lead Grant Program	HRH Grant Program	Total
Cash Flows - Operating Activities								
Cash received from tenants	\$ 434,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,199
Cash received from grantors	600,326	7,271,469	420,670	24,605	-	57,190	133,844	8,508,104
Other income received	4,862	27,416	-	-	59,221	-	-	91,499
Cash payments for housing assistance	-	(6,555,307)	-	-	-	-	-	(6,555,307)
Net cash flows - operating activities	53,026	(231,045)	-	-	59,221	-	-	(118,798)
Cash Flows - Capital and Related Financing Activities								
Acquisition of capital assets	(205,627)	-	-	-	-	-	-	(205,627)
Capital grants	425,861	-	-	-	-	-	-	425,861
Net cash flows - capital and related financing activities	220,234	-	-	-	-	-	-	220,234
Cash Flows - Investing Activities								
Interest received	602	1,206	-	-	-	-	-	1,808
Net change in cash and restricted cash and equivalents	273,862	(229,839)	-	-	59,221	-	-	103,244
Cash and Restricted Cash and Equivalents								
Beginning of year	252,815	1,091,665	-	-	47,109	-	-	1,391,589
End of year	<u>\$ 526,677</u>	<u>\$ 861,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,494,833</u>
Net Cash Flows - Operating Activities								
Operating income (loss)	\$ (280,345)	\$ (456,066)	\$ -	\$ -	\$ 59,221	\$ -	\$ -	\$ (677,190)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities								
Depreciation	246,878	7,206	-	-	-	-	-	254,084
Changes in assets and liabilities								
Receivables	(13,055)	19,138	-	-	-	-	-	6,083
Due from other governments	48,209	56,129	-	-	-	-	-	104,338
Prepaid expense	(3,449)	(13,905)	-	-	-	-	-	(17,354)
Accounts payable	30,827	(896)	-	-	-	-	-	29,931
Accrued liabilities	(35,445)	-	-	-	-	-	-	(35,445)
Due to other governments	18,337	(42,089)	-	-	-	-	-	(23,752)
Unearned revenue	(1,240)	131,275	-	-	-	-	-	130,035
Tenants' security deposits	(1,969)	-	-	-	-	-	-	(1,969)
Tenants' FSS escrow	44,278	68,163	-	-	-	-	-	112,441
Net cash flows - operating activities	<u>\$ 53,026</u>	<u>\$ (231,045)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (118,798)</u>

Eastern Iowa Regional Housing Authority
Combining Statement of Net Position - Component Unit
June 30, 2025

