UERPC HOUSING, INC.

FINANCIAL REPORT

JUNE 30, 2025

CONTENTS

	Page
BOARD OF DIRECTORS	**1**
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	**2-3**
FINANCIAL STATEMENTS	
Statement of Financial Position 2025	**4**
Statement of Financial Position 2024	**5**
Statements of Activities	**6**
Statements of Functional Expenses	**7**
Statements of Cash Flows	**8**
Notes to Financial Statements	**9-14**

UERPC HOUSING, INC.

BOARD OF DIRECTORS
June 30, 2025

Name	Title	Term Expires
Les Askelson	Chair	December 2025
MaryAnn Humpal	Vice Chair	December 2027
Joe Pisney	Director	December 2025
Val Reinke	Director	December 2026
Leon Griebenow	Director	December 2026
Stephanie Fromm	Director	December 2026
Gus Johnson	Director	December 2027
Sandie Graf	Director	December 2027

Hacker Nelson & Co., CPAs

INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS

To the Board of Directors
UERPC Housing, Inc.
Decorah, Iowa

Opinion

We have audited the accompanying financial statements of UERPC Housing, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UERPC Housing, Inc., as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 UERPC Housing, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 UERPC Housing, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Hacker, Nelson + Co., CPAs

Decorah, Iowa
November 13, 2025

UERPC HOUSING, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2025

ASSETS

	Rental	NEIRHTF	Total
CURRENT ASSETS			
Cash, Calmar	$ 91,848		$ 91,848
Cash, Postville	22,303		22,303
Other cash and cash equivalents		$ 575,803	575,803
Total cash	114,151	575,803	689,954
OTHER CURRENT ASSETS			
Current portion, accounts receivable	525	208,777	209,302
Prepaid expenses	7,289		7,289
Current portion, notes receivable		153,656	153,656
Allowance for credit losses		(15,706)	(15,706)
Total other current assets	7,814	346,727	354,541
FIXED ASSETS			
Property and equipment, Calmar	198,815		198,815
Accumulated depreciation, Calmar	(146,572)		(146,572)
Property and equipment, Postville	239,356		239,356
Accumulated depreciation, Postville	(120,853)		(120,853)
Land, Calmar	5,000		5,000
Land, Postville	5,000		5,000
Net fixed assets	180,746	-	180,746
OTHER ASSETS			
Accounts receivable, net of current		110,500	110,500
Forgivable loans		775,626	775,626
Notes receivable, net of current		312,387	312,387
Total other assets	-	1,198,513	1,198,513
Total assets	$ 302,711	$ 2,121,043	$ 2,423,754

LIABILITIES AND NET ASSETS

	Rental	NEIRHTF	Total
CURRENT LIABILITIES			
Accounts payable	$ 3,745	$ 6,449	$ 10,194
Security deposits	8,367		8,367
Current portion, note payable, Postville	8,052		8,052
Current portion, deferred revenue		374,629	374,629
Total current liabilities	20,164	381,078	401,242
LONG-TERM LIABILITIES			
Note payable, Postville, net of current	46,852		46,852
Deferred revenue, net of current		110,500	110,500
Total long-term liabilities	46,852	110,500	157,352
Total liabilities	67,016	491,578	558,594
NET ASSETS			
With donor restrictions		775,626	775,626
Without donor restrictions	235,695	853,839	1,089,534
Total net assets	235,695	1,629,465	1,865,160
Total liabilities and net assets	$ 302,711	$ 2,121,043	$ 2,423,754

See Notes to Financial Statements.

