

**HOUSING TRUST FUND OF  
JOHNSON COUNTY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Housing Trust Fund of  
Johnson County, Inc.  
Iowa City, Iowa

### Opinion

We have audited the financial statements of Housing Trust Fund of Johnson County, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Housing Trust Fund of Johnson County, Inc. as of June 30, 2022, and the results of its operations and its cash flows for year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Housing Trust Fund of Johnson County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Housing Trust Fund of Johnson County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Housing Trust Fund of Johnson County, 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 Housing Trust Fund of Johnson County, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 16 through 18 is presented for the purpose of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

*Winkel, Parker & Foster, CPA PC*

Iowa City, Iowa  
April 28, 2023

**FINANCIAL STATEMENTS**

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

ASSETS

Cash and cash equivalents	\$ 2,156,832
Accrued interest receivable	170
Prepaid expenses	2,516
Long-term certificate of deposit	213,161
Notes receivable	7,635,412
Designated agency endowment fund	153,950
Property and equipment, net of accumulated depreciation	<u>866</u>
TOTAL ASSETS	<u>\$ 10,162,907</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	1,166
Accrued payroll	5,600
Accrued and withheld payroll taxes payable	2,313
Accrued interest payable	<u>27</u>
Total Liabilities	<u>9,106</u>
Net Assets	
Without donor restrictions	
Undesignated	9,855,318
Designated for investment in designated agency endowment fund	<u>153,950</u>
Total Net Assets Without Donor Restrictions	10,009,268
With donor restrictions	
Purpose restrictions	<u>144,533</u>
Total Net Assets	<u>10,153,801</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,162,907</u>

See Accompanying Notes to Financial Statements.

**HOUSING TRUST FUND OF JOHNSON COUNTY, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and Support			
Contributions and support:			
Local governmental support	\$ -	\$ 1,226,523	\$ 1,226,523
Other contributions and support	1,331	57,500	58,831
Grants:			
State Housing Trust Fund grants	-	125,981	125,981
Federal Home Loan Bank grant	-	114,983	114,983
Miscellaneous income	2	-	2
Interest income on notes receivable	40,239	-	40,239
Return on investment -			
Interest income	20,912	-	20,912
Net earnings from designated agency endowment fund	(30,986)	-	(30,986)
Net assets released from restrictions -			
Purpose restrictions accomplished	2,664,516	(2,664,516)	-
Total Revenue and Support	2,696,014	(1,139,529)	1,556,485
Expenses			
Program services	396,582	-	396,582
Management and general	55,602	-	55,602
Fundraising	-	-	-
Total Expenses	452,184	-	452,184
Change in Net Assets	2,243,830	(1,139,529)	1,104,301
Net Assets, beginning of year	7,765,438	1,284,062	9,049,500
Net Assets, end of year	\$ 10,009,268	\$ 144,533	\$ 10,153,801

See Accompanying Notes to Financial Statements.

**HOUSING TRUST FUND OF JOHNSON COUNTY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services	Management and General	Fundraising	Total Functional Expenses
Salaries and wages	\$ 48,838	\$ 22,982	\$ -	\$ 71,820
Employee health insurance	9,166	4,314	-	13,480
Payroll taxes	4,149	1,952	-	6,101
Retirement plan contribution	1,465	690	-	2,155
Direct program expenses:				
Housing rehabilitation costs	254,794	-	-	254,794
Forgiveness of notes receivable	69,571	-	-	69,571
Other program expenses	5,000	-	-	5,000
Rent	1,742	5,226	-	6,968
Office supplies and postage	365	1,096	-	1,461
Telephone and communications	269	807	-	1,076
Professional fees	1,125	12,421	-	13,546
Insurance	-	2,654	-	2,654
Conferences and travel	98	295	-	393
Dues and memberships	-	1,030	-	1,030
Miscellaneous	-	2,063	-	2,063
Interest expense	-	27	-	27
Depreciation	-	45	-	45
<b>Totals</b>	<b>\$ 396,582</b>	<b>\$ 55,602</b>	<b>\$ -</b>	<b>\$ 452,184</b>

See Accompanying Notes to Financial Statements.



HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows From Operating Activities	
Cash received from contributors and supporters for operations	\$ 1,285,354
Cash received from grants	263,203
Cash received from miscellaneous income	2
Interest received	61,151
Note payments received from program participants	301,884
Notes made to program participants	(2,345,308)
Cash paid to employees and for payroll taxes and benefits	(92,758)
Cash paid to suppliers and vendors	(289,474)
Interest paid	(96)
Net Cash Used In Operating Activities	<u>(816,042)</u>
Cash Flows From Investing Activities	
Reinvested interest income on certificate of deposit	(638)
Computer equipment purchased	(911)
Net Cash Used In Investing Activities	<u>(1,549)</u>
Cash Flows From Financing Activities	
Repayments of long-term debt	(4,080)
Net Cash Used In Financing Activities	<u>(4,080)</u>
Net Decrease in Cash and Cash Equivalents	(821,671)
Cash and Cash Equivalents, beginning of year	<u>2,978,503</u>
Cash and Cash Equivalents, end of year	<u>\$ 2,156,832</u>

See Accompanying Notes to Financial Statements.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

Reconciliation of Change in Net Assets to  
Net Cash Provided By Operating Activities

Change in Net Assets	\$ 1,104,301
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	45
Net loss from designated agency endowment fund	30,986
Effects of changes in operating assets and liabilities:	
Accounts receivable	22,239
Prepaid expenses	115
Notes receivable	(1,973,853)
Accrued and withheld payroll taxes payable	193
Accrued interest payable	(68)
Net Cash Used In Operating Activities	<u>\$ (816,042)</u>

Supplemental Information

Interest paid on long-term debt during the year	<u>\$ 96</u>
Noncash investing activities:	
Allocated net loss from designated agency endowment fund	<u>\$ (30,986)</u>

See Accompanying Notes to Financial Statements.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1. DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Description of Activities** - The Housing Trust Fund of Johnson County, Inc. was organized in 2002 exclusively for the purpose of expanding and strengthening efforts to address the housing, shelter and service needs of low-income residents of Johnson County. The Organization is supported primarily by governmental grants and contributions. The Organization makes grants and loans to qualifying program participants.

**Financial Statement Presentation** - The Organization is required to report 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. In addition, the Organization is required to present a statement of cash flows. The Organization does not use fund accounting.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Expenses** - The functional expenses are allocated to the programs based on actual expenses incurred, or estimated amounts where actual amounts cannot be determined.

**Fair Value Measurements** - Certain assets and liabilities of the Organization are reported at fair value. Additional disclosures define fair value, establish a framework and hierarchy for measuring fair value and provide expanded information about fair value measurements.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments available for current use with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit with maturities beyond three months are not considered to be cash and cash equivalents and are separately reported in the statement of financial position.

**Accounts and Grants Receivable** - Substantially all receivables are due from governmental agencies, and management therefore does not believe that an allowance for uncollectible amounts is necessary. Uncollectible amounts are charged off as bad debts when there is no reasonable chance of collection.

**Notes Receivable** - An allowance for losses on uncollectible notes is provided based on management's judgment including such factors as prior collection history, the note recipients' financial condition and ability to repay notes. Uncollectible notes are charged off when there is no reasonable chance of collecting the amount due to the Organization. The Organization has had no experience with uncollectible notes and believes that all notes will be collected in full, therefore, no allowance for losses on uncollectible notes has been provided for.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1. DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)

**Property and Equipment** - Purchased property and equipment is recorded in the accounts of the Organization at cost. Donated property and equipment is recorded at its estimated fair value on the date contributed to the Organization. Additions and improvements with a cost or value of \$500 or more are capitalized. The cost or value of depreciable property retired or sold is removed from the property accounts and the accumulated depreciation thereon is charged to the accumulated depreciation account. Gain or loss on disposals of property is recorded in the income accounts.