	USDA Housing Program	Tax Credit Program	Home Investment Partnership Program	Housing Trust Fund	Evergreen Meadows	Asbury Meadows	Eliminations	Total
Asset								
Current assets								
Cash and cash equivalents	\$ 10,506	\$ 276,830	\$ 54,967	\$ 146,187	\$ 20,845	\$ 69,846	\$ -	\$ 579,181
Cash and cash equivalents - restricted	54,955	-	-	-	45,258	244,036	-	344,249
Tenant receivables	4,624	-	-	-	4,689	342	-	9,655
Other receivables	-	-	-	97,458	-	-	-	97,458
Due from other programs	-	55,000	-	-	-	-	(55,000)	-
Prepaid expense	2,707	-	-	-	-	62,000	-	64,707
Note receivable - current portion	-	-	-	7,212	-	-	-	7,212
Total current assets	<u>72,792</u>	<u>331,830</u>	<u>54,967</u>	<u>250,857</u>	<u>70,792</u>	<u>376,224</u>	<u>(55,000)</u>	<u>1,102,462</u>
Noncurrent assets								
Note receivable	-	-	-	86,939	-	-	-	86,939
Land	19,664	-	-	-	25,001	332,621	-	377,286
Buildings, net	148,936	-	-	-	1,551,905	1,266,026	-	2,966,867
Land improvements, net	973	-	-	-	35,829	-	-	36,802
Equipment and furniture, net	327	-	-	-	-	-	-	327
Total noncurrent assets	<u>169,900</u>	<u>-</u>	<u>-</u>	<u>86,939</u>	<u>1,612,735</u>	<u>1,598,647</u>	<u>-</u>	<u>3,468,221</u>
Total assets	<u>\$ 242,692</u>	<u>\$ 331,830</u>	<u>\$ 54,967</u>	<u>\$ 337,796</u>	<u>\$ 1,683,527</u>	<u>\$ 1,974,871</u>	<u>\$ (55,000)</u>	<u>\$ 4,570,683</u>
Liabilities								
Current liabilities								
Accounts payable	\$ 7,376	\$ 92	\$ 4,475	\$ 103,753	\$ 5,099	\$ 5,671	\$ -	\$ 126,466
Accrued interest payable	49	-	-	-	86	330	-	465
Due to other programs	-	-	55,000	-	-	-	(55,000)	-
Tenants' security deposits	2,503	-	-	-	13,435	22,555	-	38,493
Notes payable - current portion	7,269	-	-	-	28,292	73,585	-	109,146
Total current liabilities	<u>17,197</u>	<u>92</u>	<u>59,475</u>	<u>103,753</u>	<u>46,912</u>	<u>102,141</u>	<u>(55,000)</u>	<u>274,570</u>
Noncurrent liabilities								
Notes payable	213,113	-	-	-	747,012	1,015,873	-	1,975,998
Total liabilities	<u>\$ 230,310</u>	<u>\$ 92</u>	<u>\$ 59,475</u>	<u>\$ 103,753</u>	<u>\$ 793,924</u>	<u>\$ 1,118,014</u>	<u>\$ (55,000)</u>	<u>\$ 2,250,568</u>
Net Position								
Net investment in capital assets								
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 837,431	\$ 509,189	\$ -	\$ 1,346,620
Unrestricted	52,452	-	-	-	31,823	221,481	-	305,756
Total net position	<u>(40,070)</u>	<u>331,738</u>	<u>(4,508)</u>	<u>234,043</u>	<u>20,349</u>	<u>126,187</u>	<u>-</u>	<u>667,739</u>
Total liabilities and net position	<u>\$ 242,692</u>	<u>\$ 331,830</u>	<u>\$ 54,967</u>	<u>\$ 337,796</u>	<u>\$ 1,683,527</u>	<u>\$ 1,974,871</u>	<u>\$ (55,000)</u>	<u>\$ 4,570,683</u>

Eastern Iowa Regional Housing Authority
Combining Statement of Revenue, Expenses, and Changes in Net Position - Component Unit
Year Ended June 30, 2025

	USDA Housing Program	Tax Credit Program	Home Investment			Asbury Meadows	Total
			Partnership Program	Housing Trust Fund	Evergreen Meadows		
Operating Revenues							
Rental Income	\$ 29,012	\$ -	\$ -	\$ -	\$ 188,219	\$ 256,211	\$ 473,442
Operating grants	15,610	-	483,455	-	-	-	499,065
Other operating revenue	15,532	-	-	854,196	25,189	160,766	1,055,683
Total operating revenues	<u>60,154</u>	<u>-</u>	<u>483,455</u>	<u>854,196</u>	<u>213,408</u>	<u>416,977</u>	<u>2,028,190</u>
Operating Expenses							
Administration	8,758	10,648	54,796	38,851	4,935	4,782	122,770
Utilities	8,632	-	-	-	32,296	48,165	89,093
Maintenance and operations	25,560	-	-	-	29,968	121,796	177,324
General expense	14,685	-	-	743,670	51,670	63,581	873,606
Housing assistance payments	-	-	433,208	-	-	-	433,208
Depreciation	9,376	-	-	-	82,444	147,917	239,737
Total operating expenses	<u>67,011</u>	<u>10,648</u>	<u>488,004</u>	<u>782,521</u>	<u>201,313</u>	<u>386,241</u>	<u>1,935,738</u>
Operating income (loss)	(6,857)	(10,648)	(4,549)	71,675	12,095	30,736	92,452
Non-Operating Revenues (Expenses)							
Interest Income	64	2,766	25	1,602	160	299	4,916
Interest subsidy	4,656	-	-	-	-	-	4,656
Interest expense	(982)	-	-	-	(2,245)	(9,992)	(13,219)
Net non-operating revenues (expenses)	<u>3,738</u>	<u>2,766</u>	<u>25</u>	<u>1,602</u>	<u>(2,085)</u>	<u>(9,693)</u>	<u>(3,647)</u>
Change in net position	(3,119)	(7,882)	(4,524)	73,277	10,010	21,043	88,805
Net Position							
Beginning of year	<u>15,501</u>	<u>339,620</u>	<u>16</u>	<u>160,766</u>	<u>879,593</u>	<u>835,814</u>	<u>2,231,310</u>
End of year	<u>\$ 12,382</u>	<u>\$ 331,738</u>	<u>\$ (4,508)</u>	<u>\$ 234,043</u>	<u>\$ 889,603</u>	<u>\$ 856,857</u>	<u>\$ 2,320,115</u>