UERPC HOUSING, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS

	Rental	NEIRHTF	Total
CURRENT ASSETS			
Cash, Calmar	$ 92,027		$ 92,027
Cash, Postville	10,205		10,205
Other cash and cash equivalents		$ 624,911	624,911
Total cash	102,232	624,911	727,143
OTHER CURRENT ASSETS			
Accounts receivable		87,527	87,527
Prepaid expenses	6,200		6,200
Current portion, notes receivable		141,968	141,968
Allowance for credit losses		(10,243)	(10,243)
Total other current assets	6,200	219,252	225,452
FIXED ASSETS			
Property and equipment, Calmar	198,815		198,815
Accumulated depreciation, Calmar	(136,135)		(136,135)
Property and equipment, Postville	202,214		202,214
Accumulated depreciation, Postville	(107,757)		(107,757)
Land, Calmar	5,000		5,000
Land, Postville	5,000		5,000
Net fixed assets	167,137	-	167,137
OTHER ASSETS			
Forgivable loans		646,030	646,030
Notes receivable, net of current		282,661	282,661
Total other assets	-	928,691	928,691
Total assets	$ 275,569	$ 1,772,854	$ 2,048,423

LIABILITIES AND NET ASSETS

	Rental	NEIRHTF	Total
CURRENT LIABILITIES			
Accounts payable	$ 2,771	$ 7,822	$ 10,593
Security deposits	7,627		7,627
Current portion, note payable, Postville	7,844		7,844
Deferred revenue		227,070	227,070
Total current liabilities	18,242	234,892	253,134
LONG-TERM LIABILITIES			
Note payable, Postville, net of current	54,903		54,903
Total long-term liabilities	54,903	-	54,903
Total liabilities	73,145	234,892	308,037
NET ASSETS			
With donor restrictions		646,030	646,030
Without donor restrictions	202,424	891,932	1,094,356
Total net assets	202,424	1,537,962	1,740,386
Total liabilities and net assets	$ 275,569	$ 1,772,854	$ 2,048,423

See Notes to Financial Statements.

UERPC HOUSING, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

	2025					2024				
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Inter-program		Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Inter-program	
	Rental	NEIRHTF		Eliminations	Total	Rental	NEIRHTF		Eliminations	Total
OPERATING REVENUES										
IFA		$ 187,839	$ 282,149		$ 469,988		$ 175,352	$ 196,009		$ 371,361
Local match		74,314	70,113		144,427		49,387	46,770		96,157
Participant match		16,450			16,450		13,136			13,136
Coin machines	$ 4,467				4,467	$ 3,583				3,583
Loan interest		2,142			2,142		2,315			2,315
Miscellaneous	11,238	198			11,436	30	70			100
Credit loss recovery		2,778			2,778		3,291			3,291
Rent, tenant	134,318				134,318	120,290				120,290
Transfer from NEIRHTF	35,763			$ (35,763)	-	68,480			$ (68,480)	-
Net assets released from restrictions		222,666	(222,666)		-		203,424	(203,424)		-
Total operating revenues	185,786	506,387	129,596	(35,763)	786,006	192,383	446,975	39,355	(68,480)	610,233
OPERATING EXPENSES										
Program services	47,958	438,076			486,034	74,918	363,160			438,078
Supporting services:										
Management/general services	104,557	108,862		(35,763)	177,656	84,863	193,551		(68,480)	209,934
Total operating expenses	152,515	546,938	-	(35,763)	663,690	159,781	556,711	-	(68,480)	648,012
Change in net assets from operations	33,271	(40,551)	129,596	-	122,316	32,602	(109,736)	39,355	-	(37,779)
NONOPERATING REVENUE										
Investment income	-	2,458	-	-	2,458	-	2,941	-	-	2,941
Change in net assets	33,271	(38,093)	129,596	-	124,774	32,602	(106,795)	39,355	-	(34,838)
NET ASSETS, beginning of year	202,424	891,932	646,030	-	1,740,386	169,822	998,727	606,675	-	1,775,224
NET ASSETS, end of year	$ 235,695	$ 853,839	$ 775,626	$ -	$ 1,865,160	$ 202,424	$ 891,932	$ 646,030	$ -	$ 1,740,386

See Notes to Financial Statements.

