

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

Independent Auditors' Report
Financial Statements

Years Ended June 30, 2025 and 2024



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FINANCIAL & MANAGEMENT CONSULTING

Housing Trust Fund of Johnson County, Inc.

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FINANCIAL & MANAGEMENT CONSULTING

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Housing Trust Fund of Johnson County, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 Housing Trust Fund of Johnson County, Inc. as of June 30, 2025, and 2024, and the changes in its net assets, functional expenses and its cash flows for the years then ended in conformity 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. 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Trust Fund of Johnson County, Inc. and its ability to continue as a going concern for 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 judgement 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 judgement, 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.

Forge Financial and Management Consulting, Inc.

West Des Moines, Iowa
February 26, 2026

HOUSING TRUST FUND OF JOHNSON COUNTY
Statements of Financial Position
For the Years Ended June 30, 2025 and June 30, 2024

Assets		
	2025	2024
Cash and cash equivalents	\$ 5,728,960	4,755,203
Grants receivable	20,790	14,412
Accrued interest receivable	4,993	4,993
Prepaid expenses	1,616	2,312
Notes receivable, net of discount of \$3,783,402 for 2025 \$3,416,403 for 2024	5,873,040	5,801,209
Beneficial interest in assets held in a community foundation	211,318	189,646
Property and equipment, net of accumulated depreciation	1,343	449
Total assets	\$ 11,842,060	10,768,224
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 398	476
Accrued payroll	5,600	5,600
Accrued and withheld payroll taxes payable	1,436	1,436
Accrued interest payable	27	27
Refundable advance	600,000	600,000
Total liabilities	607,461	607,539
Net assets:		
Without donor restrictions	10,218,681	9,184,251
With donor restrictions	1,015,918	976,434
Total net assets	11,234,599	10,160,685
Total liabilities and net assets	\$ 11,842,060	10,768,224

See accompanying notes to financial statements.

HOUSING TRUST FUND OF JOHNSON COUNTY
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2025 and 2024

	2025		Total
	Without Donor Restrictions	With Donor Restrictions	
Support and revenue:			
Contributions and support:			
Local government support	\$ -	1,314,424	1,314,424
Other contributions and support	10,482	100,000	110,482
Grants:			
State Housing Trust Fund grants	444,945	-	444,945
Federal Home Loan Bank grant	178,196	-	178,196
Miscellaneous income	254	-	254
Interest income	355,818	-	355,818
Net earnings from designated agency endowment fund	21,672	-	21,672
Net assets released from restrictions	1,374,940	(1,374,940)	-
Total support and revenue	<u>2,386,307</u>	<u>39,484</u>	<u>2,425,791</u>
Expenses:			
Program services	1,266,423	-	1,266,423
Management and general	85,454	-	85,454
Total expenses	<u>1,351,877</u>	<u>-</u>	<u>1,351,877</u>
Change in net assets	<u>1,034,430</u>	<u>39,484</u>	<u>1,073,914</u>
Net assets, beginning of year	<u>9,184,251</u>	<u>976,434</u>	<u>10,160,685</u>
Net assets, end of year	<u>\$ <u>10,218,681</u></u>	<u><u>1,015,918</u></u>	<u><u>11,234,599</u></u>

See accompanying notes to financial statements.

HOUSING TRUST FUND OF JOHNSON COUNTY
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2025 and 2024

	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions and support:			
Local government support	\$ -	1,632,400	1,632,400
Other contributions and support	10,677	10,000	20,677
Grants:			
State Housing Trust Fund grants	441,887	-	441,887
Federal Home Loan Bank grant	14,412	-	14,412
Miscellaneous income	20,022	-	20,022
Interest income	248,933	-	248,933
Net earnings from designated agency endowment fund	21,761	-	21,761
Net assets released from restrictions	1,738,330	(1,738,330)	-
Total support and revenue	<u>2,496,022</u>	<u>(95,930)</u>	<u>2,400,092</u>
Expenses:			
Program services	1,287,816	-	1,287,816
Management and general	77,003	-	77,003
Total expenses	<u>1,364,819</u>	<u>-</u>	<u>1,364,819</u>
Change in net assets	<u>1,131,203</u>	<u>(95,930)</u>	<u>1,035,273</u>
Net assets, beginning of year, restated	<u>8,053,048</u>	<u>1,072,364</u>	<u>9,125,412</u>
Net assets, end of year	<u>\$ 9,184,251</u>	<u>976,434</u>	<u>10,160,685</u>

See accompanying notes to financial statements.