Depreciation is computed on a straight-line basis over the following estimated useful life:

Equipment and furnishings	5 years
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**Contributions** - Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence or nature of any donor restrictions. The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization records contributions (including promises to give) when the contribution is deemed unconditional. Contributions are reflected in the financial statements at the earlier of the transfer of assets or at the time the unconditional promise to give is made. Bequests are recognized as a contribution at the time the will is declared valid, provided that the bequest is unconditional.

An allowance for uncollectible promises to give is provided based on management's judgment including such factors as prior collection history, type of contribution and nature of fundraising activity. Uncollectible promises to give are charged off when there is no reasonable chance to collect the promise. Management has deemed that no allowance was necessary due to anticipated collection of all promises to give and minimal experience with uncollectible unconditional promises to give.

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4%.

# HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### NOTE 1. DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Income Taxes** - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation under Section 509(a)(2).

The Organization is subject to rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's income tax returns. Management is not aware of any tax positions that would have a material effect on the financial statements that are more likely than not to change in the next twelve months, or that would not sustain an examination by applicable taxing authorities with full knowledge of the position and all relevant facts. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's income tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

The Organization recognizes penalties and interest arising from uncertain tax positions when incurred. No such penalties or interest were recognized during the year ended June 30, 2022.

The Organization files income tax returns with the Internal Revenue Service. The Organization's income tax returns for the years ended June 30, 2019 through 2022 are subject to examination by the taxing authorities generally for a period of three years after they were filed.

### NOTE 2. LIQUIDITY AND AVAILABILITY

The Organization has \$2,156,832 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$2,156,832. \$144,533 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

### NOTE 3. NOTES RECEIVABLE

The Organization makes loans to other organizations, entities and individuals for the purpose of providing funds to assist with the acquisition, construction or improvement of housing units that will be sold or rented to qualifying individuals and households with income at or below certain percentages of the area median income. The notes are secured by mortgages on the properties. Interest rates on the notes vary from 0% to 3%. Repayable notes are due in monthly or annual payments, and are due at various dates between December 1, 2022 and December 31, 2052. Forgivable notes are eligible for forgiveness generally if the properties are in compliance with the requirements to maintain terms of affordability during the terms of the notes. Forgivable notes are eligible for forgiveness at various dates between July 1, 2022 and April 24, 2050.

During the year ended June 30, 2022, the Organization made seven new loans to qualifying loan recipients. Loan proceeds paid to qualifying loan recipients totaled \$2,345,308 during the year. Six loans were repaid or forgiven in full during the year. Repayments received on notes totaled \$301,884 during the year, and the Organization earned interest of \$48,836 on certain notes. Seven notes were eligible for loan forgiveness of \$69,571 during the year. At June 30, 2022, the Organization had a total of 52 notes receivable with outstanding balances totaling \$7,635,412.

**HOUSING TRUST FUND OF JOHNSON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

NOTE 3. NOTES RECEIVABLE (continued)

An allowance for losses on uncollectible notes is provided based on management's judgment including such factors as prior collection history, the note recipients' financial condition and ability to repay notes. Uncollectible notes are charged off when there is no reasonable chance of collecting the amount due to the Organization. The Organization has had no experience with uncollectible notes and believes that all notes will be collected in full, therefore, no allowance for losses on uncollectible notes has been provided for.

The Organization has approved the funding of eleven additional loan agreements totaling \$1,776,489. No requests for funds were made by the loan recipients as of June 30, 2022.

