

**HOUSING AUTHORITY OF THE CITY OF MOLINE
MOLINE, ILLINOIS**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED MARCH 31, 2025

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	i-viii
Basic Financial Statements:	
Statement of Net Position	4-5
Statement of Revenue, Expenses and Changes in Net Position	6
Statement of Cash Flows	7-8
Notes to the Basic Financial Statements	9-25
SUPPLEMENTARY INFORMATION	
PHA's Statement of Certification of Actual Modernization Costs	26-28
Schedule of Expenditures of Federal Awards	29
Financial Data Schedule	30-39
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	40-41
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	42-43
Independent Auditor's Report on Applying Agreed-Upon Procedures	44-45
Schedule of Findings and Questioned Costs	46



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Moline
Moline, Illinois

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Moline (Authority), Illinois, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of March 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

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

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule and the PHA's Statement of Certification of Actual Modernization Cost are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Financial Data Schedule, PHA's Statement of Certification of Actual Modernization Cost and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 14, 2025, on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.



Shoaib Khar, CPA

Audit Solutions, LLC

Chesterfield, Missouri

October 14, 2025

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
March 31, 2025

Introduction

This Management's Discussion and Analysis (MD&A) of the Moline Housing Authority (Authority) provide an introduction and overview to the financial statements of the Moline Housing Authority for the fiscal year ended March 31, 2025. The Moline Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended March 31, 2025, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Moline Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has a variety of programs including owned units, rental assistance, business activities, and a nonprofit corporation that is reported as a blended component unit.

- The Low Rent program consists of 486 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. The Low Rent program is separated into 2 projects (AMPs).
- The COCC operates as a business activity of the Authority. Revenue is generated through management, bookkeeping, and asset management fees paid by the other programs.
- The Capital Fund Program is also a formula-based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Program. These resources allow the Authority to provide capital improvements for the current dwelling structures and assist in their operations.
- The Housing Choice Voucher Program provides rental assistance to aid low-income families with affordable, decent, safe, and sanitary rental housing. The Authority provides rental assistance in the form of a housing assistance payment to a landlord on behalf of the tenant. The Authority currently has 246 units available. Funds are provided by HUD to provide rental assistance payments. The Authority is provided with an administrative fee for the purpose of covering the administrative costs of the program. The administrative fee is computed by HUD on an annual basis.
- The Moline Housing Development Corporation (a nonprofit corporation) consists of two apartment complexes managed by the Authority to provide affordable housing.
- Other programs provide supportive services enabling individuals and families to progress towards economic independence and housing self-sufficiency.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- Statement of Net Position
- Statement of Revenues, Expense, and Changes in Net Position
- Statement of Cash Flows

HOUSING AUTHORITY OF THE CITY OF MOLINE
Mt. Vernon, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2025

Overview of the Financial Statements – (Continued)

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended March 31, 2025, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended March 31, 2025.

Financial Highlights

The Authority's net position increased from \$8,208,721 to \$8,470,955, an increase of \$262,234 or 3%. Total assets increased by \$1,271,296.

Total revenue increased from \$6,697,225 to \$7,133,799, an increase of \$436,574 or 7%.

Total expenses increased by \$681,331, from \$6,147,909 to \$6,829,240, an increase of 11%.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Mt. Vernon, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2025

Housing Authority Activities & Highlights

The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of net position for the year ended March 31, 2025, and March 31, 2024.

**Summary Statement of Net Position
Years Ended March 31, 2025, and 2024**

Category	3/31/2025	3/31/2024	Change \$	Change %
Current Assets	\$ 3,091,065	\$ 2,541,949	\$ 549,116	22%
Non Current Assets	\$ 12,840,262	\$ 12,118,082	\$ 722,180	6%
Total Assets	\$ 15,931,327	\$ 14,660,031	\$ 1,271,296	9%
Current Liabilities	\$ 373,932	\$ 391,085	\$ (17,153)	-4%
Non Current Liabilities	\$ 7,086,440	\$ 5,894,824	\$ 1,191,616	20%
Total Liabilities	\$ 7,460,372	\$ 6,285,909	\$ 1,174,463	19%
Deferred Inflow of Resources	\$ -	\$ 165,401	\$ (165,401)	-100%
Unrestricted	\$ 2,476,918	\$ 1,869,651	\$ 607,267	32%
Restricted	\$ 75,156	\$ 23,613	\$ 51,543	218%
Net Investment in Capital Assets	\$ 5,918,881	\$ 6,315,457	\$ (396,576)	-6%
Total Net Position	\$ 8,470,955	\$ 8,208,721	\$ 262,234	3%

Current Assets

The Authority's current asset balance increased by \$549,116 primarily due to an increase in total cash from \$2,172,311 in the prior year to \$2,666,546 in the current year. Additionally, prepaid expenses increased by \$20,571 and accounts receivable HUD increased by \$22,355.

Noncurrent Assets

The Authority's noncurrent asset balance increased by \$722,180 which is discussed in a subsequent section related to capital assets.

Current Liabilities

Current liabilities decreased by \$17,153. This was primarily due to a decrease in other current liabilities of \$40,489. In contrast, accounts payable other government increased by \$8,865, and tenant security deposits increased by \$12,357.

Net Position

The net position of the Authority increased by \$262,234.

The Authority's restricted component of net position increased from \$23,613 to \$75,156. This is primarily due to FSS escrow forfeitures in the current year.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Mt. Vernon, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2025

Housing Authority Activities & Highlights – (Continued)

The Authority's unrestricted component of net position changed from \$1,869,651 to \$2,476,918, an increase of \$607,267 or 32%. This was primarily due to operating revenues exceeding operating expenses. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

Unrestricted component of net position balance per program is as follows:

Low Rent Housing Program	
AMP 1	\$ 1,085,626
AMP 2	\$ 851,276
Centralized Office Cost Center	\$ 48,116
Housing Choice Voucher	\$ 150,750
Component Unit	\$ 267,868
Business Activities	<u>\$ 73,282</u>
Total Unrestricted	<u>\$ 2,476,918</u>

HOUSING AUTHORITY OF THE CITY OF MOLINE
Mt. Vernon, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2025

Housing Authority Activities & Highlights – (Continued)

**Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended March 31, 2025, and 2024**

Category	3/31/2025	3/31/2024	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 2,021,774	\$ 1,848,077	\$ 173,697	9%
Government Operating Grants	\$ 4,068,343	\$ 3,695,021	\$ 373,322	10%
Capital Grants	\$ 766,553	\$ 986,375	\$ (219,822)	-22%
Other Revenue	\$ 226,201	\$ 121,446	\$ 104,755	86%
Interest Income	\$ 50,928	\$ 46,306	\$ 4,622	10%
Total Revenue	\$ 7,133,799	\$ 6,697,225	\$ 436,574	7%
Expenses:				
Administration	\$ 1,245,434	\$ 1,164,348	\$ 81,086	7%
Tenant Services	\$ 102,149	\$ 95,536	\$ 6,613	7%
Utilities	\$ 671,499	\$ 603,569	\$ 67,930	11%
Ordinary Maintenance	\$ 1,097,300	\$ 1,087,340	\$ 9,960	1%
Protective Services	\$ -	\$ 3,133	\$ (3,133)	-100%
General/Insurance Expense	\$ 751,966	\$ 597,071	\$ 154,895	26%
Nonroutine Maintenance	\$ -	\$ 4,199	\$ (4,199)	-100%
Depreciation	\$ 978,669	\$ 884,970	\$ 93,699	11%
Housing Assistance Payments	\$ 1,945,120	\$ 1,696,018	\$ 249,102	15%
Interest Expense	\$ 37,103	\$ 11,725	\$ 25,378	216%
Total Expenses	\$ 6,829,240	\$ 6,147,909	\$ 681,331	11%
Change in Net Position	\$ 304,559	\$ 549,316	\$ (244,757)	-45%
Net Position, Beginning of Year	\$ 8,208,721	\$ 7,659,405	\$ 549,316	7%
Net Position, End of Year	\$ 8,470,955	\$ 8,208,721	\$ 262,234	3%

Results of Operations

Revenues of the Authority are generated principally from tenant rents and Federal funding grant income. The Authority's revenue increased by \$436,574. Significant variances include the following:

- Capital grants decreased by \$219,822 due to a reduction in CFP activity related to capital improvements.
- Government operating grants increased by \$373,322 primarily due to increases in HAP revenue of \$180,145 and other government grants of \$126,259.
- Tenant Revenue increased by \$173,697 or 9%. The average rent for the Low Rent program increased from \$312 in 2024 to \$334 in 2025.
- Other revenue increased by \$104,755 due to increased HCV port in units, FSS escrow forfeitures, and component unit developer fees.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Mt. Vernon, Illinois

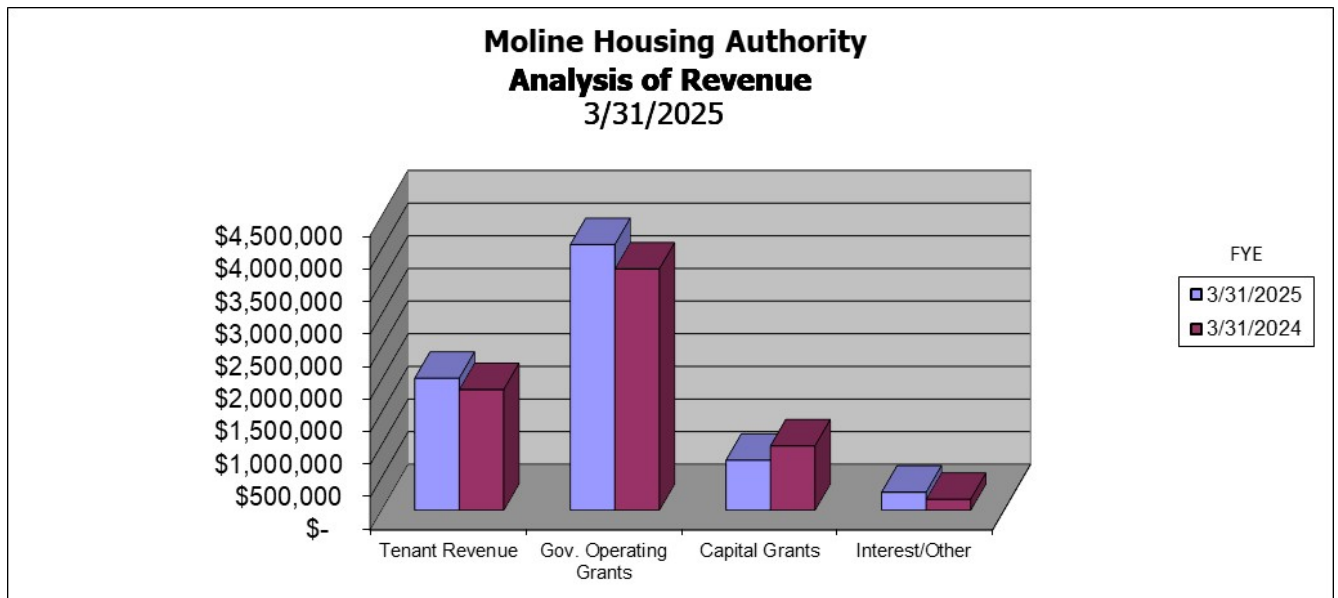
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2025

Results of Operations – (Continued)

Total expenses increased by \$681,331. Significant variances include the following:

- Administration increased by \$81,086 primarily due to increases in other admin of \$70,699 and office expenses of \$10,442.
- Utilities increased by \$67,930. This was primarily due to an increase in water/sewer expenses in the amount of \$34,934. Other increases include electric expenses of \$25,803 and gas expenses of \$7,706.
- General/Insurance expense increased by \$154,895. This was primarily due to an increase in other general expenses in the amount of \$164,588, and an increase in property insurance of \$22,141. Bad debt tenant rents decreased by an offsetting \$46,680.
- Housing assistance payments increased by \$249,102. This was primarily due to an increase in the unit months leased from 2,710 in the prior year to 2,910 in the current year.

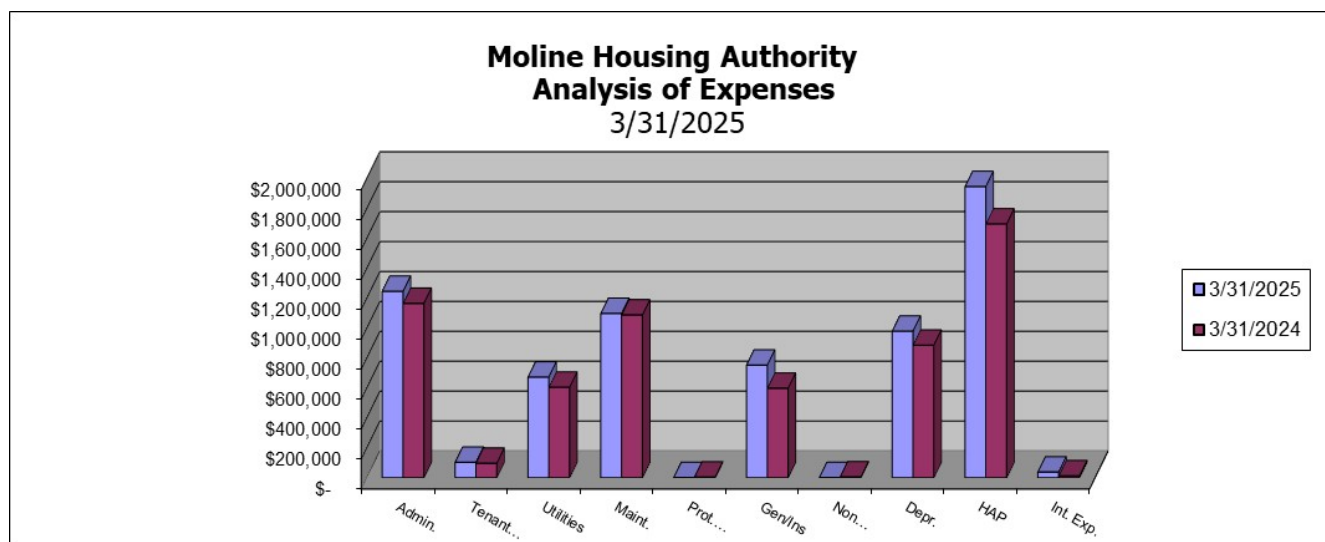
The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:



HOUSING AUTHORITY OF THE CITY OF MOLINE
Mt. Vernon, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2025

Results of Operations – (Continued)



Capital Assets

As of March 31, 2025, the Authority's net investment in capital assets was \$5,918,881. This includes land, buildings, equipment, and construction in progress, net of accumulated depreciation and outstanding debt related to the assets.

Category	3/31/2025	3/31/2024	Change \$	Change %
Land	\$ 121,260	\$ 117,331	\$ 3,929	3%
Buildings	\$ 41,940,046	\$ 34,720,967	\$ 7,219,079	21%
Equipment	\$ 810,431	\$ 801,524	\$ 8,907	1%
Leasehold improvements	\$ 15,265	\$ -	\$ 15,265	100%
Construction in Progress	\$ 21,197	\$ 5,590,188	\$ (5,568,991)	-100%
Accumulated Depreciation	\$ (30,067,937)	\$ (29,111,928)	\$ (956,009)	3%
Total Net Fixed Assets	\$ 12,840,262	\$ 12,118,082	\$ 722,180	6%

Additions to buildings include a tub restoration project, HVACs, installation of smoke detectors, playground structures, an asbestos abatement project, and the completion of the component unit Spring Valley Village Apartments.

Additions to equipment include community room furniture, office furniture, and picnic tables.

Long Term Debt

The Authority classifies a portion of the employee's leave as long-term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$78,518. In addition, \$6,900,415 of debt relates to the construction of component units. Remaining long term debt consists of the non-current portion of a lease liability and tenant FSS balances held in escrow.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Mt. Vernon, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2025

Subsequent Event

As of the time of this analysis, HUD has not finalized the funding levels for the 2025 calendar year. The operating subsidy for the Low Rent Housing Program will be funded at an estimated 102.58%.