HOUSING TRUST FUND OF JOHNSON COUNTY
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services - Affordable Housing	Management and General	Total
Salaries and wages	\$ 68,133	32,062	100,195
Employee health insurance	4,398	2,070	6,468
Payroll taxes	5,212	2,453	7,665
Retirement plan contribution	1,920	904	2,824
Worker's compensation	447	211	658
Direct program expenses:			
Housing rehabilitation costs	606,397	-	606,397
Forgiveness of notes receivable	9,120	-	9,120
Discount of notes receivable	555,716	-	555,716
Other program expenses	5,000	-	5,000
Rent	2,240	6,718	8,958
Office supplies and postage	547	1,641	2,188
Telephone and communications	311	932	1,243
Professional fees	6,629	19,886	26,515
Insurance	-	7,051	7,051
Conferences and travel	353	1,061	1,414
Dues and memberships	-	775	775
Miscellaneous	-	9,402	9,402
Depreciation	-	288	288
Total expenses	\$ 1,266,423	85,454	1,351,877

See accompanying notes to financial statements.

HOUSING TRUST FUND OF JOHNSON COUNTY
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services - Affordable Housing	Management and General	Total
Salaries and wages	\$ 61,042	28,725	89,767
Employee health insurance	8,370	3,939	12,309
Payroll taxes	4,670	2,197	6,867
Retirement plan contribution	1,818	856	2,674
Worker's compensation	447	211	658
Direct program expenses:			
Housing rehabilitation costs	107,711	-	107,711
Forgiveness of notes receivable	2,500	-	2,500
Discount of notes receivable	1,086,996	-	1,086,996
Other program expenses	5,000	-	5,000
Rent	2,240	6,718	8,958
Office supplies and postage	373	1,119	1,492
Telephone and communications	290	870	1,160
Professional fees	6,242	18,725	24,967
Insurance	-	6,823	6,823
Conferences and travel	117	352	469
Dues and memberships	-	1,105	1,105
Miscellaneous	-	5,213	5,213
Depreciation	-	150	150
Total expenses	\$ 1,287,816	77,003	1,364,819

See accompanying notes to financial statements.

HOUSING TRUST FUND OF JOHNSON COUNTY
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,073,914	1,035,273
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Amortization of discount on notes receivable	366,999	914,357
Forgiveness of notes receivable	9,120	2,500
Depreciation	288	150
Net earnings of beneficial interest in assets held in a community foundation	(21,672)	(21,761)
Change in assets and liabilities		
(Increase) in grants receivable	(6,378)	(14,412)
(Increase) decrease in prepaid expense	696	711
Increase (decrease) in accounts payable and accrued expenses	(78)	(85)
Increase (decrease) in refundable advance	-	400,000
Net cash provided by operating activities	<u>1,422,889</u>	<u>2,316,733</u>
Cash flows from investing activities:		
Proceeds from maturity of certificate of deposit	-	214,050
Purchases of property and equipment	(1,182)	-
Issuance of notes receivable	(994,806)	(1,920,317)
Proceeds from payment of notes receivable	546,856	501,608
Net cash provided by investing activities	<u>(449,132)</u>	<u>(1,204,659)</u>
Net change in cash and cash equivalents	973,757	1,112,074
Cash and cash equivalents, beginning of year	<u>4,755,203</u>	<u>3,643,129</u>
Cash and cash equivalents, end of year	<u>\$ 5,728,960</u>	<u>4,755,203</u>

See accompanying notes to financial statements.