Eastern Iowa Regional Housing Authority
Combining Statement of Cash Flows - Component Unit
Year Ended June 30, 2025

	USDA Housing Program	Tax Credit Program	Partnership Program	Home Investment Fund	Housing Trust Fund	Evergreen Meadows	Asbury Meadows	Total
Cash Flows - Operating Activities								
Cash received from tenants	\$ 28,465	\$ -	\$ -	\$ -	\$ -	\$ 184,169	\$ 272,438	\$ 485,072
Cash received from grantors	15,610	-	483,455	-	-	-	-	499,065
Other income received	20,042	-	-	746,372	-	32,641	166,204	965,259
Cash payments to vendors and other governments	(52,181)	(10,791)	(50,321)	(715,814)	-	(125,150)	(307,521)	(1,261,778)
Cash payments for housing assistance	-	-	(433,208)	-	-	-	-	(433,208)
Net cash flows - operating activities	<u>11,936</u>	<u>(10,791)</u>	<u>(74)</u>	<u>30,558</u>	<u>91,660</u>	<u>131,121</u>	<u>254,410</u>	
Cash Flows - Capital and Related Financing Activities								
Principal paid on long-term debt	(6,936)	-	-	-	-	(70,375)	(71,106)	(148,417)
Interest paid on long-term debt	(1,040)	-	-	-	-	(2,462)	(10,054)	(13,556)
Net cash flows - capital and related financing activities	<u>(7,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,837)</u>	<u>(81,160)</u>	<u>(161,973)</u>
Cash Flows - Investing Activities								
Interest received	64	2,766	25	2,109	160	299	5,423	
Net change in cash and cash equivalents	4,024	(8,025)	(49)	32,667	18,983	50,260	97,860	
Cash and Restricted Cash and Equivalents								
Beginning of year	61,437	284,855	55,016	113,520	47,120	263,622	825,570	
End of year	<u>\$ 65,461</u>	<u>\$ 276,830</u>	<u>\$ 54,967</u>	<u>\$ 146,187</u>	<u>\$ 66,103</u>	<u>\$ 313,882</u>	<u>\$ 923,430</u>	
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities								
Operating income (loss)	\$ (6,857)	\$ (10,648)	\$ (4,549)	\$ 71,675	\$ 12,095	\$ 30,736	\$ 92,452	
Adjustments to reconcile operating income (loss) to net cash flows - operating activities								
Depreciation	9,376				82,444	147,917	239,737	
Changes in assets and liabilities								
Receivables	(547)			(80,496)	2,437	21,045	(57,561)	
Due from other governments								
Prepaid expense	(428)					(62,000)	(62,428)	
Accounts payable	5,882	(143)	4,475	66,707	(6,281)	(7,197)	63,443	
Accrued liabilities								
Due to other governments								
Unearned revenue	4,657			(27,328)				(22,671)
Tenants' security deposits	(147)				965	620	1,438	
Net cash flows - operating activities	<u>\$ 11,936</u>	<u>\$ (10,791)</u>	<u>\$ (74)</u>	<u>\$ 30,558</u>	<u>\$ 91,660</u>	<u>\$ 131,121</u>	<u>\$ 254,410</u>	

Eastern Iowa Regional Housing Authority
Statement and Certification of Actual Modernization Costs
June 30, 2025

Annual Contributions Contract

1. The Actual Modernization Costs for the Locally-Owned projects are as follows:

	<u>IA01P126501-24</u>
Funds approved	\$ 356,853
Funds expended	<u>356,853</u>
Excess (deficiency) of funds approved	<u>\$ -</u>
HUD grants	\$ 356,853
Funds expended	<u>356,853</u>
Excess (deficiency) of funds expended	<u>\$ -</u>

2. The distribution of costs as shown on the Final Statement of Modernization Costs dated August 20, 2025 accompanying the Actual Modernization Cost Certificates submitted to HUD are in agreement with the Authority's records.