The amount of funding for the 2025 calendar year for the Housing Choice Voucher Program will include an estimated proration of administrative fees at 88.51% and HAP funding at 100%. HUD has obligated \$1,941,547 in HAP funding for the 2025 calendar year.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Moline Housing Authority
John Afoun, Executive Director
4141 11th Ave. A
Moline, IL 61265

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

STATEMENT OF NET POSITION
March 31, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 2,263,091
Cash - restricted	403,455
Receivables - net of allowances of \$153,353	105,947
Inventory - net of allowances of \$11,431	102,877
Prepaid expenses	<u>215,695</u>

Total Current Assets	<u>3,091,065</u>
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Non-current Assets:

Capital assets:

Land and construction in progress	142,457
Other capital assets, net of depreciation	<u>12,697,805</u>

Total capital assets - net	<u>12,840,262</u>
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Total Non-current Assets	<u>12,840,262</u>
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Total Assets	<u><u>\$ 15,931,327</u></u>
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See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

STATEMENT OF NET POSITION - (Continued)
March 31, 2025

LIABILITIES

Current Liabilities:

Accounts payable	\$ 96,721
Accrued salaries and benefits	60,014
Tenant security deposit liability	112,652
Accrued compensated absences	55,790
Accrued interest payable	7,289
Current portion of long-term debt	14,544
Unearned revenues	<u>26,922</u>

Total Current Liabilities	<u>373,932</u>
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Non-current Liabilities:

Long term debt, net of current portion	6,906,837
Compensated absences	78,518
Non-current liabilities - Other	<u>101,085</u>

Total Non-current Liabilities	<u>7,086,440</u>
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Total Liabilities	<u>7,460,372</u>
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NET POSITION

Net investment in capital assets	5,918,881
Restricted	75,156
Unrestricted	<u>2,476,918</u>

Total Net Position	<u>8,470,955</u>
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Total Liabilities and Net Position	<u><u>\$ 15,931,327</u></u>
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See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended March 31, 2025

OPERATING REVENUES

Tenant revenue	\$ 2,021,774
Governmental grants and subsidy	4,068,343
Miscellaneous	<u>266,846</u>
 Total operating revenue	 <u>6,356,963</u>

OPERATING EXPENSES

Administrative	1,245,434
Tenant services	102,149
Utilities	671,499
Ordinary maintenance and operations	1,097,300
Insurance	241,787
General	510,179
Housing assistance payment	1,945,120
Depreciation expense	<u>978,669</u>
 Total operating expenses	 <u>6,792,137</u>

Operating income (loss)	<u>(435,174)</u>
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NON-OPERATING REVENUES (EXPENSES)

Investment income	50,928
Gain (loss) on disposal of capital assets	(40,645)
Interest expense	<u>(37,103)</u>

Net non-operating revenues (expenses)	<u>(26,820)</u>
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Income (loss) before contributions and transfers	<u>(461,994)</u>
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Capital contributions	<u>766,553</u>
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Change in net position	304,559
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Total net position - beginning of year	8,208,721
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Prior period adjustments	<u>(42,325)</u>
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Total net position - end of year	<u><u>\$ 8,470,955</u></u>
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See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Received from tenants	\$ 1,970,792
Received from governmental grants and subsidy	4,029,037
Received from other operating activities	944,339
Payments for goods and services	(2,856,420)
Payments to employees	(1,726,184)
Payment in lieu of taxes	(96,381)
Payment for housing assistance	<u>(1,945,120)</u>

Net cash provided by (used in) operating activities	<u>320,063</u>
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CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Receipts (payments) from inter-programs	<u>375</u>
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Net cash provided by (used in) non-capital financing activities	<u>375</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital contributions	1,887,596
Proceeds from sale of capital assets	3,054
Purchases of capital assets	(1,784,948)
Receipts (payments) from deferred credits and escrow deposits	48,143
Principal paid on capital debt	(753)
Interest paid on capital debt	<u>(30,223)</u>

Net cash provided by (used in) capital and related financing activities	<u>122,869</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Receipts of interest and dividends	<u>50,928</u>
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Net cash provided by (used in) investing activities	<u>50,928</u>
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Net increase (decrease) in cash and cash equivalents	494,235
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Cash and cash equivalents at beginning of year	<u>2,172,311</u>
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Cash and cash equivalents at end of year	<u><u>\$ 2,666,546</u></u>
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See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

STATEMENT OF CASH FLOWS - (Continued)

For the Year Ended March 31, 2025

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$	(435,174)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		978,669
Change in assets and liabilities:		
Receivables, net		(23,239)
Inventories, net		(10,077)
Prepaid expenses		(20,571)
Accounts and other payables		(38,659)
Tenant security deposit		12,357
Unearned revenues		(176,545)
Compensated absences		27,754
Accrued expenses		<u>5,548</u>
Net cash provided by (used) by operating activities	\$	<u><u>320,063</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of the City of Moline (Authority) is a public body and a body corporate and politic organized under the laws of the State of Illinois that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority was established to provide Low-Rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. Additionally, HUD has entered into Annual Contributions Contract with the Authority for the purpose of administering housing and housing related programs described herein. The Authority is not subject to federal or state income taxes and is not required to file federal or state income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1A. Financial Reporting Entity

The Authority's financial reporting entity comprises the following:

Primary Government: Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and No. 61, "The Financial Reporting Entity," and includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, the financial statements of the reporting entity include the Housing Authority of the City of Moline, Illinois and its component unit, Moline Housing Development Corporation (MHDC). MHDC is a separate project formed in the State of Illinois as an instrumentality of the Authority and is reported as Blended Component Unit. MHDC is the sole owner of Fiesta Manor and Spring Valley Village Apartments. The Authority is not part of any other entity, nor does it have oversight responsibility over any other agency.

1B. Basis of Presentation

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following funds:

Proprietary Fund Types - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation - (Continued)

Enterprise Fund - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

The Authority operates the following programs in the enterprise fund:

Public and Indian Housing – The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

Public Housing Capital Fund – The purpose of this program is to provide funds annually to Housing Authorities for the modernization of the housing development and for management improvements.

Section 8 Housing Choice Vouchers – The objective of the program is to help low-income families obtain decent, safe, and sanitary housing through a system of rental assistance. HUD reimburses the Authority for the rental supplements paid to private landlords and the administrative costs of managing the program.

Resident Opportunity and Supportive Services - Service Coordinators – To address the economic and housing self-sufficiency needs of public and Indian housing residents by providing grant-funded service coordinators who link residents to the supportive services they need in order to achieve economic and housing self-sufficiency; and for elderly/disabled residents to continue to age/reside in place and avoid costlier forms of care.

Family Self-Sufficiency Program – To promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

FSS Escrow Forfeitures – To account for all FSS escrow forfeitures regardless of the funding source used to fund the escrow.

Central Office Cost Center (COCC) – Under the Asset Management rule, the purpose of this program is to provide day-to-day operation of other programs of the Housing Authority in lieu of property management, asset management, bookkeeping, program management and fee for service fee.

Business Activities – To set aside defederalized funds (operating subsidy lawsuit).

Moline Housing Development Corporation (Blended Component Unit) - The Moline Housing Authority is the managing agent for Fiesta Manor and Spring Valley Village Apartments. Fiesta Manor and Spring Valley Village Apartments are owned by the Moline Housing Development Corporation, a nonprofit instrumentality of the Authority, and exemplifies the Authority's commitment to providing affordable housing opportunities throughout the City of Moline.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

1D. Budgets

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

1E. Estimates and Assumptions

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

1F. Assets, Liabilities and Equity

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur within individual funds that may result in amounts owed between funds. Inter-fund receivables and payables between funds are eliminated for financial statement presentation.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities and Equity – (Continued)

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of HUD, miscellaneous, tenants, and fraud recovery receivable.

Inventories

Inventories are accounted for under the consumption method and recorded at lower of cost or market. Inventories consist primarily of maintenance materials and supplies held for consumption. The cost of these supplies is regarded as an expenditure at the time the items are consumed. Inventories are classified as current assets on the Statement of Net Position, net of an allowance for obsolete inventory.

Prepaid Expenses

Prepaid expenditures, such as insurance premiums and deferred costs, which are expected to be written off within the next fiscal year, are included in current assets.

Capital Assets

Capital assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated acquisition value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$1,000 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

Depreciation of all exhaustible capital assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	5-40 years
Site improvements	5 years
Furniture, equipment and machinery - administrative	3-10 years
Furniture, equipment and machinery – dwelling	10 years

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to the security deposit, FSS, escrow and maintenance reserve, and FSS forfeiture fund under the Public and Indian Housing, Housing Choice Vouchers, blended component unit and FSS Forfeiture Account.

Compensated Absences

The Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term and short-term liabilities based on historical trends. Amounts not expected to be paid within the next fiscal year are classified as long-term liabilities.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities and Equity – (Continued)

Equity Classifications

Equity is classified as net position and displayed in three components:

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position - Consists of net position with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (ii) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports \$75,156 (FSS forfeiture) of restricted net position under the FSS Forfeiture Account program.
- 3) Unrestricted net position - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted are available, the Authority’s policy is to apply restricted assets to fund restricted costs and then unrestricted as they are needed.

1G. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Changes in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2A. Program Accounting Requirements

The Authority's complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

	<u>Program</u> <u>Required By</u>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Public Housing Capital Fund	U.S. Department of Housing and Urban Development
Section 8 Housing Choice Vouchers	U.S. Department of Housing and Urban Development
Resident Opportunity and Supportive Services	U.S. Department of Housing and Urban Development
Family Self-Sufficiency Program	U.S. Department of Housing and Urban Development
FSS Escrow Forfeitures	U.S. Department of Housing and Urban Development
Central Office Cost Center-COCC	U.S. Department of Housing and Urban Development
Business Activities	Housing Authority
Blended Component Unit (MHDC)	Housing Authority

2B. Deposits and Investments Laws and Regulations

It is the Authority's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The Authority must maintain a written collateral agreement from all financial institutions pledging collateral to the Authority. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

2C. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Public Housing Capital Fund	Modernization
Section 8 Housing Choice Vouchers	Housing assistance payments
FSS / ROSS Grant	Tenant services

For the year ended March 31, 2025, the Authority complied, in all material respects, with these revenue restrictions.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3A. Cash and Investments

As of March 31, 2025, the Authority had the following cash deposits and investments:

Cash deposits	\$ 2,666,471
Petty cash – AMP 1	<u>75</u>
Total	<u>\$ 2,666,546</u>

Following is a reconciliation of the Authority's deposit balances as of March 31, 2025:

Cash - unrestricted	\$ 2,263,091
Cash – restricted	<u>403,455</u>
Total	<u>\$ 2,666,546</u>

Deposits

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At March 31, 2025, the Authority's bank balances of \$2,598,815 were entirely covered by FDIC insurance or by pledged collateral held by the Authority's agent bank in the Authority's name.

Investments

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At March 31, 2025, the Authority had no investments.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. The credit risk is not applicable as the Authority had no investments as of March 31, 2025.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3B. Restricted Assets

Restricted assets at March 31, 2025, consist of the following:

<u>Type of Restricted Assets</u>	
Security deposit	\$ 112,652
Escrow and maintenance reserve	114,562
FSS fund set aside	101,085
FSS forfeiture	<u>75,156</u>
Total	<u>\$ 403,455</u>

3C. Accounts Receivable

Receivables at March 31, 2025, consist of the following:

Tenants	\$ 43,167	
Less: Allowance for doubtful accounts - tenants	<u>(17,340)</u>	
Tenants - net of allowance		\$ 25,827
Fraud recovery	157,334	
Less: Allowance for doubtful accounts - fraud	<u>(136,013)</u>	
Fraud recovery - net of allowance		21,321
HUD		56,131
Miscellaneous		<u>2,668</u>
Total Accounts Receivable		<u>\$ 105,947</u>

3D. Inventory

Inventory at March 31, 2025, comprised of the following:

Inventory	\$ 114,308
Less: Allowance for obsolete inventory	<u>(11,431)</u>
Inventory - net of allowance	<u>\$ 102,877</u>

3E. Prepaid Expenses

Prepaid expenses totaled \$215,695 at March 31, 2025, and consisted of primarily prepaid insurances and deferred cost.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3F. Capital Assets

A summary of capital asset activity for the year ended March 31, 2025, is as follows:

	Balance April 1, 2024	Additions	(Retirement)	Reclass/ Transfers in (out)	Balance March 31, 2025
Non-depreciable assets:					
Land	\$ 117,331	\$ 3,929	-\$	-\$	121,260
Construction in progress	5,547,488	21,197	-	(5,547,488)	21,197
Total non-depreciable assets	<u>5,664,819</u>	<u>25,126</u>	<u>-</u>	<u>(5,547,488)</u>	<u>142,457</u>
Depreciable assets:					
Building	34,720,967	1,737,950	(66,359)	5,547,488	41,940,046
Equipment - dwelling	79,858	-	-	-	79,858
Equipment - administration	721,666	8,907	-	-	730,573
Leasehold improvements	-	15,265	-	-	15,265
Total depreciable assets	<u>35,522,491</u>	<u>1,762,122</u>	<u>(66,359)</u>	<u>5,547,488</u>	<u>42,765,742</u>
Accumulated depreciation	<u>(29,111,928)</u>	<u>(978,669)</u>	<u>22,660</u>	<u>-</u>	<u>(30,067,937)</u>
Total depreciable assets, net	<u>6,410,563</u>	<u>783,453</u>	<u>(43,699)</u>	<u>5,547,488</u>	<u>12,697,805</u>
Capital assets, net	<u>\$ 12,075,382</u>	<u>\$ 808,579</u>	<u>\$ (43,699)</u>	<u>-\$</u>	<u>12,840,262</u>

Depreciation expense is charged to programs as follows:

<u>Business-type Activities</u>	
Low Rent - AMP 1	\$ 639,236
Low Rent - AMP 2	196,951
Housing Choice Vouchers	823
Blended Component Unit - MHDC	139,988
COCC	<u>1,671</u>
Total depreciation expense	<u>\$ 978,669</u>

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3G. Right to Use Asset – Lease

The Authority has recorded right to use assets under Leasehold Improvements. The assets are right to use assets for leased equipment. The related lease is discussed further in Notes 3I. The right to use lease assets are amortized on a straight-line basis over the terms of the related lease.

Description	Balance April 1, 2024	Additions	(Retirement)	Balance March 31, 2025
Right to Use Asset:				
Leased equipment - copier	\$ ---	\$ 15,265	\$ ---	\$ 15,265
Less: accumulated amortization	---	(6,106)	---	(6,106)
Right to Use Asset, net	<u>\$ ---</u>	<u>\$ 9,159</u>	<u>\$ ---</u>	<u>\$ 9,159</u>

3H. Accounts Payable

Accounts payable at March 31, 2025, consist of the following:

Vendors & contractors	\$ 12,674
PILOT	42,884
Other current liabilities – CFP / MHDC	22,300
Accrued utilities	18,474
PHA projects	389
Total Accounts Payable	<u>\$ 96,721</u>

3I. Lease Liability

The Authority has entered into an agreement to lease equipment (postage meter). The lease qualifies as other than short-term leases under GASB 87 'Leases' and therefore have been recorded at the present value of future minimum lease payments as of the date of their inception.

The agreement was executed on April 1, 2023, to lease postage meter and required 60 monthly payments of \$305.45. The lease liability is measured at a discount rate of 8.0%, which is the stated rate in the lease agreement. As a result of the lease, the Authority has recorded a right to use asset with a book value of \$9,159 at March 31, 2025. The right to use asset is discussed in more detail in Note 3G.

The minimum lease obligation and the net present value of these minimum payments as of March 31, 2025, are as follows:

Year Ending March 31,	Principal Payments	Interest Payments	Total
2026	\$ 3,456	209	3,665
2027	3,540	126	3,666
2028	2,882	35	2,917
	<u>\$ 9,878</u>	<u>\$ 370</u>	<u>\$ 10,248</u>

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3J. Non-current Liabilities

Non-current liabilities at March 31, 2025, consist of the following:

Accrued compensated absences	\$ 78,518
Capital projects / mortgage revenue bonds - loan	233,418
Capital projects / mortgage revenue bonds - lease	6,422
Non-current liabilities - FSS	101,085
Loan liability	<u>6,666,997</u>
 Total Non-Current Liabilities	 <u>\$ 7,086,440</u>

The following is the summary of changes in long-term liabilities:

	Balance April 1, 2024	Additions	Deductions	Balance March 31, 2025	Amounts Due within One Year
Accrued compensated absences	\$ 51,391	\$ 27,127	\$ ---	\$ 78,518	\$ 55,790
Capital projects / mortgage revenue bonds - loan	244,537	---	11,119	233,418	11,088
Capital projects / mortgage revenue bonds - lease	---	6,422	---	6,422	3,456
Non-current liabilities - FSS	52,942	48,143	---	101,085	---
Loan liability	<u>5,545,954</u>	<u>1,121,043</u>	<u>---</u>	<u>6,666,997</u>	<u>---</u>
 Total non-current liabilities	 <u>\$ 5,894,824</u>	 <u>\$ 1,202,735</u>	 <u>\$ 11,119</u>	 <u>\$ 7,086,440</u>	 <u>\$ 70,334</u>

Annual Debt Service Requirements

1. The loan was financed by Blackhawk Bank & Trust for the purchase of Fiesta Manor. The loan payable is due in monthly installments of \$1,822 including principal and interest, with final maturity scheduled for October 31, 2040, at an interest rate of 4.50%. All land and structures of the project serve as collateral for this loan. The annual debt service requirements to maturity for long-term debt as of March 31, 2025, are as follows:

Maturity	Principal	Interest	Total
2026	\$ 11,088	\$ 10,776	\$ 21,864
2027	11,597	10,267	21,864
2028	12,130	9,734	21,864
2029	12,687	9,177	21,864
2030	13,270	8,594	21,864
2031-2035	76,075	33,244	109,319
2036-2040	95,231	14,088	109,319
2041	<u>12,428</u>	<u>326</u>	<u>12,754</u>
	<u>\$ 244,506</u>	<u>\$ 96,206</u>	<u>\$ 340,712</u>

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3J. Non-current Liabilities – (Continued)

Annual Debt Service Requirements – (Continued)

2. Spring Valley Village Apartments entered into a construction loan agreement for an IFF loan on October 5, 2022, at an interest rate of 5.50%, for the purpose of constructing eighteen (18) units of permanent supportive housing on land located in Moline, Illinois. The loan is not to exceed \$1,499,750 and was deposited in multiple advances as required for construction. The loan is due and payable in full on the initial maturity date of October 1, 2041. The balance at March 31, 2025, is \$1,498,108.

3. Spring Valley Village Apartments entered into a construction loan agreement with Illinois Housing Development Authority (Trust Fund Program) on October 5, 2022, not to exceed \$2,661,607 to be used for acquisition construction and permanent financing of eighteen (18) units of housing located in Moline, Illinois. This loan constitutes a second (2nd) lien on the development. The loan is due and payable in full on the initial maturity date of June 1, 2055. The balance at March 31, 2025, is \$2,661,607.

4. Spring Valley Village Apartments was awarded a “grant” for the development of eighteen (18) units of housing on October 5, 2022. This grant was awarded in conjunction with the Trust Fund Program. The award is not to exceed \$2,237,282 and will constitute a third (3rd) lien position on the development. The grant will be fully forgiven on the maturity date of December 31, 2054, provided a default does not exist.

5. Spring Valley Village Apartments entered into a construction loan agreement with Illinois Housing Development Authority (Promissory Note) on October 5, 2022, in the amount of \$270,000 to be used for acquisition construction and permanent financing of eighteen (18) units of housing located in Moline, Illinois. This loan constitutes a fourth (4th) lien on the development. The loan is due and payable in full on the initial maturity date of October 1, 2039. The balance at March 31, 2025, is \$270,000.

3K. Inter-program Transactions and Balances

Inter-program Receivable/Payable

Inter-program receivable/payable is eliminated for financial statement presentation. There was no inter-program receivable/payable at March 31, 2025.

Operating Transfers

Transfers are used to move revenues from one program to the other program in accordance with the budgetary authorizations.

	Transfers In	Transfers Out
Springbrook – AMP 10	\$ 197,335	\$ ---
Public Housing Capital Fund – AMP 20	---	(197,335)
Hillside Heights – AMP 20	65,779	---
Public Housing Capital Fund – AMP 20	<u> </u>	<u>(65,779)</u>
Total	<u>\$ 263,114</u>	<u>\$ (263,114)</u>

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3L. Condensed Financial Information – Blended Component Unit (BCU)

The Authority has the following condensed financial information for Moline Housing Development Corporation (MHDC) as of and for the year ended March 31, 2025:

Condensed Statement of Net Position
March 31, 2025

Current Assets	\$303,474
Capital Assets, Net	\$6,773,379
Total Assets	\$7,076,853
Current Liabilities	\$46,536
Non-Current Liabilities	\$6,900,573
Total Liabilities	\$6,947,109
Net Position:	
Net Investment in Capital Assets	\$6,528,873
Restricted Assets	\$0
Unrestricted Assets	(\$6,399,129)
Total Net Position	\$129,744

Condensed Statement of Revenues, Expenses and Changes in Net Position
March 31, 2025

Revenue:	
Tenant Revenue	\$32,807
Governmental grants and subsidy	\$181,861
Investment Income	\$802
Other Income	\$75,813
Total Revenue	\$291,283
Expenses:	
Administrative (excluding mgmt. fee elimination of \$14,233)	\$94,595
Tenant Services	\$500
Utilities	\$12,198
Routine Maintenance	\$19,011
General Expenses	\$21,073
Interest Expenses	\$36,239
Depreciation	\$139,988
Total Operating Expenses	\$323,604
Increase (Decrease) in Net Position	(\$32,321)
Net Position, Beginning of Year	\$162,065
Net Position, End of Year	\$129,744

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3L. Condensed Financial Information – Blended Component Unit (BCU) - (Continued)

**Condensed Statement of Cash Flow
March 31, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Received from tenants	\$37,687
Received from governmental grants and subsidy	\$181,861
Received from other operating activities	\$78,686
Payments for goods and services	(\$104,800)
Payments to employees	(\$14,029)
Payment in lieu of taxes	(\$10,501)

Net cash provided by (used in) operating activities	\$168,904
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CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Receipts (payments) from inter-programs	(\$312)
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Net cash provided by (used in) non-capital financing activities	(\$312)
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**CASH FLOWS FROM CAPITAL AND RELATED FINANCING
ACTIVITIES**

Proceeds from capital contributions	\$1,121,043
Purchases of capital assets	(\$1,005,430)
Principal paid on capital debt	(\$10,631)
Interest paid on capital debt	(\$29,359)

Net cash provided by (used in) capital and related financing activities	\$75,623
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CASH FLOWS FROM INVESTING ACTIVITIES

Receipts of interest and dividends	\$802
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Net cash provided by (used in) investing activities	\$802
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Net increase (decrease) in cash and cash equivalents	\$245,017
Cash and cash equivalents at beginning of year	\$45,145

Cash and cash equivalents at end of year	\$290,162
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HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3L. Condensed Financial Information – Blended Component Unit (BCU) - (Continued)

Condensed Statement of Cash Flow - (Continued)
March 31, 2025

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$3,116
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	\$139,988
Change in assets and liabilities:	
Receivables, net	\$1,496
Prepaid expenses	(\$2,092)
Accounts and other payables	\$20,000
Tenant security deposit	\$4,462
Unearned revenues	\$1,795
Compensated absences	\$130
Accrued expenses	\$9
Net cash provided by (used) by operating activities	\$168,904

3M. Prior Period Adjustment

Prior period adjustment as of March 31, 2025, consisted of the following:

Other Project:

Prior year Parkview preliminary and design costs paid with CFP funds. Costs were recorded as other assets (FDS line 174) in the prior year. PPA is to expense the items maintained in other assets. \$ (42,325)

NOTE 4 – OTHER NOTES

4A. Employee Pension Plan

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan with American United Provision. The Plan administrator has complete control of the administration of the plan, including complete discretions to interpret or construe the provisions of the Plan and under which contributions are established or may be amended.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan requires the Authority to contribute 13% of covered wages. Benefits are fully vested after 5 years of employment.

The following information related to the defined contribution plan at March 31, 2025:

Total payroll	\$ 1,128,700
Total payroll for eligible participants	\$ 1,173,270
Employer contributions made	\$ 152,525

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 4 – OTHER NOTES – (Continued)

4B. Financial Data Schedule

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation expense and Housing Assistance Payment (HAP) expense and includes interest expense, gain or loss on disposal of capital assets, investment income and capital contributions in operating activities, which differs from the presentation of basic financial statements.

4C. Commitments – Construction

At March 31, 2025, the Authority had the following pending projects in progress. The commitments related to these projects are summarized as follows:

	<u>Funds Approved</u>		<u>Funds Expended - Project to Date</u>
CFP 501-24	\$ 1,315,572	\$	769,380

4D. Contingencies

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

4E. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with AHRMA.
b. Injuries to employees (workers' compensation)	Purchased insurance with AHRMA. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$5,000 deductibles.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2025

NOTE 4 – OTHER NOTES – (Continued)

4F. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the Authority through October 14, 2025, and concluded that no subsequent events have occurred that would require adjustment to or disclosures within these financial statements.

4G. Economic Dependency

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2026 federal budget.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST
March 31, 2025

1. Actual Capital Fund Program costs are as follows:

	<u>501-21</u>
Funds approved	\$ 1,020,154
Funds expended	<u>1,020,154</u>
Excess of Funds Approved	<u>\$ ---</u>
Funds advanced	\$ 1,020,154
Funds expended	<u>1,020,154</u>
Excess (deficiency) of Funds Advanced	<u>\$ ---</u>

2. The costs as shown on the Actual Cost Certificate dated September 15, 2025, submitted to HUD for approval is in agreement with the Authority's records as of March 31, 2025.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST – (Continued)
March 31, 2025

1. Actual Capital Fund Program costs are as follows:

	<u>501-22</u>
Funds approved	\$ 1,241,216
Funds expended	<u>1,241,216</u>
Excess of Funds Approved	<u>\$ ---</u>
Funds advanced	\$ 1,241,216
Funds expended	<u>1,241,216</u>
Excess (deficiency) of Funds Advanced	<u>\$ ---</u>

2. The costs as shown on the Actual Cost Certificate dated September 15, 2025, submitted to HUD for approval is in agreement with the Authority's records as of March 31, 2025.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST – (Continued)
March 31, 2025

1. Actual Capital Fund Program costs are as follows:

	<u>501-23</u>
Funds approved	\$ 1,270,945
Funds expended	<u>1,270,945</u>
Excess of Funds Approved	<u>\$ ---</u>
Funds advanced	\$ 1,270,945
Funds expended	<u>1,270,945</u>
Excess (deficiency) of Funds Advanced	<u>\$ ---</u>

2. The costs as shown on the Actual Cost Certificate dated September 15, 2025, submitted to HUD for approval is in agreement with the Authority's records as of March 31, 2025.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2025

Federal Grantor	Assistance Listings Number	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Public and Indian Housing	14.850	\$ 1,286,956
Public Housing Capital Fund	14.872	1,214,074
Housing Voucher Cluster: Section 8 Housing Choice Vouchers	14.871	2,076,560
Resident Opportunity and Supportive Services	14.870	38,709
Family Self-Sufficiency Program	14.896	59,480
Section 8 Project-Based Cluster: Section 8 Housing Assistance Payments Program - Special Allocations	14.195	<u>55,547</u>
Total Expenditures of Federal Awards		\$ <u><u>4,731,326</u></u>

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Housing Authority of the City of Moline (Authority) under programs of the federal government for the year ended March 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SOURCES OF FUNDING

The schedule includes all grants and contracts entered into directly between the Authority and agencies and departments of the federal government, as well as federal funds passed through to the Authority by primary recipients. The Authority provided no part of its direct grant federal dollars to sub-recipients.

NOTE 4 – SUB-RECIPIENTS

There were no sub-recipients for the year ended March 31, 2025.

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE
Year Ended March 31, 2025

	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	1 Business Activities
111 Cash - Unrestricted	\$1,758,535	\$151,014		\$169,748		\$73,282
113 Cash - Other Restricted	\$66,555	\$34,530	\$75,156	\$114,562		
114 Cash - Tenant Security Deposits	\$106,800	\$0		\$5,852		
100 Total Cash	\$1,931,890	\$185,544	\$75,156	\$290,162	\$0	\$73,282
122 Accounts Receivable - HUD Other Projects	\$48,233	\$5,664			\$2,234	
125 Accounts Receivable - Miscellaneous	\$2,668	\$0		\$0		
126 Accounts Receivable - Tenants	\$36,827	\$0		\$6,340		
126.1 Allowance for Doubtful Accounts -Tenants	-\$13,693	\$0		-\$3,647		
128 Fraud Recovery	\$45,793	\$111,541				
128.1 Allowance for Doubtful Accounts - Fraud	-\$24,472	-\$111,541				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$95,356	\$5,664	\$0	\$2,693	\$2,234	\$0
142 Prepaid Expenses and Other Assets	\$171,478	\$10,073		\$10,619		
143 Inventories	\$114,308	\$0				
143.1 Allowance for Obsolete Inventories	-\$11,431	\$0				
150 Total Current Assets	\$2,301,601	\$201,281	\$75,156	\$303,474	\$2,234	\$73,282
161 Land	\$117,331	\$0		\$3,929		
162 Buildings	\$34,964,970	\$0		\$6,975,076		
163 Furniture, Equipment & Machinery - Dwellings	\$79,858	\$0				
164 Furniture, Equipment & Machinery - Administration	\$691,200	\$25,711		\$11,762		
165 Leasehold Improvements	\$8,854	\$1,221				
166 Accumulated Depreciation	-\$29,821,005	-\$25,621		-\$217,388		
167 Construction in Progress	\$21,197	\$0				
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,062,405	\$1,311	\$0	\$6,773,379	\$0	\$0
180 Total Non-Current Assets	\$6,062,405	\$1,311	\$0	\$6,773,379	\$0	\$0
290 Total Assets	\$8,364,006	\$202,592	\$75,156	\$7,076,853	\$2,234	\$73,282

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	1 Business Activities
312 Accounts Payable <= 90 Days	\$3,279	\$191		\$0		
321 Accrued Wage/Payroll Taxes Payable	\$34,788	\$3,518		\$170	\$2,234	
322 Accrued Compensated Absences - Current Portion	\$30,126	\$3,618		\$126		
325 Accrued Interest Payable	\$0	\$0		\$7,289		
332 Account Payable - PHA Projects	\$0	\$389				
333 Accounts Payable - Other Government	\$42,884	\$0				
341 Tenant Security Deposits	\$106,800	\$0		\$5,852		
342 Unearned Revenue	\$24,534	\$0		\$2,011		
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$2,004	\$277		\$11,088		
345 Other Current Liabilities	\$2,300	\$0		\$20,000		
346 Accrued Liabilities - Other	\$18,474	\$0				
310 Total Current Liabilities	\$265,189	\$7,993	\$0	\$46,536	\$2,234	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$3,725	\$514		\$233,418		
353 Non-current Liabilities - Other	\$66,555	\$34,530				
354 Accrued Compensated Absences - Non Current	\$34,959	\$8,285		\$158		
355 Loan Liability - Non Current	\$0	\$0		\$6,666,997		
350 Total Non-Current Liabilities	\$105,239	\$43,329	\$0	\$6,900,573	\$0	\$0
300 Total Liabilities	\$370,428	\$51,322	\$0	\$6,947,109	\$2,234	\$0
508.4 Net Investment in Capital Assets	\$6,056,676	\$520	\$0	\$-138,124	\$0	\$0
511.4 Restricted Net Position	\$0	\$0	\$75,156	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$1,936,902	\$150,750	\$0	\$267,868	\$0	\$73,282
513 Total Equity - Net Assets / Position	\$7,993,578	\$151,270	\$75,156	\$129,744	\$0	\$73,282
600 Total Liabilities and Equity - Net	\$8,364,006	\$202,592	\$75,156	\$7,076,853	\$2,234	\$73,282

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	14.870 Resident Opportunity and Supportive Services	14.195 Section 8 Housing Assistance Payments Program - Special Allocations	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$377		\$110,135	\$2,263,091	\$0	\$2,263,091
113 Cash - Other Restricted			\$0	\$290,803	\$0	\$290,803
114 Cash - Tenant Security Deposits			\$0	\$112,652	\$0	\$112,652
100 Total Cash	\$377	\$0	\$110,135	\$2,666,546	\$0	\$2,666,546
122 Accounts Receivable - HUD Other Projects			\$0	\$56,131	\$0	\$56,131
125 Accounts Receivable - Miscellaneous			\$0	\$2,668	\$0	\$2,668
126 Accounts Receivable - Tenants			\$0	\$43,167	\$0	\$43,167
126.1 Allowance for Doubtful Accounts -Tenants			\$0	-\$17,340	\$0	-\$17,340
128 Fraud Recovery			\$0	\$157,334	\$0	\$157,334
128.1 Allowance for Doubtful Accounts - Fraud			\$0	-\$136,013	\$0	-\$136,013
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$105,947	\$0	\$105,947
142 Prepaid Expenses and Other Assets			\$23,525	\$215,695	\$0	\$215,695
143 Inventories			\$0	\$114,308	\$0	\$114,308
143.1 Allowance for Obsolete Inventories			\$0	-\$11,431	\$0	-\$11,431
150 Total Current Assets	\$377	\$0	\$133,660	\$3,091,065	\$0	\$3,091,065
161 Land			\$0	\$121,260	\$0	\$121,260
162 Buildings			\$0	\$41,940,046	\$0	\$41,940,046
163 Furniture, Equipment & Machinery - Dwellings			\$0	\$79,858	\$0	\$79,858
164 Furniture, Equipment & Machinery - Administration			\$1,900	\$730,573	\$0	\$730,573
165 Leasehold Improvements			\$5,190	\$15,265	\$0	\$15,265
166 Accumulated Depreciation			-\$3,923	-\$30,067,937	\$0	-\$30,067,937
167 Construction in Progress			\$0	\$21,197	\$0	\$21,197
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$3,167	\$12,840,262	\$0	\$12,840,262
180 Total Non-Current Assets	\$0	\$0	\$3,167	\$12,840,262	\$0	\$12,840,262
290 Total Assets	\$377	\$0	\$136,827	\$15,931,327	\$0	\$15,931,327

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	14.870 Resident Opportunity and Supportive Services	14.195 Section 8 Housing Assistance Payments Program - Special Allocations	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days			\$9,204	\$12,674	\$0	\$12,674
321 Accrued Wage/Payroll Taxes Payable			\$19,304	\$60,014	\$0	\$60,014
322 Accrued Compensated Absences - Current Portion			\$21,920	\$55,790	\$0	\$55,790
325 Accrued Interest Payable			\$0	\$7,289	\$0	\$7,289
332 Account Payable - PHA Projects			\$0	\$389	\$0	\$389
333 Accounts Payable - Other Government			\$0	\$42,884	\$0	\$42,884
341 Tenant Security Deposits			\$0	\$112,652	\$0	\$112,652
342 Unearned Revenue	\$377		\$0	\$26,922	\$0	\$26,922
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$1,175	\$14,544	\$0	\$14,544
345 Other Current Liabilities			\$0	\$22,300	\$0	\$22,300
346 Accrued Liabilities - Other			\$0	\$18,474	\$0	\$18,474
310 Total Current Liabilities	\$377	\$0	\$51,603	\$373,932	\$0	\$373,932
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$2,183	\$239,840	\$0	\$239,840
353 Non-current Liabilities - Other			\$0	\$101,085	\$0	\$101,085
354 Accrued Compensated Absences - Non Current			\$35,116	\$78,518	\$0	\$78,518
355 Loan Liability - Non Current			\$0	\$6,666,997	\$0	\$6,666,997
350 Total Non-Current Liabilities	\$0	\$0	\$37,299	\$7,086,440	\$0	\$7,086,440
300 Total Liabilities	\$377	\$0	\$88,902	\$7,460,372	\$0	\$7,460,372
508.4 Net Investment in Capital Assets	\$0	\$0	-\$191	\$5,918,881		\$5,918,881
511.4 Restricted Net Position	\$0	\$0	\$0	\$75,156		\$75,156
512.4 Unrestricted Net Position	\$0	\$0	\$48,116	\$2,476,918		\$2,476,918
513 Total Equity - Net Assets / Position	\$0	\$0	\$47,925	\$8,470,955	\$0	\$8,470,955
600 Total Liabilities and Equity - Net	\$377	\$0	\$136,827	\$15,931,327	\$0	\$15,931,327

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	1 Business Activities
70300 Net Tenant Rental Revenue	\$1,859,618	\$0		\$31,313		
70400 Tenant Revenue - Other	\$129,349	\$0		\$1,494		
70500 Total Tenant Revenue	\$1,988,967	\$0	\$0	\$32,807	\$0	\$0
70600 HUD PHA Operating Grants	\$1,711,733	\$2,076,560			\$59,480	
70610 Capital Grants	\$766,553	\$0				
70800 Other Government Grants	\$0	\$0		\$126,314		
71100 Investment Income - Unrestricted	\$47,367	\$131		\$69		\$2,317
71400 Fraud Recovery	\$0	\$16,382				
71500 Other Revenue	\$11,872	\$93,798	\$68,981	\$75,813		
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0				-\$40,645
72000 Investment Income - Restricted	\$0	\$0	\$67	\$733		
70000 Total Revenue	\$4,526,492	\$2,186,871	\$69,048	\$235,736	\$59,480	-\$38,328
91100 Administrative Salaries	\$124,650	\$81,632		\$9,802		
91200 Auditing Fees	\$6,844	\$944				
91300 Management Fee	\$562,401	\$34,920		\$14,233		
91310 Book-keeping Fee	\$41,835	\$21,825				
91400 Advertising and Marketing	\$15,492	\$868				
91500 Employee Benefit contributions - Administrative	\$43,236	\$27,489		\$1,871		
91600 Office Expenses	\$57,037	\$5,649	\$1,500	\$3,753		\$114
91700 Legal Expense	\$36,569	\$361		\$9,295		
91800 Travel	\$5,682	\$1,343				
91900 Other	\$108,219	\$13,247		\$55,641		\$2,121
91000 Total Operating - Administrative	\$1,001,965	\$188,278	\$1,500	\$94,595	\$0	\$2,235
92000 Asset Management Fee	\$0	\$0				
92100 Tenant Services - Salaries	\$0	\$0			\$49,465	
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0			\$10,015	
92400 Tenant Services - Other	\$214	\$0	\$7,017	\$500		
92500 Total Tenant Services	\$214	\$0	\$7,017	\$500	\$59,480	\$0

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	1 Business Activities
93100 Water	\$166,708	\$0		\$3,970		
93200 Electricity	\$205,952	\$0		\$2,325		
93300 Gas	\$87,843	\$0		\$1,867		
93600 Sewer	\$198,798	\$0		\$4,036		
93000 Total Utilities	\$659,301	\$0	\$0	\$12,198	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$436,334	\$0		\$1,787		
94200 Ordinary Maintenance and Operations - Materials and Other	\$188,319	\$87		\$6,409		
94300 Ordinary Maintenance and Operations Contracts	\$304,048	\$1,273		\$10,463		
94500 Employee Benefit Contributions - Ordinary Maintenance	\$148,228	\$0		\$352		
94000 Total Maintenance	\$1,076,929	\$1,360	\$0	\$19,011	\$0	\$0
96110 Property Insurance	\$142,196	\$0		\$7,847		
96120 Liability Insurance	\$15,894	\$1,966		\$862		
96130 Workmen's Compensation	\$30,590	\$5,363				
96140 All Other Insurance	\$9,864	\$789		\$1,507		
96100 Total insurance Premiums	\$198,544	\$8,118	\$0	\$10,216	\$0	\$0
96200 Other General Expenses	\$40,905	\$381				\$170,088
96210 Compensated Absences	\$65,663	\$10,121		\$356		
96300 Payments in Lieu of Taxes	\$94,745	\$0		\$10,501		
96400 Bad debt - Tenant Rents	\$64,989	\$0				
96000 Total Other General Expenses	\$266,302	\$10,502	\$0	\$10,857	\$0	\$170,088
96710 Interest of Mortgage (or Bonds) Payable	\$501	\$69		\$36,239		
96700 Total Interest Expense and Amortization Cost	\$501	\$69	\$0	\$36,239	\$0	\$0
96900 Total Operating Expenses	\$3,203,756	\$208,327	\$8,517	\$183,616	\$59,480	\$172,323
97000 Excess of Operating Revenue over Operating Expenses	\$1,322,736	\$1,978,544	\$60,531	\$52,120	\$0	-\$210,651

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	1 Business Activities
97300 Housing Assistance Payments	\$0	\$1,859,619				
97350 HAP Portability-In	\$0	\$85,501				
97400 Depreciation Expense	\$836,187	\$823		\$139,988		
90000 Total Expenses	\$4,039,943	\$2,154,270	\$8,517	\$323,604	\$59,480	\$172,323
10010 Operating Transfer In	\$263,114	\$0		\$55,547		
10020 Operating transfer Out	-\$263,114	\$0				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$55,547	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$486,549	\$32,601	\$60,531	-\$32,321	\$0	-\$210,651
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$10,631	\$0	\$0
11030 Beginning Equity	\$7,549,354	\$118,669	\$14,625	\$162,065	\$0	\$283,933
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$42,325	\$0	\$0			
11170 Administrative Fee Equity		\$151,270				
11180 Housing Assistance Payments Equity		\$0				
11190 Unit Months Available	5832	2910	0	72	0	0
11210 Number of Unit Months Leased	5565	2910	0	71	0	0
11270 Excess Cash	\$1,441,996					
11620 Building Purchases	\$766,553					

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	14.870 Resident Opportunity and Supportive Services	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			\$0	\$1,890,931	\$0	\$1,890,931
70400 Tenant Revenue - Other			\$0	\$130,843	\$0	\$130,843
70500 Total Tenant Revenue	\$0	\$0	\$0	\$2,021,774	\$0	\$2,021,774
70600 HUD PHA Operating Grants	\$38,709		\$0	\$3,886,482	\$0	\$3,886,482
70610 Capital Grants			\$0	\$766,553	\$0	\$766,553
70710 Management Fee			\$611,554	\$611,554	-\$611,554	\$0
70730 Book Keeping Fee			\$63,660	\$63,660	-\$63,660	\$0
70700 Total Fee Revenue			\$675,214	\$675,214	-\$675,214	\$0
70800 Other Government Grants		\$55,547	\$0	\$181,861	\$0	\$181,861
71100 Investment Income - Unrestricted			\$244	\$50,128	\$0	\$50,128
71400 Fraud Recovery			\$0	\$16,382	\$0	\$16,382
71500 Other Revenue			\$0	\$250,464	\$0	\$250,464
71600 Gain or Loss on Sale of Capital Assets			\$0	-\$40,645	\$0	-\$40,645
72000 Investment Income - Restricted			\$0	\$800	\$0	\$800
70000 Total Revenue	\$38,709	\$55,547	\$675,458	\$7,809,013	-\$675,214	\$7,133,799
91100 Administrative Salaries			\$370,690	\$586,774	\$0	\$586,774
91200 Auditing Fees			\$4,012	\$11,800	\$0	\$11,800
91300 Management Fee				\$611,554	-\$611,554	\$0
91310 Book-keeping Fee				\$63,660	-\$63,660	\$0
91400 Advertising and Marketing			\$3,688	\$20,048	\$0	\$20,048
91500 Employee Benefit contributions - Administrative			\$121,121	\$193,717	\$0	\$193,717
91600 Office Expenses	\$1,791		\$29,196	\$99,040	\$0	\$99,040
91700 Legal Expense			\$1,769	\$47,994	\$0	\$47,994
91800 Travel			\$16,054	\$23,079	\$0	\$23,079
91900 Other	\$1,980		\$81,774	\$262,982	\$0	\$262,982
91000 Total Operating - Administrative	\$3,771	\$0	\$628,304	\$1,920,648	-\$675,214	\$1,245,434

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	14.870 Resident Opportunity and Supportive Services	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	COCC	Subtotal	ELIM	Total
92100 Tenant Services - Salaries	\$29,047		\$0	\$78,512	\$0	\$78,512
92300 Employee Benefit Contributions - Tenant Services	\$5,891		\$0	\$15,906	\$0	\$15,906
92400 Tenant Services - Other			\$0	\$7,731	\$0	\$7,731
92500 Total Tenant Services	\$34,938	\$0	\$0	\$102,149	\$0	\$102,149
93100 Water			\$0	\$170,678	\$0	\$170,678
93200 Electricity			\$0	\$208,277	\$0	\$208,277
93300 Gas			\$0	\$89,710	\$0	\$89,710
93600 Sewer			\$0	\$202,834	\$0	\$202,834
93000 Total Utilities	\$0	\$0	\$0	\$671,499	\$0	\$671,499
94100 Ordinary Maintenance and Operations - Labor			\$0	\$438,121	\$0	\$438,121
94200 Ordinary Maintenance and Operations - Materials and Other			\$0	\$194,815	\$0	\$194,815
94300 Ordinary Maintenance and Operations Contracts			\$0	\$315,784	\$0	\$315,784
94500 Employee Benefit Contributions - Ordinary Maintenance			\$0	\$148,580	\$0	\$148,580
94000 Total Maintenance	\$0	\$0	\$0	\$1,097,300	\$0	\$1,097,300
96110 Property Insurance			\$0	\$150,043	\$0	\$150,043
96120 Liability Insurance			\$9,200	\$27,922	\$0	\$27,922
96130 Workmen's Compensation			\$15,294	\$51,247	\$0	\$51,247
96140 All Other Insurance			\$415	\$12,575	\$0	\$12,575
96100 Total insurance Premiums	\$0	\$0	\$24,909	\$241,787	\$0	\$241,787
96200 Other General Expenses			\$0	\$211,374	\$0	\$211,374
96210 Compensated Absences			\$52,430	\$128,570	\$0	\$128,570
96300 Payments in Lieu of Taxes			\$0	\$105,246	\$0	\$105,246
96400 Bad debt - Tenant Rents			\$0	\$64,989	\$0	\$64,989
96000 Total Other General Expenses	\$0	\$0	\$52,430	\$510,179	\$0	\$510,179

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended March 31, 2025

	14.870 Resident Opportunity and Supportive Services	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	COCC	Subtotal	ELIM	Total
96710 Interest of Mortgage (or Bonds) Payable			\$294	\$37,103	\$0	\$37,103
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$294	\$37,103	\$0	\$37,103
96900 Total Operating Expenses	\$38,709	\$0	\$705,937	\$4,580,665	-\$675,214	\$3,905,451
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$55,547	-\$30,479	\$3,228,348	\$0	\$3,228,348
97300 Housing Assistance Payments			\$0	\$1,859,619	\$0	\$1,859,619
97350 HAP Portability-In			\$0	\$85,501	\$0	\$85,501
97400 Depreciation Expense			\$1,671	\$978,669	\$0	\$978,669
90000 Total Expenses	\$38,709	\$0	\$707,608	\$7,504,454	-\$675,214	\$6,829,240
10010 Operating Transfer In			\$0	\$318,661	-\$318,661	\$0
10020 Operating transfer Out		-\$55,547	\$0	-\$318,661	\$318,661	\$0
10100 Total Other financing Sources (Uses)	\$0	-\$55,547	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	\$0	-\$32,150	\$304,559	\$0	\$304,559
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$10,631		\$10,631
11030 Beginning Equity	\$0	\$0	\$80,075	\$8,208,721	\$0	\$8,208,721
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			\$0	-\$42,325	\$0	-\$42,325
11170 Administrative Fee Equity				\$151,270		\$151,270
11180 Housing Assistance Payments Equity				\$0		\$0
11190 Unit Months Available	0	0	0	8814	0	8814
11210 Number of Unit Months Leased	0	0	0	8546	0	8546
11270 Excess Cash				\$1,441,996		\$1,441,996
11620 Building Purchases			\$0	\$766,553		\$766,553



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Housing Authority of the City of Moline
Moline, Illinois

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Moline (Authority), Illinois, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon October 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Shoaib Khar, CPA

Audit Solutions, LLC

Chesterfield, Missouri

October 14, 2025



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of the City of Moline
Moline, Illinois

Report on Compliance for Each Major Federal Program

I have audited the Housing Authority of the City of Moline (Authority), Illinois's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the year ended March 31, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

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

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

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Shoaib Khar, CPA

Audit Solutions, LLC

Chesterfield, Missouri

October 14, 2025



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Moline
Moline, Illinois

I have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Moline and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Guidance reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

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

I was engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of the Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), by the Authority as of and for the year ended March 31, 2025 and have issued my report thereon dated October 14, 2025. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, my opinion on the fair presentation of the Financial Data Schedule (FDS) dated October 14, 2025, was expressed in relation to the basic financial statements of the Authority taken as a whole.

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

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

Shoaib Khar, CPA

Audit Solutions, LLC

Chesterfield, Missouri

October 14, 2025

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

AGREED UPON PROCEDURES
March 31, 2025

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion to FDS (data element G5100-010)	Auditor's supplemental report on FDS	√
4	Audit findings narratives (data element G5200-010)	Schedule of Findings and Questioned costs	√
5	General Information (data element series G2000, G2100, G2200, G2300, G90000, G9100)	OMB Data Collection Form	√
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
8	Type of compliance requirement (G4000-020 & G4000-030)	OMB Data Collection Form	√
9	Basic financial statements and auditors' reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF MOLINE
Moline, Illinois

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
March 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
<u>Internal control over financial reporting:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

<u>Internal control over major programs:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
<u>Identification of Major programs:</u>	
➤ ALN #14.871 Section 8 Housing Choice Vouchers	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

The current audit report for the year ended March 31, 2025, disclosed no Financial Statement audit findings.

Section III - Federal Award Findings and Questioned Costs

The current audit report for the year ended March 31, 2025, disclosed no Federal Awards audit finding and questioned costs.