HOUSING TRUST FUND OF JOHNSON COUNTY
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 - Nature of Business and Significant Accounting Policies

Nature of Activities - The Housing Trust Fund of Johnson County, Inc. (the Organization) 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, Iowa. The Organization is supported primarily by governmental grants and contributions. The Organization makes grants and loans to qualifying program participants.

Basis of Presentation - The financial statements of the Organization have been prepared to report information regarding its financial position and activities according to the following net asset classifications:

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 management and the board of directors.

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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit with maturity dates beyond three months are not considered to be cash equivalents and are separately stated 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 credit losses is necessary. Uncollectible amounts are charged off as bad debts when there is no reasonable chance of collection.

HOUSING TRUST FUND OF JOHNSON COUNTY
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Notes Receivable - Notes receivable are non-interest bearing and have been discounted in the accompanying financial statements at various rates ranging from 3.25% to 8.5% based upon prevailing market rates at the inception of the mortgages. Discounts on mortgages are amortized over the life of the agreement ranging from 1 year to 30 years using the effective interest method.

An allowance for credit 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. As of June 30, 2025 and 2024, the Organization has had no experience with uncollectible notes and believes that all notes will be collected in full. The notes are secured by a mortgage on the properties.

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 disposal of property is recorded in the income accounts. Depreciation is computed on the straight-line basis over five years for equipment and furnishings.

Contributions - Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. The Organization reports gifts of cash and other assets as net assets with 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 restrictions are reclassified to net assets without 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.

Conditional Grants - A portion of the Organization's revenue is derived from cost-reimbursable and other grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract provisions. Amounts received prior to incurring qualified expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of \$1,301,118 and \$1,204,329 that have not been recognized at June 30, 2025 and 2024 because qualifying expenditures had not yet been incurred, with an advance payment of \$600,000 and \$600,000 recognized in the statements of financial position as a refundable advance at June 30, 2025 and 2024, respectively.

Tax Exempt Status - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides an income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Internal Revenue Service has not determined that the Organization is a private foundation. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement - On July 30, 2025, the FASB issued ASU 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The standard allows the Organization to elect a practical expedient to base the allowance for credit losses on current economic conditions at the balance sheet date. Additionally, the standard permits the Organization to make an accounting policy election to consider collections received after the balance sheet date but before the financial statements are available to be issued.

The Organization early adopted ASU 2025-05 prospectively. As a result, the Organization applied the practical expedient and elected the policy to include subsequent collections through November 11, 2025, which reduced complexity and improved the accuracy of the allowance estimate.

Functional Expenses - The costs of providing various program and supporting services have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. The functional expenses are allocated to the programs based on actual expenses incurred or estimated amounts where actual amounts cannot be determined.

Date of Management Review - Management has evaluated subsequent events through February 26, 2026, the date which the financial statements were available to be issued.

Note 2 - Liquidity and Availability

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

Financial assets at year end:	2025	2024
Cash and cash equivalents	\$ 5,728,960	4,755,203
Grants receivable	20,790	14,412
Accrued interest receivable	4,993	4,993
Designated agency endowment fund	211,318	189,646
Notes receivable	5,873,040	5,801,209
Total financial assets	<u>11,839,101</u>	<u>10,765,463</u>
Less amounts not available to be used within one year:		
Notes receivable, noncurrent	5,368,348	5,331,176
Designated agency endowment fund	211,318	189,646
Net assets with donor restrictions	<u>1,015,918</u>	<u>976,434</u>
	6,595,584	6,497,256
Financial assets available to meet general expenditures		
Over the next twelve months	<u>\$ 5,243,517</u>	<u>4,268,207</u>

The Organization has a policy to structure its financial assets to meet its obligations as they come due.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 3 - Notes Receivables

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 June 30, 2025 and 2024.

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. Eligibility for forgiveness is scheduled at various dates between June 30, 2024 and 2055.