A summary of active notes receivable with outstanding balances at June 30, 2022 is as follows:

<u>Repayable Notes</u>	<u>Date of Note</u>	<u>Balance June 30, 2022</u>
Iowa Valley Habitat for Humanity	03/10/2009	\$ 2,000
	11/06/2012	11,001
	11/06/2012	14,001
	10/12/2016	18,000
	10/12/2016	18,000
	12/20/2016	2,558
	12/22/2016	53,838
	12/22/2016	53,838
	04/25/2017	2,046
	07/10/2017	26,697
	07/10/2017	8,301
	04/24/2019	90,500
	04/22/2022	100,000
Builders of Hope Global Village	10/30/2013	17,408
Corridor Woods, LP	06/07/2011	193,500
Aniston Village, LP	12/14/2009	138,806
The Housing Fellowship	12/22/2009	15,632
	01/25/2012	122,014
	10/11/2013	17,790
	06/26/2015	50,189
	03/25/2016	22,526
	08/18/2017	243,667
	07/17/2018	46,906
William and Nelda Wittig	11/25/2009	22,507
The Shelter House	12/22/2010	43,219
	08/15/2011	115,625
	02/18/2019	380,729
	10/14/2019	136,392
	01/14/2020	30,135
	08/02/2021	293,220
	10/22/2021	825,000
	10/23/2020	633,212
Subtotal		3,749,257

**HOUSING TRUST FUND OF JOHNSON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 3. NOTES RECEIVABLE (continued)**

		3,749,257
Subtotal forward		
Reach for Your Potential	03/03/2017	39,375
Unlimited Abilities	04/24/2020	99,205
Successful Living	07/24/2020	31,167
	07/24/2020	7,034
Iowa City Senior Apartments, LP	12/22/2016	130,899
Saddlebrook Meadows Development	05/09/2018	7,448
	06/07/2018	7,500
	05/15/2019	8,750
Coral Ridge, LLC	07/10/2017	266,404
CHI Penn Oaks LLP	12/12/2018	304,652
City of Coralville	04/24/2018	25,951
Del Ray Ridge LP	02/15/2019	770,357
Coralville Housing Group II, LLC	09/27/2021	450,000
IC Housing Group LLC	06/01/2019	427,392
	06/01/2019	305,963
Total Repayable Notes		6,631,354

	<u>Date of Note</u>	<u>Balance June 30, 2022</u>
<u>Forgivable Notes</u>		
Builders of Hope Global Village	10/30/2013	\$ 13,750
ISIS Investments, LLC	12/03/2009	9,120
The Shelter House	04/10/2018	463,204
	10/14/2019	400,000
Reach for Your Potential	03/01/2018	34,286
	05/23/2019	60,000
Saddlebrook Meadows Development	05/09/2018	7,448
	06/07/2018	7,500
	05/15/2019	8,750
Total Forgivable Notes		1,004,058
Total Notes Receivable		\$ 7,635,412

**NOTE 4. DESIGNATIONS OF AND RESTRICTIONS ON NET ASSETS**

A substantial portion of the net assets with donor restrictions at June 30, 2022 are related to grants received to make loans and grants for low-income housing projects and rehabilitation, and for administration costs of these programs.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 4. DESIGNATIONS OF AND RESTRICTIONS ON NET ASSETS (continued)

During the year ended June 30, 2022, support and revenues received were available for the following purposes:

Loans and grants for low-income housing projects	<u>\$ 1,524,987</u>
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Net assets released from restrictions during the year ended June 30, 2022 were released for the purpose restrictions as follows:

Loans and grants for low-income housing projects	<u>\$ 2,664,516</u>
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Net assets with donor restrictions at June 30, 2022 consist of the following:

Loans and grants for low-income housing projects	\$ 114,281
Iowa City Cohousing initiative project	<u>30,252</u>
	<u>\$ 144,533</u>

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2022:

Equipment and furnishings	\$ 1,412
Accumulated depreciation	<u>546</u>
	<u>\$ 866</u>

Depreciation is provided for over a period of five years on the straight-line method. Depreciation for the year ended June 30, 2022 amounted to \$45.