3. All modernization costs have been paid and all related liabilities have been discharged through payment.

Eastern Iowa Regional Housing Authority
Financial Data Schedule
June 30, 2025

Line Item Number	Account Description	Primary Government										EIRHC - Component Unit									
		Public Housing	Capital Funds	ROSS ESS	Counseling Grant	Other Federal Program Lead Grant	Other Program HRH Grant	Housing Choice Vouchers	Mainstream Vouchers	Self-Sufficiency Program	FSS Escrow	Forfeiture Account	Rural Housing Loans	Rural Rental Assistance Payments	6.2 Component	Home Investment Partnership Program	State/Local (HTF)	Eliminations	Total		
		14,850	14,872	14,870	14,169			14,871	14,879	14,896		14,896	10,415	10,427	14,239						
111	Cash - unrestricted	\$ 348,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,137	\$ -	\$ -	\$ -	\$ 90,691	\$ 10,506	\$ -	\$ 276,830	\$ 54,967	\$ 146,187	\$ -	\$ 1,476,310		
113	Cash - other restricted	129,744	-	-	-	-	-	313,689	-	-	-	106,330	253,304	52,452	-	-	-	-	855,519		
114	Cash - tenant security deposits	47,941	-	-	-	-	-	-	-	-	-	-	35,990	2,503	-	-	-	-	86,434		
100	Total cash	526,677	-	-	-	-	-	861,826	-	-	-	106,330	379,985	65,461	-	276,830	54,967	146,187	-	2,418,263	
122	Accounts receivable - HUD other projects	14,317	-	4,206	1,892	2,232	35,310	9,212	-	19,207	-	-	-	-	-	-	-	-	86,376		
124	Accounts receivable - other government	-	-	-	-	-	-	13,806	-	-	-	-	-	-	-	-	-	-	13,806		
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97,458		
126	Accounts receivable - tenants	15,647	-	-	-	-	-	-	-	-	-	-	5,031	4,624	-	-	-	-	25,302		
126.1	Allowance for doubtful accounts - tenants	(428)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(428)		
127	Notes and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,212		
128	Fraud recovery	443	-	-	-	-	-	124,024	-	-	-	-	-	-	-	-	-	-	124,467		
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	(51,490)	-	-	-	-	-	-	-	-	-	-	(51,490)		
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
120	Total receivable, net of allowance	29,979	-	4,206	1,892	2,232	35,310	95,552	-	19,207	-	-	5,031	4,624	-	-	104,670	-	302,703		
142	Prepaid expenses	28,602	-	-	-	-	-	35,195	-	-	-	62,000	2,707	-	-	-	-	-	128,504		
144	Inter program due from	-	-	-	-	-	-	-	-	-	-	-	-	55,000	-	-	-	(55,000)	-		
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
150	Total current assets	585,258	-	4,206	1,892	2,232	35,310	992,573	-	19,207	106,330	447,016	72,792	-	331,830	54,967	250,857	(55,000)	2,849,470		
161	Land	823,786	-	-	-	-	-	-	-	-	-	357,622	19,664	-	-	-	-	-	1,201,072		
162	Buildings	11,039,151	-	-	-	-	-	9,151	-	-	-	7,396,975	381,683	-	-	-	-	-	18,826,960		
163	Furniture, equipment and machinery - dwellings	148,061	-	-	-	-	-	-	-	-	-	544,234	17,472	-	-	-	-	-	709,767		
164	Furniture, equipment and machinery - admin	237,973	-	-	-	-	-	60,112	-	-	-	31,375	395	-	-	-	-	-	351,585		
166	Accumulated depreciation	(9,516,979)	-	-	-	-	-	(58,243)	-	-	-	(5,118,824)	(249,314)	-	-	-	-	-	(14,965,090)		
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
160	Total fixed assets, net	2,731,992	-	-	-	-	-	11,020	-	-	-	3,211,382	169,900	-	-	-	-	-	6,124,294		
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	-	11,020	-	-	-	-	-	-	-	-	-	-	86,939		
180	Total non-current assets	2,731,992	-	4,206	1,892	2,232	35,310	1,003,593	-	19,207	106,330	3,658,398	242,692	-	331,830	54,967	337,796	(55,000)	9,060,703		