During the years ended June 30, 2025 and 2024, the Organization made nine new loans and eight new loans, respectively, to qualifying loan recipients. Loan proceeds paid to qualifying loan recipients totaled \$994,806 and \$1,920,317 during the years ended June 30, 2025 and 2024. Repayments received on notes totaled \$546,856 and \$501,608 during the years June 30, 2025 and 2024, respectively, and the Organization earned interest of \$65,862 and \$59,658 on certain notes for the respective years. During the years ended June 30, 2025 and 2024, one and three notes were eligible each year for loan forgiveness of \$9,120 and \$2,500, respectively. At June 30, 2025 and 2024, the Organization had a total of 60 and 58 notes receivable with outstanding balances totaling \$9,656,442 and \$9,217,612, respectively.

The Organization has approved the funding of eleven additional loan agreements totaling \$2,314,370. No requests for funds were made by the loan recipients as of June 30, 2025.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 3 - Notes Receivables (Continued)

A summary of active notes receivable with outstanding balances at June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Iowa Valley Habitat for Humanity	\$ 646,091	371,933
The Housing Fellowship	873,669	788,697
The Shelter House	2,167,459	2,267,283
Reach for Your Potential	16,875	24,375
Unlimited Abilities	83,840	88,669
Successful Living	6,787	17,258
Iowa City Senior Apartments, LP	117,263	123,374
Saddlebrook Meadows Dev.	-	6,147
Coral Ridge, LLC	243,579	250,626
CHI Penn Oaks LLP	275,740	285,474
City of Coralville	15,379	18,262
Del Ray Ridge LP	708,335	729,425
Coralville Housing Group II, LLC	420,967	432,383
IC Housing Group LLP	671,048	692,011
IC Housing Group II, LLC	1,082,331	1,100,000
Charm Homes, LLC	-	168,954
Inside Out Reentry Community	65,417	70,834
Mayor's Youth Emp. Program	74,708	48,333
Domestic Violence Interv. Prog.	243,750	250,000
Total repayable notes	<u>\$ 7,713,238</u>	<u>7,734,038</u>
	<u>2025</u>	<u>2024</u>
ISIS Investments, LLC	\$ -	9,120
The Shelter House	938,204	863,204
Reach for Your Potential	120,000	120,000
Saddlebrook Meadows Development	-	16,250
Inside Out Reentry Community	100,000	100,000
Domestic Violence Intervention Program	250,000	250,000
Iowa City Sober Living	75,000	75,000
The Housing Fellowship	380,000	-
Mayor's Youth Empowerment Program	80,000	50,000
Total forgivable notes	<u>1,943,204</u>	<u>1,483,574</u>
Total notes receivable	9,656,442	9,217,612
Less discount to present value	3,783,402	3,416,403
Notes receivable, net of discount	<u>\$ 5,873,040</u>	<u>5,801,209</u>

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 3 - Notes Receivables (Continued)

The following is a schedule, by year, of maturities of notes receivable as of June 30, 2025:

2026		\$	504,692
2027			438,290
2028			358,443
2029			359,693
2030			350,467
Thereafter			<u>7,644,857</u>
		\$	<u><u>9,656,442</u></u>

At June 30, 2025 and 2024, \$4,359,331 and \$3,941,580 of total loans receivable were with three organizations that are represented on the board of the Organization.

Note 4 - Fair Value Measurement

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 4 - Fair Value Measurement (Continued)

The following table presents by level, within the fair value hierarchy, the assets at fair value, as of June 30, 2025 and 2024. Assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

<u>Description</u>	<u>June 30, 2025</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest held in a community foundation	\$ 211,318	-	211,318	-

<u>Description</u>	<u>June 30, 2024</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest held in a community foundation	\$ 189,646	-	189,646	-

Valuation techniques for Level 2 inputs included:

- Beneficial interest in assets held by community foundation is valued using the fair value of underlying investments. The underlying investments are based on prices quoted in active markets.