UERPC HOUSING, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Rental	NEIRHTF	Total	Rental	NEIRHTF	Total
EXPENSES						
Program services:						
Depreciation	$ 23,533		$ 23,533	$ 21,538		$ 21,538
Credit loss expense		$ 17,447	17,447		$ 36,455	36,455
Forgivable loans amortization		255,381	255,381		221,512	221,512
Legal fees		461	461	1,201	3,065	4,266
Maintenance/repair	24,425		24,425	52,179		52,179
Revolving loan		130,337	130,337		86,992	86,992
Grant expense		18,000	18,000		2,000	2,000
Participant match		16,450	16,450		13,136	13,136
SUPPORTING SERVICES						
Management/general services:						
Contracted services	29,997	70,123	100,120	29,899	121,636	151,535
Insurance	18,052		18,052	15,258		15,258
Miscellaneous	11,238	134	11,372	76	620	696
Mortgage interest	1,541		1,541	1,562		1,562
Outside services	10,418		10,418	9,750		9,750
Professional services	8,290	2,842	11,132	4,299	2,815	7,114
Transfer to rental		35,763	35,763		68,480	68,480
Utilities	25,021		25,021	24,019		24,019
Total expenses	$ 152,515	$ 546,938	$ 699,453	$ 159,781	$ 556,711	$ 716,492

See Notes to Financial Statements.

UERPC HOUSING, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 124,774	$ (34,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	23,533	21,538
Credit loss expense	17,447	36,455
Forgivable loans amortization	255,381	221,512
Changes in:		
Accounts receivable	(232,275)	(3,169)
Prepaid expenses	(1,089)	(1,024)
Accounts payable	(399)	4,520
Interest payable		(183)
Security deposits	740	112
Deferred revenue	258,059	6,483
Net cash provided by operating activities	446,171	251,406
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans made	(578,848)	(465,411)
Collections on loans	140,473	152,604
Purchase of fixed assets	(37,142)	(21,180)
Net cash used in investing activities	(475,517)	(333,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term borrowings	(7,843)	(7,637)
Net change in cash	(37,189)	(90,218)
CASH, beginning of year	727,143	817,361
CASH, end of year	$ 689,954	$ 727,143
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	$ 1,553	$ 1,761

See Notes to Financial Statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

UERPC Housing, Inc. (the Organization) renders assistance to economically and socially disadvantaged persons in Allamakee, Clayton, Fayette, Howard, and Winneshiek counties in the State of Iowa. The Organization's purpose is to propose, develop, and operate programs and housing projects serving those economically and socially disadvantaged persons and to adhere to all contract or grant conditions and regulations. The provision to propose, develop, and operate may include but is not limited to the development, redevelopment, rehabilitation, and renovation of single-family and/or multi-family owner-occupied and rental dwellings.

To assist in its activities, the Organization received a grant award designated as the Northeast Iowa Regional Housing Trust Fund (NEIRHTF) serving eligible projects in Allamakee, Clayton, Fayette, Howard, and Winneshiek counties.

a. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

b. Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety days of purchase. For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash.

c. Revenue Recognition, Receivables and Recognition of Credit Losses

The Organization recognizes revenue for the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services.

Contributions due in less than one year are recorded at their net realizable value upon receipt. Contributions due in more than one year are recorded at fair value on the date received. Accounts receivables are written off as credit losses in the year they are determined to be uncollectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements. An allowance for credit losses is provided based on management's evaluation of potential uncollectible promises at year-end for notes receivable.

The Organization has evaluated the allowance for credit losses using an expected loss method based on management's calculations of expected receipts using historical loss rates adjusted for current economic conditions and financial stability of its customers. Net changes in the valuation allowance have not been material to the financial statements. Credit loss expense (recoveries), net totaled $14,669 and $33,164 for the years ended June 30, 2025 and 2024, respectively.

The ending accounts receivable balances were as follows as of June 30:

	2025	2024	2023
Accounts receivable	$ 319,802	$ 87,527	$ 84,358

1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

d. Income Taxes

UERPC Housing, Inc. is a nonprofit corporation qualifying for exempt status under Section 501(c)(3) of the Internal Revenue Code and is not required to pay income tax. The Organization files the required annual informational return for organizations exempt from income tax. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2025 and 2024.

e. Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

f. Fair Value Measurement

The Organization's financial instruments consist primarily of cash, grants receivable, accounts receivable, and accounts payable. The carrying amount of cash, grants receivable, accounts receivable, and accounts payable approximate their fair value due to the short-term nature of such instruments.