312	Accounts payable < 90 days	12,306	-	-	-	-	-	10,848	-	-	-	10,770	7,376	-	92	4,475	103,753	-	149,620		
321	Accrued wages/payroll taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	465		
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	416	49	-	-	-	-	-	0		
331	Accounts payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
333	Accounts payable - other government	69,730	-	-	-	-	-	59,463	-	-	-	-	-	-	-	-	-	-	192,040		
341	Tenant security deposits	47,941	-	-	-	-	-	-	-	-	-	35,990	2,503	-	-	-	-	-	86,434		
342	Unearned revenue	10,785	-	-	-	-	-	137,697	-	-	-	-	-	-	-	-	-	-	148,482		
343	Current portion of long-term debt	-	-	-	-	-	-	-	-	-	-	101,877	7,269	-	-	-	-	-	109,146		
346	Accrued liabilities - other	13,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,363		
347	Inter program due to	-	-	4,206	1,892	2,232	35,310	-	-	-	-	-	-	-	-	-	-	-	(117,847)		
310	Total current liabilities	154,125	-	4,206	1,892	2,232	35,310	208,008	-	19,207	149,053	17,197	-	92	59,475	103,753	(55,000)	699,550			
351	Long-term debt, net of current portion	-	-	-	-	-	-	-	-	-	-	1,762,885	213,113	-	-	-	-	-	1,975,998		
353	Non-current liabilities	129,744	-	-	-	-	-	313,689	-	-	-	-	-	-	-	-	-	-	443,433		
350	Total noncurrent liabilities	129,744	-	-	-	-	-	313,689	-	-	-	1,762,885	213,113	-	-	-	-	-	2,419,431		
300	Total liabilities	283,869	-	4,206	1,892	2,232	35,310	521,697	-	19,207	19,207	1,911,938	230,310	-	92	59,475	103,753	(55,000)	3,118,981		
508.4	Invested in capital assets, net of related debt	2,731,992	-	-	-	-	-	11,020	-	-	-	1,346,620	-	-	-	-	-	-	4,089,632		
511.4	Restricted	-	-	-	-	-	-	-	-	-	-	106,330	253,304	52,452	-	-	-	-	412,086		
512.4	Unrestricted net assets	301,389	-	-	-	-	-	-	470,876	-	-	146,536	(40,070)	-	331,738	(4,508)	234,043	-	1,440,004		
513	Total equity/net assets/position	3,033,381	-	-	-	-	-	481,896	-	-	-	106,330	1,746,460	12,382	-	331,738	(4,508)	234,043	-	5,941,722	
600	Total liabilities and equity/net assets/position	3,317,250	-	4,206	1,892	2,232	35,310	1,003,593	-	19,207	106,330	3,658,398	242,692	-	331,830	54,967	337,796	(55,000)	9,060,703		
70300	Net tenant rental revenue	434,403	-	-	-	-	-	-	-	-	-	444,430	29,012	-	-	-	-	-	907,845		
70400	Tenant revenue - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
70500	Total tenant revenue	434,403	-	-	-	-	-	-	-	-	-	444,430	29,012	-	-	-	-	-	907,845		
70600	HUD PHA operating grants	431,531	174,019	75,989	24,605	57,190	133,844	6,512,015	513,539	344,681	-	-	-	-	-	-	483,455	-	8,750,868		
70610	Capital grants	240,256	185,605	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	425,861		
70800	Other government grants	26,555	-	-	-	-	-	-	-	-	-	-	-	15,610	-	-	695,018	-	737,183		
71100	Investment income - unrestricted	602	-	-	-	-	-	1,206	-	-	-	459	-	-	2,766	25	1,602	-	6,660		
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
71310	Cost of sale of assets	-	-	-	-	-	-	-	9,390	-	-	-	-	-	-	-	-	-	9,390		
71400	Fraud recovery	-	-	-	-	-	-	18,026	-	-	-	59,221	185,955	20,188	-	-	-	159,178	-	447,430	
71500	Other revenue	4,862	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	64	-	-	-	-	-	64		
7000	Total revenue	1,138,209	359,624	75,989	24,605	57,190	133,844	6,540,637	513,539	344,681	59,221	630,844	49,264	15,610	2,766	483,480	855,798	-	11,285,301		