Note 5 - Restrictions on Net Assets

The following is a summary of restricted net asset activity for the years ended June 30, 2025 and 2024:

	<u>Restricted Net Assets, June 30, 2024</u>	<u>Restricted Contributions</u>	<u>Releases from Restrictions</u>	<u>Restricted Net Assets, June 30, 2025</u>
Affordable housing projects	\$ 946,182	1,411,424	(1,341,688)	1,015,918
Iowa City Co-Housing Coalition project	30,252	-	(30,252)	-
Housing Trust Fund of Johnson County 20 th Anniversary Celebration	-	3,000	(3,000)	-
Total	\$ 976,434	1,414,424	(1,374,940)	1,015,918

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 5 - Restrictions on Net Assets (Continued)

	Restricted Net Assets, June 30, 2023	Restricted Contributions	Releases from Restrictions	Restricted Net Assets, June 30, 2024
Affordable housing projects	\$ 1,042,112	1,642,400	(1,738,330)	946,182
Iowa City Co-Housing Coalition project	30,252	-	-	30,252
Total	\$ 1,072,364	1,642,400	(1,738,330)	976,434

Note 6 - Property and Equipment

Property and equipment at June 30, 2025 and 2024 consists of the following:

	2025	2024
Equipment and furnishings	\$ 2,513	1,332
Accumulated depreciation	(1,170)	(883)
	\$ 1,343	449

Note 7 - Leases

The Organization leases office space on a month-to-month basis. The monthly rent was \$747 for the years ended June 30, 2025 and 2024, respectively. Total rent expense for the year ended June 30, 2025 and 2024 totaled \$8,958 and \$8,958 respectively.

Note 8 - 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 up to 3% 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, 2025 and 2024, the Organization contributed \$2,824 and \$2,674 to the plan, respectively.

Note 9 - Significant 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. The Organization does not expect to experience any losses on those amounts.

The Organization received State Housing Trust Fund grant funding from the Iowa Finance Authority in the amount of \$444,945 and \$441,887 during the years ended June 30, 2025 and 2024, respectively. The grant revenue represents approximately 18% and 18% of all revenue and support for the years ended June 30, 2025 and 2024, respectively. Significant changes in the availability of these, or similar grants, could materially affect the revenues and operations of the Organization.

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 9 - Significant Concentrations (Continued)

The Organization receives annual support funding from Johnson County and the cities of Iowa City, Coralville and North Liberty. During the years ended June 30, 2025 and 2024, the Organization received \$1,314,424 and \$1,632,400 from these local governments, and the amount represents 54% and 68% of all revenue and support of the Organization during the respective years. Significant changes in the availability of these, or similar grants, could materially affect the revenues and operations of the Organization.

Note 10 - Board-Designated Endowment Fund

The Organization has established a board-designated endowment fund at The Community Foundation of Johnson County (Foundation). The endowment is administered by the Foundation for the benefit of the Organization. Control over the investment or reinvestment of the funds is exercised by the Foundation, however, since the funds were contributed by the Organization, the Organization continues to recognize its interest in the net assets held by the Foundation. The endowments are classified as unrestricted net assets.

The Foundation establishes guidelines for the minimum and maximum percentages of cash, fixed income, and equity securities, and an investment committee monitors and adjusts the allocations periodically. 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, 2025 and 2024 was as follows:

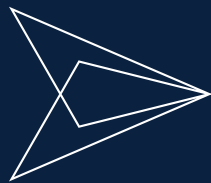
	2025	2024
Beginning balance	\$ 189,646	167,885
Donations	-	500
Interest and dividend income	4,861	4,405
Management fees	(3,108)	(2,699)
Realized and unrealized gains and losses	19,919	19,555
Ending balance	<u>\$ 211,318</u>	<u>189,646</u>

HOUSING TRUST FUND OF JOHNSON COUNTY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 11 - Prior Period Adjustment

During the year ended June 30, 2025, the Organization noted an error related to prior year financial statements. The Organization had received grant income in a prior period which was recorded as an unrestricted contribution rather than restricted. The following is a reconciliation from previously stated net assets to restated net assets as of June 30, 2023:

	Unrestricted Net Assets	Restricted Net Assets
Previously Stated June 30, 2023, Net Assets	\$ 8,269,651	855,761
Restricted income originally recorded as unrestricted	(216,603)	216,603
Restated June 30, 2023, Net Assets	\$ 8,053,048	1,072,364



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