g. Property and Equipment

Equipment purchased with unrestricted assets is recorded at its original cost and depreciated over its estimated useful life using the straight-line method. Depreciation is reflected in these financial statements as a direct cost. Under the Organization's capitalization policy, any item having a useful life of more than one year and value of $3,000 or more will be capitalized and depreciated over its useful life.

h. Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

1) **Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board of Directors.**

2) **Net assets with donor restrictions: net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.**

i. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	$ 689,954	$ 727,143
Current portion, accounts receivable	209,302	87,527
Prepaid expenses	7,289	6,200
Current portion, notes receivable	153,656	141,968
Total	$ 1,060,201	$ 962,838

As part of the Organization's liquidity policy, cash in excess of daily requirements, when available, is invested in savings and short-term, highly liquid investments. Financial assets are structured to be available as the Organization's general expenditures, liabilities, and other obligations come due.

3. Accounts Receivable

As of June 30, 2025 and 2024, the following outstanding balances in accounts receivable were as follows.

	2025	2024
Iowa Finance Authority	$ 71,527	$ 79,027
Rent receivable	525	
FY25 local pledges		8,500
FY26 local pledges	137,250	
FY27 local pledges	98,000	
FY28 local pledges	12,500	
Total	$ 319,802	$ 87,527

4. Property and Equipment

All property and equipment are recorded at original cost and depreciable items are depreciated on the straight-line basis using estimated useful lives. Depreciation expense totaled $23,533 and $21,538 for the years ended June 30, 2025 and 2024, respectively. No interest costs were capitalized during the years ended June 30, 2025 and 2024. The following is a summary of property and equipment at cost, less accumulated depreciation as of June 30, 2025 and 2024:

	2025	2024
Land	$ 10,000	$ 10,000
Buildings	127,924	127,924
Building improvements	273,450	240,150
Equipment	36,797	32,955
Total fixed assets	448,171	411,029
Less accumulated depreciation	(267,425)	(243,892)
Net fixed assets	$ 180,746	$ 167,137

5. Notes Receivable

The Organization issues regular loans through NEIRHTF to applicants based on their family size and annual income. To qualify, the applicant's income must be less than 80% of the statewide median family income. Funding limits are set at a maximum of $12,500 per project with interest rates from 0% to 2%. Matching funds are required for these projects, and these matching funds range from 10% to 15% of the project cost. Loan funds are collateralized by real estate mortgages.

The carrying amount of notes receivable is reduced by the valuation of allowance for credit losses. The Organization estimates the allowance based on a percentage of notes receivable outstanding, typically 2%. The administrator of NEIRHTF's accounts may adjust the account to coincide with past experience or expectations. At June 30, 2025 and 2024, the Organization deemed $15,706 and $10,243, to become uncollectible, respectively.

As of June 30, 2025 and 2024, the Organization had a regular loan balance of $466,043 and $424,629, respectively. The current portion of this balance was $153,656 and $141,968 as of June 30, 2025 and 2024, respectively. The current portion includes an overdue amount as of June 30, 2025 and 2024 of $20,459 and $18,349, respectively, from applicants behind on payment.

6. Notes Receivable - Forgivable Loans

The Organization issues forgivable loans through NEIRHTF to qualified applicants whose income is equal to or less than 35% of the statewide median household income. These loans do not require a participant match unless the total project cost exceeds the maximum amount. The principal balance is forgiven ratably over the life of the loan and is based on continued occupancy. These loans are secured by a real estate mortgage.

The June 30, 2025 and 2024 forgivable loans receivable balance was $775,626 and $646,030, respectively. During the fiscal years 2025 and 2024, the Organization forgave $255,381 and $221,512, respectively, of the forgivable loans receivable.

7. Long-term Debt

Details of long-term debt as of June 30, 2025 is as follows:

	Balance Due	
	Total	Current
Freedom Bank, Postville, Iowa		
2.625% interest bearing note payable, due $783.08 per month including interest with a balloon payment in September 2026, secured by the property in Postville acquired with the funds.	**$ 54,904**	**$ 8,052**

Maturities of long-term debt during the years following June 30, 2025 are as follows:

For the year ending June 30,	Amount
2026	$ 8,052
2027	46,852
Total	$ 54,904

Interest expense totaled $1,541 and $1,562 for the years ended June 30, 2025 and 2024, respectively.