Eastern Iowa Regional Housing Authority
Financial Data Schedule
June 30, 2025

Line Item Number	Account Description	Primary Government								EIRHC - Component Unit									
		Public Housing 14,850	Capital Funds 14,872	ROSS ESS 14,870	Counseling Grant 14,169	Other Federal Program Lead Grant 9,004	Other Federal Program HRH Grant 14,871	Housing Choice Vouchers 14,879	Mainstream Vouchers 14,896	PIH Self-Sufficiency Program 14,896	FSS Escrow Forfeiture Account 14,FFA	Family Business Activities 10,415	Rural Rental Housing Loans 10,427	Rural Rental Assistance Payments 10,427	6.2 Component Unit-Blended 10,648	Home Investment Partnership Program 14,239	State/Local (HTF) 19,161	29,546	Eliminations
91100	Administrative salaries	\$ 224,570	\$ -	\$ 14,870	\$ -	\$ 9,004	\$ -	\$ 619,606	\$ 48,522	\$ -	\$ -	\$ 629	\$ 348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,769
91200	Auditing fees	4,998	-	-	-	-	-	5,112	682	-	-	-	-	-	-	-	-	-	6,231
91300	Management fee	-	-	-	-	-	-	-	-	-	-	-	6,231	-	-	-	-	-	376
91400	Advertising and marketing	239	-	-	-	-	-	-	-	-	-	137	-	-	-	-	-	-	44,048
91600	Office expenses	19,712	-	-	-	-	-	24,336	-	-	-	-	-	-	-	-	-	-	22,856
91700	Legal expenses	2,775	-	-	-	-	-	633	-	-	-	6,325	2,008	-	-	-	-	-	11,741
91800	Travel	16,904	-	-	-	-	-	5,568	350	-	-	-	34	-	-	-	-	-	20,280
91900	Other	80,781	-	-	-	-	-	152,189	18,523	-	-	2,763	-	-	-	-	-	-	309,844
91000	Total operating - administration	349,979	-	-	-	9,004	-	807,444	68,077	-	-	9,717	8,758	-	10,648	35,635	9,305	-	1,357,274
92100	Tenant services salaries	-	-	70,000	24,605	-	-	-	-	344,681	-	-	-	-	-	-	-	-	439,286
92400	Tenant services - other	-	-	5,989	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,989
92500	Total tenant services	-	-	75,989	24,605	-	-	-	-	344,681	-	-	-	-	-	-	-	-	445,275
93100	Water	27,164	-	-	-	-	-	-	-	-	-	26,672	1,877	-	-	-	-	-	55,713
93200	Electricity	15,461	-	-	-	-	-	-	-	-	-	5,378	4,605	-	-	-	-	-	25,444
93300	Gas	20,095	-	-	-	-	-	-	-	-	-	3,075	-	-	-	-	-	-	23,170
93600	Sewer	43,663	-	-	-	-	-	-	-	-	-	34,467	2,150	-	-	-	-	-	80,280
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	10,869	-	-	-	-	-	-	10,869
93000	Total utilities	106,383	-	-	-	-	-	-	-	-	-	80,461	8,632	-	-	-	-	-	195,476
94100	Ordinary maintenance and operations - labor	290,460	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,460
94200	Ordinary maintenance and operations - materials	21,748	-	-	-	-	-	12,672	-	-	-	40,491	763	-	-	-	-	-	75,674
94300	Ordinary maintenance and operations - contracts	261,566	-	-	-	-	-	48,186	121,172	5,465	-	111,273	24,797	-	-	-	-	-	572,459
94000	Total maintenance	573,774	-	-	-	-	-	48,186	133,844	5,465	-	151,764	25,560	-	-	-	-	-	938,593
96110	Property insurance	33,641	-	-	-	-	-	-	12,093	-	-	-	47,348	4,987	-	-	-	-	98,069
96120	Liability insurance	4,646	-	-	-	-	-	-	4,646	-	-	-	-	-	-	-	-	-	9,292
96130	All other insurance	3,612	-	-	-	-	-	-	2,135	-	-	-	-	-	-	-	-	-	5,747