NOTE 6. LEASE COMMITMENTS

The Organization leases office/administrative space from the Old Brick Episcopal Corp for a monthly rent of \$659 and rent expense for the year ended June 30, 2022 totaled \$6,968.

NOTE 7. RETIREMENT PLAN

The Organization established a SIMPLE plan under Section 408(p) of the Internal Revenue Code effective February 1, 2014. Under the plan, the Organization contributes a percentage of each eligible employee's salary. The Organization contributes up to three percent of each eligible employee's salary. Employees may also contribute up to the maximum allowable amount as permitted by law. During the year ended June 30, 2022, eligible employees of the plan contributed \$2,155 to the plan and the Organization contributed \$2,155 to the plan.



HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8. CONCENTRATIONS

The Organization maintains its cash deposits at several local banks and a local credit union. The deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration up to \$250,000. At times, the depository insurance limits may be exceeded. At June 30, 2022, the Organization had cash deposits of \$0 in excess of depository insurance limits.

The Organization received State Housing Trust Fund grants totaling \$125,981 during the year ended June 30, 2022. Grant revenues represent approximately 8.0% of all revenue and support of the Organization during the year. Significant changes in the availability of these, or similar grants, could materially affect the revenues and operations of the Organization.

The Organization receives annual support funding from Johnson County and the cities of Iowa City, Coralville and North Liberty. During the year ended June 30, 2022, the Organization received \$1,180,000 from these local governments, and the amount represents approximately 75.8% of all revenue and support to the Organization during the year.

NOTE 9. DESIGNATED AGENCY ENDOWMENT FUND

During the year ended June 30, 2013, the Organization established a Designated Agency Endowment Fund (Housing Trust Endowment Fund) with the Community Foundation of Johnson County (Foundation) for the benefit of the Organization. The Foundation will make distributions to the Organization in accordance with the Foundation's spending policy for the year as determined annually by the Foundation's Board of Directors. In the event that the Organization should decide to terminate, or cease to exist as a legal entity, the assets and any income received from those assets shall be redirected to support another charitable agency as determined by the Foundation's Board of Directors. The Organization may also elect to redirect any amounts of assets and/or income from those assets to another charitable agency. The assets may also be returned to the Organization in special circumstances upon request to the Foundation.

Activity of the Housing Trust Endowment Fund during the year ended June 30, 2022 was as follows:

Balance, June 30, 2021	\$ 184,936
Allocated interest and dividend income	2,744
Allocated management fees	(2,907)
Allocated realized and unrealized gains and losses	<u>(30,823)</u>
Balance, June 30, 2022	<u>\$ 153,950</u>

**HOUSING TRUST FUND OF JOHNSON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

NOTE 10. LONG-TERM DEBT

The Organization has borrowed money from 30 investors to help fund the Iowa Valley Habitat for Humanity's Women Build III Project. The investors loaned between \$500 and \$5,000 each, for a total investment of \$40,800. The Organization used this money to loan to Iowa Valley Habitat for Humanity ("Habitat") for Habitat to build a home. The investors will receive principal and interest at 2.5 percent, to be paid annually for ten years until paid in full. Principal of \$4,080 and interest of \$27 were paid during the year ended June 30, 2022. The balance due on the notes at June 30, 2022 was \$0.

NOTE 11. COVID 19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Housing Trust Fund of Johnson County, Inc., remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Housing Trust Fund of Johnson County, Inc.. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Housing Trust Fund of Johnson County, Inc.

