

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditor's Report

March 31, 2025

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Ashland
Ashland, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Housing Authority of the City of Ashland ("Housing Authority"), a component unit of the City of Ashland, Wisconsin, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

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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*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9 and schedules relating to pensions and other postemployment benefits on pages 29-31 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying combining financial statements, financial data schedules and 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*, are presented for purposes of additional analysis and are 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 our opinion, the combining financial statements, financial data schedules and 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*, we have also issued our report dated December 3, 2025, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing 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 the Housing Authority's internal control over financial reporting and compliance.

Collins & Associates SC

Collins & Associates, S.C.
La Crosse, Wisconsin
December 3, 2025

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2025

As management of the Housing Authority of the City of Ashland ("Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2025. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$3,308,165.
- The Authority's cash and investment balance at March 31, 2025, was \$1,408,617 representing an increase of \$175,873 from March 31, 2024.
- Department of Housing and Urban Development grants and other governmental grants amounting to \$1,447,147 were reported as revenues, an increase of \$80,274 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this report are those of a special-purpose government engaged only in a business-type activity. The following statements are included:

The *statement of net position* presents information on all of the Authority's assets, deferred outflows, liabilities and deferred inflows. Net position is the difference between total assets and deferred outflows, net of total liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* reports the Authority's cash flows from operating, investing, and capital and related financing activities.

The basic financial statements can be found on pages 10 - 12 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 13 - 28 of this report.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2025

FINANCIAL ANALYSIS OF THE AUTHORITY

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows exceeded liabilities and deferred inflows by \$3,308,165 at the close of the most recent fiscal year.

By far, the largest portion of the Authority's net position (70 percent) reflects its investment in capital assets (e.g., land, buildings, furniture, equipment and machinery), less any related debt used to acquire those assets that is still outstanding. The Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

**Housing Authority of the City of Ashland - Net Position
March 31, 2025 and 2024**

	2025	2024	Total Change
<u>ASSETS</u>			
Current assets	\$ 1,501,071	\$ 1,310,180	\$ 190,891
Capital assets	2,482,526	2,398,180	84,346
Total assets	3,983,597	3,708,360	275,237
<u>DEFERRED OUTFLOWS</u>			
Related to pension	186,349	450,044	(263,695)
Related to OPEB	39,763	39,886	(123)
Total deferred outflows	226,112	489,930	(263,818)
<u>LIABILITIES</u>			
Current liabilities	265,438	254,143	11,295
Noncurrent liabilities	537,474	569,369	(31,895)
Total liabilities	802,912	823,512	(20,600)
<u>DEFERRED INFLOWS</u>			
Related to pension	62,419	250,757	(188,338)
Related to OPEB	36,213	42,123	(5,910)
Related to HAP	-	27,304	(27,304)
Total deferred inflows	98,632	320,184	(221,552)
<u>NET POSITION</u>			
Net investment in capital assets	2,330,000	2,237,757	92,243
Restricted	72,232	80,430	(8,198)
Unrestricted	905,933	736,407	169,526
Total net position	\$ 3,308,165	\$ 3,054,594	\$ 253,571

Current assets increased \$190,891 due to an increase in cash and investments of \$175,873. Capital assets increased during the year due to capital additions in excess of depreciation. The Authority had capital additions of \$368,091 during the year. Total liabilities decreased \$20,600 from the prior year due mainly to a decrease in long-term debt net of current portion of \$8,430.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2025

**Housing Authority of the City of Ashland - Changes in Net Position
For The Years Ended March 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>	<u>Total Change</u>
<u>OPERATING REVENUES</u>			
Dwelling rental	\$ 901,689	\$ 811,310	\$ 90,379
Tenant revenue - other	20,199	26,548	(6,349)
Operating grants	1,105,346	1,053,314	52,032
Total operating revenues	<u>2,027,234</u>	<u>1,891,172</u>	<u>136,062</u>
<u>OPERATING EXPENSES</u>			
Low Rent Public Housing	1,455,670	1,193,366	262,304
Capital Fund Program	73,169	138,577	(65,408)
Business Activities	13,416	13,229	187
Voucher Program	368,285	374,494	(6,209)
N/C S/R Section 8	87,177	86,140	1,037
COCC	204,493	197,961	6,532
Total operating expenses	<u>2,202,210</u>	<u>2,003,767</u>	<u>198,443</u>
Operating income (loss)	(174,976)	(112,595)	(62,381)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest on investments	21,947	14,140	7,807
Other revenues	83,681	234,601	(150,920)
HAP - port in	(1,993)	-	(1,993)
Fraud recovery	-	720	(720)
Casualty losses	-	(165,584)	165,584
Interest subsidies	15,545	15,744	(199)
Interest expense	(17,209)	(18,056)	847
Total nonoperating revenues (expenses)	<u>101,971</u>	<u>81,565</u>	<u>20,406</u>
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(73,005)	(31,030)	(41,975)
Capital grants	<u>326,256</u>	<u>292,815</u>	<u>33,441</u>
CHANGE IN NET POSITION	253,251	261,785	(8,534)
NET POSITION - Beginning of Year	3,054,594	2,792,809	261,785
Prior period adjustment	320	-	320
NET POSITION - END OF YEAR	<u><u>\$ 3,308,165</u></u>	<u><u>\$ 3,054,594</u></u>	<u><u>\$ 253,571</u></u>

The Authority's net position increased \$253,571 during the fiscal year. Operating revenues increased by \$136,062 from the previous year due mainly to an increase in dwelling rental of \$90,379 and operating grants of \$52,032. Operating expenses increased \$198,442 from the previous year due mainly to an increase in administrative expense of \$26,127 and general expenses of \$60,085.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2025

BUDGETS

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD and RD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS	2025	2024	Total Change
Land	\$ 365,191	\$ 365,191	\$ -
Buildings	12,611,943	12,258,799	353,144
Furniture, Equipment and Machinery			
Dwellings	136,970	134,332	2,638
Administrative	341,171	328,862	12,309
Less accumulated depreciation	(10,972,749)	(10,691,404)	(281,345)
Construction in progress	-	2,400	(2,400)
Total	<u>2,482,526</u>	<u>2,398,180</u>	<u>84,346</u>
 Long-term debt	 <u>152,526</u>	 <u>160,423</u>	 <u>(7,897)</u>
 Net investment in capital assets	 <u>\$ 2,330,000</u>	 <u>\$ 2,237,757</u>	 <u>\$ 92,243</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority has stayed within budget for the fiscal year ending March 31, 2025. While it is difficult to predict emergency spending for the next fiscal year, the Authority anticipates the budget for fiscal year end March 31, 2026, is adequate for operating and maintaining its housing units. The Authority also does annual and five-year planning for its Capital Fund Program. While capital fund grants are not known at this time, the Authority anticipates the grants will meet the long-term improvements in their plan.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, City of Ashland Housing Authority, 319 Chapple Ave, Ashland, WI 54806.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
STATEMENT OF NET POSITION
March 31, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,066,082
Accounts receivable - tenants	15,270
Accounts receivable - HUD	1,374
Accounts receivable - other	509
Interprogram due from	6,990
Prepaid expense	59,856
Inventory	8,455

Restricted Assets:

Cash and cash equivalents	152,494
Investments	190,041
Total Current Assets	<u>1,501,071</u>

Noncurrent Assets

Capital Assets:

Land	365,191
Buildings	12,611,943
Furniture, Equipment and Machinery:	
Dwellings	136,970
Administrative	341,171
Accumulated depreciation	<u>(10,972,749)</u>
Total Noncurrent Assets	<u>2,482,526</u>
Total Assets	<u>3,983,597</u>

DEFERRED OUTFLOWS

Deferred outflows related to pension	186,349
Deferred outflows related to OPEB	39,763
Total Deferred Outflows	<u>226,112</u>

LIABILITIES

Current Liabilities

Accounts payable	17,382
Accrued wages/payroll taxes	7,704
Accrued compensated absences - current	18,258
Accrued interest payable	1,609
Accrued payables - other government	111,356
Accrued liabilities - other	21,877
Interprogram due to	6,990

Current Liabilities Payable from Restricted Assets:

Tenant security deposits payable	67,177
Unearned revenues	1,879
Current portion of long-term debt	11,206
Total Current Liabilities	<u>265,438</u>

Noncurrent Liabilities

Long-term debt net of current portion	141,320
Net pension liability	32,586
Net OPEB liability	73,169
Accrued compensated absences	100,358
Noncurrent liabilities - other	190,041
Total Noncurrent Liabilities	<u>537,474</u>
Total Liabilities	<u>802,912</u>

DEFERRED INFLOWS

Deferred inflows related to pension	62,419
Deferred inflows related to OPEB	36,213
Total Deferred Inflows	<u>98,632</u>

NET POSITION

Net investment in capital assets	2,330,000
Restricted	72,232
Unrestricted	905,933
TOTAL NET POSITION	<u>\$ 3,308,165</u>

The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For The Year Ended March 31, 2025

Operating Revenues

Dwelling rental	\$ 901,689
Tenant revenue - other	20,199
HUD operating grants	870,569
Rental assistance	43,033
Fee revenue	191,744
Total Operating Revenues	<u>2,027,234</u>

Operating Expenses

Administration	718,105
Asset management fee	19,620
Tenant services	20,121
Utilities	235,622
Ordinary maintenance and operation	400,760
Protective services	3,571
General expense	194,998
Depreciation expense	281,343
Housing assistance payments	<u>328,070</u>
Total Operating Expenses	<u>2,202,210</u>

Operating Income (Loss)	(174,976)
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Nonoperating Revenues (Expenses)

Interest on investments	21,947
Other revenues	83,681
HAP port-in	(1,993)
Interest subsidies	15,545
Interest expense	<u>(17,209)</u>

Total Nonoperating Revenues (Expenses)	<u>101,971</u>
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Change in Net Position Before Capital Grants	(73,005)
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Capital grants	<u>326,256</u>
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Change in Net Position	253,251
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Total Net Position - beginning	3,054,594
Prior period adjustments	320
Total Net Position - ending	<u><u>\$ 3,308,165</u></u>

The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
STATEMENT OF CASH FLOWS
For The Year Ended March 31, 2025

Cash Flows From Operating Activities

Cash received from tenants	\$ 921,284
Cash received from grants	883,362
Cash paid to employees	(472,156)
Cash paid to suppliers	(883,618)
Housing assistance payments	(328,070)
Net Cash Flows Provided by Operating Activities	<u>120,802</u>

Cash Flows From Capital and Related Financing Activities

Purchase of capital assets	(365,689)
Capital grants	326,256
Interest subsidies	15,545
Interest paid	(17,099)
Debt retirement	(7,897)
Other receipts	83,681
Casualty losses	(1,993)
Net Cash Flows Provided by Capital and Related Financing Activities	<u>32,804</u>

Cash Flows From Investing Activities

Interest received on investments	21,947
Net Cash Flows Provided by Investing Activities	<u>21,947</u>

Net Change in Cash	175,553
Cash Balance - Beginning of year	1,233,064
CASH BALANCE - END OF YEAR	<u><u>\$ 1,408,617</u></u>

Cash Balance is Comprised of

Cash - unrestricted	\$ 1,066,082
Cash - restricted	152,494
Investments - restricted	190,041
	<u><u>\$ 1,408,617</u></u>

Reconciliation Of Operating Income (Loss) To Net

Cash Provided By Operating Activities

Operating income (loss)	\$ (174,976)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	281,343
Pension expense	(10,528)
OPEB expense	8,490
Changes in Operating Assets and Liabilities	
Accounts receivable - tenants	(4,295)
Accounts receivable - HUD	517
Prepaid expenses	(4,815)
Inventory	564
Accounts payable	9,339
Accrued wages/payroll taxes	(10,592)
Accrued compensated absences	19,625
Accrued payable - other government	9,087
Accrued liabilities - other	8,981
Noncurrent liabilities - other	15,128
Unearned revenues	(29,149)
Tenant security deposits	2,083
Net Cash Flows From Operating Activities	<u><u>\$ 120,802</u></u>

The accompanying notes are an integral part of the financial statement.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Ashland, Wisconsin, conform to generally accepted accounting principles as applicable to enterprise funds of governmental units.

A. REPORTING ENTITY – This report contains the financial information of the Housing Authority of the City of Ashland (the “Authority”), which is a component unit of the City of Ashland. The Authority is a legally separate organization. The board of commission of the Authority is appointed by the mayor and city council of the City of Ashland. Wisconsin Statutes provide for circumstances whereby the City of Ashland can impose their will on the Authority, and also create a potential financial benefit to or burden on the City of Ashland. The reporting entity for the Authority consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

The Authority was established for the purpose of engaging in the development, acquisition, and administrative activities of low-income housing programs and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing programs under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make loans to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to local housing authorities for the purpose of maintaining the low-rent character of the local housing programs.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. The Authority reports on the accrual basis of accounting. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into “net investment in capital assets”; “restricted”; and “unrestricted” components.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for dwelling rental and administrative fees. Operating expenses for the Authority include administrative expenses, tenant expenses, maintenance and operation, housing assistance payments and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION - continued

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

D. ASSETS, LIABILITIES, AND NET POSITION

Deposits and Investments – For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an initial maturity of three years or less when acquired to be cash equivalents. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

None of the Authority's investments are subject to fair value measurement. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

See NOTE 3A for further information.

Receivables – Accounts receivable have been shown net of an allowance for uncollectible accounts of \$0.

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within business-type activities are eliminated in the Statement of Net Position.

Fee revenue and fee expenses are eliminated on the Statement of Revenues, Expenses, and Changes in Net Position. The result of this is that fee revenues and operating expenses decreased by \$191,744 from the Combining Statement of Revenues, Expenses, and Changes in Net Position.

Prepaid Expense – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

Inventory – Inventory is valued at the lower of cost or net realizable value. At March 31, 2025, inventory of \$8,455 represents maintenance and office supplies on hand.

Restricted Assets – Mandatory segregations of assets are presented as restricted assets. Such segregations are required by loan agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. ASSETS, LIABILITIES, AND NET POSITION– continued

Capital Assets – Capital assets are defined by the Authority as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$-0- of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. Depreciation of all exhaustible capital assets is recorded as an allocated expense 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:

Buildings	40 Years
Equipment	5 - 10 Years
Improvements	15 Years

Compensated Absences - Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at March 31, 2025, are determined on the basis of current salary rates and include salary related payments.

Claims and Judgments – Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Net Position – Net position is classified and displayed in three components:

- a) 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c) Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION - The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS - The Authority's deposits and investments as of March 31, 2024:

	2025	
	Bank Balance	Carrying Value
Petty cash	\$ -	\$ 100
Deposits covered by federal insurance	1,104,495	1,277,321
Deposits uncollateralized and uninsured	240,956	131,196
Totals	<u>\$ 1,345,451</u>	<u>\$ 1,408,617</u>

The Authority had no significant type of investment during the year not included in the above schedule.

The FDIC's coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits (which includes NOW accounts, money markets deposit accounts, and other interest-bearing checking accounts) owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Additionally, all demand deposits owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. The FDIC coverage of accounts owned by a public unit and held by the same official custodian in a depository institution is located outside the State in which the public unit is located is different; all deposits are added together and insured up to \$250,000.

Bank accounts are also provided limited protection by the Wisconsin State Public Deposit Guarantee Fund up to \$400,000 in excess of FDIC coverage until the fund is depleted. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual entities.

Fluctuating cash flows during the year due to receipt of federal grants and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of the year end there were no long-term investments.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk – The Authority has an investment policy regarding concentration of credit risk.

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The Authority does have an investment policy that would limit the exposure to custodial credit risk for deposits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 3 – DETAILED NOTES ON ALL FUNDS – continued

A. DEPOSITS AND INVESTMENTS - continued

The Authority does have an investment policy that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

B. RESTRICTED ASSETS – The following represent the balances of the restricted assets:

Tenant Security Deposits – Monies held by the Authority for payment of repairs and/or repayment at the end of residents' tenancies.

Housing Assistance Payments – Monies held by the Authority for the Housing Choice Voucher Program. These monies are restricted for payments of rents through the Housing Choice Voucher program.

Deferred Compensation Program – Monies held by Nationwide Retirement solutions to be used for future employee retirement benefits.

Rural Development Escrow Accounts – These accounts are held for future repairs and replacement of capital assets for the Bay Ridge program.

C. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025, was as follows:

	Beginning Balance	Reclassifications & Addititons	Reclassifications & Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 365,191	\$ -	\$ -	\$ 365,191
Construction in progress	2,400	-	(2,400)	-
Other Capital Assets				
Buildings	12,258,799	353,144	-	12,611,943
Furniture, equipment and machinery				
Dwellings	134,332	2,638	-	136,970
Administrative	328,862	12,309	-	341,171
Total Capital Assets At Historical Cost	13,089,584	368,091	(2,400)	13,455,275
Less: Accumulated depreciation	(10,691,404)	(281,343)	-	(10,972,749)
Net Capital Assets	<u>\$ 2,398,180</u>			<u>\$ 2,482,526</u>

Depreciation expense was charged to functions as follows:

Low Rent Public Housing	\$ 218,742
CFP	31,243
Business Activities	3,336
HCV	178
N/C S/R Section 8	27,129
COCC	715
Total Depreciation Expense	<u>\$ 281,343</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 3 – DETAILED NOTES ON ALL FUNDS - continued

E. NET POSITION

Net position reported on statement of net position at March 31, 2025, includes the following:

Investment in capital assets, net of related debt	
Land	\$ 365,191
Other capital assets, net of accumulated depreciation	2,117,335
Less long-term debt	<u>(152,526)</u>
Net investment in capital assets	2,330,000
Restricted	72,232
Unrestricted	<u>905,933</u>
Total Net Position	<u><u>\$ 3,308,165</u></u>

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended March 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 98,990	\$ 19,626	\$ -	\$ 118,616	\$ 18,258
Note payable	160,423	-	(7,897)	168,320	11,206
Noncurrent liabilities - other	<u>174,913</u>	<u>15,128</u>	<u>-</u>	<u>190,041</u>	<u>-</u>
Totals	<u><u>\$ 434,326</u></u>	<u><u>\$ 34,754</u></u>	<u><u>\$ (7,897)</u></u>	<u><u>\$ 476,977</u></u>	<u><u>\$ 29,464</u></u>

Rural Development Project 02-5 - On October 2, 1981, the PHA signed a loan resolution with the United States Department of Agriculture, Rural Development for the amount of \$366,000. A promissory note was issued which is payable in installments over a 50 year period and which bears interest at a 11% rate as prescribed by the United States Government. As security on the note, the government has a lien on the related buildings and equipment.

	<u>\$ 168,320</u>
Total	168,320
Current portion of long-term debt	<u>11,206</u>
LONG-TERM DEBT	<u><u>\$ 157,114</u></u>

Estimated annual total maturities on the above notes are as follows:

2026	11,206
2027	11,765
2028	12,351
2029	12,965
Thereafter	<u>108,827</u>
TOTAL	<u><u>\$ 157,114</u></u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

Pensions. The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES' RETIREMENT SYSTEM – continued

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%
2023	1.6%	-21.0%
2024	3.6%	15.0%

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$30,334 in contributions from the employer.

Contribution rates as of December 31, 2024, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executive, and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%
Act 4 Protective County Jailers	14.30%	6.90%

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES' RETIREMENT SYSTEM – continued

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2025, the Housing Authority of the City of Ashland reported a liability (asset) of \$35,338 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Housing Authority of the City of Ashland's proportion of the net pension liability (asset) was based on the Housing Authority of the City of Ashland's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the Housing Authority of the City of Ashland's proportion was 0.00215367%, which was a decrease of 0.00003810% from its proportion measured as of December 31, 2023.

For the year ended March 31, 2025, the Housing Authority of the City of Ashland recognized pension expense (revenue) of \$47,001.

At March 31, 2025, the Housing Authority of the City of Ashland reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 109,900	\$ (103,271)
Net differences between projected and actual earnings on pension plan investments	242,809	(189,034)
Changes in assumptions	10,500	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	31	(1,193)
Employer contributions subsequent to the measurement date	40,365	-
Total	<u>\$ 403,605</u>	<u>\$ (293,498)</u>

\$40,365 reported as deferred outflows related to pension resulting from the Housing Authority of the City of Ashland's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year ended March 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 183,226	\$ (162,705)
2026	149,436	(76,364)
2027	22,368	(40,554)
2028	8,210	(13,875)
Thereafter	-	-

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES' RETIREMENT SYSTEM – continued

Actuarial assumptions. The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset)	December 31, 2024
	January 1, 2021 - December 31, 2023
Experience Study:	Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Asset Allocation Targets and Expected Returns
As of December 31, 2024**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	38.0%	7.0%	4.3%
Public Fixed Income	27.0%	6.1%	3.4%
Private Equity/Debt	20.0%	9.5%	6.7%
Inflation Sensitive	19.0%	4.8%	2.1%
Real Estate	8.0%	6.5%	3.8%
Leverage	-12.0%	3.7%	1.1%
Total Core Fund	100.0%	7.5%	4.8%
Variable Fund Asset			
U.S. Equities	70.0%	6.5%	3.8%
International Equities	30.0%	7.4%	4.7%
Total Variable Fund	100.0%	6.9%	4.2%

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES' RETIREMENT SYSTEM – continued

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Housing Authority of the City of Ashland's proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease To Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase To Discount Rate (7.80%)
Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset)	\$ 331,989	\$ 35,388	\$ (70,520)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION - continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Summary of Significant Accounting Policies

Other Post-Employment Benefits (OPEB). The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Other Post-Employment Benefits

Plan description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement Life Insurance financial report, which can also be found using the link above.

Benefits provided. The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions.

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit. Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2024, are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active).

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION – continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued

The member contribution rates in effect for the year ended December 31, 2024 are as listed below:

Life Insurance Member Contribution Rates*		
For the year ended December 31, 2024		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$323 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At March 31, 2025, the Housing Authority of the City of Ashland reported a liability (asset) of \$60,182 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Housing Authority of the City of Ashland's proportion of the net OPEB liability (asset) was based on the Housing Authority of the City of Ashland's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024 the Housing Authority of the City of Ashland's proportion was 0.01538300%, which was a decrease of 0.00052100% from its proportion measured as of December 31, 2023.

For the year ended March 31, 2025, the Housing Authority of the City of Ashland recognized OPEB expense (revenue) of \$6,126.

At March 31, 2025, the Housing Authority of the City of Ashland reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (5,764)
Net differences between projected and actual earnings on plan investments	827	-
Changes in actuarial assumptions	14,768	(34,763)
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,475	(1,596)
Employer contributions subsequent to the measurement date	1,415	-
Total	<u>\$ 28,485</u>	<u>\$ (42,123)</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION – continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued

\$1,415 reported as deferred outflows related to OPEB resulting from the Housing Authority of the City of Ashland's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended March 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<u>Year ended March 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 11,357	\$ (9,991)
2026	7,551	(9,507)
2027	3,641	(9,216)
2028	3,137	(8,480)
2029	1,382	(3,141)
2030	-	(2,399)
2031	-	-

Actuarial assumptions. The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
	January 1, 2021 - December 31, 2023, Published
Experience Study:	November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION – continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – continued

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2024**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40%	2.41%
US Mortgages	Bloomberg US MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount rate. A single discount rate of 4.09% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09 percent, as well as what the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease To Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase To Discount Rate (5.09%)
Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset)	\$ 80,442	\$ 60,182	\$ 44,570

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – OTHER INFORMATION – continued

C. DEFERRED COMPENSATION PLAN

The employees of the Authority can also participate in a 457(b) deferred compensation plan through the City of Ashland.

D. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

E. COMMITMENTS AND CONTINGENCIES

From time to time, the Authority is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Authority's financial position or results of operations.

The Authority has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

F. ECONOMIC DEPENDENCY

The Authority is economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD) and Rural Development (RD). The Authority operates at a loss prior to receiving contributions and grants from HUD and RD.

G. SUBSEQUENT EVENTS

In preparing the financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through December 3, 2025, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years*

Plan Year Ending	Authority's Proportion of the Net Pension Liability (Asset)	Authority's Proportionate Share of the Net Pension Liability (Asset)	Authority's Covered Employee Payroll	Authority's Proportionate Share of the Net Pension Liability/Asset as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2024	0.00215367%	\$ 35,388	\$ 439,621	8.05%	98.79%
12/31/2023	0.00219177%	\$ 32,587	\$ 414,528	7.86%	98.85%
12/31/2022	0.00223630%	\$ 118,472	\$ 413,634	28.64%	95.72%
12/31/2021	0.00215447%	\$ (173,654)	\$ 374,166	-46.41%	106.02%
12/31/2020	0.00203894%	\$ (127,293)	\$ 377,113	-33.75%	105.26%
12/31/2019	0.00193632%	\$ (62,435)	\$ 324,505	-19.24%	102.96%
12/31/2018	0.00192385%	\$ 68,444	\$ 278,393	24.59%	96.45%
12/31/2017	0.00198865%	\$ (59,046)	\$ 292,596	-20.18%	102.93%
12/31/2016	0.00208468%	\$ 17,183	\$ 288,641	5.95%	99.12%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

SCHEDULE OF CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
3/31/2025	\$ 30,334	\$ (30,334)	\$ -	\$ 439,621	6.90%
3/31/2024	\$ 26,886	\$ (26,886)	\$ -	\$ 413,634	6.50%
3/31/2023	\$ 25,256	\$ (25,256)	\$ -	\$ 374,166	6.75%
3/31/2022	\$ 25,455	\$ (25,455)	\$ -	\$ 377,113	6.75%
3/31/2021	\$ 21,255	\$ (21,255)	\$ -	\$ 324,505	6.55%
3/31/2020	\$ 18,652	\$ (18,652)	\$ -	\$ 278,393	6.70%
3/31/2019	\$ 19,896	\$ (19,896)	\$ -	\$ 292,596	6.80%
3/31/2018	\$ 19,050	\$ (19,050)	\$ -	\$ 288,641	6.60%
3/31/2017	\$ 19,321	\$ (19,321)	\$ -	\$ 284,132	6.80%
3/31/2016	\$ 22,083	\$ (22,083)	\$ -	\$ 315,470	7.00%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

See notes to Required Supplementary Information

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Local Retiree Life Insurance Fund
Last 10 Fiscal Years*

Plan Year Ending	Authority's proportion of the net OPEB liability (asset)	Authority's proportionate share of the net OPEB liability (asset)	Authority's covered employee payroll	Authority's proportionate share of the Net OPEB Liability/Asset as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
12/31/2024	0.01538300%	\$ 60,182	\$ 375,000	16.05%	37.20%
12/31/2023	0.01590400%	\$ 73,169	\$ 340,000	21.52%	33.90%
12/31/2022	0.01545800%	\$ 58,892	\$ 382,000	15.42%	38.81%
12/31/2021	0.01309500%	\$ 77,396	\$ 380,000	20.37%	29.57%
12/31/2020	0.01327600%	\$ 73,028	\$ 345,000	21.17%	31.36%
12/31/2019	0.01008000%	\$ 42,923	\$ 314,000	13.67%	37.58%
12/31/2018	0.00864700%	\$ 22,313	\$ 233,000	9.58%	48.69%
12/31/2017	0.00957500%	\$ 28,807	\$ 402,656	7.15%	44.81%

*The Amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

SCHEDULE OF CONTRIBUTIONS
Local Retiree Life Insurance Fund
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
3/31/2025	\$ 323	\$ (323)	\$ -	\$ 375,000	0.09%
3/31/2024	\$ 310	\$ (310)	\$ -	\$ 382,000	0.08%
3/31/2023	\$ 268	\$ (268)	\$ -	\$ 380,000	0.07%
3/31/2022	\$ 264	\$ (264)	\$ -	\$ 345,000	0.08%
3/31/2021	\$ 182	\$ (182)	\$ -	\$ 314,000	0.06%
3/31/2020	\$ 166	\$ (166)	\$ -	\$ 233,000	0.07%
3/31/2019	\$ 181	\$ (181)	\$ -	\$ 402,656	0.04%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

See notes to Required Supplementary Information

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2025

NOTE 1 – WISCONSIN RETIREMENT SYSTEM

Changes of benefit terms:

There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

NOTE 2 – OTHER POST-EMPLOYMENT BENEFITS

Benefit Terms: There were no recent changes in benefit terms.

Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2025

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.
	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).
Mortality:					

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2025

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.
Mortality:					

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF NET POSITION
March 31, 2025

	Low Rent Public Housing	CFP	Business Activities	Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
ASSETS							
<i>Current Assets</i>							
Cash and cash equivalents	\$ 710,727	\$ -	\$ 59,711	\$ 54,925	\$ 14,100	\$ 226,619	\$ 1,066,082
Accounts receivable - tenants	15,142	-	-	-	128	-	15,270
Accounts receivable - HUD	1,374	-	-	-	-	-	1,374
Accounts receivable - other	-	-	-	509	-	-	509
Interprogram due from	-	-	-	-	-	6,990	6,990
Prepaid expense	54,443	-	309	3,225	873	1,006	59,856
Inventory	6,204	-	-	-	-	2,251	8,455
<i>Restricted Assets:</i>							
Cash and cash equivalents	63,737	-	2,109	4,169	82,479	-	152,494
Investments	-	-	-	-	-	190,041	190,041
Total Current Assets	851,627	-	62,129	62,828	97,580	426,907	1,501,071
<i>Noncurrent Assets</i>							
<i>Capital Assets:</i>							
Land	350,506	-	10,626	-	4,059	-	365,191
Buildings	11,197,240	609,026	123,515	-	682,162	-	12,611,943
Furniture, Equipment and Machinery:							
Dwellings	113,947	-	-	-	23,023	-	136,970
Administrative	291,705	3,572	350	3,008	15,908	26,628	341,171
Accumulated depreciation	(10,298,958)	(59,965)	(8,203)	(814)	(579,905)	(24,904)	(10,972,749)
Total Noncurrent Assets	1,654,440	552,633	126,288	2,194	145,247	1,724	2,482,526
Total Assets	2,506,067	552,633	188,417	65,022	242,827	428,631	3,983,597
DEFERRED OUTFLOWS							
Deferred outflows related to pension	124,993	-	-	6,636	-	54,720	186,349
Deferred outflows related to OPEB	23,357	-	-	1,972	-	14,434	39,763
Total Deferred Outflows	148,350	-	-	8,608	-	69,154	226,112
LIABILITIES							
<i>Current Liabilities</i>							
Accounts payable	13,906	-	-	322	1,437	1,717	17,382
Accrued wages/payroll taxes	1,392	-	-	18	-	6,294	7,704
Accrued compensated absences - current	11,614	-	-	1,454	-	5,190	18,258
Accrued interest payable	-	-	-	-	1,609	-	1,609
Accrued payables - other government	106,855	-	-	-	4,501	-	111,356
Accrued liabilities - other	21,807	-	-	-	70	-	21,877
Interprogram due to	-	-	-	6,990	-	-	6,990
<i>Current Liabilities Payable from Restricted Assets:</i>							
Tenant security deposits payable	61,858	-	2,109	-	3,210	-	67,177
Unearned revenues	1,879	-	-	-	-	-	1,879
Current portion of long-term debt	-	-	-	-	11,206	-	11,206
Total Current Liabilities	219,311	-	2,109	8,784	22,033	13,201	265,438
<i>Noncurrent Liabilities</i>							
Long-term debt net of current portion	-	-	-	-	141,320	-	141,320
Net pension liability	22,066	-	-	1,121	-	9,399	32,586
Net OPEB liability	42,980	-	-	3,604	-	26,585	73,169
Accrued compensated absences	68,918	-	-	6,228	-	25,212	100,358
Noncurrent liabilities - other	-	-	-	-	-	190,041	190,041
Total Noncurrent Liabilities	133,964	-	-	10,953	141,320	251,237	537,474
Total Liabilities	353,275	-	2,109	19,737	163,353	264,438	802,912
DEFERRED INFLOWS							
Deferred inflows related to pension	42,267	-	-	2,148	-	18,004	62,419
Deferred inflows related to OPEB	21,271	-	-	1,784	-	13,158	36,213
Total Deferred Inflows	63,538	-	-	3,932	-	31,162	98,632
NET POSITION							
Net investment in capital assets	1,654,440	552,633	126,288	2,194	(7,279)	1,724	2,330,000
Restricted	-	-	-	4,169	68,063	-	72,232
Unrestricted	583,164	-	60,020	43,598	18,690	200,461	905,933
TOTAL NET POSITION	\$ 2,237,604	\$ 552,633	\$ 186,308	\$ 49,961	\$ 79,474	\$ 202,185	\$ 3,308,165

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For The Year Ended March 31, 2025

	Low Rent Public Housing	CFP	Business Activities	Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
Operating Revenues							
Dwelling rental	\$ 839,905	\$ -	\$ 17,267	\$ -	\$ 44,517	\$ -	\$ 901,689
Tenant revenue - other	18,229	-	-	-	1,970	-	20,199
HUD operating grants	368,794	146,742	-	355,033	-	-	870,569
Rental assistance	-	-	-	-	43,033	-	43,033
Fee revenues	-	-	-	-	-	191,744	191,744
Total Operating Revenues	1,226,928	146,742	17,267	355,033	89,520	191,744	2,027,234
Operating Expenses							
Administration	421,762	41,926	-	36,114	19,149	199,154	718,105
Asset management fee	19,620	-	-	-	-	-	19,620
Tenant services	20,121	-	-	-	-	-	20,121
Utilities	208,261	-	3,765	-	20,434	3,162	235,622
Ordinary maintenance and operation	383,894	-	5,056	-	11,720	90	400,760
Protective services	3,006	-	-	-	565	-	3,571
General expense	180,264	-	1,259	3,923	8,180	1,372	194,998
Depreciation expense	218,742	31,243	3,336	178	27,129	715	281,343
Housing assistance payments	-	-	-	328,070	-	-	328,070
Total Operating Expenses	1,455,670	73,169	13,416	368,285	87,177	204,493	2,202,210
Operating Income (Loss)	(228,742)	73,573	3,851	(13,252)	2,343	(12,749)	(174,976)
Nonoperating Revenues (Expenses)							
Interest on investments	19,335	-	11	13	3	2,585	21,947
Other revenues	69,684	-	-	2,358	379	11,260	83,681
HAP port-in	-	-	-	(1,993)	-	-	(1,993)
Interest subsidies	-	-	-	-	15,545	-	15,545
Interest expense	-	-	-	-	(17,209)	-	(17,209)
Total Nonoperating Revenues (Expenses)	89,019	-	11	378	(1,282)	13,845	101,971
Change in Net Position Before Capital Grants and Transfers	(139,723)	73,573	3,862	(12,874)	1,061	1,096	(73,005)
Capital grants	-	326,256	-	-	-	-	326,256
Operating transfer	654,247	(654,247)	-	-	-	-	-
Change in Net Position	514,524	(254,418)	3,862	(12,874)	1,061	1,096	253,251
Total Net Position - beginning	1,723,080	807,051	182,126	62,835	78,413	201,089	3,054,594
Prior period adjustments	-	-	320	-	-	-	320
Total Net Position - ending	\$ 2,237,604	\$ 552,633	\$ 186,308	\$ 49,961	\$ 79,474	\$ 202,185	\$ 3,308,165

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended March 31, 2025

	Low Rent Public Housing	CFP	Business Activities	Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
<i>Cash Flows From Operating Activities</i>							
Cash received from tenants	\$ 857,530	\$ -	\$ 17,267	\$ -	\$ 46,487	\$ -	\$ 921,284
Cash received from grants	369,820	146,742	-	323,767	43,033	-	883,362
Cash paid to employees	(307,415)	-	-	(16,044)	(8,792)	(139,905)	(472,156)
Cash paid to suppliers	(896,861)	(41,926)	(9,748)	(15,339)	(51,403)	(60,085)	(1,075,362)
Other receipts (payments)	-	-	-	-	-	191,744	191,744
Housing assistance payments	-	-	-	(328,070)	-	-	(328,070)
Net Cash Flows From Operating Activities	23,074	104,816	7,519	(35,686)	29,325	(8,246)	120,802
<i>Cash Flows From Capital and Related Financing Activities</i>							
Purchase of capital assets	(33,270)	(326,256)	-	(2,372)	(3,575)	(216)	(365,689)
Capital grants	-	326,256	-	-	-	-	326,256
Cash transfer	104,816	(104,816)	-	-	-	-	-
Interest subsidy	-	-	-	-	15,545	-	15,545
Interest paid	-	-	-	-	(17,099)	-	(17,099)
Debt retirement	-	-	-	-	(7,897)	-	(7,897)
Other receipts	69,684	-	-	2,358	379	11,260	83,681
HAP - port in	-	-	-	(1,993)	-	-	(1,993)
Net Cash Flows From Capital and Related Financing Activities	141,230	(104,816)	-	(2,007)	(12,647)	11,044	32,804
<i>Cash Flows From Investing Activities</i>							
Interest received on investments	19,335	-	11	13	3	2,585	21,947
Net Cash Flows From Investing Activities	19,335	-	11	13	3	2,585	21,947
Net Change in Cash	183,639	-	7,530	(37,680)	16,681	5,383	175,553
Cash Balance - Beginning of year	590,825	-	54,290	96,774	79,898	411,277	1,233,064
CASH BALANCE - END OF YEAR	<u>\$ 774,464</u>	<u>\$ -</u>	<u>\$ 61,820</u>	<u>\$ 59,094</u>	<u>\$ 96,579</u>	<u>\$ 416,660</u>	<u>\$ 1,408,617</u>
<i>Cash Balance is Comprised of</i>							
Cash and cash equivalents - unrestricted	\$ 710,727	\$ -	\$ 59,711	\$ 54,925	\$ 14,100	\$ 226,619	\$ 1,066,082
Cash and cash equivalents - restricted	63,737	-	2,109	4,169	82,479	-	152,494
Investments - restricted	-	-	-	-	-	190,041	190,041
	<u>\$ 774,464</u>	<u>\$ -</u>	<u>\$ 61,820</u>	<u>\$ 59,094</u>	<u>\$ 96,579</u>	<u>\$ 416,660</u>	<u>\$ 1,408,617</u>
<i>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities</i>							
Operating income (loss)	\$ (228,742)	\$ 73,573	\$ 3,851	\$ (13,252)	\$ 2,343	\$ (12,749)	\$ (174,976)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities							
Depreciation	218,742	31,243	3,336	178	27,129	715	281,343
Pension expense	(4,725)	-	-	(788)	-	(5,015)	(10,528)
OPEB expense	1,606	-	-	1,667	-	5,217	8,490
Changes in Operating Assets and Liabilities:							
Accounts receivables - tenants	(4,295)	-	-	-	-	-	(4,295)
Accounts receivables - HUD	1,026	-	-	(509)	-	-	517
Prepaid expenses	(4,577)	-	332	(454)	-	(116)	(4,815)
Inventory	1,127	-	-	-	-	(563)	564
Interprogram due from	-	-	-	-	-	(6,990)	(6,990)
Accounts payable	8,898	-	-	289	(382)	534	9,339
Accrued wages/payroll taxes	(7,091)	-	-	(747)	-	(2,754)	(10,592)
Accrued compensated absences	19,581	-	-	1,697	-	(1,653)	19,625
Accrued payable - other government	8,852	-	-	-	235	-	9,087
Accrued liabilities - other	8,981	-	-	-	-	-	8,981
Interprogram due to	-	-	-	6,990	-	-	6,990
Noncurrent liabilities - other	-	-	-	-	-	15,128	15,128
Unearned revenues	1,608	-	-	(30,757)	-	-	(29,149)
Tenant security deposits	2,083	-	-	-	-	-	2,083
Net Cash Flows From Operating Activities	<u>\$ 23,074</u>	<u>\$ 104,816</u>	<u>\$ 7,519</u>	<u>\$ (35,686)</u>	<u>\$ 29,325</u>	<u>\$ (8,246)</u>	<u>\$ 120,802</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF NET POSITION OF
ASSET MANAGEMENT PROJECTS
March 31, 2025

	AMP 01		AMP 02		
	Low Rent Public Housing	Capital Fund	Low Rent Public Housing	Capital Fund	Total
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 568,339	\$ -	\$ 142,388	\$ -	\$ 710,727
Accounts receivable - tenants	14,795	-	347	-	15,142
Accounts receivable - HUD	1,374	-	-	-	1,374
Prepaid expense	41,060	-	13,383	-	54,443
Inventory	4,076	-	2,128	-	6,204
Restricted Assets:					
Cash and cash equivalents	51,994	-	11,743	-	63,737
Total Current Assets	681,638	-	169,989	-	851,627
<i>Noncurrent Assets</i>					
Capital Assets:					
Land	350,506	-	-	-	350,506
Buildings	9,475,117	477,556	1,722,123	131,470	11,806,266
Furniture, Equipment and Machinery:					
Dwellings	91,563	-	22,384	-	113,947
Administrative	246,340	3,572	45,365	-	295,277
Accumulated depreciation	(8,730,095)	(54,532)	(1,568,863)	(5,433)	(10,358,923)
Total Noncurrent Assets	1,433,431	426,596	221,009	126,037	2,207,073
Total Assets	2,115,069	426,596	390,998	126,037	3,058,700
DEFERRED OUTFLOWS					
Deferred outflows related to pension	100,489	-	24,504	-	124,993
Deferred outflows related to OPEB	19,875	-	3,482	-	23,357
Total Deferred Outflows	120,364	-	27,986	-	148,350
LIABILITIES					
<i>Current Liabilities</i>					
Accounts payable	13,002	-	904	-	13,906
Accrued wages/payroll taxes	1,203	-	189	-	1,392
Accrued compensated absences - current	9,263	-	2,351	-	11,614
Accrued payable - other government	82,561	-	24,294	-	106,855
Accrued liabilities - other	15,814	-	5,993	-	21,807
Current Liabilities Payable from Restricted Assets:					
Tenant security deposits	50,115	-	11,743	-	61,858
Unearned revenues	1,879	-	-	-	1,879
Total Current Liabilities	173,837	-	45,474	-	219,311
<i>Noncurrent Liabilities</i>					
Net pension liability	17,698	-	4,368	-	22,066
Net OPEB liability	36,552	-	6,428	-	42,980
Accrued compensated absences	60,231	-	8,687	-	68,918
Total Noncurrent Liabilities	114,481	-	19,483	-	133,964
Total Liabilities	288,318	-	64,957	-	353,275
DEFERRED INFLOWS					
Deferred inflows related to pension	33,900	-	8,367	-	42,267
Deferred inflows related to OPEB	18,090	-	3,181	-	21,271
Total Deferred Inflows	51,990	-	11,548	-	63,538
NET POSITION					
Net investment in capital assets	1,433,431	426,596	221,009	126,037	2,207,073
Unrestricted	461,694	-	121,470	-	583,164
TOTAL NET POSITION	\$ 1,895,125	\$ 426,596	\$ 342,479	\$ 126,037	\$ 2,790,237

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION OF ASSET MANAGEMENT PROJECTS
For The Year Ended March 31, 2025

	AMP 01		AMP 02		
	Low Rent Public Housing	Capital Fund	Low Rent Public Housing	Capital Fund	Total
Operating Revenues					
Dwelling rental	\$ 672,706	\$ -	\$ 167,199	\$ -	\$ 839,905
Tenant revenue - other	9,729	-	8,500	-	18,229
HUD operating grants	336,889	127,875	31,905	18,867	515,536
Total Operating Revenues	<u>1,019,324</u>	<u>127,875</u>	<u>207,604</u>	<u>18,867</u>	<u>1,373,670</u>
Operating Expenses					
Administration	338,954	41,926	82,808	-	463,688
Asset management fee	16,070	-	3,550	-	19,620
Tenant services	15,195	-	4,926	-	20,121
Utilities	171,421	-	36,840	-	208,261
Ordinary maintenance and operation	325,395	-	58,499	-	383,894
Protective services	2,314	-	692	-	3,006
General expense	152,537	-	27,727	-	180,264
Depreciation expense	170,259	26,665	48,483	4,578	249,985
Total Operating Expenses	<u>1,192,145</u>	<u>68,591</u>	<u>263,525</u>	<u>4,578</u>	<u>1,528,839</u>
Operating Income (Loss)	(172,821)	59,284	(55,921)	14,289	(155,169)
Nonoperating Revenues (Expenses)					
Interest on investments	15,289	-	4,046	-	19,335
Other revenues	69,684	-	-	-	69,684
Total Nonoperating Revenues (Expenses)	<u>84,973</u>	<u>-</u>	<u>4,046</u>	<u>-</u>	<u>89,019</u>
Change in Net Position Before Capital Grants and Transfers	(87,848)	59,284	(51,875)	14,289	(66,150)
Capital grants	-	215,215	-	111,041	326,256
Equity transfer	469,710	(469,711)	18,867	(18,866)	-
Operating transfer	85,949	(85,949)	79,721	(79,721)	-
Change in Net Position	467,811	(281,161)	46,713	26,743	260,106
Total Net Position - beginning	<u>1,427,314</u>	<u>707,757</u>	<u>295,766</u>	<u>99,294</u>	<u>2,530,131</u>
Total Net Position - ending	<u>\$ 1,895,125</u>	<u>\$ 426,596</u>	<u>\$ 342,479</u>	<u>\$ 126,037</u>	<u>\$ 2,790,237</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF CASH FLOWS OF
ASSET MANAGEMENT PROJECTS
For The Year Ended March 31, 2025

	AMP 01		AMP 02		
	Low Rent Public Housing	Capital Fund	Low Rent Public Housing	Capital Fund	Total
<i>Cash Flows From Operating Activities</i>					
Cash received from tenants	\$ 679,689	\$ -	\$ 177,841	\$ -	\$ 857,530
Cash received from grants	337,915	127,875	31,905	18,867	516,562
Cash paid to employees	(246,830)	-	(60,585)	-	(307,415)
Cash paid to suppliers	(743,502)	(41,926)	(153,359)	-	(938,787)
Net Cash Flows From Operating Activities	27,272	85,949	(4,198)	18,867	127,890
<i>Cash Flows From Capital and Related Financing</i>					
Purchase of capital assets	(26,449)	(215,215)	(6,821)	(111,041)	(359,526)
Capital grants	-	215,215	-	111,041	326,256
Cash transfer	85,949	(85,949)	18,867	(18,867)	-
Other receipts	69,684	-	-	-	69,684
Net Cash Flows From Capital and Related Financing Activities	129,184	(85,949)	12,046	(18,867)	36,414
<i>Cash Flows From Investing Activities</i>					
Interest received on investments	15,289	-	4,046	-	19,335
Net Cash Flows From Investing Activities	15,289	-	4,046	-	19,335
Net Change in Cash	171,745	-	11,894	-	183,639
Cash Balance - Beginning of year	448,588	-	142,237	-	590,825
CASH BALANCE - END OF YEAR	<u>\$ 620,333</u>	<u>\$ -</u>	<u>\$ 154,131</u>	<u>\$ -</u>	<u>\$ 774,464</u>
<i>Cash Balance is Comprised of</i>					
Cash and cash equivalents - unrestricted	568,339	-	142,388	-	710,727
Cash and cash equivalents - restricted	51,994	-	11,743	-	63,737
	<u>\$ 620,333</u>	<u>\$ -</u>	<u>\$ 154,131</u>	<u>\$ -</u>	<u>\$ 774,464</u>
<i>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities</i>					
Operating income (loss)	\$ (172,821)	\$ 59,284	\$ (55,921)	\$ 14,289	\$ (155,169)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	170,259	26,665	48,483	4,578	249,985
Pension expense	(3,780)	-	(945)	-	(4,725)
OPEB expense	1,542	-	64	-	1,606
Changes in assets and liabilities					
Accounts receivable - tenants	(6,653)	-	2,358	-	(4,295)
Accounts receivable - HUD	1,026	-	-	-	1,026
Prepaid expenses	(2,572)	-	(2,005)	-	(4,577)
Inventory	1,421	-	(294)	-	1,127
Accounts payable	8,308	-	590	-	8,898
Accrued wages/payroll taxes	(5,000)	-	(2,091)	-	(7,091)
Accrued compensated absences	18,000	-	1,581	-	19,581
Accrued payable - other government	8,424	-	428	-	8,852
Accrued liabilities - other	5,211	-	3,770	-	8,981
Unearned revenues	1,624	-	(16)	-	1,608
Tenant security deposits	2,283	-	(200)	-	2,083
Net Cash Flows From Operating Activities	<u>\$ 27,272</u>	<u>\$ 85,949</u>	<u>\$ (4,198)</u>	<u>\$ 18,867</u>	<u>\$ 127,890</u>

Ashland Housing Authority (WI131)
ASHLAND, WI

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit Fiscal Year End: 03/31/2025

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$710,727	\$14,100	\$59,711		\$54,925	\$226,619	\$1,066,082		\$1,066,082
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted		\$68,063			\$4,169		\$72,232		\$72,232
114 Cash - Tenant Security Deposits	\$61,858	\$3,210	\$2,109				\$67,177		\$67,177
115 Cash - Restricted for Payment of Current Liabilities	\$1,879	\$11,206					\$13,085		\$13,085
100 Total Cash	\$774,464	\$96,579	\$61,820	\$0	\$59,094	\$226,619	\$1,218,576	\$0	\$1,218,576
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects	\$1,374						\$1,374		\$1,374
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous					\$509		\$509		\$509
126 Accounts Receivable - Tenants	\$15,142	\$128					\$15,270		\$15,270
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0					\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0				\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current									
128 Fraud Recovery									
128.1 Allowance for Doubtful Accounts - Fraud									
129 Accrued Interest Receivable									
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$16,516	\$128	\$0	\$0	\$509	\$0	\$17,153	\$0	\$17,153
131 Investments - Unrestricted						\$190,041	\$190,041		\$190,041
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets	\$54,443	\$873	\$309		\$3,225	\$1,006	\$59,856		\$60,188
143 Inventories	\$6,204					\$2,251	\$8,455		\$8,455
143.1 Allowance for Obsolete Inventories	\$0					\$0	\$0		\$0
144 Inter Program Due From						\$6,990	\$6,990	-\$6,990	\$0
145 Assets Held for Sale									
150 Total Current Assets	\$851,627	\$97,580	\$62,129	\$0	\$62,828	\$426,907	\$1,501,071	-\$6,990	\$1,494,081
161 Land	\$350,506	\$4,059	\$10,626				\$365,191		\$365,191
162 Buildings	\$11,806,266	\$682,162	\$123,515				\$12,611,943		\$12,611,943
163 Furniture, Equipment & Machinery - Dwellings	\$113,947	\$23,023					\$136,970		\$136,970
164 Furniture, Equipment & Machinery - Administration	\$295,277	\$15,908	\$350		\$3,008	\$26,628	\$341,171		\$341,171
165 Leasehold Improvements									
166 Accumulated Depreciation	-\$10,358,923	-\$579,905	-\$8,203		-\$814	-\$24,904	\$10,972,749		\$10,972,749
167 Construction in Progress									
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,207,073	\$145,247	\$126,288	\$0	\$2,194	\$1,724	\$2,482,526	\$0	\$2,482,526
171 Notes, Loans and Mortgages Receivable - Non-Current									
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173 Grants Receivable - Non Current									
174 Other Assets									
176 Investments in Joint Ventures									
180 Total Non-Current Assets	\$2,207,073	\$145,247	\$126,288	\$0	\$2,194	\$1,724	\$2,482,526	\$0	\$2,482,526
200 Deferred Outflow of Resources	\$148,350				\$8,608	\$69,154	\$226,112		\$226,112
290 Total Assets and Deferred Outflow of Resources	\$3,207,050	\$242,827	\$188,417	\$0	\$73,630	\$497,785	\$4,209,709	-\$6,990	\$4,202,719
311 Bank Overdraft									
312 Accounts Payable <= 90 Days	\$13,906	\$1,437			322	\$1,717	\$17,382		\$17,382
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable	\$1,392				\$18	\$6,294	\$7,704		\$7,704
322 Accrued Compensated Absences - Current Portion	\$11,614				\$1,454	\$5,190	\$18,258		\$18,258
324 Accrued Contingency Liability									
325 Accrued Interest Payable		\$1,609					\$1,609		\$1,609
331 Accounts Payable - HUD PHA Programs									
332 Account Payable - PHA Projects									
333 Accounts Payable - Other Government	\$106,855	\$4,501					\$111,356		\$111,121
341 Tenant Security Deposits	\$61,858	\$3,210	\$2,109				\$67,177		\$67,177
342 Unearned Revenue	\$1,879						\$1,879		\$1,879
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$11,206					\$11,206		\$11,206
344 Current Portion of Long-term Debt - Operating Borrowings									
345 Other Current Liabilities									
346 Accrued Liabilities - Other	\$21,807	\$70					\$21,877		\$21,807
347 Inter Program - Due To					\$6,990		\$6,990	-\$6,990	\$0
348 Loan Liability - Current									
310 Total Current Liabilities	\$219,311	\$22,033	\$2,109	\$0	\$8,784	\$13,201	\$265,438	-\$6,990	\$258,448

351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$141,320					\$141,320		\$141,320
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Non-current Liabilities - Other						\$190,041	\$190,041		\$190,041
354 Accrued Compensated Absences - Non Current	\$68,918				\$6,228	\$25,212	\$100,358		\$100,358
355 Loan Liability - Non Current									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities	\$65,046				\$4,725	\$35,984	\$105,755		\$105,755
350 Total Non-Current Liabilities	\$133,964	\$141,320	\$0	\$0	\$10,953	\$251,237	\$537,474	\$0	\$537,474
300 Total Liabilities	\$353,275	\$163,353	\$2,109	\$0	\$19,737	\$264,438	\$802,912	-\$6,990	\$795,922
400 Deferred Inflow of Resources	\$63,538				\$3,932	\$31,162	\$98,632		\$98,632
508.4 Net Investment in Capital Assets	\$2,207,073	-\$7,279	\$126,288		\$2,194	\$1,724	\$2,330,000		\$2,330,000
511.4 Restricted Net Position		\$68,063			\$4,169		\$72,232		\$72,232
512.4 Unrestricted Net Position	\$583,164	\$18,690	\$60,020	\$0	\$43,598	\$200,461	\$905,933		\$905,933
513 Total Equity - Net Assets / Position	\$2,790,237	\$79,474	\$186,308	\$0	\$49,961	\$202,185	\$3,308,165	\$0	\$3,308,165
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,207,050	\$242,827	\$188,417	\$0	\$73,630	\$497,785	\$4,209,709	-\$6,990	\$4,202,719

Ashland Housing Authority (WI131)
ASHLAND, WI

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single
Audit

Fiscal Year End: 03/31/2025

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$839,905	\$44,517	\$17,267				\$901,689		\$901,689
70400 Tenant Revenue - Other	\$18,229	\$1,970					\$20,199		\$20,199
70500 Total Tenant Revenue	\$858,134	\$46,487	\$17,267	\$0	\$0	\$0	\$921,888	\$0	\$921,888
70600 HUD PHA Operating Grants	\$515,536				\$355,033		\$870,569		\$870,569
70610 Capital Grants	\$326,256						\$326,256		\$326,256
70710 Management Fee						\$157,409	\$157,409	-\$157,409	\$0
70720 Asset Management Fee						\$19,620	\$19,620	-\$19,620	\$0
70730 Book Keeping Fee						\$14,715	\$14,715	-\$14,715	\$0
70740 Front Line Service Fee									
70750 Other Fees									
70700 Total Fee Revenue						\$191,744	\$191,744	-\$191,744	\$0
70800 Other Government Grants		\$15,545		\$43,033			\$58,578		\$58,578
71100 Investment Income - Unrestricted	\$19,335	\$3	\$11		\$13	\$2,585	\$21,947		\$21,947
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery									
71500 Other Revenue	\$69,684	\$379			\$2,358	\$11,260	\$83,681		\$83,681
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted									
70000 Total Revenue	\$1,788,945	\$62,414	\$17,278	\$43,033	\$357,404	\$205,589	\$2,474,663	-\$191,744	\$2,282,919
91100 Administrative Salaries	\$157,881	\$2,759			\$16,994	\$135,498	\$313,132		\$313,132
91200 Auditing Fees	\$11,020				\$1,200	\$500	\$12,720		\$12,720
91300 Management Fee	\$157,409						\$157,409	-\$157,409	\$0
91310 Book-keeping Fee	\$14,715						\$14,715	-\$14,715	\$0
91400 Advertising and Marketing	\$204					\$300	\$492		\$492
91500 Employee Benefit contributions - Administrative	\$55,553	\$2,007			\$5,700	\$25,800	\$89,060		\$89,060
91600 Office Expenses	\$46,540	\$316			\$4,412	\$11,325	\$62,088		\$62,088
91700 Legal Expense	\$2,938						\$2,913		\$2,913
91800 Travel	\$870					\$1,813	\$2,683		\$2,683
91810 Allocated Overhead									
91900 Other	\$16,558	\$14,067			\$7,808	\$23,918	\$61,048		\$61,048
91000 Total Operating - Administrative	\$463,688	\$19,149	\$0	\$0	\$36,114	\$199,154	\$718,105	-\$172,124	\$545,981
92000 Asset Management Fee	\$19,620						\$19,620	-\$19,620	\$0
92100 Tenant Services - Salaries									
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services									
92400 Tenant Services - Other	\$20,121						\$20,121		\$20,121
92500 Total Tenant Services	\$20,121	\$0	\$0	\$0	\$0	\$0	\$20,121		\$20,121
93100 Water	\$98,612	\$7,300	\$1,946			\$1,739	\$109,425		\$109,425
93200 Electricity	\$74,577	\$9,189	\$617			\$1,423	\$85,795		\$85,795
93300 Gas	\$35,072	\$3,945	\$1,202				\$40,182		\$40,182
93400 Fuel									
93500 Labor									
93600 Sewer									
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	\$208,261	\$20,434	\$3,765	\$0	\$0	\$3,162	\$235,622	\$0	\$235,622
94100 Ordinary Maintenance and Operations - Labor	\$162,025	\$6,033					\$168,058		\$168,058
94200 Ordinary Maintenance and Operations - Materials and Other	\$31,208	\$408					\$31,616		\$31,616
94300 Ordinary Maintenance and Operations Contracts	\$159,520	\$4,541	\$5,056			\$90	\$169,207		\$169,207
94500 Employee Benefit Contributions - Ordinary Maintenance	\$31,141	\$738					\$31,879		\$31,879
94000 Total Maintenance	\$383,894	\$11,720	\$5,056	\$0	\$0	\$90	\$400,760	\$0	\$400,760
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs	\$3,006	\$565					\$3,571		\$3,571
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$3,006	\$565	\$0	\$0	\$0	\$0	\$3,571	\$0	\$3,571
96110 Property Insurance	\$73,739	\$4,801	\$1,259				\$79,799		\$79,799
96120 Liability Insurance									
96130 Workmen's Compensation	\$4,146	\$70			\$1,646	\$116	\$5,978		\$5,978
96140 All Other Insurance	\$2,521	\$984			\$580	\$2,909	\$6,994		\$6,994

96100 Total Insurance Premiums	\$80,406	\$5,855	\$1,259	\$0	\$2,226	\$3,025	\$92,771	\$0	\$92,771
96200 Other General Expenses	\$11,110						\$11,110		\$11,110
96210 Compensated Absences	\$19,581				\$1,697	-\$1,653	\$19,625		\$19,625
96300 Payments in Lieu of Taxes	\$63,399	\$2,325					\$65,724		\$65,724
96400 Bad debt - Tenant Rents	\$5,768						\$5,768		\$5,768
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	\$99,858	2325	\$0	\$0	\$1,697	-\$1,653	\$102,227	\$0	\$102,227
96710 Interest of Mortgage (or Bonds) Payable		\$17,209					\$17,209		\$17,209
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	\$0	\$17,209	\$0	\$0	\$0	\$0	\$17,209	\$0	\$17,209
96900 Total Operating Expenses	\$1,278,854	\$77,257	\$10,080	\$0	\$40,037	\$203,778	\$1,610,006	-\$191,744	\$1,418,262
97000 Excess of Operating Revenue over Operating Expenses	\$510,091	-\$30,388	\$7,198	\$43,033	\$317,367	\$1,811	\$864,657	\$0	\$864,657
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments					\$328,070		\$328,070		\$328,070
97350 HAP Portability-In					\$1,993		\$1,993		\$1,993
97400 Depreciation Expense	\$249,985	\$27,129	\$3,336		\$178	\$715	\$281,343		\$281,343
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	\$1,528,839	104386	\$13,416	\$0	\$370,278	\$204,493	\$2,221,412	-\$191,744	\$2,029,668
10010 Operating Transfer In	\$104,816	\$43,033					\$147,849	-\$147,849	\$0
10020 Operating transfer Out	-\$104,816			-\$43,033			-\$147,849	\$147,849	\$0
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$0	\$43,033	\$0	-\$43,033	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$260,106	\$1,061	\$3,862	\$0	-\$12,874	\$1,096	\$253,251	\$0	\$253,251
11020 Required Annual Debt Principal Payments	\$0	\$11,206	\$0	\$0	\$0	\$0	\$11,206		\$11,206
11030 Beginning Equity	\$2,530,131	\$78,413	\$182,126	\$0	\$62,835	\$201,089	\$3,054,594		\$3,054,594
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$320				\$0		\$0
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity					\$46,100		\$46,100		\$46,100
11180 Housing Assistance Payments Equity					\$4,169		\$4,169		\$4,169
11190 Unit Months Available	2004	132			705		2841		2841
11210 Number of Unit Months Leased	1970	132			676		2778		2778
11270 Excess Cash	\$475,642						\$475,642		\$475,642
11610 Land Purchases	\$0					\$0	\$0		\$0
11620 Building Purchases	\$347,168					\$0	\$347,168		\$347,168
11630 Furniture & Equipment - Dwelling Purchases	\$2,637					\$0	\$2,637		\$2,637
11640 Furniture & Equipment - Administrative Purchases	\$9,721					\$216	\$9,937		\$9,937
11650 Leasehold Improvements Purchases	\$0					\$0	\$0		\$0
11660 Infrastructure Purchases	\$0					\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0					\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0					\$0	\$0		\$0

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2025

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Agency</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
N/C S/R Section 8 Programs	14.182	Direct Program	161,153
Low Rent Public Housing	14.850	Direct Program	368,794
Public Housing Capital Fund Program	14.872	Direct Program	472,998
Housing Choice Voucher Cluster	14.871	Direct Program	357,391
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Rural Rental Housing Loans	10.415	Direct Program	43,033
Total			<u>\$ 1,242,216</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO SCHEDULE OF EXPENITURES OF FEDERAL AWARDS
Year Ended March 31, 2025

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of the Housing Authority of the City of Ashland (Housing 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 for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Housing Authority it is not intended to and does not present the financial position, changes in net position or cash flows of the Housing 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 Housing Authority did not elect to use the 10% de minimis indirect cost rate as covered in section 200.414 of the Uniform Guidance for Federal Awards.

NOTE 3 - Subrecipient Payments

No federal awards were passed through to subrecipients during the year ended March 31, 2025.

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

To the Board of Commissioners
Housing Authority of the City of Ashland
Ashland, Wisconsin

We have audited, 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, the basic financial statements of the Housing Authority of the City of Ashland, ("Authority"), as of and for the year ended March 31, 2025, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Our 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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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Email - collinspdc@cpacollins.com or collinslax@cpacollins.com

Purpose of this Report

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

Collins & Associates SC

Collins & Associates, S.C.
La Crosse, Wisconsin
December 3, 2025

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

To the Board of Commissioners
Housing Authority of the City of Ashland
Ashland, Wisconsin

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Ashland's ("the Authority") 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 the 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 our 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

We conducted our 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery,

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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, we:

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

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

Report on Internal Control Over Compliance

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

Our 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 our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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

Collins & Associates SC

Collins & Associates, S.C.
La Crosse, Wisconsin
December 3, 2025

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2025

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting		
Material weakness(es) identified?	_____ Yes	___ X ___ No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	___ X ___ none reported
Noncompliance material to financial statements noted?	_____ Yes	___ X ___ No

Federal Awards

Internal control over major programs		
Material weakness(es) identified?	_____ Yes	___ X ___ No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	___ X ___ No

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)?	_____ Yes	___ X ___ No
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Identification of major federal programs

<u>FEDERAL ASSISTANCE LISTING NUMBER(S)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher Cluster

Dollar threshold used to distinguish between Type A and Type B programs	\$ <u>750,000</u>
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Auditee qualified as low-risk auditee?	___ X ___ Yes	_____ No
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SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings required to be reported in accordance with Generally Accepted Government Auditing Standards.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for federal awards.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended March 31, 2025

There are no prior findings that would have been reported under the criteria provided in the Uniform Guidance for Federal Awards.