96100	Total insurance premiums	41,899	-	-	-	-	-	-	18,874	-	-	47,348	4,987	-	-	-	-	-	113,108
96200	Other general expenses	-	-	-	-	-	-	-	15,836	-	-	53,154	9,698	-	-	-	-	-	822,358
96300	Payments in lieu of taxes	32,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,802
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	30,827	-	-	14,749	-	-	-	-	-	-	45,576
96000	Total other general expense	32,802	-	-	-	-	-	-	46,663	-	-	67,903	9,698	-	-	-	-	-	900,736
96710	Interest of mortgage payable	-	-	-	-	-	-	-	-	-	-	12,237	982	-	-	-	-	-	13,219
96900	Total operating expenses	1,104,837	-	75,989	24,605	57,190	133,844	878,446	68,077	344,681	-	369,430	58,617	-	10,648	54,796	782,521	-	3,963,681
97000	Excess operating revenue over operating expenses	33,372	359,624	-	-	-	-	5,662,191	445,462	-	59,221	261,414	(9,353)	15,610	(7,882)	428,684	73,277	-	7,321,620
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	6,126,190	415,430	-	-	-	-	-	-	-	-	6,974,828
97350	HAP portability - in	-	-	-	-	-	-	-	13,687	-	-	-	-	-	-	-	-	-	13,687
97400	Depreciation expense	246,878	-	-	-	-	-	-	7,206	-	-	230,361	9,376	-	-	-	-	-	493,821
90000	Total expenses	1,351,715	-	75,989	24,605	57,190	133,844	7,025,529	483,507	344,681	-	599,791	67,993	-	10,648	488,004	782,521	-	11,446,017
10010	Operating transfers in	174,019	-	-	-	-	-	-	-	-	-	15,610	-	-	-	-	-	(189,629)	-
10020	Operating transfers out	-	-	(174,019)	-	-	-	-	-	-	-	(15,610)	-	-	-	-	-	189,629	-
10080	Special items/(net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10093	Transfer between programs and projects in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfer between programs and projects out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	174,019	-	(174,019)	-	-	-	-	-	-	-	15,610	(15,610)	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	(39,487)	185,605	-	-	-	-	(484,892)	30,032	-	59,221	31,053	(3,119)	-	(7,882)	(4,524)	73,277	-	(160,716)
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-	-	141,481	6,936	-	-	-	-	-	148,417
11030	Beginning equity	2,887,263	-	-	-	-	-	883,826	52,930	-	47,109	1,715,407	15,501	-	339,620	16	160,766	-	6,102,438
11040	Equity transfers and prior year adjustments	185,605	-	(185,605)	-	-	-	(2,560)	2,560	-	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	443,330	-	-	-	-	-	-	-	-	-	-	443,330
11180	Housing assistance payments equity	-	-	-	-	-	-	(4,798)	-	-	-	-	-	-	-	-	-	-	(4,798)
11190	Unit months available	1,932	-	-	-	-	-	11,868	1,068	-	-	652	110	-	-	612	-	-	16,242
11210	Number of unit months leased	1,908	-	-	-	-	-	8,941	900	-	-	631	100	-	-	597	-	-	13,077
11270	Excess cash	180,718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180,718
11620	Building purchases	8,198	-	185,605	-	-	-	-	-	-	-	-	-	-	-	-	-	-	193,803
11630	Furniture and equipment - dwelling purchases	11,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,824
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Eastern Iowa Regional Housing Authority
Dubuque, Iowa**

**Reports on Compliance with
Government Auditing Standards
and Uniform Guidance**

June 30, 2025

Eastern Iowa Regional Housing Authority
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Eastern Iowa Regional Housing Authority
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Agency/Pass Through Agency/Program Title	Assistance Listing Number	Expenditures
U.S. Department of Agriculture		
Rural Rental Housing Loans	10.415	\$ 237,759
Rural Rental Assistance Payments	10.427	<u>15,610</u>
 Total U.S. Department of Agriculture		 <u>253,369</u>
U.S. Department of Housing & Urban Development		
Housing Counseling Assistance Program	14.169	24,605
Home Investment Partnership Program	14.239	483,455
Public Housing Operating Fund	14.850	605,550
Public Housing Capital Fund	14.872	440,363
Lead-Based Paint Capital Fund	14.888	133,844
Family Self-Sufficiency Program	14.896	344,679
Lead Hazard Reduction Grant	14.905	57,190
Resident Opportunity and Supportive Services	14.870	75,989
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	6,515,016
Mainstream Vouchers	14.879	<u>513,539</u>
Total Housing Voucher Cluster		 <u>7,028,555</u>
 Total U.S. Department of Housing & Urban Development		 <u>9,194,230</u>
 Total Expenditures of Federal Awards		 <u>\$ 9,447,599</u>

Eastern Iowa Regional Housing Authority
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

The Authority did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

NOTE 4 - DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority has borrowed funds from and guaranteed repayment of the funds to the United States Department of Agriculture (USDA) - Rural Rental Housing Loan Program in the amount of \$213,119 as of June 30, 2025.



**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**

Independent Auditor's Report

To the Board of Directors of
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and discretely presented component unit of the Eastern Iowa Regional Housing Authority (the Authority) as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated January 16, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result 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.

Bergan KDV, Ltd.

Minneapolis, Minnesota
January 16, 2026



**Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance in Accordance with
the Uniform Guidance**

Independent Auditor's Report

To the Board of Directors of
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements identified as subject to audit in the *Office of Management and Budget* (OMB) Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance.

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 programs for the year ended June 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 Auditor's 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 each 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 each 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 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.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and discretely presented component unit of the Authority as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated January 16, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bergan KDV, Ltd.

Minneapolis, Minnesota
January 16, 2026

**Eastern Iowa Regional Housing Authority
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

We issued an unmodified opinion on the fair presentation of the financial statements of the business-type activities and discretely presented component unit in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No
None noted

Noncompliance material to financial statements noted?

No

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No
None noted

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?

No

Identification of Major Programs

Assistance Listing No.:

14.871 and 14.879

Name of Federal Program or Cluster:

Housing Voucher Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes

**Eastern Iowa Regional Housing Authority
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SCHEDULE III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SCHEDULE IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None



Eastern Iowa Regional Housing Authority
Communications Letter

June 30, 2025



Required Communication

Board of Directors and Management
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited the financial statements of the Eastern Iowa Regional Housing Authority (the Authority) as of and for the year ended June 30, 2025 and have issued our report thereon dated January 16, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibilities under Auditing Standards Generally Accepted in the United States of America and the Uniform Guidance

As communicated in our engagement letter dated March 25, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the Uniform Guidance, we examine on a test basis, evidence about the Authority's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget* (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Authority's compliance with those requirements.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks

As part of the audit planning and risk assessment process, we are required to identify risks of material misstatement that, in our judgment, require special audit consideration. We are also required to communicate with those charged with governance those identified risks. As a result of those requirements, we considered the following risks of material misstatement in planning our audit procedures:

- Management override of internal controls
- Improper revenue recognition including tracking of restricted net assets
- Grant compliance

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

Uncorrected and Corrected Misstatements (Continued)

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated January 16, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Other Matters

With respect to the Schedule of Expenditures of Federal Awards (SEFA) accompanying the financial statements, we make certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the Uniform Guidance and generally accepted accounting principles in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compare and reconcile the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This communication is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Bergank KDV, Ltd.

Minneapolis, Minnesota
January 16, 2026