8. Deferred Revenue

Deferred revenue consists of monies received but not earned. The Organization had $485,129 and $227,070 of deferred revenue as of June 30, 2025 and 2024, respectively. This amount represents matches received from local governments and businesses for the housing program but not yet used on projects or administration.

The Organization also has security deposits of $8,367 and $7,627 as of June 30, 2025 and 2024, respectively, that are held to pay for damages to or cleaning of the apartment upon leaving.

9. Concentrations of Credit Risk

The Organization maintains cash balances in two financial institutions. The balances are insured by the FDIC (Federal Deposit Insurance Corporation) or NCUA (The National Credit Union Administration) up to $250,000 at each institution. At June 30, 2025 and 2024, the Organization's cash balances at Freedom Bank exceeded $250,000. Management continually monitors the financial condition of the financial institutions along with the cash balances maintained on deposit with them in order to minimize this potential risk.

10. Concentration of Contribution Revenue

For the years ended June 30, 2025 and 2024, contributions from the Iowa Finance Authority accounted for 60% and 61%, respectively, of the total revenues to the Organization. The receivable from Iowa Finance Authority was $71,527 and $79,027 as of June 30, 2025 and 2024, respectively.

11. Northeast Iowa Regional Housing Trust Fund (NEIRHTF) Grant

The NEIRHTF grant is to provide financing to assist in improving the stock of affordable housing within the counties it serves. NEIRHTF will consider financial assistance in the form of partial or full funding depending on the project and borrower circumstances.

Eligible projects include those that improve the condition of existing housing through rehabilitation and/or repair, help first-time homebuyers purchase housing through down payment assistance, or contribute to the development of affordable housing in Allamakee, Clayton, Fayette, Howard, or Winneshiek counties. All projects funded must serve households with incomes less than 80% of the statewide median family income. At least 30% of the funds will be used to benefit extremely low-income households, defined as households with incomes less than 30% of the statewide median family income.

Other criteria are as follows: a) applicants must occupy the property and maintain the improvements for the life of the loan, b) have title at time of application, and c) taxes and insurance must be current. Financing of projects will be through loans, both forgivable and non-forgivable. Type of loan and interest, if any, is based on borrower's income. Funding limits are $12,500 per project and $12,500 for first-time homebuyer assistance. The loan will be due in the event that occupancy or ownership conditions change during the loan term.

To finance the on-going administration of NEIRHTF, grantor requires that award funds used to finance administrative expenses may not exceed 25% of the funds awarded during the first two years of certification for a newly formed fund and may not exceed 10% of the fund award in subsequent years.

11. Northeast Iowa Regional Housing Trust Fund (NEIRHTF) Grant (Continued)

Obligation to repay all or a portion of NEIRHTF proceeds received is incurred upon the occurrence of an event of default as outlined in the grant agreement. These events of default include, but are not limited to:

1. **Amounts determined by the authority to have been received by grantee without fulfillment of grantee's obligations with respect to such proceeds,**

2. **Any materially incorrect representation or warranty made by the grantee made under or in connection with the agreement, and**

3. **Failure to perform or observe any other term, covenant, or agreement contained in the agreement and such failure remains un-remedied for thirty days after written notice has been given to the grantee by the authority.**

12. Related Party

The Organization contracts with Upper Explorerland Regional Planning Commission (UERPC) to provide financial management and administrative services including, but not limited to, grant writing services and applying for funding. Fees related to these services for the years ended June 30, 2025 and 2024 amounted to $99,520 and $151,534, respectively. Of the 2025 amount, $29,997 is for services related to rental activities and $69,523 is for services related to NEIRHTF grant.

Accounts payable as of June 30, 2025 and 2024 includes $9,552 and $10,463, respectively, due to UERPC for management and administration services.

13. Subsequent Events

Subsequent events were evaluated through November 13, 2025, which is the date the financial statements were available to be issued.