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated events through April 28, 2023, the date the financial statements were available to be issued.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTARY INFORMATION**

**HOUSING TRUST FUND OF JOHNSON COUNTY, INC.**

**SUPPLEMENTAL INFORMATION**

**JUNE 30, 2022**

Statement of Financial Position detail for  
State Housing Trust Fund grants:

ASSETS

	Other	Housing Trust Fund	Total
Cash and cash equivalents	\$ 2,156,832	\$ -	\$ 2,156,832
Accrued interest receivable	170	-	170
Prepaid expenses	2,516	-	2,516
Long-term certificate of deposit	213,161	-	213,161
Notes receivable	7,635,412	-	7,635,412
Designated agency endowment fund	153,950	-	153,950
Property and equipment, net of accumulated depreciation	866	-	866
<b>TOTAL ASSETS</b>	<b>\$ 10,162,907</b>	<b>\$ -</b>	<b>\$ 10,162,907</b>

LIABILITIES AND NET ASSETS

Liabilities			
Accounts payable	\$ 1,166	\$ -	\$ 1,166
Accrued payroll	5,600	-	5,600
Accrued and withheld payroll taxes payable	2,313	-	2,313
Accrued interest payable	27	-	27
<b>Total Liabilities</b>	<b>9,106</b>	<b>-</b>	<b>9,106</b>
<b>Net Assets</b>			
Without donor restrictions	10,009,268	-	10,009,268
With donor restrictions	144,533	-	144,533
<b>Total Net Assets</b>	<b>10,153,801</b>	<b>-</b>	<b>10,153,801</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,162,907</b>	<b>\$ -</b>	<b>\$ 10,162,907</b>

**HOUSING TRUST FUND OF JOHNSON COUNTY, INC.**

**SUPPLEMENTAL INFORMATION**

**JUNE 30, 2022**

Statement of Activities detail  
for State Housing Trust Fund grants:

	Other	Housing Trust Fund	Total
Revenues, Gains and Other Support			
Contributions and support:			
Local governmental support	\$ 1,157,363	\$ 69,160	\$ 1,226,523
Other contributions and support	58,831	-	58,831
Grants:			
State Housing Trust Fund grants	-	125,981	125,981
Federal Home Loan Bank grant	114,983	-	114,983
Miscellaneous income	2	-	2
Interest income on notes receivable	40,239	-	40,239
Return on investment -			
Interest income	20,912	-	20,912
Net earnings from designated agency endowment fund	(30,986)	-	(30,986)
<b>Total Revenues, Gains and Other Support</b>	<b>1,361,344</b>	<b>195,141</b>	<b>1,556,485</b>
Expenses, Losses and Other Disbursements			
Program services:			
Program expenses	335,744	60,838	396,582
Program loans	(113,053)	113,053	-
Management and general	34,352	21,250	55,602
Fundraising	-	-	-
<b>Total Expenses, Losses and Other Disbursements</b>	<b>257,043</b>	<b>195,141</b>	<b>452,184</b>
Change in Net Assets	1,104,301	-	1,104,301
Net Assets, beginning of year	9,049,500	-	9,049,500
Net Assets, end of year	\$ 10,153,801	\$ -	\$ 10,153,801

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.

SUPPLEMENTAL INFORMATION

JUNE 30, 2022

State Housing Trust Fund grants detail:

	State Housing Trust Fund Grant #20-LHTF-19		State Housing Trust Fund Grant #21-LHTF-13		State Housing Trust Fund Grant #22-LHTF-08		Total
	Match Funds	Housing Trust Fund	Match Funds	Housing Trust Fund	Match Funds	Housing Trust Fund	
Revenues, Gains and Other Support							
Local governmental support	\$ -	\$ -	\$ 47,910	\$ -	\$ 21,250	\$ -	\$ 69,160
State Housing Trust Fund grants	-	39,313	-	86,668	-	-	125,981
Total Revenues, Gains and Other Support	-	39,313	47,910	86,668	21,250	-	195,141
Expenses, Losses and Other Disbursements							
Program expenses	-	9,170	-	51,668	-	-	60,838
Program loans	-	30,143	47,910	35,000	-	-	113,053
Administrative services	-	-	-	-	21,250	-	21,250
Total Expenses, Losses and Other Disbursements	-	39,313	47,910	86,668	21,250	-	195,141
Change in Net Assets	-	-	-	-	-	-	-
Net Assets, beginning of year	-	-	-	-	-	-	-
Net Assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -