

# City of Pine City

## Agenda

### HRA

Tuesday, June 16, 2026 @ 8:30 AM

Pine City Public Library Community Room

In accordance with Minnesota Statutes §13D.02, one or more board members may participate in the meeting via interactive technology. Board members joining via interactive technology will be seen and heard in the meeting room and votes will be taken by roll call.

[Meeting Link](#)



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Page

#### 1. CALL TO ORDER

#### 2. ROLL CALL

#### 3. PLEDGE OF ALLEGIANCE

#### 4. PUBLIC FORUM

This is an opportunity for citizens to present items to the HRA that are not on the agenda. Each presentation is limited to three (3) minutes and a maximum of fifteen minutes is set aside. If your item needs follow-up from the City, Staff will arrange for that.

#### 5. CONSIDERATION AND APPROVAL OF AGENDA

#### 6. APPROVAL OF MEETING MINUTES

6.1. [HRA Minutes 04-21-2026](#) 4 - 6

6.2. [HRA Minutes 05-19-2026](#) 7 - 9

#### 7. HILLSIDE COURT MANAGEMENT UPDATE

7.1. SMR Management Staff Report 10 - 50  
[Pine City HRA Audit Report](#)  
[Pine City HRA Governance Letter \(03-31\)](#)

- 7.2. Approval of Financials 51 - 96  
[April Financial Statement](#)  
[May Financial Statement](#)
- 7.3. Bank Reconciliation 97 - 102  
[April Bank Reconciliation](#)  
[May Bank Reconciliation](#)

## 8. OLD BUSINESS

- 8.1. Section 18 Disposition versus Rental Assistance Demonstration (RAD) 103 - 104  
 - Update and discussion on Lezlie Sauter's assistance with moving forward.  
  
[Section 18 vs RAD Memo 2.2026](#)
- 8.2. Tenant Advocate - Continued Discussion
- 8.3. Hillside Court Water Leak - Update
- 8.4. HRA Strategic Plan Update - 105 - 112  
[Pine City HRA Strategic Plan 2021-25 FINAL](#)  
[North Branch Strategic Plan - April 2021](#)

## 9. NEW BUSINESS

- 9.1. Open Meeting Law - LMC Training Discussion

## 10. HRA FINANCIAL REPORT

- 10.1. Approval of Check Register 113 - 117  
[May 2026 - HRA FINANCIALS](#)  
[May 2026 - Check Reg](#)
- 10.2. [May 2026 - RLF Update](#) 118

## 11. ADDITIONAL ITEMS, COMMENTS OR QUESTIONS

## 12. ADJOURNMENT



# MINUTES

## HRA

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**8:30 AM - Tuesday, April 21, 2026**

Pine City Public Library Community Room

The HRA met on Tuesday, April 21, 2026 at 8:30 AM in the Pine City Public Library Community Room.

**1. CALL TO ORDER**

Board Members Present: Chair Chad Faur, Vice Chair Becky Schueller, Mayor Kent Bombard, Nancy Mach, Tracy Peterson, Anthony Olson.

City Staff Present: Melanie Bloomquist, Deputy Clerk and Tabitha Pickett, City Planner

Others Present: Fred Stelter

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**3. PUBLIC FORUM**

No public requested to speak during the public forum.

**4. CONSIDERATION AND APPROVAL OF AGENDA**

Move New Business to after Approval of Meeting Minutes. SMR requested to add:

**5. APPROVAL OF MEETING MINUTES**

**6. NEW BUSINESS**

**6.1. LAKESIDE STUDENT HOUSING - FRED STELTER LOAN**

Fred requested 3-year extension for his current loan. Kent asked if there was a way we could meet in the middle. Fred brought up creating an amortization schedule for the loans for a monthly payment instead of a balloon payment. Fred gave an update on the type of students that are living in the apartments and the number of students currently living in the apartments. He gave an update regarding rent cost. Kent asked if possibly setting up a rent scholarship would benefit him more than extending his loan. The loan is set to balloon on December 1st. Becky stated that with extending a loan we should be reviewing financials and possibly have a joint meeting with the

EDA to discuss options. Kent recommended reviewing options and discuss further at upcoming meetings.

## **7. HILLSIDE COURT MANAGEMENT UPDATE**

### **7.1. SMR MANAGEMENT STAFF REPORT**

Kristen stated they have had a plumber has been at the property looking at hot spots in the building. These hotspots are leaks in the floor and the plumber will have to get through the concrete floor to fix this issue. SMR states this will be roughly a \$10,000 cost to fix.

Budget Amendment: Gave an update on budget and stated that cash flow was too high to transfer the \$40,000 and they are hoping to be able to show HUD that with increased expenses they may be able to still transfer \$32,000.

Tracy pointed out that the address is wrong on the documents provided, she also asked if mold remediation is in the budget to which Kristen stated it is budgeted.

Becky made a motion to approve revised budget. Anthony seconded the motion. Motion carried.

5 Year CAP plan amendment: Adding in maintenance, repairs and remediation.

Becky made a motion to approve CAP plan amendment. Nancy seconded the motion. Motion carried.

**7.2.**

**7.3.**

## **8. OLD BUSINESS**

### **8.1. SECTION 18 DISPOSITION VERSUS RENTAL ASSISTANCE DEMONSTRATION (RAD)**

Kent states that he believes the HRA should discuss contracting with Lezlie to get this application process started.

### **8.2. SMALL CITIES DEVELOPMENT PROGRAM APPLICATION**

Chad provided an update, stating the application has been submitted with required documents.

### **8.3. TENANT GRIEVANCE POLICY - DISCUSSION TO ENSURE RESIDENTS CLEARLY UNDERSTAND PROCEDURES AND THAT THE POLICY ALIGNS WITH STATE TENANT RIGHTS.**

Tracy gave an update stating that all residents received the grievance policy on their door. Tabitha states the policy does not have a definition list and this may be helpful for the residents. SMR states that the policy does require an informal meeting, however some residents may not understand this. SMR also explained the procedure in laymen's terms. Kent brought up possibly having an advocate in place for the

residents, residents are telling City Staff that they don't feel heard. SMR stated that they are not hearing from residents, and they need to reach out to SMR if they are having issues. Anthony states that he knows the team in the county that would help with being an advocate for the residents, HRA board gave him direction to research this and Kent asked if he could be a part of this meeting also.

**9. HRA FINANCIAL REPORT**

**9.1. HRA FUND FINANCIAL REPORT**

Check Register: Kent made a motion to approve. Nancy seconded. Motion carried.  
Financials: Becky made a motion to approve. Tracy seconded the motion. Motion carried.

**9.2. HRA REVOLVING LOAN FUND UPDATE**

No changes

**10. ADDITIONAL ITEMS, COMMENTS OR QUESTIONS**

None

**11. ADJOURNMENT**

Anthony made a motion to adjourn the meeting. Nancy seconded the motion. Motion carried. Meeting adjourned at 9:40am.

# MINUTES

## HRA

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**8:30 AM - Tuesday, May 19, 2026**

Pine City Public Library Community Room

The HRA met on Tuesday, May 19, 2026 at 8:30 AM in the Pine City Public Library Community Room.

**1. CALL TO ORDER**

Chad Faur called the meeting to order at 8:32 AM.

**2. ROLL CALL**

Board Members in Attendance: Chad Faur, Anthony Olson, Nancy Mach, Kent Bombard, Becky Schueller and Tracy Peterson.

City Staff: Marcy Peterson, Melanie Bloomquist

**3. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**4. PUBLIC FORUM**

No public requested to speak.

**5. CONSIDERATION AND APPROVAL OF AGENDA**

Becky Scheuller made a motion to approve the agenda with the removal of item 6, as the meeting minutes were not attached to the agenda for approval, Nancy Mach seconded the motion, Motion carried unanimously.

**6. APPROVAL OF MEETING MINUTES**

No meeting minutes to approve. Item removed from the agenda.

**7. HILLSIDE COURT MANAGEMENT UPDATE**

**7.1. SMR MANAGEMENT STAFF REPORT**

Kristen provided a update on the recent repairs. Tracy stated that the carpet was cleaned yesterday.

Kent asked for clarification on the \$42,000 that was moved to a different fund. Kristen explained that these were capital funds that had to be moved to operating funds so HUD did not take them back. HUD funds have to be used within 5 years. These funds were initially for foundation repairs however the repairs were not done within the

allotted time frame. So they were moved into operating funds. HUD funds are not received until drawn down.

## **7.2. FINANCIAL STATEMENT**

Kristen Mallak gave the management update and noted the positive cash flow for end of year. Becky made a motion to approve 7.2 and 7.3 from the Hillside Court Management Update. Anthony seconded the motion. Motion carried.

7.3.

## **7.4. MOVE TO 10.3**

# **8. OLD BUSINESS**

## **8.1. SECTION 18 DISPOSITION VERSUS RENTAL ASSISTANCE DEMONSTRATION (RAD)**

Nancy stated concerns about losing the housing for rental assistance programs. Discussion was had on the difference between the two options. Jolene explained the differences. Kristen noted that the building continues to have to pull from capital funds to make up for low rent. Jolene stated she does not believe any current tenant will not benefit from this as the Section 18 stays with the unit. Mora would be involved and administer the paperwork and verifying income. All residents would have subsidy. Currently, SMR receives 30% of the income, plus CAP funds. HUD would set the rent in the contract. It is a price per unit.

Kent asked the HRA board if they would like to contract with Lezlie Sauter to get this completed. Chad stated that he will follow with Lezlie to see if she is interested.

## **8.2. LAKESIDE STUDENT HOUSING - FRED STELTER LOAN**

This discussion is a follow up from last month. Discussion was had on possibly scheduling a joint meeting with EDA. HRA board requested a possible quorum be posted for the EDA meeting next week.

Anthony made a motion for staff to post a for a possible quorum. Becky seconded the motion. Motion carried.

## **8.3. TENANT ADVOCATE - UPDATE FROM ANTHONY OLSON**

Anthony gave an update that he and Kent met with Becky Foss, and she stated that there are not any County resources available. However, there are social workers in the area that HRA could fund to check in with residents. He also states there is a weekly check-in at the senior center with Lakes and Pines. Becky stated that she thinks this conversation is something that could jump start a program city wide. HRA board requested this continue on agenda.

## **8.4. HILLSIDE COURT WATER LEAK - UPDATE**

Kristen stated they had a local contractor there to repair the leak under the building. She said that there were 2 leaks that were repaired and they had to leave open for several days to make sure no other leaks started. This has been filled and re-floored. Invoice for this repair is \$14,500. No permits were applied for with this project, and no inspections were done on the work at Hillside Court. The city building official was

brought in to discuss this with the contractor. SMR stated that they will not be paying the invoice until the contractor corrects the permit issue and inspections with the city building official.

**9. NEW BUSINESS**

**9.1. HRA STRATEGIC PLAN UPDATE**

Becky gave an update on how the previous Strategic Plan was completed and noted several options on how to update the plan: City staff, contractor, SMR.

Kent recommended reviewing the current plan and looking at other cities HRA's strategic plan to gather information.

**9.2. RFP PROCESS DISCUSSION**

No discussion was had on the RFP process, other than should a contractor be used to assist with updating the strategic plan, HRA would want to follow the RFP process.

**10. HRA FINANCIAL REPORT**

Becky requested if the financial reports could possibly be a comparison from last month and possibly year to date.

Becky made a motion to approve financial reports. Anthony seconded the motion. Motion carried.

**10.1. HRA FUND FINANCIAL REPORT**

**10.2. HRA REVOLVING LOAN FUND UPDATE**

**11. ADDITIONAL ITEMS, COMMENTS OR QUESTIONS**

Kent brought up the revolving loan fund. Becky brought up possibly discussing the revolving loan trust fund again. Chad stated that he would like to work with the City and EDA to get more programs out there and available.

**12. ADJOURNMENT**

Kent made a motion to adjourn the meeting. Nancy seconded the motion. Motion carried. Meeting adjourned at 9:34 AM.



**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED MARCH 31, 2026**

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
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**YEAR ENDED MARCH 31, 2026**

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing and Redevelopment Authority of Pine City, Minnesota  
Pine City, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Housing and Redevelopment Authority of Pine City, Minnesota (the Authority), a component unit of the City of Pine City, Minnesota, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of March 31, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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. 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 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 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 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 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 Authority's basic financial statements. The combining schedules and the statement and certification of actual modernization costs are presented for purposes of additional analysis and are not a required part of the financial statement. The financial data schedules are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to 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 statement and certification of actual modernization costs 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 May 26, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Authority's internal control over financial reporting and compliance.

*Cavanaugh & Company, PLLC*

Cavanaugh & Company, PLLC

Edina, Minnesota

May 26, 2026

# HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED MARCH 31, 2026

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As management of the Housing and Redevelopment Authority of Pine City, Minnesota (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2026.

The Authority's management's discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and identify individual issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements.

## FINANCIAL HIGHLIGHTS

- Operating revenue decreased by \$9,838 (or 3.3%) during 2026 and was \$283,884 and \$293,722 for 2026 and 2025, respectively.

Operating revenue decreased in the current year due to a decrease in operating subsidy drawn.

- Total operating expenses increased by \$19,774 (or 8.8%). Total operating expenses were \$245,361 and \$225,587 for 2026 and 2025, respectively.

Operating expenses increased in the current year due to an increase in maintenance and repairs performed.

## BASIC FINANCIAL STATEMENTS

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The Authority consists of exclusively enterprise funds, which use full accrual basis of accounting. All the Authority's activities are reported as a single enterprise fund. This method of accounting is similar to accounting utilized by private sector accounting.

These statements include a *Statement of Net Position*, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement of Net position presents financial information on all of the assets, liabilities, and deferred inflows/outflows of resources, with the difference, reported as net position. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, and deferred inflows/outflows of resources, for the entire Authority. Net Position is reported in three broad categories:

*Net Investment in Capital Assets:* This component of Net Position consists of all Capital Assets, 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.

*Restricted Net Position:* This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

*Unrestricted Net Position:* Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED MARCH 31, 2026**

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The basic financial statements also include a *Statement of Revenues, Expenses, and Changes in Net Position* (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income and operating grants, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Finally, a *Statement of Cash Flows* is included, which discloses net cash provided by or used for operating activities, non-capital financing activities, from capital and related financing activities, and investing activities.

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position as of March 31, 2026 and 2025.

|                                  | 2026              | 2025              | Increase<br>(Decrease) |
|----------------------------------|-------------------|-------------------|------------------------|
| Current and Other Assets         | \$ 408,558        | \$ 286,381        | \$ 122,177             |
| Capital Assets                   | 359,750           | 386,274           | (26,524)               |
| Total Assets                     | <u>768,308</u>    | <u>672,655</u>    | <u>95,653</u>          |
| Current Liabilities              | 33,931            | 32,847            | 1,084                  |
| Noncurrent Liabilities           | 4,982             | 3,781             | 1,201                  |
| Total Liabilities                | <u>38,913</u>     | <u>36,628</u>     | <u>2,285</u>           |
| Net Position                     |                   |                   |                        |
| Net Investment in Capital Assets | 359,750           | 386,274           | (26,524)               |
| Unrestricted                     | 369,645           | 249,753           | 119,892                |
| Total Net Position               | <u>\$ 729,395</u> | <u>\$ 636,027</u> | <u>\$ 93,368</u>       |

Current assets increased due to an increase in capital funds drawn for operations and an increase in accounts receivable due to a large capital fund draw after year end. Capital assets decreased due to the annual depreciation of assets.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 YEAR ENDED MARCH 31, 2026**

**Statement of Revenues, Expenses, and Changes in Net Position**

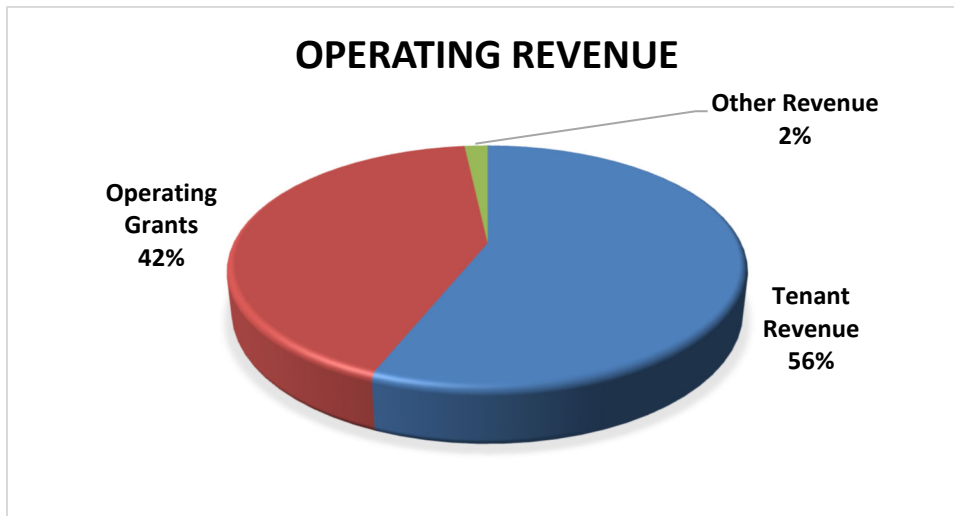
The following table reflects the Changes in Net Position for the years ended March 31, 2026 and 2025.

**CHANGES IN NET POSITION**

|                                      | 2026       | 2025       | Increase<br>(Decrease) |
|--------------------------------------|------------|------------|------------------------|
| Total Operating Revenue              | \$ 283,884 | \$ 293,722 | \$ (9,838)             |
| Total Operating Expenses             | 245,361    | 225,587    | 19,774                 |
| Operating Income (Loss)              | 38,523     | 68,135     | (29,612)               |
| Net Nonoperating Revenues (Expenses) | 429        | 115        | 314                    |
| Capital Contributions                | 54,416     | -          | 54,416                 |
| Change In Net Position               | 93,368     | 68,250     | 25,118                 |
| Net Position - Beginning             | 636,027    | 567,777    | 68,250                 |
| Net Position - Ending                | \$ 729,395 | \$ 636,027 | \$ 93,368              |

Operating revenue decreased in the current year due to a decrease in operating subsidy drawn. Operating expenses increased in the current year due to an increase in maintenance and repairs performed. Capital contributions increased due to an increase in projects performed.

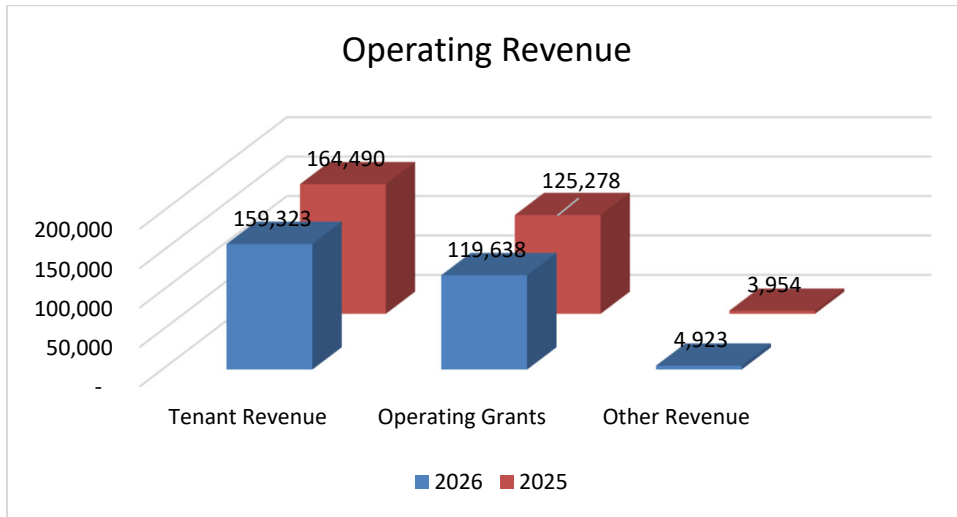
The following graph reflects the current year make-up of revenue sources.



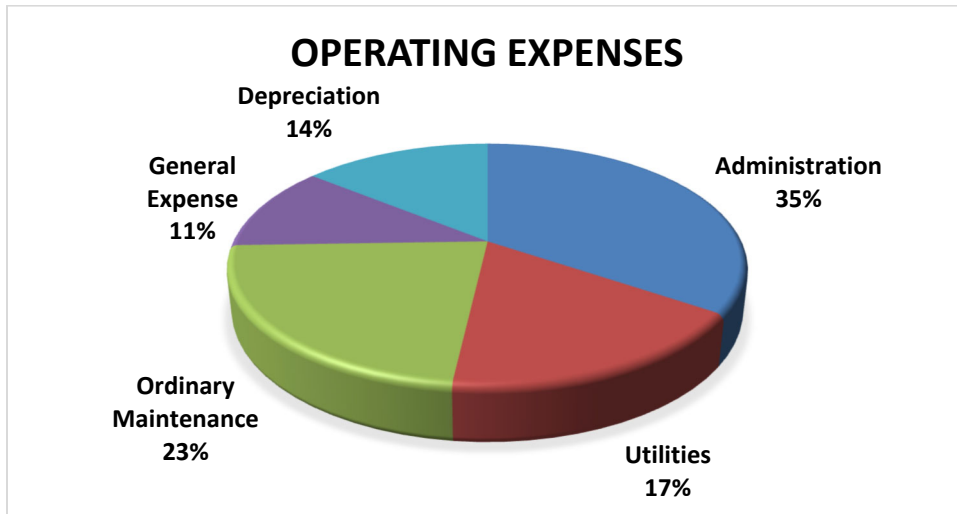
**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 YEAR ENDED MARCH 31, 2026**

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The following graph reflects the comparison of revenue by type for the years ended March 31, 2026 and 2025.

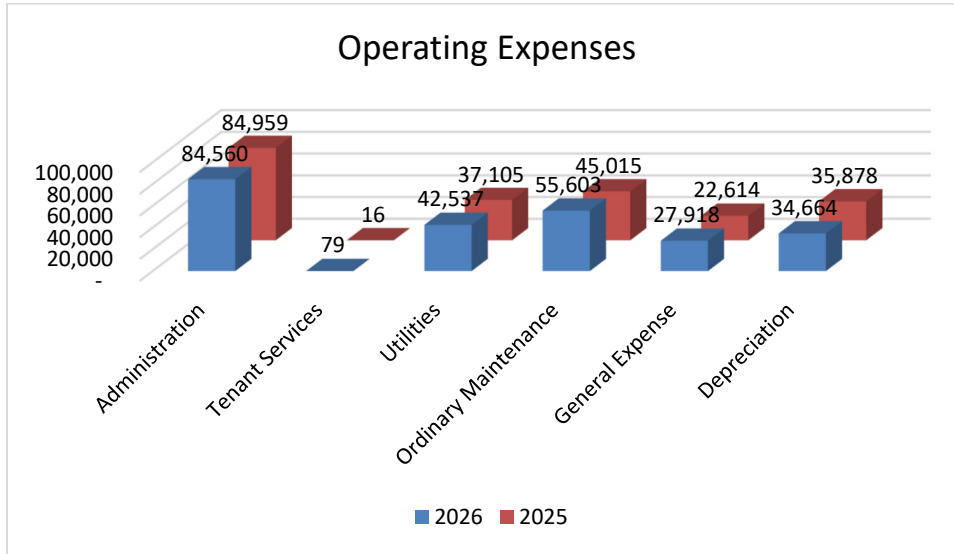


The following graph reflects the current year make-up of operating expenses.



**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED MARCH 31, 2026**

The following graph reflects the comparison of operating expenses by type for the years ended March 31, 2026 and 2025.



**Capital Assets**

**CAPITAL ASSETS AT YEAR END**

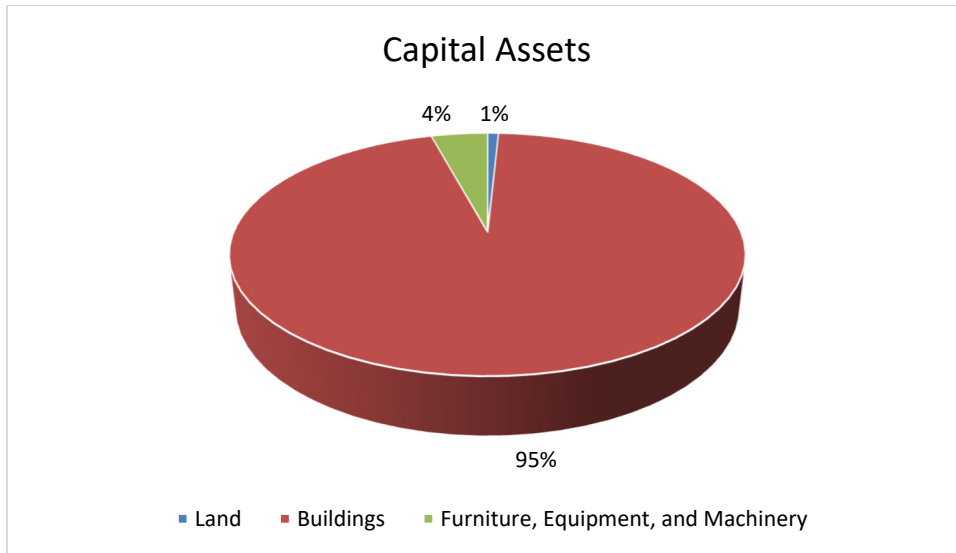
|                                     | 2026              | 2025              |
|-------------------------------------|-------------------|-------------------|
| Nondepreciable Assets               |                   |                   |
| Land                                | \$ 14,281         | \$ 14,281         |
| Depreciable Assets                  |                   |                   |
| Buildings                           | 1,673,219         | 1,666,769         |
| Furniture, Equipment, and Machinery | 74,247            | 72,557            |
| Accumulated Depreciation, Net       | (1,401,997)       | (1,367,333)       |
| Net Capital Assets                  | <u>\$ 359,750</u> | <u>\$ 386,274</u> |

Buildings have increased due to the completion of the water heater project. Furniture, equipment, and machinery have increased due to the purchase of respective items.

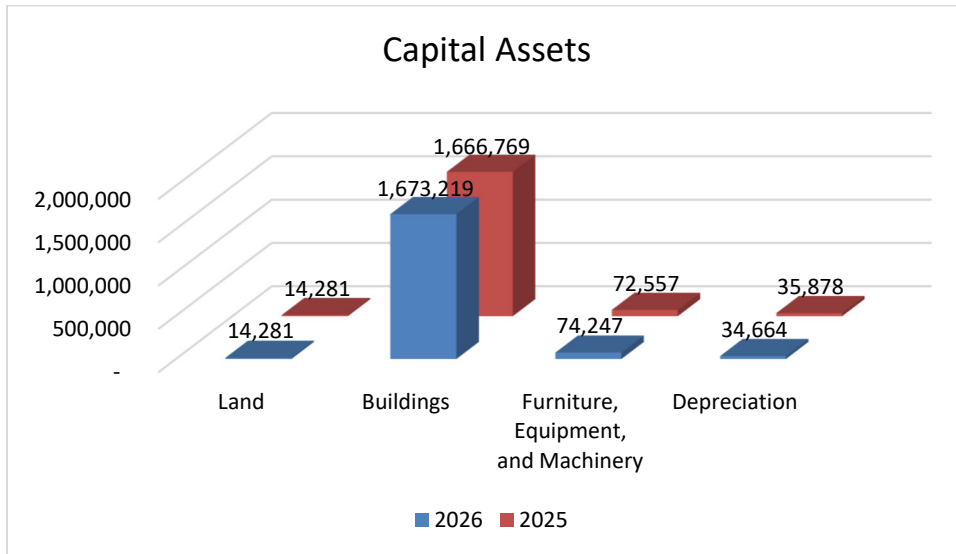
**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 YEAR ENDED MARCH 31, 2026**

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The following graph reflects the current year make-up of capital assets.



The following graph reflects the comparison of capital assets by type for the years ended March 31, 2026 and 2025.



**Debt Outstanding**

As of March 31, 2026, the Authority has no outstanding debt.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED MARCH 31, 2026**

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**ECONOMIC FACTORS**

Significant economic factors affecting the Authority areas as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies, and other costs.

**FINANCIAL CONTACT**

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions regarding this report or need additional information, please contact the Housing and Redevelopment Authority of Pine City, Minnesota at:

Joleen Pfau, Executive Director  
905 7<sup>th</sup> Street SW  
Pine City, MN 55063  
Phone: (507) 345-1290  
Email: [joleen@smrrental.com](mailto:joleen@smrrental.com)

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**AS OF MARCH 31, 2026**

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**ASSETS**

Current Assets

|  |                |
|--|----------------|
| Cash and Cash Equivalents              | \$ 330,658     |
| Cash and Cash Equivalents - Restricted | 14,168         |
| Accounts Receivable - Tenants, Net     | 1,680          |
| Accounts Receivable - Other, Net       | 54,431         |
| Prepaid Expenses and Other Assets      | 7,621          |
| Total Current Assets                   | <u>408,558</u> |

Capital Assets

|                                     |                    |
|-------------------------------------|--------------------|
| Land                                | 14,281             |
| Building                            | 1,673,219          |
| Furniture, Equipment, and Machinery | 74,247             |
| Accumulated Depreciation            | <u>(1,401,997)</u> |
| Total Capital Assets, Net           | <u>359,750</u>     |
| Total Assets                        | <u>768,308</u>     |

**LIABILITIES**

Current Liabilities

|                                     |               |
|-------------------------------------|---------------|
| Accounts Payable                    | 5,354         |
| Accrued Payroll Liabilities         | 1,537         |
| Compensated Absences - Current      | 2,875         |
| Accounts Payable - Other Government | 5,679         |
| Tenant Security Deposits            | 14,168        |
| Unearned Revenue                    | 190           |
| Other Liabilities                   | 4,128         |
| Total Current Liabilities           | <u>33,931</u> |

Noncurrent Liabilities

|                                   |               |
|-----------------------------------|---------------|
| Compensated Absences - Noncurrent | <u>4,982</u>  |
| Total Noncurrent Liabilities      | <u>4,982</u>  |
| Total Liabilities                 | <u>38,913</u> |

**NET POSITION**

|                                  |                   |
|----------------------------------|-------------------|
| Net Investment in Capital Assets | 359,750           |
| Unrestricted                     | <u>369,645</u>    |
| Total Net Position               | <u>\$ 729,395</u> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED MARCH 31, 2026**

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|   |                          |
|---|--------------------------|
| <b>OPERATING REVENUES</b>               |                          |
| Net Tenant Rental Revenue               | \$ 156,674               |
| Tenant Revenue - Other                  | 2,649                    |
| Total Tenant Revenue                    | <u>159,323</u>           |
| HUD PHA Operating Grants                | 119,638                  |
| Other Revenue                           | 4,923                    |
| Total Operating Revenues                | <u>283,884</u>           |
| <b>OPERATING EXPENSES</b>               |                          |
| Administrative                          | 84,560                   |
| Tenant Services                         | 79                       |
| Utilities                               | 42,537                   |
| Ordinary Maintenance and Operations     | 55,603                   |
| Insurance Premiums                      | 17,591                   |
| General Expenses                        | 10,327                   |
| Depreciation Expense                    | 34,664                   |
| Total Operating Expenses                | <u>245,361</u>           |
| <b>OPERATING INCOME (LOSS)</b>          | <u>38,523</u>            |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                          |
| Interest Income - Unrestricted          | 429                      |
| Total Nonoperating Revenues (Expenses)  | <u>429</u>               |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>   | <u>38,952</u>            |
| HUD Capital Grants                      | 54,416                   |
| <b>CHANGE IN NET POSITION</b>           | <u>93,368</u>            |
| Net Position - Beginning of Year        | <u>636,027</u>           |
| <b>NET POSITION - END OF YEAR</b>       | <u><u>\$ 729,395</u></u> |

See accompanying Notes to Financial Statements

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2026**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |               |
|---|---------------|
| Cash Received From Rent                           | \$ 160,012    |
| Operating Subsidies - HUD                         | 65,222        |
| Cash Received From Other Sources                  | 4,923         |
| Cash Paid to Other Suppliers of Goods or Services | (178,089)     |
| Cash Payments to Employees for Services           | (31,670)      |
| Net Cash Provided (Used) by Operating Activities  | <u>20,398</u> |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|   |           |
|---|-----------|
| Operating Transfer in   | 111,789   |
| Operating Transfers out   | (111,789) |
| Net Cash Provided (Used) by Noncapital and Related Financing Activities | <u>-</u>  |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|  |               |
|--|---------------|
| Capital Grants Received  | 54,416        |
| Acquisition of Capital Assets  | (8,140)       |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>46,276</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |            |
|---|------------|
| Interest Received                         | 443        |
| Net Cash Provided by Investing Activities | <u>443</u> |

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

|   |               |
|---|---------------|
| Cash and Cash Equivalents - Beginning of Year | 277,709       |
|   | <u>67,117</u> |

**CASH AND CASH EQUIVALENTS - END OF YEAR**

344,826

**RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION**

|   |                   |
|---|-------------------|
| Cash and Cash Equivalents               | 330,658           |
| Cash and Cash Equivalents - Restricted  | 14,168            |
| Cash and Cash Equivalents - End of Year | <u>\$ 344,826</u> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2026**

---

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

|  |    |               |
|--|----|---------------|
| Operating Income (Loss)  | \$ | 38,523        |
| Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |    |               |
| Depreciation   |    | 34,664        |
| (Increase) Decrease in Assets:   |    |               |
| Accounts Receivable  |    | (53,827)      |
| Prepayments  |    | (1,247)       |
| Increase (Decrease) in Liabilities:  |    |               |
| Accounts Payable   |    | (985)         |
| Accrued Payroll Liabilities  |    | 3,146         |
| Due to Other Governmental Units  |    | (536)         |
| Unearned Revenue   |    | 100           |
| Tenants Security Deposits  |    | (512)         |
| Accrued Expenses   |    | 1,072         |
| Net Cash Provided (Used) by Operating Activities   | \$ | <u>20,398</u> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2026**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General Statement**

The accompanying financial statements of the Housing and Redevelopment Authority of Pine City, Minnesota (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Financial Reporting Entity**

The Authority was created for the purpose of providing housing and redevelopment services to the local area. The Authority's primary operations are the development and management of housing units, which are rented to low-income residents. The governing body consists of a six-member board of commissioners appointed by the Mayor and approved by the City Council.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

- The organization is legally separate (can sue and be sued in their own name).
- The Authority holds the corporate powers of the organization.
- The Authority appoints a voting majority of the organization's board.
- The Authority is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Authority.
- There is fiscal dependency by the organization on the Authority.

Based on the previous criteria, the Authority has determined that there are no component units that should be considered as part of the Authority reporting entity. The Authority is considered to be a component unit of the City of Pine City, Minnesota, and is included in the City of Pine City's financial statements as a discretely presented component unit.

**Basis of Presentation**

The Authority's accounts are organized as a proprietary (enterprise) fund. The operations are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. Enterprise funds are used to account for operations that provide a service to the public financed by charges to users of that service and activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Fund Financial Statements**

The Authority segregates transactions related to certain functions or activities in separate programs in order to aid financial management and to demonstrate legal compliance. All programs have been combined into one enterprise fund for financial statement presentation. The Authority has presented the following major proprietary programs:

**Low Rent Public Housing**

This program accounts for the rental and other income, operating subsidies, and the expenses related to the operation and maintenance of low-income housing units owned by the Authority.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2026**

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**Capital Fund Program**

This program records the receipt of capital funding grants from HUD and the subsequent expenditure of those funds for capital improvements and operations.

**Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues susceptible to accrual include rental income and capital grants earned but not received. Intergovernmental revenues are reported in conformity with the legal and contractual requirements of the individual programs. Generally, grant revenue is recognized when the corresponding expenditure is incurred. The Authority also receives an annual appropriation from HUD, which is recognized as revenue when received, unless it is received prior to the period to which it applies. In that case, revenue recognition is then deferred until the appropriate period.

Investment earnings and revenue from other sources are recognized when earned.

**Budget Information**

The Authority adopts an estimated revenue and expenditure budget for each program. Comparisons of estimated revenues and budgeted expenditures to actual are not presented in the financial statements. Amendments to the original budget require board approval. Appropriations lapse at year-end. The Authority does not use encumbrance accounting.

**Assets, Liabilities, and Net Position Accounts**

**Assets**

***Cash and Cash Equivalents***

The Authority's cash and cash equivalents are considered to be cash on hand, negotiable certificates of deposit, money market funds, savings accounts, demand deposits, share accounts, and short-term investments with original maturities of three months or less.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2026**

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Minnesota Statutes requires all deposits to be protected by federal depository insurance, corporate surety bonds, or collateral. The total amount of the collateral computed at its market value shall be at least 10% more than the amount on deposit at the close of the financial institution's banking day, except that where the collateral is irrevocable standby letters of credit issued by Federal Home Loan Banks, the amount of collateral shall be at least equal to the amount on deposit at the close of the financial institution's banking day. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

*Investments*

Investments are stated at fair value, except for nonnegotiable certificates of deposit, which are on a cost basis, and short-term money market investments, which are stated at amortized cost. The fair value of investments is based on quoted market prices. Short-term investments are valued at cost, which approximates fair value.

*Accounts Receivable*

Accounts receivable are shown net of an allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience. Accounts are written off when deemed uncollectable.

*Prepaid Items*

Certain payments made for insurance reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

*Restricted Assets*

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by grantors and other external parties.

*Transactions Between Programs*

Legally authorized transfers are treated as inter-program transfers and are included in the results of operations of each program involved.

*Capital Assets*

Capital assets, which include property, buildings, furniture, and equipment, are reported in the applicable business-type activities for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments greater than \$5,000 are capitalized. Interest has not been capitalized during the construction period on property, plant, and equipment.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the individual assets, which range from three to forty years.

|                                    |             |
|------------------------------------|-------------|
| Buildings                          | 10-40 years |
| Furniture, Equipment and Machinery | 3-15 years  |

Liabilities

*Accounts Payable and Other Liabilities*

All liabilities are recorded as incurred in the appropriate program.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2026**

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Unearned Revenue

The Authority reports prepaid revenues on its statement of net position. Prepaid revenues arise when resources are received by the Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

Compensated Absences

Annual vacation is accrued based on years of service ranging from 80 to 160 hours. The vacation accrual maximum is 30 days in addition to that accrued in the current year. An employee leaving the Authority in good standing shall be compensated for unused vacation leave accrued on the date of separation. Sick leave is accrued at one day per month. The sick leave accrual maximum is 40 days. An employee leaving in good standing shall be compensated for unused sick leave on the date of separation.

Leases

The Authority implemented Governmental Accounting Standards Board (“GASB”) Statement No. 87, Leases, Under GASB Statement No. 87, the determination of whether an arrangement is a lease is made at the lease’s inception and a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having the right to direct the use of the asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority reviewed its agreements outstanding as of March 31, 2026, and determined there were no leases currently existing, and therefore, no adjustments or disclosures were made. Management only reevaluates its determination if the terms and conditions of the contract are changed.

Subscription-Based Information Technology Arrangements

The Authority implemented Governmental Accounting Standards Board (“GASB”) Statement No. 96, Subscription-based information technology arrangements (SBITAs), Under GASB Statement No. 96, the determination of whether an arrangement is a SBITA is made at the subscriptions’ inception and a contract is, or contains, a SBITA if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having the right to direct the use of the asset. A lessee is required to recognize a subscription liability and an intangible right to use subscription asset. The Authority reviewed its agreements outstanding as of March 31, 2026, and determined there were no SBITAs currently existing, and therefore, no adjustments or disclosures were made. Management will reevaluate its determination if the terms and conditions of the contract are changed.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted are amounts that do not meet the definition of restricted or net investment in capital assets.

Use of Estimates

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 reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2026**

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**Subsequent Events**

Subsequent events have been evaluated through May 26, 2026, which is the date the financial statements were available to be issued.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The Authority's cash and cash equivalents at March 31, 2026, were comprised of demand deposits, savings accounts, and certificates of deposit. The Authority had no investments as of March 31, 2026.

*Custodial Credit Risk - Deposits:* This is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's deposits must be collateralized as required by Minnesota Statutes for an amount exceeding FDIC coverage. The market value of the collateral pledge must be equal to or greater than 110% of the deposits not covered by insurance or bonds. As of March 31, 2026, the Authority's bank balances of \$345,126 were not exposed to custodial credit risk and were fully collateralized.

**Unrestricted Cash**

|                                |    |                |
|--------------------------------|----|----------------|
| Cash and Cash Equivalents      | \$ | 229,308        |
| Savings/Money Market Savings   |    | 57,155         |
| CDs                            |    | 44,195         |
| <b>Total Unrestricted Cash</b> |    | <u>330,658</u> |

**Restricted Cash**

|                              |    |                |
|------------------------------|----|----------------|
| Cash and Cash Equivalents    |    | <u>14,168</u>  |
| <b>Total Restricted Cash</b> |    | <u>14,168</u>  |
| <b>Total Cash</b>            | \$ | <u>344,826</u> |

**NOTE 3 - RESTRICTED ASSETS**

**Tenant Security Deposits**

The Authority holds security deposits from tenants. Security deposits were \$14,168 as of March 31, 2026.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2026**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2026, was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------|------------------|---------------------------|
| <b>Business-type Activities</b>             |                              |                    |                  |                           |
| <u>Capital Assets Not Being Depreciated</u> |                              |                    |                  |                           |
| Land and Improvements                       | \$ 14,281                    | \$ -               | \$ -             | \$ 14,281                 |
| Total Capital Assets Not Being Depreciated  | <u>14,281</u>                | <u>-</u>           | <u>-</u>         | <u>14,281</u>             |
| <u>Capital Assets Being Depreciated</u>     |                              |                    |                  |                           |
| Buildings                                   | 1,666,769                    | 6,450              | -                | 1,673,219                 |
| Equipment and Other                         | 72,557                       | 1,690              | -                | 74,247                    |
| Total Capital Assets Being Depreciated      | <u>1,739,326</u>             | <u>8,140</u>       | <u>-</u>         | <u>1,747,466</u>          |
| Accumulated Depreciation                    | <u>(1,367,333)</u>           | <u>(34,664)</u>    | <u>-</u>         | <u>(1,401,997)</u>        |
| Total Capital Assets Being Depreciated, Net | <u>371,993</u>               | <u>(26,524)</u>    | <u>-</u>         | <u>345,469</u>            |
| Total Capital Assets, Net                   | <u>\$ 386,274</u>            | <u>\$ (26,524)</u> | <u>\$ -</u>      | <u>\$ 359,750</u>         |

Depreciation expense was charged to functions/programs of the Authority as follows:

|                         |           |
|-------------------------|-----------|
| Low Rent Public Housing | \$ 34,664 |
|-------------------------|-----------|

**NOTE 5 – LONG-TERM OBLIGATIONS**

The summary of long-term obligation transactions for the year ended March 31, 2026, was as follows:

|                      | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> | <u>Due<br/>Within<br/>One Year</u> |
|----------------------|------------------------------|------------------|------------------|---------------------------|------------------------------------|
| Compensated Absences | \$ 4,814                     | \$ 4,902         | \$ 1,859         | \$ 7,857                  | \$ 2,875                           |

**NOTE 6 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation claims; and natural disasters. Property and casualty and worker's compensation liabilities are insured. The Authority retains risk for the deductible portions of the insurance. The amounts of these deductibles are considered immaterial to the general-purpose financial statements.

**NOTE 7 – CONTINGENCIES**

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2026**

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**NOTE 8 - ECONOMIC DEPENDENCY**

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

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 COMBINING STATEMENT OF NET POSITION  
 AS OF MARCH 31, 2026**

|  | <b>Low Rent<br/>Public<br/>Housing</b> | <b>Capital<br/>Fund<br/>Program</b> | <b>Total</b>      |
|--|--|-------------------------------------|-------------------|
| <b>ASSETS</b>                          |  |                                     |                   |
| Current Assets                         |  |                                     |                   |
| Cash and Cash Equivalents              | \$ 330,658                             | \$ -                                | \$ 330,658        |
| Cash and Cash Equivalents - Restricted | 14,168                                 | -                                   | 14,168            |
| Accounts Receivable - Tenants, Net     | 1,680                                  | -                                   | 1,680             |
| Accounts Receivable - Other, Net       | 54,431                                 | -                                   | 54,431            |
| Prepaid Expenses and Other Assets      | 7,621                                  | -                                   | 7,621             |
| Total Current Assets                   | <u>408,558</u>                         | <u>-</u>                            | <u>408,558</u>    |
| Capital Assets                         |  |                                     |                   |
| Land                                   | 14,281                                 | -                                   | 14,281            |
| Building                               | 1,673,219                              | -                                   | 1,673,219         |
| Furniture, Equipment, and Machinery    | 74,247                                 | -                                   | 74,247            |
| Accumulated Depreciation               | (1,401,997)                            | -                                   | (1,401,997)       |
| Total Capital Assets, Net              | <u>359,750</u>                         | <u>-</u>                            | <u>359,750</u>    |
| Total Assets                           | <u>768,308</u>                         | <u>-</u>                            | <u>768,308</u>    |
| <b>LIABILITIES</b>                     |  |                                     |                   |
| Current Liabilities                    |  |                                     |                   |
| Accounts Payable                       | 5,354                                  | -                                   | 5,354             |
| Accrued Payroll Liabilities            | 1,537                                  | -                                   | 1,537             |
| Compensated Absences - Current         | 2,875                                  | -                                   | 2,875             |
| Accounts Payable - Other Government    | 5,679                                  | -                                   | 5,679             |
| Tenant Security Deposits               | 14,168                                 | -                                   | 14,168            |
| Unearned Revenue                       | 190                                    | -                                   | 190               |
| Other Liabilities                      | 4,128                                  | -                                   | 4,128             |
| Total Current Liabilities              | <u>33,931</u>                          | <u>-</u>                            | <u>33,931</u>     |
| Noncurrent Liabilities                 |  |                                     |                   |
| Compensated Absences - Noncurrent      | 4,982                                  | -                                   | 4,982             |
| Total Noncurrent Liabilities           | <u>4,982</u>                           | <u>-</u>                            | <u>4,982</u>      |
| Total Liabilities                      | <u>38,913</u>                          | <u>-</u>                            | <u>38,913</u>     |
| <b>NET POSITION</b>                    |  |                                     |                   |
| Net Investment in Capital Assets       | 359,750                                | -                                   | 359,750           |
| Unrestricted                           | 369,645                                | -                                   | 369,645           |
| Total Net Position                     | <u>\$ 729,395</u>                      | <u>\$ -</u>                         | <u>\$ 729,395</u> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED MARCH 31, 2026**

|   | <b>Low Rent<br/>Public<br/>Housing</b> | <b>Capital<br/>Fund<br/>Program</b> | <b>Total</b>      |
|---|--|-------------------------------------|-------------------|
| <b>OPERATING REVENUES</b>               |  |                                     |                   |
| Net Tenant Rental Revenue               | \$ 156,674                             | \$ -                                | \$ 156,674        |
| Tenant Revenue - Other                  | 2,649                                  | -                                   | 2,649             |
| Total Tenant Revenue                    | <u>159,323</u>                         | <u>-</u>                            | <u>159,323</u>    |
| HUD PHA Operating Grants                | 47,930                                 | 71,708                              | 119,638           |
| Other Revenue                           | 4,923                                  | -                                   | 4,923             |
| Total Operating Revenues                | <u>212,176</u>                         | <u>71,708</u>                       | <u>283,884</u>    |
| <b>OPERATING EXPENSES</b>               |  |                                     |                   |
| Administrative                          | 84,560                                 | -                                   | 84,560            |
| Tenant Services                         | 79                                     | -                                   | 79                |
| Utilities                               | 42,537                                 | -                                   | 42,537            |
| Ordinary Maintenance and Operations     | 41,268                                 | 14,335                              | 55,603            |
| Insurance Premiums                      | 17,591                                 | -                                   | 17,591            |
| General Expenses                        | 10,327                                 | -                                   | 10,327            |
| Depreciation Expense                    | 34,664                                 | -                                   | 34,664            |
| Total Operating Expenses                | <u>231,026</u>                         | <u>14,335</u>                       | <u>245,361</u>    |
| <b>OPERATING INCOME (LOSS)</b>          | <u>(18,850)</u>                        | <u>57,373</u>                       | <u>38,523</u>     |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |  |                                     |                   |
| Interest Income - Unrestricted          | 429                                    | -                                   | 429               |
| Total Nonoperating Revenues (Expenses)  | <u>429</u>                             | <u>-</u>                            | <u>429</u>        |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>   | <u>(18,421)</u>                        | <u>57,373</u>                       | <u>38,952</u>     |
| HUD Capital Grants                      | -                                      | 54,416                              | 54,416            |
| Transfers                               | 111,789                                | (111,789)                           | -                 |
| <b>CHANGE IN NET POSITION</b>           | <u>93,368</u>                          | <u>-</u>                            | <u>93,368</u>     |
| Net Position - Beginning of Year        | <u>636,027</u>                         | <u>-</u>                            | <u>636,027</u>    |
| <b>NET POSITION - END OF YEAR</b>       | <u>\$ 729,395</u>                      | <u>\$ -</u>                         | <u>\$ 729,395</u> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2026**

|  | <b>Low Rent<br/>Public<br/>Housing</b> | <b>Capital Fund<br/>Program</b> | <b>Total</b>      |
|--|--|---------------------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |                                 |                   |
| Cash Received From Rent  | \$ 160,012                             | \$ -                            | \$ 160,012        |
| Operating Subsidies - HUD  | (6,486)                                | 71,708                          | 65,222            |
| Cash Received From Other Sources   | 4,923                                  | -                               | 4,923             |
| Cash Paid to Other Suppliers of Goods<br>or Services                                   | (163,754)                              | (14,335)                        | (178,089)         |
| Cash Payments to Employees for Services  | (31,670)                               | -                               | (31,670)          |
| Net Cash Provided (Used) by Operating<br>Activities                                    | (36,975)                               | 57,373                          | 20,398            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING<br/>ACTIVITIES</b>                             |  |                                 |                   |
| Operating Transfer in  | 111,789                                | -                               | 111,789           |
| Operating Transfers out  | -                                      | (111,789)                       | (111,789)         |
| Net Cash Provided (Used) by Noncapital<br>and Related Financing Activities             | 111,789                                | (111,789)                       | -                 |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                    |  |                                 |                   |
| Capital Grants Received  | -                                      | 54,416                          | 54,416            |
| Acquisition of Capital Assets  | (8,140)                                | -                               | (8,140)           |
| Net Cash Provided (Used) by Capital and<br>Related Financing Activities                | (8,140)                                | 54,416                          | 46,276            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |                                 |                   |
| Interest Received  | 443                                    | -                               | 443               |
| Net Cash Provided by Investing Activities  | 443                                    | -                               | 443               |
| <b>NET INCREASE (DECREASE) IN CASH AND<br/>CASH EQUIVALENTS</b>                        |  |                                 |                   |
| Cash and Cash Equivalents - Beginning of<br>Year                                       | 67,117                                 | -                               | 67,117            |
| <b>CASH AND CASH EQUIVALENTS - END OF<br/>YEAR</b>                                     | <b>277,709</b>                         | <b>-</b>                        | <b>277,709</b>    |
|  | <b>344,826</b>                         | <b>-</b>                        | <b>344,826</b>    |
| <b>RECONCILIATION OF CASH AND<br/>INVESTMENTS TO THE STATEMENT OF NET<br/>POSITION</b> |  |                                 |                   |
| Cash and Cash Equivalents  | 330,658                                | -                               | 330,658           |
| Cash and Cash Equivalents - Restricted   | 14,168                                 | -                               | 14,168            |
| Cash and Cash Equivalents - End of Year  | <b>\$ 344,826</b>                      | <b>\$ -</b>                     | <b>\$ 344,826</b> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 COMBINING STATEMENT OF CASH FLOWS  
 YEAR ENDED MARCH 31, 2026**

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|  | <b>Low Rent<br/>Public<br/>Housing</b> | <b>Capital Fund<br/>Program</b> | <b>Total</b>     |
|--|--|---------------------------------|------------------|
| <b>RECONCILIATION OF OPERATING INCOME<br/>(LOSS) TO NET CASH PROVIDED (USED) BY<br/>OPERATING ACTIVITIES</b> |  |                                 |                  |
| Operating Income (Loss)  | \$ (18,850)                            | \$ 57,373                       | \$ 38,523        |
| Adjustment to Reconcile Operating Income<br>(Loss) to Net Cash Provided (Used) by<br>Operating Activities:   |  |                                 |                  |
| Depreciation   | 34,664                                 | -                               | 34,664           |
| (Increase) Decrease in Assets:   |  |                                 |                  |
| Accounts Receivable  | (53,827)                               | -                               | (53,827)         |
| Prepayments  | (1,247)                                | -                               | (1,247)          |
| Increase (Decrease) in Liabilities:  |  |                                 |                  |
| Accounts Payable   | (985)                                  | -                               | (985)            |
| Accrued Payroll Liabilities  | 3,146                                  | -                               | 3,146            |
| Due to Other Governmental Units  | (536)                                  | -                               | (536)            |
| Unearned Revenue   | 100                                    | -                               | 100              |
| Tenants Security Deposits  | (512)                                  | -                               | (512)            |
| Extraordinary Maintenance  | -                                      | -                               | -                |
| Accrued Expenses   | 1,072                                  | -                               | 1,072            |
| Net Cash Provided (Used) by Operating<br>Activities  | <u>\$ (36,975)</u>                     | <u>\$ 57,373</u>                | <u>\$ 20,398</u> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
 STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
 YEAR ENDED MARCH 31, 2026**

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The Actual Modernization costs are as follows:

|                          | <u>MN46P059501-19</u> | <u>MN46P059501-20</u> | <u>MN46P059501-22</u> |
|--------------------------|-----------------------|-----------------------|-----------------------|
| Funds Approved           | \$ 42,427             | \$ 42,374             | \$ 54,416             |
| Funds Expended           | 42,427                | 42,374                | 54,416                |
| Excess of Funds Approved | <u>-</u>              | <u>-</u>              | <u>-</u>              |
| Funds Advanced           | 42,427                | 42,374                | -                     |
| Funds Expended           | 42,427                | 42,374                | 54,416                |
| Excess of Funds Advanced | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ (54,416)</u>    |
|                          | <u>MN46P059501-23</u> | <u>MN46P059501-24</u> | <u>MN46P059501-25</u> |
| Funds Approved           | \$ 54,562             | \$ 56,380             | \$ 56,993             |
| Funds Expended           | -                     | -                     | -                     |
| Excess of Funds Approved | <u>54,562</u>         | <u>56,380</u>         | <u>56,993</u>         |
| Funds Advanced           | -                     | -                     | -                     |
| Funds Expended           | -                     | -                     | -                     |
| Excess of Funds Advanced | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           |

The distribution of costs by project as shown on the Final Performance and Evaluation Report accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authority's records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**FINANCIAL DATA SCHEDULE - BALANCE SHEET SUMMARY**  
**MARCH 31, 2026**

| Line Item # | Description  | Low Rent Public Housing | Capital Fund Program | Total             |
|-------------|--|-------------------------|----------------------|-------------------|
| 111         | Cash - Unrestricted  | \$ 286,463              | \$ -                 | \$ 286,463        |
| 114         | Cash - Tenant Security Deposits                                    | 14,168                  | -                    | 14,168            |
| 100         | Total Cash   | <u>300,631</u>          | <u>-</u>             | <u>300,631</u>    |
| 122         | Accounts Receivable - HUD Other Projects                           | 54,416                  | -                    | 54,416            |
| 126         | Accounts Receivable - Tenants                                      | 12,759                  | -                    | 12,759            |
| 126         | Allow ance for Doubtful Accounts - Tenants                         | (11,079)                | -                    | (11,079)          |
| 129         | Accrued Interest Receivable  | 15                      | -                    | 15                |
| 120         | Total Receivables, Net of Allow ances for Doubtful Accounts        | <u>56,111</u>           | <u>-</u>             | <u>56,111</u>     |
| 131         | Investments - Unrestricted   | 44,195                  | -                    | 44,195            |
| 142         | Prepaid Expenses and Other Assets                                  | 7,621                   | -                    | 7,621             |
| 150         | Total Current Assets   | <u>408,558</u>          | <u>-</u>             | <u>408,558</u>    |
| 161         | Land   | 14,281                  | -                    | 14,281            |
| 162         | Buildings  | 1,673,219               | -                    | 1,673,219         |
| 163         | Furniture, Equipment & Machinery - Dw ellings                      | 34,627                  | -                    | 34,627            |
| 164         | Furniture, Equipment & Machinery - Administration                  | 39,620                  | -                    | 39,620            |
| 166         | Accumulated Depreciation   | (1,401,997)             | -                    | (1,401,997)       |
| 160         | Total Capital Assets, Net of Accumulated Depreciation              | <u>359,750</u>          | <u>-</u>             | <u>359,750</u>    |
| 290         | Total Assets and Deferred Outflow of Resources                     | <u>768,308</u>          | <u>-</u>             | <u>768,308</u>    |
| 312         | Accounts Payable <= 90 Days  | 5,354                   | -                    | 5,354             |
| 321         | Accrued Wage/Payroll Taxes Payable                                 | 1,537                   | -                    | 1,537             |
| 322         | Accrued Compensated Absences - Current Portion                     | 2,875                   | -                    | 2,875             |
| 333         | Accounts Payable - Other Government                                | 5,679                   | -                    | 5,679             |
| 341         | Tenant Security Deposits   | 14,168                  | -                    | 14,168            |
| 342         | Unearned Revenue   | 190                     | -                    | 190               |
| 346         | Accrued Liabilities - Other  | 4,128                   | -                    | 4,128             |
| 310         | Total Current Liabilities  | <u>33,931</u>           | <u>-</u>             | <u>33,931</u>     |
| 354         | Accrued Compensated Absences - Non Current                         | 4,982                   | -                    | 4,982             |
| 350         | Total Non-Current Liabilities                                      | <u>4,982</u>            | <u>-</u>             | <u>4,982</u>      |
| 300         | Total Liabilities  | <u>38,913</u>           | <u>-</u>             | <u>38,913</u>     |
| 508         | Net Investment in Capital Assets                                   | 359,750                 | -                    | 359,750           |
| 512         | Unrestricted Net Position  | 369,645                 | -                    | 369,645           |
| 513         | Total Equity - Net Assets / Position                               | <u>729,395</u>          | <u>-</u>             | <u>729,395</u>    |
| 600         | Total Liabilities, Deferred Inflow s of Resources and Equity - Net | <u>\$ 768,308</u>       | <u>\$ -</u>          | <u>\$ 768,308</u> |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**FINANCIAL DATA SCHEDULE - REVENUE AND EXPENSE SUMMARY**  
**MARCH 31, 2026**

| <b>Line<br/>Item#</b> | <b>Description</b>  | <b>Low Rent<br/>Public<br/>Housing</b> | <b>Capital<br/>Fund<br/>Program</b> | <b>Total</b> |
|-----------------------|---|--|-------------------------------------|--------------|
| 70300                 | Net Tenant Rental Revenue                                 | \$ 156,674                             | \$ -                                | \$ 156,674   |
| 70400                 | Tenant Revenue - Other                                    | 2,649                                  | -                                   | 2,649        |
| 70500                 | Total Tenant Revenue                                      | 159,323                                | -                                   | 159,323      |
| 70600                 | HUD PHA Operating Grants                                  | 47,930                                 | 71,708                              | 119,638      |
| 70610                 | Capital Grants  | -                                      | 54,416                              | 54,416       |
| 71100                 | Investment Income - Unrestricted                          | 429                                    | -                                   | 429          |
| 71500                 | Other Revenue   | 4,923                                  | -                                   | 4,923        |
| 70000                 | Total Revenue   | 212,605                                | 126,124                             | 338,729      |
| 91100                 | Administrative Salaries                                   | 18,909                                 | -                                   | 18,909       |
| 91200                 | Auditing Fees   | 7,900                                  | -                                   | 7,900        |
| 91300                 | Management Fee  | 45,129                                 | -                                   | 45,129       |
| 91500                 | Employee Benefit Contributions - Administrative           | 1,454                                  | -                                   | 1,454        |
| 91600                 | Office Expenses   | 8,571                                  | -                                   | 8,571        |
| 91900                 | Other   | 2,597                                  | -                                   | 2,597        |
| 91000                 | Total Operating - Administrative                          | 84,560                                 | -                                   | 84,560       |
| 92400                 | Tenant Services - Other                                   | 79                                     | -                                   | 79           |
| 92500                 | Total Tenant Services                                     | 79                                     | -                                   | 79           |
| 93100                 | Water   | 17,028                                 | -                                   | 17,028       |
| 93200                 | Electricity   | 16,877                                 | -                                   | 16,877       |
| 93300                 | Gas   | 8,632                                  | -                                   | 8,632        |
| 93000                 | Total Utilities   | 42,537                                 | -                                   | 42,537       |
| 94100                 | Ordinary Maintenance and Operations - Labor               | 12,864                                 | -                                   | 12,864       |
| 94200                 | Ordinary Maintenance and Operations - Materials and Other | 8,102                                  | -                                   | 8,102        |
| 94300                 | Ordinary Maintenance and Operations Contracts             | 19,311                                 | 14,335                              | 33,646       |
| 94500                 | Employee Benefit Contributions - Ordinary Maintenance     | 991                                    | -                                   | 991          |
| 94000                 | Total Maintenance   | 41,268                                 | 14,335                              | 55,603       |
| 96140                 | All Other Insurance                                       | 17,591                                 | -                                   | 17,591       |
| 96100                 | Total insurance Premiums                                  | 17,591                                 | -                                   | 17,591       |
| 96200                 | Other General Expenses                                    | 1,175                                  | -                                   | 1,175        |
| 96210                 | Compensated Absences                                      | 3,043                                  | -                                   | 3,043        |
| 96300                 | Payments in Lieu of Taxes                                 | 5,679                                  | -                                   | 5,679        |
| 96400                 | Bad debt - Tenant Rents                                   | 430                                    | -                                   | 430          |
| 96000                 | Total Other General Expenses                              | \$ 10,327                              | \$ -                                | \$ 10,327    |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA**  
**FINANCIAL DATA SCHEDULE - REVENUE AND EXPENSE SUMMARY**  
**MARCH 31, 2026**

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| <b>Line<br/>Item#</b> | <b>Description</b>  | <b>Low Rent<br/>Public<br/>Housing</b> | <b>Capital<br/>Fund<br/>Program</b> | <b>Total</b> |
|-----------------------|---|--|-------------------------------------|--------------|
| 96900                 | Total Operating Expenses  | \$ 196,362                             | \$ 14,335                           | \$ 210,697   |
| 97000                 | Excess of Operating Revenue over Operating Expenses                 | 16,243                                 | 111,789                             | 128,032      |
| 97400                 | Depreciation Expense  | 34,664                                 | -                                   | 34,664       |
| 90000                 | Total Expenses  | 231,026                                | 14,335                              | 245,361      |
| 10010                 | Operating Transfer In   | 57,373                                 | -                                   | 57,373       |
| 10020                 | Operating transfer Out  | -                                      | (57,373)                            | (57,373)     |
| 10100                 | Total Other financing Sources (Uses)                                | 57,373                                 | (57,373)                            | -            |
| 10000                 | Excess (Deficiency) of Total Revenue Over (Under) Total Expenses    | \$ 38,952                              | \$ 54,416                           | \$ 93,368    |
| 11030                 | Beginning Equity  | 636,027                                | -                                   | 636,027      |
| 11040                 | Prior Period Adjustments, Equity Transfers and Correction of Errors | 54,416                                 | (54,416)                            | -            |
| 11190                 | Unit Months Available   | 408                                    | -                                   | 408          |
| 11210                 | Number of Unit Months Leased  | 403                                    | -                                   | 403          |
| 11270                 | Excess Cash   | 350,643                                | -                                   | 350,643      |
| 11610                 | Land Purchases  | -                                      | -                                   | -            |
| 11620                 | Building Purchases  | -                                      | 54,416                              | 54,416       |



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

Board of Commissioners  
Housing and Redevelopment Authority of Pine City, Minnesota  
Pine City, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing and Redevelopment Authority of Pine City, Minnesota (the Authority), a component unit of the City of Pine City, Minnesota, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 26, 2026.

**Report on 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 (internal control) 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2026-001, that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, 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 financial statements. 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*.

### **The Authority's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and recommendations. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cavanaugh & Company, PLLC*

Cavanaugh & Company, PLLC  
Edina, Minnesota  
May 26, 2026



## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Commissioners  
Housing and Redevelopment Authority of Pine City, Minnesota  
Pine City, Minnesota

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 financial statements of the Housing and Redevelopment Authority of Pine City, Minnesota (the Authority), a component unit of the City of Pine City, Minnesota, as of and for the year ended March 31, 2026, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 26, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

*Cavanaugh & Company, PLLC*

Cavanaugh & Company, PLLC  
Edina, Minnesota  
May 26, 2026

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
YEAR ENDED MARCH 31, 2026**

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**FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

**SIGNIFICANT DEFICIENCY**

Audit Finding 2026-001 – Lack of Segregation of Duties

*Criteria:*

Internal control is a process, affected by the Housing and Redevelopment Authority of Pine City, Minnesota (the Authority) board of commissioners, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. A good system of internal control provides for an adequate segregation of duties so that no one individual handles a transaction from its inception to completion.

*Condition:*

Due to the limited employees and resources available to the Authority, many aspects of the internal control structure that rely on segregation of duties are missing. Specific accounting processes noted that are affected by the lack of segregation of duties include: cash disbursements, payroll disbursements, cash receipting, and specific reporting functions required for the Authority.

*Cause:*

Due to the limited number of personnel within the Authority, segregation of the accounting functions necessary to ensure adequate internal accounting control is not possible. This is not unusual in operations the size of the Authority; however, management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an accounting point of view.

*Effect:*

Inadequate segregation of duties could adversely affect the Authority's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by personnel in the normal course of performing their assigned functions.

*Recommendation:*

We recommend that the Authority's board of commissioners and management be aware of the lack of segregation of the accounting functions and, where possible, implement oversight procedures to ensure the internal control policies and procedures are being implemented by personnel to the extent possible.

*View of Responsible Officials:*

Management agrees with the finding.

**HOUSING AND REDEVELOPMENT AUTHORITY OF PINE CITY, MINNESOTA  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED MARCH 31, 2026**

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**FINANCIAL STATEMENTS FINDINGS**

Audit Finding 2025-001 – Lack of Segregation of Duties

Please refer to finding 2026-001 for the financial statement finding that was present in the current and prior year.

**Pine City Housing & Redevelopment Authority**  
**Hillside Court Apartments, 905 7<sup>th</sup> Street SW, Pine City, MN 55063**  
**320-629-6301(phone & fax)**

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May 26, 2026

U.S. Department of Housing and Urban Development

The Housing and Redevelopment Authority of Pine City, Minnesota (the Authority) respectfully submits the following management corrective action plan for the fiscal year ended March 31, 2026.

Name and address of independent public accounting firm:

Cavanaugh & Company, PLLC  
4570 West 77<sup>th</sup> Street, Suite 310  
Edina, MN 55435

Audit period: Fiscal year ended March 31, 2026.

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The findings from the March 31, 2026, schedule of findings and recommendations are discussed below.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCY**

2026-001      Lack of Segregation of Duties

*Corrective Action Planned:* Due to the Authority's size, it is cost-prohibitive and impractical to achieve the ideal level of segregation of duties. The Authority has implemented as many controls and segregation of duties as practically possible for an organization of this size.

*Completion Date:* Ongoing

If there are any questions regarding this plan, please contact me at (507) 345-1290.

Respectfully Submitted,



Joleen Pfau, Executive Director



May 26, 2026

To the Members of the Board  
Housing and Redevelopment Authority of Pine City, Minnesota  
Pine City, Minnesota

We have audited the financial statements of the Housing and Redevelopment Authority of Pine City, Minnesota (the Authority), a component unit of the City of Pine City, Minnesota, for the year ended March 31, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 21, 2026. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### **Qualitative Aspects of Accounting Practice**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new significant accounting policies were adopted and the application of existing policies was not changed during 2026. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear. We attached a list of recently issued accounting standards by the Governmental Accounting Standards Board. These standards were not relevant to the Authority and were not implemented.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material in nature, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated May 26, 2026.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements, financial data schedules, and statement and certification of modernization costs, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

This information is intended solely for the information and use of the governing board and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Cavanaugh & Company, PLLC  
Edina, Minnesota

## Recently Issued Accounting Standards

*The effect that these standards may have on future financial statements is not determinable at this time.*

### **GASB Statement No. 103, Financial Reporting Model Improvements**

- Issued: April 2024
- Effective FYE starting June 16, 2025 (September 2025 – **Q3 2025**)
- Possible Impact: changes to content of MD&A, order of reporting, and other reporting emphasis
- Early Adoption: permissible

### **GASB Statement No. 102, Certain Risk Disclosures**

- Issued: December 2023
- Effective FYE starting June 16, 2024 (September 2024 – **Q3 2024**)
- Possible Impact: Disclose concentration on Deferred Ins & Outs
- Early Adoption: permissible

### **GASB Statement No. 101, Compensated Absences**

- Issued: June 2022
- Effective FYE starting December 16, 2023 (January 2024 – **Q1 2024**)
- Possible Impact: accrue all compensated absences
- Early Adoption: permissible

### **GASB Statement No. 100, Accounting Changes and Error Corrections (amend GASB 62)**

- Issued: June 2022
- Effective FYE starting June 16, 2023 (September 2023 – Q3 2023)
- Possible Impact: disclose changes
- Early Adoption: permissible

### **GASB Statement No. 99, Omnibus 2022**

- Issued: April 2022
- Effective:
  - LIBOR, SNAP, Stmt 34, 53, 63 – April 2022
  - Leases, PPS, SBITAs – June 16, 2022 (September 2022 – Q3 2022)
  - Financial guarantees, derivatives Stmt 53 - June 16, 2023 (September 2023 – Q3 2023)
- Possible Impact: disclose changes
- Early Adoption: permissible

### **GASB Statement No. 98, The Annual Comprehensive Financial Report (ACFR)**

- Issued: October 2021
- Effective FYE starting December 16, 2021 (January 2022 – Q1 2022)
- Possible Impact: replace comprehensive annual financial report with ACFR
- Early Adoption: permissible

**GASB Statement No. 97, Component Unit Criteria and reporting changes IRC 457 Deferred Comp Plans**

- Issued: June 2020
- Effective FYE starting June 16, 2021 (September 2021 – Q3 2021)
- Possible Impact: reporting and disclosure changes
- Early Adoption: permissible

**GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITA)**

- Issued: May 2020
- Effective FYE starting June 16, 2022 (September 2022 – Q3 2022)
- Possible Impact: reporting and disclosure changes, SBITA defined, GASB 87
- Early Adoption: permissible

**GASB Statement No. 87, Leases**

- Issued: June 2017
- Effective FYE starting June 16, 2021 (September 2021 – Q3 2021)
- Possible Impact: redefines leases and disclosures
- Early Adoption: permissible

Housing Authority Accounting Specialists, Inc.  
PO Box 545  
Sparta, WI 54656  
608-269-6490

To the Board of Commissioners  
And Management:

HRA of Pine City  
Low Rent Public Housing  
905 7th Street SW  
Pine City, MN 55063

Enclosed are the following reports for the month ending April 30, 2026. These reports have been compiled in accordance with Generally Accepted Accounting Principles (GAAP):

- I. Financial Statements
- II. Journal Register
- III. General Ledger

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. This report is offered as a review of your past operations and is a basis for decisions for your future policies.

Respectfully Submitted:

Housing Authority Accounting Specialists, Inc.

**HRA of Pine City  
Low Rent Public Housing  
Balance Sheet  
As of April 30, 2026**

**ASSETS**

**CURRENT ASSETS**

**Cash**

|  |    |            |
|--|----|------------|
| 1111.1 - Cash - General Fund           | \$ | 319,974.16 |
| 1111.9 - Cash - Short Term Investments |    | 45,319.06  |
| 1114 - Cash - Security Deposits        |    | 11,836.06  |
| 1117 - Petty Cash Fund                 |    | 100.00     |

**Total Cash** 377,229.28

**Receivables**

|  |             |
|--|-------------|
| 1122 - Accounts Receivable - Tenants               | 12,392.14   |
| 1122.1 - Allowance for Doubtful Accounts - Tenants | (11,079.16) |
| 1145 - Accrued Interest Receivable                 | 14.79       |

**Total Receivables** 1,327.77

**Other Current Assets**

|                                   |           |
|-----------------------------------|-----------|
| 1162 - Investments - Unrestricted | 44,194.68 |
| 1211 - Prepaid Insurance          | 6,103.09  |

**Total Other Current Assets** 50,297.77

**TOTAL CURRENT ASSETS** 428,854.82

**NONCURRENT ASSETS**

**Capital Assets**

|   |                |
|---|----------------|
| 1400.6 - Land                           | 14,281.00      |
| 1400.61 - Land Improvements             | 95,616.93      |
| 1400.7 - Buildings                      | 458,611.12     |
| 1400.71 - Building Improvements         | 1,076,613.03   |
| 1400.72 - Nondwelling Structures        | 42,378.26      |
| 1400.8 - Furn., Equip., Mach.-Dwellings | 34,627.53      |
| 1400.9 - Furn., Equip., Mach.-Admin     | 39,619.61      |
| 1400.95 - Accumulated Depreciation      | (1,404,742.95) |

**Total Capital Assets** 357,004.53

**TOTAL NONCURRENT ASSETS** 357,004.53

**TOTAL ASSETS** \$ 785,859.35

**HRA of Pine City  
Low Rent Public Housing  
Balance Sheet  
As of April 30, 2026**

**LIABILITIES AND EQUITY**

**LIABILITIES**

**Current Liabilities**

|   |    |                 |
|---|----|-----------------|
| 2111 - Accounts Payable - Vendors           | \$ | 3,051.08        |
| 2114 - Tenant Security Deposits             |    | 14,168.25       |
| 2117.1 - Social Security Withheld           |    | 451.56          |
| 2117.11 - Medicare Withheld                 |    | 105.58          |
| 2117.2 - Federal Income Tax Withheld        |    | 208.00          |
| 2117.3 - State Income Tax Withheld          |    | 106.00          |
| 2117.31 - State Paid Leave Withheld         |    | 78.16           |
| 2135.1 - Compensated Absences-Short Term    |    | 2,874.79        |
| 2135.2 - Accrued Wage/Payroll Taxes Payable |    | 755.16          |
| 2136 - Accrued Liabilities - Other          |    | 4,127.71        |
| 2137 - Accounts Payable - Other Government  |    | <u>6,173.12</u> |

**Total Current Liabilities** 32,099.41

**Noncurrent Liabilities**

|   |                 |
|---|-----------------|
| 2435.1 - Compensated Absences-Long Term | <u>4,982.04</u> |
|---|-----------------|

**Total Noncurrent Liabilities** 4,982.04

**TOTAL LIABILITIES** 37,081.45

**EQUITY**

|   |                   |
|---|-------------------|
| 2806.1 - Net Investment in Capital Assets | <u>359,750.36</u> |
|---|-------------------|

**Unrestricted Net Position**

|   |                  |
|---|------------------|
| 2806 - Unrestricted Net Position            | 369,644.45       |
| Current Year Profit/(Loss) - Public Housing | <u>19,383.09</u> |

**Total Unrestricted Net Position** 389,027.54

**TOTAL EQUITY** 748,777.90

**TOTAL LIABILITIES/EQUITY** \$ 785,859.35

**HRA of Pine City  
Low Rent Public Housing  
Statement of Revenue & Expense  
For the 1 Month and 1 Month Ended April 30, 2026**

|  | 1 Month Ended         | 1 Month Ended         |                   |                      |
|--|-----------------------|-----------------------|-------------------|----------------------|
|  | <u>April 30, 2026</u> | <u>April 30, 2026</u> | <u>BUDGET</u>     | <u>VARIANCE</u>      |
| <b>Operating Revenue</b>                 |                       |                       |                   |                      |
| <b>Tenant Rental Revenue</b>             |                       |                       |                   |                      |
| 3110 - Net Tenant Rental Revenue         | \$ 12,359.00          | \$ 12,359.00          | \$ 158,870        | \$ 146,511.00        |
| 3120 - Tenant Revenue - Excess Utilities | 53.00                 | 53.00                 | 700               | 647.00               |
| 3690 - Tenant Revenue - Other            | <u>70.00</u>          | <u>70.00</u>          | <u>1,500</u>      | <u>1,430.00</u>      |
| <b>Total Tenant Rental Revenue</b>       | <u>12,482.00</u>      | <u>12,482.00</u>      | 161,070           | 148,588.00           |
| <b>HUD PHA Grant Revenue</b>             |                       |                       |                   |                      |
| 3401.2 - Operating Subsidy               | <u>3,229.40</u>       | <u>3,229.40</u>       | 41,290            | 38,060.60            |
| <b>Total HUD PHA Grant Revenue</b>       | <u>3,229.40</u>       | <u>3,229.40</u>       | 41,290            | 38,060.60            |
| <b>Other Revenue</b>                     |                       |                       |                   |                      |
| 3610 - Interest Income                   | 4.32                  | 4.32                  | 50                | 45.68                |
| 3690.1 - Other Revenue                   | <u>281.50</u>         | <u>281.50</u>         | <u>4,000</u>      | <u>3,718.50</u>      |
| <b>Total Other Revenue</b>               | <u>285.82</u>         | <u>285.82</u>         | 4,050             | 3,764.18             |
| <br>                                     |                       |                       |                   |                      |
| <b>Total Operating Revenue</b>           | <u>\$ 15,997.22</u>   | <u>\$ 15,997.22</u>   | <u>\$ 206,410</u> | <u>\$ 190,412.78</u> |
| <br>                                     |                       |                       |                   |                      |
| <b>Operating Expenses - Routine</b>      |                       |                       |                   |                      |
| <b>Administration</b>                    |                       |                       |                   |                      |
| 4110 - Administrative Salaries           | \$ 1,640.48           | \$ 1,640.48           | \$ 19,690         | \$ 18,049.52         |
| 4120 - Management Fee                    | 3,541.66              | 3,541.66              | 43,630            | 40,088.34            |
| 4130 - Legal Expense                     | 0.00                  | 0.00                  | 2,000             | 2,000.00             |
| 4170 - Accounting Fees                   | 154.02                | 154.02                | 3,000             | 2,845.98             |
| 4171 - Auditing                          | 0.00                  | 0.00                  | 7,900             | 7,900.00             |
| 4182 - Employee Benefits - Admin         | 129.09                | 129.09                | 1,510             | 1,380.91             |
| 4185 - Telephone & Internet              | 344.64                | 344.64                | 2,200             | 1,855.36             |
| 4190.2 - Admin Service Contracts         | 150.00                | 150.00                | 5,000             | 4,850.00             |
| 4190.3 - Office Supplies                 | 0.00                  | 0.00                  | 500               | 500.00               |
| 4190.4 - Other Sundry Expense            | 7.57                  | 7.57                  | 2,000             | 1,992.43             |
| 4190.5 - Advertising & Marketing         | <u>0.00</u>           | <u>0.00</u>           | <u>500</u>        | <u>500.00</u>        |
| <b>Total Administration</b>              | <u>5,967.46</u>       | <u>5,967.46</u>       | 87,930            | 81,962.54            |
| <br>                                     |                       |                       |                   |                      |
| <b>Tenant Services</b>                   |                       |                       |                   |                      |
| 4220 - Tenant Services - Other           | <u>0.00</u>           | <u>0.00</u>           | <u>500</u>        | <u>500.00</u>        |
| <b>Total Tenant Services</b>             | <u>0.00</u>           | <u>0.00</u>           | 500               | 500.00               |

**HRA of Pine City**  
**Low Rent Public Housing**  
**Statement of Revenue & Expense**  
**For the 1 Month and 1 Month Ended April 30, 2026**

|   | 1 Month Ended         | 1 Month Ended         |                |                   |
|---|-----------------------|-----------------------|----------------|-------------------|
|   | <u>April 30, 2026</u> | <u>April 30, 2026</u> | <u>BUDGET</u>  | <u>VARIANCE</u>   |
| <b>Utilities</b>                        |                       |                       |                |                   |
| 4310 - Water                            | 2,034.17              | 2,034.17              | 16,000         | 13,965.83         |
| 4320 - Electricity                      | 1,099.00              | 1,099.00              | 17,000         | 15,901.00         |
| 4330 - Gas                              | 994.54                | 994.54                | 8,000          | 7,005.46          |
| 4390 - Garbage Removal                  | 235.96                | 235.96                | 2,000          | 1,764.04          |
| <b>Total Utilities</b>                  | <u>4,363.67</u>       | <u>4,363.67</u>       | <u>43,000</u>  | <u>38,636.33</u>  |
| <b>Ordinary Maint. &amp; Operations</b> |                       |                       |                |                   |
| 4410 - Labor, Maintenance               | 2,001.00              | 2,001.00              | 14,350         | 12,349.00         |
| 4420 - Materials                        | 1,213.77              | 1,213.77              | 7,500          | 6,286.23          |
| 4430.02 - Heating & Cooling Contracts   | 772.00                | 772.00                | 3,000          | 2,228.00          |
| 4430.03 - Snow Removal Contracts        | 210.00                | 210.00                | 2,500          | 2,290.00          |
| 4430.05 - Landscape & Grounds Contracts | 0.00                  | 0.00                  | 4,000          | 4,000.00          |
| 4430.06 - Unit Turnaround Contracts     | 0.00                  | 0.00                  | 8,000          | 8,000.00          |
| 4430.07 - Electrical Contracts          | 0.00                  | 0.00                  | 1,000          | 1,000.00          |
| 4430.08 - Plumbing Contracts            | 850.00                | 850.00                | 4,000          | 3,150.00          |
| 4430.09 - Extermination Contracts       | 147.97                | 147.97                | 1,000          | 852.03            |
| 4430.10 - Janitorial Contracts          | 0.00                  | 0.00                  | 500            | 500.00            |
| 4430.11 - Routine Maintenance Contracts | 0.00                  | 0.00                  | 3,000          | 3,000.00          |
| 4430.12 - Miscellaneous Contracts       | 505.00                | 505.00                | 3,000          | 2,495.00          |
| 4433 - Employee Benefits - Maint        | 157.48                | 157.48                | 1,100          | 942.52            |
| <b>Total Ordinary Maint. &amp; Oper</b> | <u>5,857.22</u>       | <u>5,857.22</u>       | <u>52,950</u>  | <u>47,092.78</u>  |
| <b>General Expense</b>                  |                       |                       |                |                   |
| 4510 - Insurance                        | 1,517.46              | 1,517.46              | 20,600         | 19,082.54         |
| 4520 - Payments in Lieu of Taxes        | 494.17                | 494.17                | 5,930          | 5,435.83          |
| 4525 - Special Assessments              | 0.00                  | 0.00                  | 500            | 500.00            |
| 4570 - Bad Debt - Tenant Rents          | 0.00                  | 0.00                  | 100            | 100.00            |
| 4590 - Other General Expense            | 48.32                 | 48.32                 | 500            | 451.68            |
| <b>Total General Expense</b>            | <u>2,059.95</u>       | <u>2,059.95</u>       | <u>27,630</u>  | <u>25,570.05</u>  |
| <b>Total Routine Expense</b>            | 18,248.30             | 18,248.30             | 212,010        | 193,761.70        |
| <b>Non-Routine Expense</b>              |                       |                       |                |                   |
| <b>Extraordinary Maintenance</b>        |                       |                       |                |                   |
| 4610.3 - Contract Costs                 | 0.00                  | 0.00                  | 4,000          | 4,000.00          |
| <b>Total Extraordinary Maintenance</b>  | <u>0.00</u>           | <u>0.00</u>           | <u>4,000</u>   | <u>4,000.00</u>   |
| <b>Casualty Losses</b>                  |                       |                       |                |                   |
| <b>Total Casualty Losses</b>            | 0.00                  | 0.00                  | 0              | 0.00              |
| <b>Total Non-Routine Expense</b>        | 0.00                  | 0.00                  | 4,000          | 4,000.00          |
| <b>Total Operating Expenses</b>         | <u>18,248.30</u>      | <u>18,248.30</u>      | <u>216,010</u> | <u>197,761.70</u> |
| <b>Operating Income (Loss)</b>          | <u>(2,251.08)</u>     | <u>(2,251.08)</u>     | <u>(9,600)</u> | <u>(7,348.92)</u> |

**HRA of Pine City  
 Low Rent Public Housing  
 Statement of Revenue & Expense  
 For the 1 Month and 1 Month Ended April 30, 2026**

|                                    | <u>1 Month Ended</u>  | <u>1 Month Ended</u>  |                  |                    |
|------------------------------------|-----------------------|-----------------------|------------------|--------------------|
|                                    | <u>April 30, 2026</u> | <u>April 30, 2026</u> | <u>BUDGET</u>    | <u>VARIANCE</u>    |
| <b>Depreciation Expense</b>        |                       |                       |                  |                    |
| 4800 - Depreciation - Current Year | 2,745.83              | 2,745.83              | 0                | (2,745.83)         |
| <b>Total Depreciation Expense</b>  | <u>2,745.83</u>       | <u>2,745.83</u>       | <u>0</u>         | <u>(2,745.83)</u>  |
| <b>Capital Expenditures</b>        |                       |                       |                  |                    |
| <b>Total Capital Expenditures</b>  | 0.00                  | 0.00                  | 0                | 0.00               |
| <b>Other Financial Items</b>       |                       |                       |                  |                    |
| 8010 - Operating Transfers In      | 24,380.00             | 24,380.00             | 40,000           | 15,620.00          |
| <b>Total Other Financial Items</b> | <u>24,380.00</u>      | <u>24,380.00</u>      | <u>40,000</u>    | <u>15,620.00</u>   |
| <b>HUD Net Income/(Loss)</b>       | <u>\$ 22,128.92</u>   | <u>\$ 22,128.92</u>   | <u>\$ 30,400</u> | <u>\$ 8,271.08</u> |
| <b>GAAP Net Income/(Loss)</b>      | <u>\$ 19,383.09</u>   | <u>\$ 19,383.09</u>   |                  |                    |

## HRA of Pine City

### Statement of Revenue & Expense For the 1 Month and 1 Month Ended April 30, 2026

|   | 1 Month Ended         | 1 Month Ended         |
|---|-----------------------|-----------------------|
| **1027**                                | <u>April 30, 2026</u> | <u>April 30, 2026</u> |
| <b>Operating Revenue</b>                |                       |                       |
| <b>HUD PHA Grant Revenue</b>            |                       |                       |
| 3401.1 - Operating Grants               | \$ 24,380.00          | \$ 24,380.00          |
| <b>Total HUD PHA Grant Revenue</b>      | <u>24,380.00</u>      | <u>24,380.00</u>      |
| <br>                                    |                       |                       |
| <b>Total Operating Revenue</b>          | <u>\$ 24,380.00</u>   | <u>\$ 24,380.00</u>   |
| <br>                                    |                       |                       |
| <b>Operating Expenses</b>               |                       |                       |
| <b>Administration</b>                   |                       |                       |
| <b>Total Administration</b>             | 0.00                  | 0.00                  |
| <br>                                    |                       |                       |
| <b>Ordinary Maint. &amp; Operations</b> |                       |                       |
| <b>Total Ordinary Maint. &amp; Oper</b> | 0.00                  | 0.00                  |
| <br>                                    |                       |                       |
| <b>Extraordinary Maintenance</b>        |                       |                       |
| <b>Total Extraordinary Maintenance</b>  | 0.00                  | 0.00                  |
| <br>                                    |                       |                       |
| <b>Depreciation Expense</b>             |                       |                       |
| <b>Total Depreciation Expense</b>       | 0.00                  | 0.00                  |
| <br>                                    |                       |                       |
| <b>Total Operating Expenses</b>         | <u>0.00</u>           | <u>0.00</u>           |
| <br>                                    |                       |                       |
| <b>Other Financial Items</b>            |                       |                       |
| 8011 - Operating Transfers Out          | <u>24,380.00</u>      | <u>24,380.00</u>      |
| <b>Total Other Financial Items</b>      | 24,380.00             | 24,380.00             |
| <br>                                    |                       |                       |
| <b>Net Income/(Loss)</b>                | <u>\$ 0.00</u>        | <u>\$ 0.00</u>        |

## HRA of Pine City 2019 Capital Fund Grant

| Program ID:                         | 1 Month<br>Ended      | 1 Month<br>Ended | BUDGET              | VARIANCE            |
|-------------------------------------|-----------------------|------------------|---------------------|---------------------|
| MN46P059501-19<br>**1521**          | April 30, 2026        | April 30, 2026   |                     |                     |
| <b>Administration</b>               |                       |                  |                     |                     |
| 1406 - Operations                   | \$ (29,333.53)        | \$ 0.00          | \$ 0.00             | \$ 0.00             |
| 1411 - Audit Costs                  | 0.00                  | 0.00             | 5,427.00            | 5,427.00            |
| <b>Total Administration</b>         | <u>(29,333.53)</u>    | <u>0.00</u>      | <u>5,427.00</u>     | <u>5,427.00</u>     |
| <b>A &amp; E</b>                    |                       |                  |                     |                     |
| 1430 - Architect & Engineering      | <u>(10,093.47)</u>    | <u>0.00</u>      | <u>0.00</u>         | <u>0.00</u>         |
| <b>Total A &amp; E Fees</b>         | <u>(10,093.47)</u>    | <u>0.00</u>      | <u>0.00</u>         | <u>0.00</u>         |
| <b>Site Improvements</b>            |                       |                  |                     |                     |
| 1450.03 - Landscaping               | 0.00                  | 0.00             | 8,268.00            | 8,268.00            |
| 1450.06 - Parking Lot Replacement   | 0.00                  | 0.00             | 5,000.00            | 5,000.00            |
| 1450.07 - Concrete Work             | <u>0.00</u>           | <u>0.00</u>      | <u>2,000.00</u>     | <u>2,000.00</u>     |
| <b>Total Site Improvements</b>      | <u>0.00</u>           | <u>0.00</u>      | <u>15,268.00</u>    | <u>15,268.00</u>    |
| <b>Dwelling Structures</b>          |                       |                  |                     |                     |
| 1460.01 - Replace Doors/Windows     | 0.00                  | 0.00             | 7,000.00            | 7,000.00            |
| 1460.12 - Outside Security Lights   | 0.00                  | 0.00             | 1,000.00            | 1,000.00            |
| 1460.49 - Update Heating System     | 0.00                  | 0.00             | 5,000.00            | 5,000.00            |
| 1460.54 - Upgrade Electrical        | 0.00                  | 0.00             | 1,500.00            | 1,500.00            |
| 1460.55 - Replace Water Softner     | (3,000.00)            | 0.00             | 3,232.00            | 3,232.00            |
| 1460.56 - Upgrade Plumbing          | <u>0.00</u>           | <u>0.00</u>      | <u>4,000.00</u>     | <u>4,000.00</u>     |
| <b>Total Dwelling Structures</b>    | <u>(3,000.00)</u>     | <u>0.00</u>      | <u>21,732.00</u>    | <u>21,732.00</u>    |
| <b>Dwelling Equipment</b>           |                       |                  |                     |                     |
| <b>Total Dwelling Equipment</b>     | 0.00                  | 0.00             | 0.00                | 0.00                |
| <b>Nondwelling Structures</b>       |                       |                  |                     |                     |
| <b>Total Nondwelling Structures</b> | 0.00                  | 0.00             | 0.00                | 0.00                |
| <b>Nondwelling Equipment</b>        |                       |                  |                     |                     |
| <b>Total Nondwelling Equipment</b>  | 0.00                  | 0.00             | 0.00                | 0.00                |
| <b>Total Grant Funds Expended</b>   | <u>\$ (42,427.00)</u> | <u>\$ 0.00</u>   | <u>\$ 42,427.00</u> | <u>\$ 42,427.00</u> |
| <b>Grant Funding</b>                | <u>(42,427.00)</u>    | <u>0.00</u>      | <u>42,427.00</u>    | <u>42,427.00</u>    |
| <b>Over/(Under) Funding</b>         | <u>\$ 0.00</u>        | <u>\$ 0.00</u>   | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      |

**HRA of Pine City**  
2020 Capital Fund Grant

Program ID:

MN46P059501-20  
\*\*1523\*\*

|                                    | 1 Month<br>Ended<br>April 30, 2026 | 1 Month<br>Ended<br>April 30, 2026 | BUDGET         | VARIANCE       |
|------------------------------------|------------------------------------|------------------------------------|----------------|----------------|
| <b>Administration</b>              |                                    |                                    |                |                |
| 1406 - Operations                  | \$ (42,374.00)                     | \$ 0.00                            | \$ 0.00        | \$ 0.00        |
| <b>Total Administration</b>        | (42,374.00)                        | 0.00                               | 0.00           | 0.00           |
| <b>General Capital Activity</b>    |                                    |                                    |                |                |
| <b>Total Nondwelling Equipment</b> | 0.00                               | 0.00                               | 0.00           | 0.00           |
| <b>Total Grant Funds Expended</b>  | <u>\$ (42,374.00)</u>              | <u>\$ 0.00</u>                     | <u>\$ 0.00</u> | <u>\$ 0.00</u> |
| <b>Grant Funding</b>               | <u>(42,374.00)</u>                 | <u>0.00</u>                        | <u>0.00</u>    | <u>0.00</u>    |
| <b>Over/(Under) Funding</b>        | <u>\$ 0.00</u>                     | <u>\$ 0.00</u>                     | <u>\$ 0.00</u> | <u>\$ 0.00</u> |

**HRA of Pine City**  
**2022 Capital Fund Grant**

| Program ID:                        | 1 Month<br>Ended      | 1 Month<br>Ended |                     |                     |
|------------------------------------|-----------------------|------------------|---------------------|---------------------|
| MN46P059501-22<br>**1525**         | April 30, 2026        | April 30, 2026   | BUDGET              | VARIANCE            |
| <b>Administration</b>              |                       |                  |                     |                     |
| <b>Total Administration</b>        | 0.00                  | 0.00             | 0.00                | 0.00                |
| <b>General Capital Activity</b>    |                       |                  |                     |                     |
| 1480 - General Capital Activity    | (54,416.00)           | 0.00             | 54,416.00           | 54,416.00           |
| <b>Total Nondwelling Equipment</b> | (54,416.00)           | 0.00             | 54,416.00           | 54,416.00           |
| <b>Total Grant Funds Expended</b>  | <u>\$ (54,416.00)</u> | <u>\$ 0.00</u>   | <u>\$ 54,416.00</u> | <u>\$ 54,416.00</u> |
| <b>Grant Funding</b>               | <u>(54,416.00)</u>    | <u>0.00</u>      | <u>54,416.00</u>    | <u>54,416.00</u>    |
| <b>Over/(Under) Funding</b>        | <u>\$ 0.00</u>        | <u>\$ 0.00</u>   | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      |

## HRA of Pine City

| Program ID:                        | 1 Month<br>Ended    | 1 Month<br>Ended    |                     |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| MN46P059501-23<br>**1527**         | April 30, 2026      | April 30, 2026      | BUDGET              | VARIANCE            |
| <b>Administration</b>              |                     |                     |                     |                     |
| 1406 - Operations                  | \$ 24,380.00        | \$ 24,380.00        | \$ 0.00             | \$ (24,380.00)      |
| <b>Total Administration</b>        | <u>24,380.00</u>    | <u>24,380.00</u>    | 0.00                | (24,380.00)         |
| <b>General Capital Activity</b>    |                     |                     |                     |                     |
| 1480 - General Capital Activity    | 0.00                | 0.00                | 54,416.00           | 54,416.00           |
| <b>Total Nondwelling Equipment</b> | <u>0.00</u>         | <u>0.00</u>         | 54,416.00           | 54,416.00           |
| <b>Total Grant Funds Expended</b>  | <u>\$ 24,380.00</u> | <u>\$ 24,380.00</u> | <u>\$ 54,416.00</u> | <u>\$ 30,036.00</u> |
| <b>Grant Funding</b>               | <u>24,380.00</u>    | <u>24,380.00</u>    | <u>54,416.00</u>    | <u>30,036.00</u>    |
| <b>Over/(Under) Funding</b>        | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      |

**HRA of Pine City**  
**Cash Disbursements-Check Journal**

April 1, 2026 - April 30, 2026

| Date                       | Reference | Account     | Description                | Amount     |
|----------------------------|-----------|-------------|----------------------------|------------|
| 04/20/26                   | 12632     | 10011111.1  | Adam's Pest Control        | (147.97)   |
| 04/20/26                   | 12632     | 10014430.09 | Adam's Pest Control        | 147.97     |
| 04/20/26                   | 12633     | 10011111.1  | Audio Systems              | (260.00)   |
| 04/20/26                   | 12633     | 10014430.12 | Audio Systems              | 260.00     |
| 04/20/26                   | 12634     | 10011111.1  | Century Link               | (138.83)   |
| 04/20/26                   | 12634     | 10014185    | Century Link               | 138.83     |
| 04/20/26                   | 12635     | 10011111.1  | Carpet Unlimited           | (1,523.22) |
| 04/20/26                   | 12635     | 10012111    | Carpet Unlimited           | 1,523.22   |
| 04/20/26                   | 12636     | 10011111.1  | Dale's Heating & Appliance | (1,108.00) |
| 04/20/26                   | 12636     | 10014420    | Dale's Heating & Appliance | 336.00     |
| 04/20/26                   | 12636     | 10014430.02 | Dale's Heating & Appliance | 772.00     |
| 04/20/26                   | 12637     | 10011111.1  | H.A.A.S., Inc.             | (154.02)   |
| 04/20/26                   | 12637     | 10014170    | H.A.A.S., Inc.             | 154.02     |
| 04/20/26                   | 12638     | 10011111.1  | Ace Hardware               | (541.77)   |
| 04/20/26                   | 12638     | 10014420    | Ace Hardware               | 541.77     |
| 04/20/26                   | 12639     | 10011111.1  | Premier Outdoor Services   | (210.00)   |
| 04/20/26                   | 12639     | 10014430.03 | Premier Outdoor Services   | 210.00     |
| 04/20/26                   | 12640     | 10011111.1  | Rush Creek Finishing       | (780.00)   |
| 04/20/26                   | 12640     | 10012111    | Rush Creek Finishing       | 780.00     |
| 04/20/26                   | 12641     | 10011111.1  | SMR Management             | (3,541.66) |
| 04/20/26                   | 12641     | 10014120    | SMR Management             | 3,541.66   |
| 04/20/26                   | 12642     | 10011111.1  | Timber Creek Plumbing      | (850.00)   |
| 04/20/26                   | 12642     | 10014430.08 | Timber Creek Plumbing      | 850.00     |
| 04/21/26                   | 12643     | 10011111.1  | Century Link               | (52.99)    |
| 04/21/26                   | 12643     | 10014185    | Century Link               | 52.99      |
| 04/22/26                   | 12644     | 10011111.1  | Dale's Heating & Appliance | (336.00)   |
| 04/22/26                   | 12644     | 10014420    | Dale's Heating & Appliance | 336.00     |
| 04/22/26                   | 12645     | 10011111.1  | Vintage Loc                | (245.00)   |
| 04/22/26                   | 12645     | 10014430.12 | Vintage Lock               | 245.00     |
| 04/30/26                   | 12646     | 10011111.1  | East Central Energy        | (48.32)    |
| 04/30/26                   | 12646     | 10014590    | East Central Energy        | 48.32      |
| <b>Transaction Balance</b> |           |             |                            | 0.00       |

**HRA of Pine City**  
**Cash Disbursements-ACH Journal**

April 1, 2026 - April 30, 2026

| Date                       | Reference | Account     | Description                | Amount     |
|----------------------------|-----------|-------------|----------------------------|------------|
| 04/01/26                   | 1349      | 10011111.1  | Baumbard Rose & Associates | (150.00)   |
| 04/01/26                   | 1349      | 10014190.2  | Baumbard Rose & Associates | 150.00     |
| 04/02/26                   | 1350      | 10011111.1  | Elan                       | (7.57)     |
| 04/02/26                   | 1350      | 10014190.4  | Elan                       | 7.57       |
| 04/07/26                   | 1351      | 10011111.1  | East Central Fiber         | (132.89)   |
| 04/07/26                   | 1351      | 10014185    | East Central Fiber         | 132.89     |
| 04/15/26                   | 1352      | 10011111.1  | IRS                        | (647.38)   |
| 04/15/26                   | 1352      | 10012117.1  | IRS                        | 392.56     |
| 04/15/26                   | 1352      | 10012117.11 | IRS                        | 91.82      |
| 04/15/26                   | 1352      | 10012117.2  | IRS                        | 163.00     |
| 04/15/26                   | 1353      | 10011111.1  | East Central Energy        | (1,099.00) |
| 04/15/26                   | 1353      | 10014320    | East Central Energy        | 1,099.00   |
| 04/16/26                   | 1354      | 10011111.1  | MN Dept of Revenue         | (80.00)    |
| 04/16/26                   | 1354      | 10012117.3  | MN Dept of Revenue         | 80.00      |
| 04/16/26                   | 1355      | 10011111.1  | Talon Sanitation           | (235.96)   |
| 04/16/26                   | 1355      | 10014390    | Talon Sanitation           | 235.96     |
| 04/23/26                   | 1356      | 10011111.1  | MN Energy Resources        | (994.54)   |
| 04/23/26                   | 1356      | 10014330    | MN Energy Resources        | 994.54     |
| 04/23/26                   | 1357      | 10011111.1  | City of Pine City          | (2,034.17) |
| 04/23/26                   | 1357      | 10014310    | City of Pine City          | 2,034.17   |
| 04/24/26                   | 1358      | 10011111.1  | Verizon                    | (19.93)    |
| 04/24/26                   | 1358      | 10014185    | Verizon                    | 19.93      |
| <b>Transaction Balance</b> |           |             |                            | 0.00       |

**HRA of Pine City**  
**Cash Receipts Journal**

April 1, 2026 - April 30, 2026

| Date                       | Reference | Account    | Description           | Amount      |
|----------------------------|-----------|------------|-----------------------|-------------|
| 04/09/26                   | CR100     | 10011111.1 | Operating Subsidy     | 3,229.40    |
| 04/09/26                   | CR100     | 10013401.2 | Operating Subsidy     | (3,229.40)  |
| 04/09/26                   | CR101     | 10011111.1 | Laundry Income        | 281.50      |
| 04/09/26                   | CR101     | 10013690.1 | Laundry Income        | (281.50)    |
| 04/29/26                   | CR102     | 10011111.1 | 2024 Capital Fund     | 24,380.00   |
| 04/29/26                   | CR102     | 10273401.1 | 2024 Capital Fund     | (24,380.00) |
| 04/29/26                   | CR102     | 15271600   | 2024 Capital Fund     | 24,380.00   |
| 04/29/26                   | CR102     | 15271699   | 2024 Capital Fund     | (24,380.00) |
| 04/29/26                   | CR102     | 15271406   | 2024 Capital Fund     | 24,380.00   |
| 04/29/26                   | CR102     | 15279800   | 2024 Capital Fund     | (24,380.00) |
| 04/29/26                   | CR102     | 10278011   | 2024 Capital Fund     | 24,380.00   |
| 04/29/26                   | CR102     | 10018010   | 2024 Capital Fund     | (24,380.00) |
| 04/29/26                   | CR103     | 10011111.1 | 2022 Capital Fund     | 54,416.00   |
| 04/29/26                   | CR103     | 10011125   | 2022 Capital Fund     | (54,416.00) |
| 04/30/26                   | CR104     | 10011111.1 | April Cash Receipts   | 12,659.00   |
| 04/30/26                   | CR104     | 10011122   | April TAR Collections | (12,659.00) |
| 04/30/26                   | CR105     | 10011111.1 | Interest on Checking  | 4.20        |
| 04/30/26                   | CR105     | 10013610   | Interest on Checking  | (4.20)      |
| <b>Transaction Balance</b> |           |            |                       | 0.00        |

**HRA of Pine City**  
**Journal Entry Journal**

April 1, 2026 - April 30, 2026

| Date     | Reference | Account     | Description  | Amount      |
|----------|-----------|-------------|--|-------------|
| 04/30/26 | A1        | 10019998    | To record units available                              | 34.00       |
| 04/30/26 | A1        | 10019999    | To record units available                              | (34.00)     |
| 04/30/26 | A2        | 10014520    | To record estimated monthly PILOT expense              | 494.17      |
| 04/30/26 | A2        | 10012137    | To record estimated monthly PILOT expense              | (494.17)    |
| 04/30/26 | A3        | 10014800    | To record estimated monthly depreciation expense       | 2,745.83    |
| 04/30/26 | A3        | 10011400.95 | To record estimated monthly depreciation expense       | (2,745.83)  |
| 04/30/26 | JE200     | 10011122    | To record charges to tenants per April MSO             | 12,482.00   |
| 04/30/26 | JE200     | 10013110    | To record charges to tenants per April MSO             | (12,359.00) |
| 04/30/26 | JE200     | 10013120    | To record charges to tenants per April MSO             | (53.00)     |
| 04/30/26 | JE200     | 10013690    | To record charges to tenants per April MSO             | (70.00)     |
| 04/30/26 | JE201     | 10011122    | To reverse tenants prepaid rents for FYE 3/31/26       | (190.02)    |
| 04/30/26 | JE201     | 10012240    | To reverse tenants prepaid rents for FYE 3/31/26       | 190.02      |
| 04/30/26 | JE202     | 10014110    | To record payroll dated 4/15/26                        | 820.24      |
| 04/30/26 | JE202     | 10014410    | To record payroll dated 4/15/26                        | 1,127.00    |
| 04/30/26 | JE202     | 10014182    | To record payroll dated 4/15/26                        | 62.74       |
| 04/30/26 | JE202     | 10014433    | To record payroll dated 4/15/26                        | 86.22       |
| 04/30/26 | JE202     | 10012117.3  | To record payroll dated 4/15/26                        | (60.00)     |
| 04/30/26 | JE202     | 10012117.2  | To record payroll dated 4/15/26                        | (117.00)    |
| 04/30/26 | JE202     | 10012117.1  | To record payroll dated 4/15/26                        | (241.48)    |
| 04/30/26 | JE202     | 10012117.11 | To record payroll dated 4/15/26                        | (56.44)     |
| 04/30/26 | JE202     | 10011111.1  | To record payroll dated 4/15/26                        | (1,612.71)  |
| 04/30/26 | JE202     | 10014182    | To record payroll dated 4/15/26                        | 1.80        |
| 04/30/26 | JE202     | 10014433    | To record payroll dated 4/15/26                        | 2.48        |
| 04/30/26 | JE202     | 10012117.31 | To record payroll dated 4/15/26                        | (12.85)     |
| 04/30/26 | JE203     | 10011111.1  | To record payroll dated 4/30/26                        | (1,420.17)  |
| 04/30/26 | JE203     | 10014110    | To record payroll dated 4/30/26                        | 820.24      |
| 04/30/26 | JE203     | 10014410    | To record payroll dated 4/30/26                        | 874.00      |
| 04/30/26 | JE203     | 10014182    | To record payroll dated 4/30/26                        | 62.75       |
| 04/30/26 | JE203     | 10014433    | To record payroll dated 4/30/26                        | 66.86       |
| 04/30/26 | JE203     | 10014182    | To record payroll dated 4/30/26                        | 1.80        |
| 04/30/26 | JE203     | 10014433    | To record payroll dated 4/30/26                        | 1.92        |
| 04/30/26 | JE203     | 10012117.3  | To record payroll dated 4/30/26                        | (46.00)     |
| 04/30/26 | JE203     | 10012117.2  | To record payroll dated 4/30/26                        | (91.00)     |
| 04/30/26 | JE203     | 10012117.1  | To record payroll dated 4/30/26                        | (210.08)    |
| 04/30/26 | JE203     | 10012117.11 | To record payroll dated 4/30/26                        | (49.14)     |
| 04/30/26 | JE203     | 10012117.31 | To record payroll dated 4/30/26                        | (11.18)     |
| 04/30/26 | JE204     | 10011111.9  | To record interest on short term investments           | 0.12        |
| 04/30/26 | JE204     | 10013610    | To record interest on short term investments           | (0.12)      |
| 04/30/26 | JE205     | 15211406    | To remove 2019 capital fund from the chart of accounts | (29,333.53) |
| 04/30/26 | JE205     | 15211430    | To remove 2019 capital fund from the chart of accounts | (10,093.47) |
| 04/30/26 | JE205     | 15211460.55 | To remove 2019 capital fund from the chart of accounts | (3,000.00)  |
| 04/30/26 | JE205     | 15219800    | To remove 2019 capital fund from the chart of accounts | 42,427.00   |
| 04/30/26 | JE205     | 15211600    | To remove 2019 capital fund from the chart of accounts | (42,427.00) |
| 04/30/26 | JE205     | 15211699    | To remove 2019 capital fund from the chart of accounts | 42,427.00   |
| 04/30/26 | JE206     | 15231406    | To remove 2020 capital fund from the chart of accounts | (42,374.00) |
| 04/30/26 | JE206     | 15239800    | To remove 2020 capital fund from the chart of accounts | 42,374.00   |
| 04/30/26 | JE206     | 15231600    | To remove 2020 capital fund from the chart of accounts | (42,374.00) |
| 04/30/26 | JE206     | 15231699    | To remove 2020 capital fund from the chart of accounts | 42,374.00   |

**HRA of Pine City**  
**Journal Entry Journal**

April 1, 2026 - April 30, 2026

| <b>Date</b>                | <b>Reference</b> | <b>Account</b> | <b>Description</b>                                     | <b>Amount</b> |
|----------------------------|------------------|----------------|--|---------------|
| 04/30/26                   | JE207            | 15251480       | To remove 2022 capital fund from the chart of accounts | (54,416.00)   |
| 04/30/26                   | JE207            | 15259800       | To remove 2022 capital fund from the chart of accounts | 54,416.00     |
| 04/30/26                   | JE207            | 15251600       | To remove 2022 capital fund from the chart of accounts | (54,416.00)   |
| 04/30/26                   | JE207            | 15251699       | To remove 2022 capital fund from the chart of accounts | 54,416.00     |
| 04/30/26                   | RT1              | 10019996       | To record units leased                                 | 32.00         |
| 04/30/26                   | RT1              | 10019997       | To record units leased                                 | (32.00)       |
| 04/30/26                   | RT2              | 10014510       | To record monthly insurance write off                  | 1,517.46      |
| 04/30/26                   | RT2              | 10011211       | To record monthly insurance write off                  | (1,517.46)    |
| <b>Transaction Balance</b> |                  |                |  | <u>0.00</u>   |

**HRA of Pine City  
General Ledger**

April 1, 2026 - April 30, 2026

| Date  | Reference | Journal | Description                                      | Beginning<br>Balance | Current<br>Amount | Period End<br>Balance |
|---|-----------|---------|--|----------------------|-------------------|-----------------------|
| <b>10011111.1 Cash - General Fund</b>                       |           |         |  | 243,376.16           |                   |                       |
| 04/01/26  | 1349      | 4       | Baumbard Rose & Associates                       |                      | (150.00)          |                       |
| 04/02/26  | 1350      | 4       | Elan   |                      | (7.57)            |                       |
| 04/07/26  | 1351      | 4       | East Central Fiber                               |                      | (132.89)          |                       |
| 04/09/26  | CR100     | 1       | Operating Subsidy                                |                      | 3,229.40          |                       |
| 04/09/26  | CR101     | 1       | Laundry Income                                   |                      | 281.50            |                       |
| 04/15/26  | 1352      | 4       | IRS  |                      | (647.38)          |                       |
| 04/15/26  | 1353      | 4       | East Central Energy                              |                      | (1,099.00)        |                       |
| 04/16/26  | 1354      | 4       | MN Dept of Revenue                               |                      | (80.00)           |                       |
| 04/16/26  | 1355      | 4       | Talon Sanitation                                 |                      | (235.96)          |                       |
| 04/20/26  | 12632     | 2       | Adam's Pest Control                              |                      | (147.97)          |                       |
| 04/20/26  | 12633     | 2       | Audio Systems                                    |                      | (260.00)          |                       |
| 04/20/26  | 12634     | 2       | Century Link                                     |                      | (138.83)          |                       |
| 04/20/26  | 12635     | 2       | Carpet Unlimited                                 |                      | (1,523.22)        |                       |
| 04/20/26  | 12636     | 2       | Dale's Heating & Appliance                       |                      | (1,108.00)        |                       |
| 04/20/26  | 12637     | 2       | H.A.A.S., Inc.                                   |                      | (154.02)          |                       |
| 04/20/26  | 12638     | 2       | Ace Hardware                                     |                      | (541.77)          |                       |
| 04/20/26  | 12639     | 2       | Premier Outdoor Services                         |                      | (210.00)          |                       |
| 04/20/26  | 12640     | 2       | Rush Creek Finishing                             |                      | (780.00)          |                       |
| 04/20/26  | 12641     | 2       | SMR Management                                   |                      | (3,541.66)        |                       |
| 04/20/26  | 12642     | 2       | Timber Creek Plumbing                            |                      | (850.00)          |                       |
| 04/21/26  | 12643     | 2       | Century Link                                     |                      | (52.99)           |                       |
| 04/22/26  | 12644     | 2       | Dale's Heating & Appliance                       |                      | (336.00)          |                       |
| 04/22/26  | 12645     | 2       | Vintage Loc                                      |                      | (245.00)          |                       |
| 04/23/26  | 1356      | 4       | MN Energy Resources                              |                      | (994.54)          |                       |
| 04/23/26  | 1357      | 4       | City of Pine City                                |                      | (2,034.17)        |                       |
| 04/24/26  | 1358      | 4       | Verizon  |                      | (19.93)           |                       |
| 04/29/26  | CR102     | 1       | 2024 Capital Fund                                |                      | 24,380.00         |                       |
| 04/29/26  | CR103     | 1       | 2022 Capital Fund                                |                      | 54,416.00         |                       |
| 04/30/26  | 12646     | 2       | East Central Energy                              |                      | (48.32)           |                       |
| 04/30/26  | CR104     | 1       | April Cash Receipts                              |                      | 12,659.00         |                       |
| 04/30/26  | CR105     | 1       | Interest on Checking                             |                      | 4.20              |                       |
| 04/30/26  | JE202     | 3       | To record payroll dated 4/15/26                  |                      | (1,612.71)        |                       |
| 04/30/26  | JE203     | 3       | To record payroll dated 4/30/26                  |                      | (1,420.17)        |                       |
| <b>Totals for 10011111.1</b>                                |           |         |  |                      | <u>76,598.00</u>  | <u>319,974.16</u>     |
| <b>10011111.9 Cash - Short Term Investments</b>             |           |         |  | 45,318.94            |                   |                       |
| 04/30/26  | JE204     | 3       | To record interest on short term investments     |                      | 0.12              |                       |
| <b>Totals for 10011111.9</b>                                |           |         |  |                      | <u>0.12</u>       | <u>45,319.06</u>      |
| <b>10011114 Cash - Security Deposits</b>                    |           |         |  | 11,836.06            |                   |                       |
| <b>Totals for 10011114</b>                                  |           |         |  |                      | <u>0.00</u>       | <u>11,836.06</u>      |
| <b>10011117 Petty Cash Fund</b>                             |           |         |  | 100.00               |                   |                       |
| <b>Totals for 10011117</b>                                  |           |         |  |                      | <u>0.00</u>       | <u>100.00</u>         |
| <b>10011122 Accounts Receivable - Tenants</b>               |           |         |  | 12,759.16            |                   |                       |
| 04/30/26  | CR104     | 1       | April TAR Collections                            |                      | (12,659.00)       |                       |
| 04/30/26  | JE200     | 3       | To record charges to tenants per April MSO       |                      | 12,482.00         |                       |
| 04/30/26  | JE201     | 3       | To reverse tenants prepaid rents for FYE 3/31/26 |                      | (190.02)          |                       |
| <b>Totals for 10011122</b>                                  |           |         |  |                      | <u>(367.02)</u>   | <u>12,392.14</u>      |
| <b>10011122.1 Allowance for Doubtful Accounts - Tenants</b> |           |         |  | (11,079.16)          |                   |                       |
| <b>Totals for 10011122.1</b>                                |           |         |  |                      | <u>0.00</u>       | <u>(11,079.16)</u>    |
| <b>10011125 Accounts Receivable - HUD Other</b>             |           |         |  | 54,416.00            |                   |                       |
| 04/29/26  | CR103     | 1       | 2022 Capital Fund                                |                      | (54,416.00)       |                       |

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| <b>Totals for 10011125</b>    |                                       |         |  |                   | <u>(54,416.00)</u> | <u>0.00</u>           |
| <b>10011145</b>               | <b>Accrued Interest Receivable</b>    |         |  | 14.79             |                    |                       |
| <b>Totals for 10011145</b>    |                                       |         |  |                   | <u>0.00</u>        | <u>14.79</u>          |
| <b>10011162</b>               | <b>Investments - Unrestricted</b>     |         |  | 44,194.68         |                    |                       |
| <b>Totals for 10011162</b>    |                                       |         |  |                   | <u>0.00</u>        | <u>44,194.68</u>      |
| <b>10011211</b>               | <b>Prepaid Insurance</b>              |         |  | 7,620.55          |                    |                       |
| 04/30/26                      | RT2                                   | 3       | To record monthly insurance write off            |                   | <u>(1,517.46)</u>  |                       |
| <b>Totals for 10011211</b>    |                                       |         |  |                   | <u>(1,517.46)</u>  | <u>6,103.09</u>       |
| <b>10011290</b>               | <b>Other Prepaid Expenses</b>         |         |  | 0.00              |                    |                       |
| <b>Totals for 10011290</b>    |                                       |         |  |                   | <u>0.00</u>        | <u>0.00</u>           |
| <b>10011400.6</b>             | <b>Land</b>                           |         |  | 14,281.00         |                    |                       |
| <b>Totals for 10011400.6</b>  |                                       |         |  |                   | <u>0.00</u>        | <u>14,281.00</u>      |
| <b>10011400.61</b>            | <b>Land Improvements</b>              |         |  | 95,616.93         |                    |                       |
| <b>Totals for 10011400.61</b> |                                       |         |  |                   | <u>0.00</u>        | <u>95,616.93</u>      |
| <b>10011400.7</b>             | <b>Buildings</b>                      |         |  | 458,611.12        |                    |                       |
| <b>Totals for 10011400.7</b>  |                                       |         |  |                   | <u>0.00</u>        | <u>458,611.12</u>     |
| <b>10011400.71</b>            | <b>Building Improvements</b>          |         |  | 1,076,613.03      |                    |                       |
| <b>Totals for 10011400.71</b> |                                       |         |  |                   | <u>0.00</u>        | <u>1,076,613.03</u>   |
| <b>10011400.72</b>            | <b>Nondwelling Structures</b>         |         |  | 42,378.26         |                    |                       |
| <b>Totals for 10011400.72</b> |                                       |         |  |                   | <u>0.00</u>        | <u>42,378.26</u>      |
| <b>10011400.8</b>             | <b>Furn., Equip., Mach.-Dwellings</b> |         |  | 34,627.53         |                    |                       |
| <b>Totals for 10011400.8</b>  |                                       |         |  |                   | <u>0.00</u>        | <u>34,627.53</u>      |
| <b>10011400.9</b>             | <b>Furn., Equip., Mach.-Admin</b>     |         |  | 39,619.61         |                    |                       |
| <b>Totals for 10011400.9</b>  |                                       |         |  |                   | <u>0.00</u>        | <u>39,619.61</u>      |
| <b>10011400.95</b>            | <b>Accumulated Depreciation</b>       |         |  | (1,401,997.12)    |                    |                       |
| 04/30/26                      | A3                                    | 3       | To record estimated monthly depreciation expense |                   | <u>(2,745.83)</u>  |                       |
| <b>Totals for 10011400.95</b> |                                       |         |  |                   | <u>(2,745.83)</u>  | <u>(1,404,742.95)</u> |
| <b>10012111</b>               | <b>Accounts Payable - Vendors</b>     |         |  | (5,354.30)        |                    |                       |
| 04/20/26                      | 12635                                 | 2       | Carpet Unlimited                                 |                   | 1,523.22           |                       |
| 04/20/26                      | 12640                                 | 2       | Rush Creek Finishing                             |                   | 780.00             |                       |
| <b>Totals for 10012111</b>    |                                       |         |  |                   | <u>2,303.22</u>    | <u>(3,051.08)</u>     |
| <b>10012114</b>               | <b>Tenant Security Deposits</b>       |         |  | (14,168.25)       |                    |                       |
| <b>Totals for 10012114</b>    |                                       |         |  |                   | <u>0.00</u>        | <u>(14,168.25)</u>    |
| <b>10012117.1</b>             | <b>Social Security Withheld</b>       |         |  | (392.56)          |                    |                       |
| 04/15/26                      | 1352                                  | 4       | IRS  |                   | 392.56             |                       |
| 04/30/26                      | JE202                                 | 3       | To record payroll dated 4/15/26                  |                   | (241.48)           |                       |
| 04/30/26                      | JE203                                 | 3       | To record payroll dated 4/30/26                  |                   | (210.08)           |                       |
| <b>Totals for 10012117.1</b>  |                                       |         |  |                   | <u>(59.00)</u>     | <u>(451.56)</u>       |
| <b>10012117.11</b>            | <b>Medicare Withheld</b>              |         |  | (91.82)           |                    |                       |

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| 04/15/26                      | 1352                                       | 4       | IRS  |                   | 91.82           |                     |
| 04/30/26                      | JE202                                      | 3       | To record payroll dated 4/15/26                  |                   | (56.44)         |                     |
| 04/30/26                      | JE203                                      | 3       | To record payroll dated 4/30/26                  |                   | (49.14)         |                     |
| <b>Totals for 10012117.11</b> |  |         |  |                   | <u>(13.76)</u>  | <u>(105.58)</u>     |
| <b>10012117.2</b>             | <b>Federal Income Tax Withheld</b>         |         |  | (163.00)          |                 |                     |
| 04/15/26                      | 1352                                       | 4       | IRS  |                   | 163.00          |                     |
| 04/30/26                      | JE202                                      | 3       | To record payroll dated 4/15/26                  |                   | (117.00)        |                     |
| 04/30/26                      | JE203                                      | 3       | To record payroll dated 4/30/26                  |                   | (91.00)         |                     |
| <b>Totals for 10012117.2</b>  |  |         |  |                   | <u>(45.00)</u>  | <u>(208.00)</u>     |
| <b>10012117.3</b>             | <b>State Income Tax Withheld</b>           |         |  | (80.00)           |                 |                     |
| 04/16/26                      | 1354                                       | 4       | MN Dept of Revenue                               |                   | 80.00           |                     |
| 04/30/26                      | JE202                                      | 3       | To record payroll dated 4/15/26                  |                   | (60.00)         |                     |
| 04/30/26                      | JE203                                      | 3       | To record payroll dated 4/30/26                  |                   | (46.00)         |                     |
| <b>Totals for 10012117.3</b>  |  |         |  |                   | <u>(26.00)</u>  | <u>(106.00)</u>     |
| <b>10012117.31</b>            | <b>State Paid Leave Withheld</b>           |         |  | (54.13)           |                 |                     |
| 04/30/26                      | JE202                                      | 3       | To record payroll dated 4/15/26                  |                   | (12.85)         |                     |
| 04/30/26                      | JE203                                      | 3       | To record payroll dated 4/30/26                  |                   | (11.18)         |                     |
| <b>Totals for 10012117.31</b> |  |         |  |                   | <u>(24.03)</u>  | <u>(78.16)</u>      |
| <b>10012135.1</b>             | <b>Compensated Absences-Short Term</b>     |         |  | (2,874.79)        |                 |                     |
| <b>Totals for 10012135.1</b>  |  |         |  |                   | <u>0.00</u>     | <u>(2,874.79)</u>   |
| <b>10012135.2</b>             | <b>Accrued Wage/Payroll Taxes Payable</b>  |         |  | (755.16)          |                 |                     |
| <b>Totals for 10012135.2</b>  |  |         |  |                   | <u>0.00</u>     | <u>(755.16)</u>     |
| <b>10012136</b>               | <b>Accrued Liabilities - Other</b>         |         |  | (4,127.71)        |                 |                     |
| <b>Totals for 10012136</b>    |  |         |  |                   | <u>0.00</u>     | <u>(4,127.71)</u>   |
| <b>10012137</b>               | <b>Accounts Payable - Other Government</b> |         |  | (5,678.95)        |                 |                     |
| 04/30/26                      | A2   | 3       | To record estimated monthly PILOT expense        |                   | (494.17)        |                     |
| <b>Totals for 10012137</b>    |  |         |  |                   | <u>(494.17)</u> | <u>(6,173.12)</u>   |
| <b>10012240</b>               | <b>Tenants Prepaid Rent</b>                |         |  | (190.02)          |                 |                     |
| 04/30/26                      | JE201                                      | 3       | To reverse tenants prepaid rents for FYE 3/31/26 |                   | 190.02          |                     |
| <b>Totals for 10012240</b>    |  |         |  |                   | <u>190.02</u>   | <u>0.00</u>         |
| <b>10012435.1</b>             | <b>Compensated Absences-Long Term</b>      |         |  | (4,982.04)        |                 |                     |
| <b>Totals for 10012435.1</b>  |  |         |  |                   | <u>0.00</u>     | <u>(4,982.04)</u>   |
| <b>10012806</b>               | <b>Unrestricted Net Position</b>           |         |  | (369,644.45)      |                 |                     |
| <b>Totals for 10012806</b>    |  |         |  |                   | <u>0.00</u>     | <u>(369,644.45)</u> |
| <b>10012806.1</b>             | <b>Net Investment in Capital Assets</b>    |         |  | (359,750.36)      |                 |                     |
| <b>Totals for 10012806.1</b>  |  |         |  |                   | <u>0.00</u>     | <u>(359,750.36)</u> |
| <b>10012820</b>               | <b>HUD Operating Reserve - Memo</b>        |         |  | (139,796.73)      |                 |                     |
| <b>Totals for 10012820</b>    |  |         |  |                   | <u>0.00</u>     | <u>(139,796.73)</u> |
| <b>10012820.1</b>             | <b>HUD Operating Reserve-Contra</b>        |         |  | 139,796.73        |                 |                     |
| <b>Totals for 10012820.1</b>  |  |         |  |                   | <u>0.00</u>     | <u>139,796.73</u>   |
| <b>10013110</b>               | <b>Net Tenant Rental Revenue</b>           |         |  | 0.00              |                 |                     |
| 04/30/26                      | JE200                                      | 3       | To record charges to tenants per April MSO       |                   | (12,359.00)     |                     |

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| <b>Totals for 10013110</b>   |  |         |  |                   | <u>(12,359.00)</u> | <u>(12,359.00)</u> |
| <b>10013120</b>              | <b>Tenant Revenue - Excess Utilities</b> |         |  | 0.00              |                    |                    |
| 04/30/26                     | JE200                                    | 3       | To record charges to tenants per April MSO   |                   | <u>(53.00)</u>     |                    |
| <b>Totals for 10013120</b>   |  |         |  |                   | <u>(53.00)</u>     | <u>(53.00)</u>     |
| <b>10013401.2</b>            | <b>Operating Subsidy</b>                 |         |  | 0.00              |                    |                    |
| 04/09/26                     | CR100                                    | 1       | Operating Subsidy                            |                   | <u>(3,229.40)</u>  |                    |
| <b>Totals for 10013401.2</b> |  |         |  |                   | <u>(3,229.40)</u>  | <u>(3,229.40)</u>  |
| <b>10013610</b>              | <b>Interest Income</b>                   |         |  | 0.00              |                    |                    |
| 04/30/26                     | CR105                                    | 1       | Interest on Checking                         |                   | <u>(4.20)</u>      |                    |
| 04/30/26                     | JE204                                    | 3       | To record interest on short term investments |                   | <u>(0.12)</u>      |                    |
| <b>Totals for 10013610</b>   |  |         |  |                   | <u>(4.32)</u>      | <u>(4.32)</u>      |
| <b>10013690</b>              | <b>Tenant Revenue - Other</b>            |         |  | 0.00              |                    |                    |
| 04/30/26                     | JE200                                    | 3       | To record charges to tenants per April MSO   |                   | <u>(70.00)</u>     |                    |
| <b>Totals for 10013690</b>   |  |         |  |                   | <u>(70.00)</u>     | <u>(70.00)</u>     |
| <b>10013690.1</b>            | <b>Other Revenue</b>                     |         |  | 0.00              |                    |                    |
| 04/09/26                     | CR101                                    | 1       | Laundry Income                               |                   | <u>(281.50)</u>    |                    |
| <b>Totals for 10013690.1</b> |  |         |  |                   | <u>(281.50)</u>    | <u>(281.50)</u>    |
| <b>10014110</b>              | <b>Administrative Salaries</b>           |         |  | 0.00              |                    |                    |
| 04/30/26                     | JE202                                    | 3       | To record payroll dated 4/15/26              |                   | 820.24             |                    |
| 04/30/26                     | JE203                                    | 3       | To record payroll dated 4/30/26              |                   | 820.24             |                    |
| <b>Totals for 10014110</b>   |  |         |  |                   | <u>1,640.48</u>    | <u>1,640.48</u>    |
| <b>10014120</b>              | <b>Management Fee</b>                    |         |  | 0.00              |                    |                    |
| 04/20/26                     | 12641                                    | 2       | SMR Management                               |                   | <u>3,541.66</u>    |                    |
| <b>Totals for 10014120</b>   |  |         |  |                   | <u>3,541.66</u>    | <u>3,541.66</u>    |
| <b>10014170</b>              | <b>Accounting Fees</b>                   |         |  | 0.00              |                    |                    |
| 04/20/26                     | 12637                                    | 2       | H.A.A.S., Inc.                               |                   | <u>154.02</u>      |                    |
| <b>Totals for 10014170</b>   |  |         |  |                   | <u>154.02</u>      | <u>154.02</u>      |
| <b>10014182</b>              | <b>Employee Benefits - Admin</b>         |         |  | 0.00              |                    |                    |
| 04/30/26                     | JE202                                    | 3       | To record payroll dated 4/15/26              |                   | 62.74              |                    |
| 04/30/26                     | JE202                                    | 3       | To record payroll dated 4/15/26              |                   | 1.80               |                    |
| 04/30/26                     | JE203                                    | 3       | To record payroll dated 4/30/26              |                   | 62.75              |                    |
| 04/30/26                     | JE203                                    | 3       | To record payroll dated 4/30/26              |                   | 1.80               |                    |
| <b>Totals for 10014182</b>   |  |         |  |                   | <u>129.09</u>      | <u>129.09</u>      |
| <b>10014185</b>              | <b>Telephone &amp; Internet</b>          |         |  | 0.00              |                    |                    |
| 04/07/26                     | 1351                                     | 4       | East Central Fiber                           |                   | 132.89             |                    |
| 04/20/26                     | 12634                                    | 2       | Century Link                                 |                   | 138.83             |                    |
| 04/21/26                     | 12643                                    | 2       | Century Link                                 |                   | 52.99              |                    |
| 04/24/26                     | 1358                                     | 4       | Verizon                                      |                   | 19.93              |                    |
| <b>Totals for 10014185</b>   |  |         |  |                   | <u>344.64</u>      | <u>344.64</u>      |
| <b>10014190.2</b>            | <b>Admin Service Contracts</b>           |         |  | 0.00              |                    |                    |
| 04/01/26                     | 1349                                     | 4       | Baumbard Rose & Associates                   |                   | <u>150.00</u>      |                    |
| <b>Totals for 10014190.2</b> |  |         |  |                   | <u>150.00</u>      | <u>150.00</u>      |
| <b>10014190.4</b>            | <b>Other Sundry Expense</b>              |         |  | 0.00              |                    |                    |
| 04/02/26                     | 1350                                     | 4       | Elan   |                   | <u>7.57</u>        |                    |

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| <b>Totals for 10014190.4</b>  |  |         |                                 |                   | <u>7.57</u>     | <u>7.57</u>        |
| <b>10014310</b>               | <b>Water</b>                           |         |                                 | 0.00              |                 |                    |
| 04/23/26                      | 1357                                   | 4       | City of Pine City               |                   | 2,034.17        |                    |
| <b>Totals for 10014310</b>    |  |         |                                 |                   | <u>2,034.17</u> | <u>2,034.17</u>    |
| <b>10014320</b>               | <b>Electricity</b>                     |         |                                 | 0.00              |                 |                    |
| 04/15/26                      | 1353                                   | 4       | East Central Energy             |                   | 1,099.00        |                    |
| <b>Totals for 10014320</b>    |  |         |                                 |                   | <u>1,099.00</u> | <u>1,099.00</u>    |
| <b>10014330</b>               | <b>Gas</b>                             |         |                                 | 0.00              |                 |                    |
| 04/23/26                      | 1356                                   | 4       | MN Energy Resources             |                   | 994.54          |                    |
| <b>Totals for 10014330</b>    |  |         |                                 |                   | <u>994.54</u>   | <u>994.54</u>      |
| <b>10014331</b>               | <b>Gas-Heating</b>                     |         |                                 | 0.00              |                 |                    |
| <b>Totals for 10014331</b>    |  |         |                                 |                   | <u>0.00</u>     | <u>0.00</u>        |
| <b>10014390</b>               | <b>Garbage Removal</b>                 |         |                                 | 0.00              |                 |                    |
| 04/16/26                      | 1355                                   | 4       | Talon Sanitation                |                   | 235.96          |                    |
| <b>Totals for 10014390</b>    |  |         |                                 |                   | <u>235.96</u>   | <u>235.96</u>      |
| <b>10014410</b>               | <b>Labor, Maintenance</b>              |         |                                 | 0.00              |                 |                    |
| 04/30/26                      | JE202                                  | 3       | To record payroll dated 4/15/26 |                   | 1,127.00        |                    |
| 04/30/26                      | JE203                                  | 3       | To record payroll dated 4/30/26 |                   | 874.00          |                    |
| <b>Totals for 10014410</b>    |  |         |                                 |                   | <u>2,001.00</u> | <u>2,001.00</u>    |
| <b>10014420</b>               | <b>Materials</b>                       |         |                                 | 0.00              |                 |                    |
| 04/20/26                      | 12636                                  | 2       | Dale's Heating & Appliance      |                   | 336.00          |                    |
| 04/20/26                      | 12638                                  | 2       | Ace Hardware                    |                   | 541.77          |                    |
| 04/22/26                      | 12644                                  | 2       | Dale's Heating & Appliance      |                   | 336.00          |                    |
| <b>Totals for 10014420</b>    |  |         |                                 |                   | <u>1,213.77</u> | <u>1,213.77</u>    |
| <b>10014430.02</b>            | <b>Heating &amp; Cooling Contracts</b> |         |                                 | 0.00              |                 |                    |
| 04/20/26                      | 12636                                  | 2       | Dale's Heating & Appliance      |                   | 772.00          |                    |
| <b>Totals for 10014430.02</b> |  |         |                                 |                   | <u>772.00</u>   | <u>772.00</u>      |
| <b>10014430.03</b>            | <b>Snow Removal Contracts</b>          |         |                                 | 0.00              |                 |                    |
| 04/20/26                      | 12639                                  | 2       | Premier Outdoor Services        |                   | 210.00          |                    |
| <b>Totals for 10014430.03</b> |  |         |                                 |                   | <u>210.00</u>   | <u>210.00</u>      |
| <b>10014430.08</b>            | <b>Plumbing Contracts</b>              |         |                                 | 0.00              |                 |                    |
| 04/20/26                      | 12642                                  | 2       | Timber Creek Plumbing           |                   | 850.00          |                    |
| <b>Totals for 10014430.08</b> |  |         |                                 |                   | <u>850.00</u>   | <u>850.00</u>      |
| <b>10014430.09</b>            | <b>Extermination Contracts</b>         |         |                                 | 0.00              |                 |                    |
| 04/20/26                      | 12632                                  | 2       | Adam's Pest Control             |                   | 147.97          |                    |
| <b>Totals for 10014430.09</b> |  |         |                                 |                   | <u>147.97</u>   | <u>147.97</u>      |
| <b>10014430.12</b>            | <b>Miscellaneous Contracts</b>         |         |                                 | 0.00              |                 |                    |
| 04/20/26                      | 12633                                  | 2       | Audio Systems                   |                   | 260.00          |                    |
| 04/22/26                      | 12645                                  | 2       | Vintage Lock                    |                   | 245.00          |                    |
| <b>Totals for 10014430.12</b> |  |         |                                 |                   | <u>505.00</u>   | <u>505.00</u>      |
| <b>10014433</b>               | <b>Employee Benefits - Maint.</b>      |         |                                 | 0.00              |                 |                    |
| 04/30/26                      | JE202                                  | 3       | To record payroll dated 4/15/26 |                   | 86.22           |                    |
| 04/30/26                      | JE202                                  | 3       | To record payroll dated 4/15/26 |                   | 2.48            |                    |

**HRA of Pine City  
General Ledger**

April 1, 2026 - April 30, 2026

| Date              | Reference                          | Journal | Description  | Beginning Balance | Current Amount     | Period End Balance |
|-------------------|------------------------------------|---------|--|-------------------|--------------------|--------------------|
| 04/30/26          | JE203                              | 3       | To record payroll dated 4/30/26                        |                   | 66.86              |                    |
| 04/30/26          | JE203                              | 3       | To record payroll dated 4/30/26                        |                   | 1.92               |                    |
|                   |                                    |         | <b>Totals for 10014433</b>                             |                   | <u>157.48</u>      | <u>157.48</u>      |
| <b>10014510</b>   | <b>Insurance</b>                   |         |  | 0.00              |                    |                    |
| 04/30/26          | RT2                                | 3       | To record monthly insurance write off                  |                   | 1,517.46           |                    |
|                   |                                    |         | <b>Totals for 10014510</b>                             |                   | <u>1,517.46</u>    | <u>1,517.46</u>    |
| <b>10014520</b>   | <b>Payments in Lieu of Taxes</b>   |         |  | 0.00              |                    |                    |
| 04/30/26          | A2                                 | 3       | To record estimated monthly PILOT expense              |                   | 494.17             |                    |
|                   |                                    |         | <b>Totals for 10014520</b>                             |                   | <u>494.17</u>      | <u>494.17</u>      |
| <b>10014590</b>   | <b>Other General Expense</b>       |         |  | 0.00              |                    |                    |
| 04/30/26          | 12646                              | 2       | East Central Energy                                    |                   | 48.32              |                    |
|                   |                                    |         | <b>Totals for 10014590</b>                             |                   | <u>48.32</u>       | <u>48.32</u>       |
| <b>10014800</b>   | <b>Depreciation - Current Year</b> |         |  | 0.00              |                    |                    |
| 04/30/26          | A3                                 | 3       | To record estimated monthly depreciation expense       |                   | 2,745.83           |                    |
|                   |                                    |         | <b>Totals for 10014800</b>                             |                   | <u>2,745.83</u>    | <u>2,745.83</u>    |
| <b>10018010</b>   | <b>Operating Transfers In</b>      |         |  | 0.00              |                    |                    |
| 04/29/26          | CR102                              | 1       | 2024 Capital Fund                                      |                   | (24,380.00)        |                    |
|                   |                                    |         | <b>Totals for 10018010</b>                             |                   | <u>(24,380.00)</u> | <u>(24,380.00)</u> |
| <b>10019996</b>   | <b>Units Leased</b>                |         |  | 0.00              |                    |                    |
| 04/30/26          | RT1                                | 3       | To record units leased                                 |                   | 32.00              |                    |
|                   |                                    |         | <b>Totals for 10019996</b>                             |                   | <u>32.00</u>       | <u>32.00</u>       |
| <b>10019997</b>   | <b>Units Leased - Contra</b>       |         |  | 0.00              |                    |                    |
| 04/30/26          | RT1                                | 3       | To record units leased                                 |                   | (32.00)            |                    |
|                   |                                    |         | <b>Totals for 10019997</b>                             |                   | <u>(32.00)</u>     | <u>(32.00)</u>     |
| <b>10019998</b>   | <b>Units Available</b>             |         |  | 0.00              |                    |                    |
| 04/30/26          | A1                                 | 3       | To record units available                              |                   | 34.00              |                    |
|                   |                                    |         | <b>Totals for 10019998</b>                             |                   | <u>34.00</u>       | <u>34.00</u>       |
| <b>10019999</b>   | <b>Units Available - Contra</b>    |         |  | 0.00              |                    |                    |
| 04/30/26          | A1                                 | 3       | To record units available                              |                   | (34.00)            |                    |
|                   |                                    |         | <b>Totals for 10019999</b>                             |                   | <u>(34.00)</u>     | <u>(34.00)</u>     |
| <b>10273401.1</b> | <b>Operating Grants</b>            |         |  | 0.00              |                    |                    |
| 04/29/26          | CR102                              | 1       | 2024 Capital Fund                                      |                   | (24,380.00)        |                    |
|                   |                                    |         | <b>Totals for 10273401.1</b>                           |                   | <u>(24,380.00)</u> | <u>(24,380.00)</u> |
| <b>10278011</b>   | <b>Operating Transfer Out</b>      |         |  | 0.00              |                    |                    |
| 04/29/26          | CR102                              | 1       | 2024 Capital Fund                                      |                   | 24,380.00          |                    |
|                   |                                    |         | <b>Totals for 10278011</b>                             |                   | <u>24,380.00</u>   | <u>24,380.00</u>   |
| <b>15211406</b>   | <b>Operations</b>                  |         |  | 29,333.53         |                    |                    |
| 04/30/26          | JE205                              | 3       | To remove 2019 capital fund from the chart of accounts |                   | (29,333.53)        |                    |
|                   |                                    |         | <b>Totals for 15211406</b>                             |                   | <u>(29,333.53)</u> | <u>0.00</u>        |
| <b>15211430</b>   | <b>Architect &amp; Engineering</b> |         |  | 10,093.47         |                    |                    |
| 04/30/26          | JE205                              | 3       | To remove 2019 capital fund from the chart of accounts |                   | (10,093.47)        |                    |

**HRA of Pine City  
General Ledger**

April 1, 2026 - April 30, 2026

| Date                          | Reference                       | Journal | Description  | Beginning Balance | Current Amount     | Period End Balance |
|-------------------------------|---------------------------------|---------|--|-------------------|--------------------|--------------------|
| <b>Totals for 15211430</b>    |                                 |         |  |                   | <u>(10,093.47)</u> | <u>0.00</u>        |
| <b>15211460.55</b>            | <b>Replace Water Softner</b>    |         |  | 3,000.00          |                    |                    |
| 04/30/26                      | JE205                           | 3       | To remove 2019 capital fund from the chart of accounts |                   | <u>(3,000.00)</u>  |                    |
| <b>Totals for 15211460.55</b> |                                 |         |  |                   | <u>(3,000.00)</u>  | <u>0.00</u>        |
| <b>15211600</b>               | <b>Grant Funding</b>            |         |  | 42,427.00         |                    |                    |
| 04/30/26                      | JE205                           | 3       | To remove 2019 capital fund from the chart of accounts |                   | <u>(42,427.00)</u> |                    |
| <b>Totals for 15211600</b>    |                                 |         |  |                   | <u>(42,427.00)</u> | <u>0.00</u>        |
| <b>15211699</b>               | <b>Grant Funding - Contra</b>   |         |  | (42,427.00)       |                    |                    |
| 04/30/26                      | JE205                           | 3       | To remove 2019 capital fund from the chart of accounts |                   | <u>42,427.00</u>   |                    |
| <b>Totals for 15211699</b>    |                                 |         |  |                   | <u>42,427.00</u>   | <u>0.00</u>        |
| <b>15219800</b>               | <b>Grant Cost - Contra</b>      |         |  | (42,427.00)       |                    |                    |
| 04/30/26                      | JE205                           | 3       | To remove 2019 capital fund from the chart of accounts |                   | <u>42,427.00</u>   |                    |
| <b>Totals for 15219800</b>    |                                 |         |  |                   | <u>42,427.00</u>   | <u>0.00</u>        |
| <b>15231406</b>               | <b>Operations</b>               |         |  | 42,374.00         |                    |                    |
| 04/30/26                      | JE206                           | 3       | To remove 2020 capital fund from the chart of accounts |                   | <u>(42,374.00)</u> |                    |
| <b>Totals for 15231406</b>    |                                 |         |  |                   | <u>(42,374.00)</u> | <u>0.00</u>        |
| <b>15231600</b>               | <b>Grant Funding</b>            |         |  | 42,374.00         |                    |                    |
| 04/30/26                      | JE206                           | 3       | To remove 2020 capital fund from the chart of accounts |                   | <u>(42,374.00)</u> |                    |
| <b>Totals for 15231600</b>    |                                 |         |  |                   | <u>(42,374.00)</u> | <u>0.00</u>        |
| <b>15231699</b>               | <b>Grant Funding-Contra</b>     |         |  | (42,374.00)       |                    |                    |
| 04/30/26                      | JE206                           | 3       | To remove 2020 capital fund from the chart of accounts |                   | <u>42,374.00</u>   |                    |
| <b>Totals for 15231699</b>    |                                 |         |  |                   | <u>42,374.00</u>   | <u>0.00</u>        |
| <b>15239800</b>               | <b>Grant Costs-Contra</b>       |         |  | (42,374.00)       |                    |                    |
| 04/30/26                      | JE206                           | 3       | To remove 2020 capital fund from the chart of accounts |                   | <u>42,374.00</u>   |                    |
| <b>Totals for 15239800</b>    |                                 |         |  |                   | <u>42,374.00</u>   | <u>0.00</u>        |
| <b>15251480</b>               | <b>General Capital Activity</b> |         |  | 54,416.00         |                    |                    |
| 04/30/26                      | JE207                           | 3       | To remove 2022 capital fund from the chart of accounts |                   | <u>(54,416.00)</u> |                    |
| <b>Totals for 15251480</b>    |                                 |         |  |                   | <u>(54,416.00)</u> | <u>0.00</u>        |
| <b>15251600</b>               | <b>Grant Funding</b>            |         |  | 54,416.00         |                    |                    |
| 04/30/26                      | JE207                           | 3       | To remove 2022 capital fund from the chart of accounts |                   | <u>(54,416.00)</u> |                    |
| <b>Totals for 15251600</b>    |                                 |         |  |                   | <u>(54,416.00)</u> | <u>0.00</u>        |
| <b>15251699</b>               | <b>Grant Funding-Contra</b>     |         |  | (54,416.00)       |                    |                    |
| 04/30/26                      | JE207                           | 3       | To remove 2022 capital fund from the chart of accounts |                   | <u>54,416.00</u>   |                    |
| <b>Totals for 15251699</b>    |                                 |         |  |                   | <u>54,416.00</u>   | <u>0.00</u>        |
| <b>15259800</b>               | <b>Grant Costs-Contra</b>       |         |  | (54,416.00)       |                    |                    |
| 04/30/26                      | JE207                           | 3       | To remove 2022 capital fund from the chart of accounts |                   | <u>54,416.00</u>   |                    |

**HRA of Pine City  
General Ledger**

April 1, 2026 - April 30, 2026

| Date                     | Reference                   | Journal | Description       | Beginning Balance          | Current Amount | Period End Balance |
|--------------------------|-----------------------------|---------|-------------------|----------------------------|----------------|--------------------|
|                          |                             |         |                   | <b>Totals for 15259800</b> | 54,416.00      | 0.00               |
| <b>15271406</b>          | <b>Operations</b>           |         |                   | 0.00                       |                |                    |
| 04/29/26                 | CR102                       | 1       | 2024 Capital Fund |                            | 24,380.00      |                    |
|                          |                             |         |                   | <b>Totals for 15271406</b> | 24,380.00      | 24,380.00          |
| <b>15271600</b>          | <b>Grant Funding</b>        |         |                   | 0.00                       |                |                    |
| 04/29/26                 | CR102                       | 1       | 2024 Capital Fund |                            | 24,380.00      |                    |
|                          |                             |         |                   | <b>Totals for 15271600</b> | 24,380.00      | 24,380.00          |
| <b>15271699</b>          | <b>Grant Funding-Contra</b> |         |                   | 0.00                       |                |                    |
| 04/29/26                 | CR102                       | 1       | 2024 Capital Fund |                            | (24,380.00)    |                    |
|                          |                             |         |                   | <b>Totals for 15271699</b> | (24,380.00)    | (24,380.00)        |
| <b>15279800</b>          | <b>Grant Costs-Contra</b>   |         |                   | 0.00                       |                |                    |
| 04/29/26                 | CR102                       | 1       | 2024 Capital Fund |                            | (24,380.00)    |                    |
|                          |                             |         |                   | <b>Totals for 15279800</b> | (24,380.00)    | (24,380.00)        |
|                          |                             |         |                   | <b>Report Total</b>        |                | 0.00               |
| <b>Net Profit/(Loss)</b> |                             |         |                   |                            |                |                    |
| Current Period           |                             |         |                   |                            | 19,383.09      |                    |
| Year-to-Date             |                             |         |                   |                            | 19,383.09      |                    |

Housing Authority Accounting Specialists, Inc.  
PO Box 545  
Sparta, WI 54656  
608-269-6490

To the Board of Commissioners  
And Management:

HRA of Pine City  
Low Rent Public Housing  
905 7th Street SW  
Pine City, MN 55063

Enclosed are the following reports for the month ending May 31, 2026. These reports have been compiled in accordance with Generally Accepted Accounting Principles (GAAP):

- I. Financial Statements
- II. Journal Register
- III. General Ledger

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. This report is offered as a review of your past operations and is a basis for decisions for your future policies.

Respectfully Submitted:

Housing Authority Accounting Specialists, Inc.

**HRA of Pine City  
Low Rent Public Housing  
Balance Sheet  
As of May 31, 2026**

**ASSETS**

**CURRENT ASSETS**

**Cash**

|  |    |            |
|--|----|------------|
| 1111.1 - Cash - General Fund           | \$ | 311,593.01 |
| 1111.9 - Cash - Short Term Investments |    | 45,319.18  |
| 1114 - Cash - Security Deposits        |    | 11,836.06  |
| 1117 - Petty Cash Fund                 |    | 100.00     |

**Total Cash** 368,848.25

**Receivables**

|  |             |
|--|-------------|
| 1122 - Accounts Receivable - Tenants               | 12,926.14   |
| 1122.1 - Allowance for Doubtful Accounts - Tenants | (11,079.16) |
| 1145 - Accrued Interest Receivable                 | 14.79       |

**Total Receivables** 1,861.77

**Other Current Assets**

|                                   |           |
|-----------------------------------|-----------|
| 1162 - Investments - Unrestricted | 44,194.68 |
| 1211 - Prepaid Insurance          | 4,585.63  |

**Total Other Current Assets** 48,780.31

**TOTAL CURRENT ASSETS** 419,490.33

**NONCURRENT ASSETS**

**Capital Assets**

|   |                |
|---|----------------|
| 1400.6 - Land                           | 14,281.00      |
| 1400.61 - Land Improvements             | 95,616.93      |
| 1400.7 - Buildings                      | 458,611.12     |
| 1400.71 - Building Improvements         | 1,076,613.03   |
| 1400.72 - Nondwelling Structures        | 42,378.26      |
| 1400.8 - Furn., Equip., Mach.-Dwellings | 34,627.53      |
| 1400.9 - Furn., Equip., Mach.-Admin     | 39,619.61      |
| 1400.95 - Accumulated Depreciation      | (1,407,488.78) |

**Total Capital Assets** 354,258.70

**TOTAL NONCURRENT ASSETS** 354,258.70

**TOTAL ASSETS** \$ 773,749.03

**HRA of Pine City  
Low Rent Public Housing  
Balance Sheet  
As of May 31, 2026**

**LIABILITIES AND EQUITY**

**LIABILITIES**

**Current Liabilities**

|   |    |           |
|---|----|-----------|
| 2111 - Accounts Payable - Vendors           | \$ | 3,051.08  |
| 2114 - Tenant Security Deposits             |    | 14,168.25 |
| 2117.1 - Social Security Withheld           |    | 405.90    |
| 2117.11 - Medicare Withheld                 |    | 94.92     |
| 2117.2 - Federal Income Tax Withheld        |    | 172.00    |
| 2117.3 - State Income Tax Withheld          |    | 86.00     |
| 2117.31 - State Paid Leave Withheld         |    | 45.64     |
| 2135.1 - Compensated Absences-Short Term    |    | 2,874.79  |
| 2135.2 - Accrued Wage/Payroll Taxes Payable |    | 755.16    |
| 2136 - Accrued Liabilities - Other          |    | 4,127.71  |
| 2137 - Accounts Payable - Other Government  |    | 988.34    |
|   |    | 26,769.79 |

**Total Current Liabilities**

**Noncurrent Liabilities**

|   |          |
|---|----------|
| 2435.1 - Compensated Absences-Long Term | 4,982.04 |
|   | 4,982.04 |

**Total Noncurrent Liabilities**

**TOTAL LIABILITIES**

31,751.83

**EQUITY**

|   |            |
|---|------------|
| 2806.1 - Net Investment in Capital Assets | 359,750.36 |
|   | 359,750.36 |

**Unrestricted Net Position**

|   |            |
|---|------------|
| 2806 - Unrestricted Net Position            | 369,644.45 |
| Current Year Profit/(Loss) - Public Housing | 12,602.39  |
|   | 382,246.84 |

**Total Unrestricted Net Position**

**TOTAL EQUITY**

741,997.20

**TOTAL LIABILITIES/EQUITY**

\$ 773,749.03

**HRA of Pine City**  
**Low Rent Public Housing**  
**Statement of Revenue & Expense**  
**For the 1 Month and 2 Months Ended May 31, 2026**

|  | 1 Month Ended                  | 2 Months Ended                 |                              |                                 |
|--|--------------------------------|--------------------------------|------------------------------|---------------------------------|
|  | <u>May 31, 2026</u>            | <u>May 31, 2026</u>            | <u>BUDGET</u>                | <u>VARIANCE</u>                 |
| <b>Operating Revenue</b>                 |                                |                                |                              |                                 |
| <b>Tenant Rental Revenue</b>             |                                |                                |                              |                                 |
| 3110 - Net Tenant Rental Revenue         | \$ 12,715.00                   | \$ 25,074.00                   | \$ 158,870                   | \$ 133,796.00                   |
| 3120 - Tenant Revenue - Excess Utilities | 759.00                         | 812.00                         | 700                          | (112.00)                        |
| 3690 - Tenant Revenue - Other            | <u>35.00</u>                   | <u>105.00</u>                  | <u>1,500</u>                 | <u>1,395.00</u>                 |
| <b>Total Tenant Rental Revenue</b>       | <b>13,509.00</b>               | <b>25,991.00</b>               | <b>161,070</b>               | <b>135,079.00</b>               |
| <b>HUD PHA Grant Revenue</b>             |                                |                                |                              |                                 |
| 3401.2 - Operating Subsidy               | <u>2,876.00</u>                | <u>6,105.40</u>                | <u>41,290</u>                | <u>35,184.60</u>                |
| <b>Total HUD PHA Grant Revenue</b>       | <b>2,876.00</b>                | <b>6,105.40</b>                | <b>41,290</b>                | <b>35,184.60</b>                |
| <b>Other Revenue</b>                     |                                |                                |                              |                                 |
| 3610 - Interest Income                   | 5.29                           | 9.61                           | 50                           | 40.39                           |
| 3690.1 - Other Revenue                   | <u>0.00</u>                    | <u>281.50</u>                  | <u>4,000</u>                 | <u>3,718.50</u>                 |
| <b>Total Other Revenue</b>               | <b>5.29</b>                    | <b>291.11</b>                  | <b>4,050</b>                 | <b>3,758.89</b>                 |
| <br><b>Total Operating Revenue</b>       | <br><u><u>\$ 16,390.29</u></u> | <br><u><u>\$ 32,387.51</u></u> | <br><u><u>\$ 206,410</u></u> | <br><u><u>\$ 174,022.49</u></u> |
| <br><b>Operating Expenses - Routine</b>  |                                |                                |                              |                                 |
| <b>Administration</b>                    |                                |                                |                              |                                 |
| 4110 - Administrative Salaries           | \$ 1,640.48                    | \$ 3,280.96                    | \$ 19,690                    | \$ 16,409.04                    |
| 4120 - Management Fee                    | 3,541.66                       | 7,083.32                       | 43,630                       | 36,546.68                       |
| 4130 - Legal Expense                     | 0.00                           | 0.00                           | 2,000                        | 2,000.00                        |
| 4170 - Accounting Fees                   | 154.02                         | 308.04                         | 3,000                        | 2,691.96                        |
| 4171 - Auditing                          | 0.00                           | 0.00                           | 7,900                        | 7,900.00                        |
| 4182 - Employee Benefits - Admin         | 129.09                         | 258.18                         | 1,510                        | 1,251.82                        |
| 4185 - Telephone & Internet              | 263.22                         | 607.86                         | 2,200                        | 1,592.14                        |
| 4190.2 - Admin Service Contracts         | 150.00                         | 300.00                         | 5,000                        | 4,700.00                        |
| 4190.3 - Office Supplies                 | 0.00                           | 0.00                           | 500                          | 500.00                          |
| 4190.4 - Other Sundry Expense            | 19.08                          | 26.65                          | 2,000                        | 1,973.35                        |
| 4190.5 - Advertising & Marketing         | <u>0.00</u>                    | <u>0.00</u>                    | <u>500</u>                   | <u>500.00</u>                   |
| <b>Total Administration</b>              | <b>5,897.55</b>                | <b>11,865.01</b>               | <b>87,930</b>                | <b>76,064.99</b>                |
| <b>Tenant Services</b>                   |                                |                                |                              |                                 |
| 4220 - Tenant Services - Other           | <u>0.00</u>                    | <u>0.00</u>                    | <u>500</u>                   | <u>500.00</u>                   |
| <b>Total Tenant Services</b>             | <b>0.00</b>                    | <b>0.00</b>                    | <b>500</b>                   | <b>500.00</b>                   |

**HRA of Pine City**  
**Low Rent Public Housing**  
**Statement of Revenue & Expense**  
**For the 1 Month and 2 Months Ended May 31, 2026**

|   | 1 Month Ended       | 2 Months Ended      |                |                   |
|---|---------------------|---------------------|----------------|-------------------|
|   | <u>May 31, 2026</u> | <u>May 31, 2026</u> | <u>BUDGET</u>  | <u>VARIANCE</u>   |
| <b>Utilities</b>                        |                     |                     |                |                   |
| 4310 - Water                            | 2,125.87            | 4,160.04            | 16,000         | 11,839.96         |
| 4320 - Electricity                      | 1,157.00            | 2,256.00            | 17,000         | 14,744.00         |
| 4330 - Gas                              | 952.97              | 1,947.51            | 8,000          | 6,052.49          |
| 4390 - Garbage Removal                  | 153.65              | 389.61              | 2,000          | 1,610.39          |
| <b>Total Utilities</b>                  | <u>4,389.49</u>     | <u>8,753.16</u>     | <u>43,000</u>  | <u>34,246.84</u>  |
| <b>Ordinary Maint. &amp; Operations</b> |                     |                     |                |                   |
| 4410 - Labor, Maintenance               | 1,633.00            | 3,634.00            | 14,350         | 10,716.00         |
| 4420 - Materials                        | 984.04              | 2,197.81            | 7,500          | 5,302.19          |
| 4430.02 - Heating & Cooling Contracts   | 0.00                | 772.00              | 3,000          | 2,228.00          |
| 4430.03 - Snow Removal Contracts        | 0.00                | 210.00              | 2,500          | 2,290.00          |
| 4430.05 - Landscape & Grounds Contracts | 676.46              | 676.46              | 4,000          | 3,323.54          |
| 4430.06 - Unit Turnaround Contracts     | 163.61              | 163.61              | 8,000          | 7,836.39          |
| 4430.07 - Electrical Contracts          | 0.00                | 0.00                | 1,000          | 1,000.00          |
| 4430.08 - Plumbing Contracts            | 0.00                | 850.00              | 4,000          | 3,150.00          |
| 4430.09 - Extermination Contracts       | 0.00                | 147.97              | 1,000          | 852.03            |
| 4430.10 - Janitorial Contracts          | 0.00                | 0.00                | 500            | 500.00            |
| 4430.11 - Routine Maintenance Contracts | 1,641.91            | 1,641.91            | 3,000          | 1,358.09          |
| 4430.12 - Miscellaneous Contracts       | 2,748.95            | 3,253.95            | 3,000          | (253.95)          |
| 4433 - Employee Benefits - Maint        | 128.52              | 286.00              | 1,100          | 814.00            |
| <b>Total Ordinary Maint. &amp; Oper</b> | <u>7,976.49</u>     | <u>13,833.71</u>    | <u>52,950</u>  | <u>39,116.29</u>  |
| <b>General Expense</b>                  |                     |                     |                |                   |
| 4510 - Insurance                        | 1,667.46            | 3,184.92            | 20,600         | 17,415.08         |
| 4520 - Payments in Lieu of Taxes        | 494.17              | 988.34              | 5,930          | 4,941.66          |
| 4525 - Special Assessments              | 0.00                | 0.00                | 500            | 500.00            |
| 4570 - Bad Debt - Tenant Rents          | 0.00                | 0.00                | 100            | 100.00            |
| 4590 - Other General Expense            | 0.00                | 48.32               | 500            | 451.68            |
| <b>Total General Expense</b>            | <u>2,161.63</u>     | <u>4,221.58</u>     | <u>27,630</u>  | <u>23,408.42</u>  |
| <b>Total Routine Expense</b>            | 20,425.16           | 38,673.46           | 212,010        | 173,336.54        |
| <b>Non-Routine Expense</b>              |                     |                     |                |                   |
| <b>Extraordinary Maintenance</b>        |                     |                     |                |                   |
| 4610.3 - Contract Costs                 | 0.00                | 0.00                | 4,000          | 4,000.00          |
| <b>Total Extraordinary Maintenance</b>  | <u>0.00</u>         | <u>0.00</u>         | <u>4,000</u>   | <u>4,000.00</u>   |
| <b>Casualty Losses</b>                  |                     |                     |                |                   |
| <b>Total Casualty Losses</b>            | 0.00                | 0.00                | 0              | 0.00              |
| <b>Total Non-Routine Expense</b>        | 0.00                | 0.00                | 4,000          | 4,000.00          |
| <b>Total Operating Expenses</b>         | <u>20,425.16</u>    | <u>38,673.46</u>    | <u>216,010</u> | <u>177,336.54</u> |
| <b>Operating Income (Loss)</b>          | <u>(4,034.87)</u>   | <u>(6,285.95)</u>   | <u>(9,600)</u> | <u>(3,314.05)</u> |

**HRA of Pine City  
Low Rent Public Housing  
Statement of Revenue & Expense  
For the 1 Month and 2 Months Ended May 31, 2026**

|                                    | 1 Month Ended        | 2 Months Ended      |                  |                     |
|------------------------------------|----------------------|---------------------|------------------|---------------------|
|                                    | <u>May 31, 2026</u>  | <u>May 31, 2026</u> | <u>BUDGET</u>    | <u>VARIANCE</u>     |
| <b>Depreciation Expense</b>        |                      |                     |                  |                     |
| 4800 - Depreciation - Current Year | 2,745.83             | 5,491.66            | 0                | (5,491.66)          |
| <b>Total Depreciation Expense</b>  | <u>2,745.83</u>      | <u>5,491.66</u>     | <u>0</u>         | <u>(5,491.66)</u>   |
| <b>Capital Expenditures</b>        |                      |                     |                  |                     |
| <b>Total Capital Expenditures</b>  | 0.00                 | 0.00                | 0                | 0.00                |
| <b>Other Financial Items</b>       |                      |                     |                  |                     |
| 8010 - Operating Transfers In      | 0.00                 | 24,380.00           | 40,000           | 15,620.00           |
| <b>Total Other Financial Items</b> | <u>0.00</u>          | <u>24,380.00</u>    | <u>40,000</u>    | <u>15,620.00</u>    |
| <b>HUD Net Income/(Loss)</b>       | <u>\$ (4,034.87)</u> | <u>\$ 18,094.05</u> | <u>\$ 30,400</u> | <u>\$ 12,305.95</u> |
| <b>GAAP Net Income/(Loss)</b>      | <u>\$ (6,780.70)</u> | <u>\$ 12,602.39</u> |                  |                     |

**HRA of Pine City**  
**501-24 P&L**  
**Statement of Revenue & Expense**  
**For the 1 Month and 2 Months Ended May 31, 2026**

|   | 1 Month Ended       | 2 Months Ended      |
|---|---------------------|---------------------|
| **1027**                                | <u>May 31, 2026</u> | <u>May 31, 2026</u> |
| <b>Operating Revenue</b>                |                     |                     |
| <b>HUD PHA Grant Revenue</b>            |                     |                     |
| 3401.1 - Operating Grants               | \$ 0.00             | \$ 24,380.00        |
| <b>Total HUD PHA Grant Revenue</b>      | <u>0.00</u>         | <u>24,380.00</u>    |
| <br>                                    |                     |                     |
| <b>Total Operating Revenue</b>          | <u>\$ 0.00</u>      | <u>\$ 24,380.00</u> |
| <br>                                    |                     |                     |
| <b>Operating Expenses</b>               |                     |                     |
| <b>Administration</b>                   |                     |                     |
| <b>Total Administration</b>             | 0.00                | 0.00                |
| <br>                                    |                     |                     |
| <b>Ordinary Maint. &amp; Operations</b> |                     |                     |
| <b>Total Ordinary Maint. &amp; Oper</b> | 0.00                | 0.00                |
| <br>                                    |                     |                     |
| <b>Extraordinary Maintenance</b>        |                     |                     |
| <b>Total Extraordinary Maintenance</b>  | 0.00                | 0.00                |
| <br>                                    |                     |                     |
| <b>Depreciation Expense</b>             |                     |                     |
| <b>Total Depreciation Expense</b>       | 0.00                | 0.00                |
| <br>                                    |                     |                     |
| <b>Total Operating Expenses</b>         | <u>0.00</u>         | <u>0.00</u>         |
| <br>                                    |                     |                     |
| <b>Other Financial Items</b>            |                     |                     |
| 8011 - Operating Transfers Out          | 0.00                | 24,380.00           |
| <b>Total Other Financial Items</b>      | <u>0.00</u>         | <u>24,380.00</u>    |
| <br>                                    |                     |                     |
| <b>Net Income/(Loss)</b>                | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      |

**HRA of Pine City**  
**2019 Capital Fund Grant**

| Program ID:                         | 1 Month<br>Ended | 2 Months<br>Ended | BUDGET              | VARIANCE            |
|-------------------------------------|------------------|-------------------|---------------------|---------------------|
| MN46P059501-19<br>**1521**          | May 31, 2026     | May 31, 2026      |                     |                     |
| <b>Administration</b>               |                  |                   |                     |                     |
| 1411 - Audit Costs                  | \$ 0.00          | \$ 0.00           | \$ 5,427.00         | \$ 5,427.00         |
| <b>Total Administration</b>         | <u>0.00</u>      | <u>0.00</u>       | <u>5,427.00</u>     | <u>5,427.00</u>     |
| <b>A &amp; E</b>                    |                  |                   |                     |                     |
| <b>Total A &amp; E Fees</b>         | 0.00             | 0.00              | 0.00                | 0.00                |
| <b>Site Improvements</b>            |                  |                   |                     |                     |
| 1450.03 - Landscaping               | 0.00             | 0.00              | 8,268.00            | 8,268.00            |
| 1450.06 - Parking Lot Replacement   | 0.00             | 0.00              | 5,000.00            | 5,000.00            |
| 1450.07 - Concrete Work             | <u>0.00</u>      | <u>0.00</u>       | <u>2,000.00</u>     | <u>2,000.00</u>     |
| <b>Total Site Improvements</b>      | <u>0.00</u>      | <u>0.00</u>       | <u>15,268.00</u>    | <u>15,268.00</u>    |
| <b>Dwelling Structures</b>          |                  |                   |                     |                     |
| 1460.01 - Replace Doors/Windows     | 0.00             | 0.00              | 7,000.00            | 7,000.00            |
| 1460.12 - Outside Security Lights   | 0.00             | 0.00              | 1,000.00            | 1,000.00            |
| 1460.49 - Update Heating System     | 0.00             | 0.00              | 5,000.00            | 5,000.00            |
| 1460.54 - Upgrade Electrical        | 0.00             | 0.00              | 1,500.00            | 1,500.00            |
| 1460.55 - Replace Water Softner     | 0.00             | 0.00              | 3,232.00            | 3,232.00            |
| 1460.56 - Upgrade Plumbing          | <u>0.00</u>      | <u>0.00</u>       | <u>4,000.00</u>     | <u>4,000.00</u>     |
| <b>Total Dwelling Structures</b>    | <u>0.00</u>      | <u>0.00</u>       | <u>21,732.00</u>    | <u>21,732.00</u>    |
| <b>Dwelling Equipment</b>           |                  |                   |                     |                     |
| <b>Total Dwelling Equipment</b>     | 0.00             | 0.00              | 0.00                | 0.00                |
| <b>Nondwelling Structures</b>       |                  |                   |                     |                     |
| <b>Total Nondwelling Structures</b> | 0.00             | 0.00              | 0.00                | 0.00                |
| <b>Nondwelling Equipment</b>        |                  |                   |                     |                     |
| <b>Total Nondwelling Equipment</b>  | 0.00             | 0.00              | 0.00                | 0.00                |
| <b>Total Grant Funds Expended</b>   | <u>\$ 0.00</u>   | <u>\$ 0.00</u>    | <u>\$ 42,427.00</u> | <u>\$ 42,427.00</u> |
| <b>Grant Funding</b>                | <u>0.00</u>      | <u>0.00</u>       | <u>42,427.00</u>    | <u>42,427.00</u>    |
| <b>Over/(Under) Funding</b>         | <u>\$ 0.00</u>   | <u>\$ 0.00</u>    | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      |

**HRA of Pine City**  
2020 Capital Fund Grant

| Program ID:                       | 1 Month<br>Ended | 2 Months<br>Ended |                |                |
|-----------------------------------|------------------|-------------------|----------------|----------------|
| MN46P059501-20<br>**1523**        | May 31, 2026     | May 31, 2026      | BUDGET         | VARIANCE       |
| <b>Administration</b>             |                  |                   |                |                |
| Total Administration              | 0.00             | 0.00              | 0.00           | 0.00           |
| <b>General Capital Activity</b>   |                  |                   |                |                |
| Total Nondwelling Equipment       | 0.00             | 0.00              | 0.00           | 0.00           |
| <b>Total Grant Funds Expended</b> | <u>\$ 0.00</u>   | <u>\$ 0.00</u>    | <u>\$ 0.00</u> | <u>\$ 0.00</u> |
| <b>Over/(Under) Funding</b>       | <u>\$ 0.00</u>   | <u>\$ 0.00</u>    | <u>\$ 0.00</u> | <u>\$ 0.00</u> |

**HRA of Pine City**  
**2022 Capital Fund Grant**

| Program ID:                        | 1 Month<br>Ended | 2 Months<br>Ended |                     |                     |
|------------------------------------|------------------|-------------------|---------------------|---------------------|
| MN46P059501-22<br>**1525**         | May 31, 2026     | May 31, 2026      | BUDGET              | VARIANCE            |
| <b>Administration</b>              |                  |                   |                     |                     |
| <b>Total Administration</b>        | 0.00             | 0.00              | 0.00                | 0.00                |
| <b>General Capital Activity</b>    |                  |                   |                     |                     |
| 1480 - General Capital Activity    | 0.00             | 0.00              | 54,416.00           | 54,416.00           |
| <b>Total Nondwelling Equipment</b> | 0.00             | 0.00              | 54,416.00           | 54,416.00           |
| <b>Total Grant Funds Expended</b>  | <u>\$ 0.00</u>   | <u>\$ 0.00</u>    | <u>\$ 54,416.00</u> | <u>\$ 54,416.00</u> |
| <b>Grant Funding</b>               | <u>0.00</u>      | <u>0.00</u>       | <u>54,416.00</u>    | <u>54,416.00</u>    |
| <b>Over/(Under) Funding</b>        | <u>\$ 0.00</u>   | <u>\$ 0.00</u>    | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      |

**HRA of Pine City**  
2024 Capital Fund Grant

| Program ID:                        | 1 Month<br>Ended | 2 Months<br>Ended   |                     |                     |
|------------------------------------|------------------|---------------------|---------------------|---------------------|
| MN46P059501-23<br>**1527**         | May 31, 2026     | May 31, 2026        | BUDGET              | VARIANCE            |
| <b>Administration</b>              |                  |                     |                     |                     |
| 1406 - Operations                  | \$ 0.00          | \$ 24,380.00        | \$ 0.00             | \$ (24,380.00)      |
| <b>Total Administration</b>        | <u>0.00</u>      | <u>24,380.00</u>    | <u>0.00</u>         | <u>(24,380.00)</u>  |
| <b>General Capital Activity</b>    |                  |                     |                     |                     |
| 1480 - General Capital Activity    | <u>0.00</u>      | <u>0.00</u>         | <u>54,416.00</u>    | <u>54,416.00</u>    |
| <b>Total Nondwelling Equipment</b> | <u>0.00</u>      | <u>0.00</u>         | <u>54,416.00</u>    | <u>54,416.00</u>    |
| <b>Total Grant Funds Expended</b>  | <u>\$ 0.00</u>   | <u>\$ 24,380.00</u> | <u>\$ 54,416.00</u> | <u>\$ 30,036.00</u> |
| <b>Grant Funding</b>               | <u>0.00</u>      | <u>24,380.00</u>    | <u>54,416.00</u>    | <u>30,036.00</u>    |
| <b>Over/(Under) Funding</b>        | <u>\$ 0.00</u>   | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      | <u>\$ 0.00</u>      |

**HRA of Pine City**  
**Cash Disbursements-Check Journal**

May 1, 2026 - May 31, 2026

| Date                       | Reference | Account     | Description              | Amount     |
|----------------------------|-----------|-------------|--------------------------|------------|
| 05/06/26                   | 12650     | 10011111.1  | H.A.A.S., Inc.           | (154.02)   |
| 05/06/26                   | 12650     | 10014170    | H.A.A.S., Inc.           | 154.02     |
| 05/06/26                   | 12651     | 10011111.1  | Ace Hardware             | (171.05)   |
| 05/06/26                   | 12651     | 10014420    | Ace Hardware             | 171.05     |
| 05/06/26                   | 12652     | 10011111.1  | Premier Outdoor Services | (676.46)   |
| 05/06/26                   | 12652     | 10014430.05 | Premier Outdoor Services | 676.46     |
| 05/06/26                   | 12653     | 10011111.1  | Summit Fire Protection   | (879.41)   |
| 05/06/26                   | 12653     | 10014430.11 | Summit Fire Protection   | 879.41     |
| 05/06/26                   | 12654     | 10011111.1  | SMR Management           | (3,541.66) |
| 05/06/26                   | 12654     | 10014120    | SMR Management           | 3,541.66   |
| 05/13/26                   | 12655     | 10011111.1  | Pine Cty Treasurer       | (5,678.95) |
| 05/13/26                   | 12655     | 10012137    | Pine Cty Treasurer       | 5,678.95   |
| 05/15/26                   | 12659     | 10011111.1  | Ace Hardware             | (394.61)   |
| 05/15/26                   | 12659     | 10014420    | Ace Hardware             | 394.61     |
| 05/15/26                   | 12660     | 10011111.1  | K&K Concrete             | (2,551.00) |
| 05/15/26                   | 12660     | 10014430.12 | K&K Concrete             | 2,551.00   |
| 05/21/26                   | 12661     | 10011111.1  | Ace Hardware             | (41.85)    |
| 05/21/26                   | 12661     | 10014420    | Ace Hardware             | 41.85      |
| 05/21/26                   | 12662     | 10011111.1  | Quality Carpet Cleaners  | (926.11)   |
| 05/21/26                   | 12662     | 10014430.06 | Quality Carpet Cleaners  | 163.61     |
| 05/21/26                   | 12662     | 10014430.11 | Quality Carpet Cleaners  | 762.50     |
| 05/21/26                   | 12663     | 10011111.1  | SFM                      | (150.00)   |
| 05/21/26                   | 12663     | 10014510    | SFM                      | 150.00     |
| 05/29/26                   | 12664     | 10011111.1  | Century Link             | (34.99)    |
| 05/29/26                   | 12664     | 10014185    | Century Link             | 34.99      |
| 05/29/26                   | 12665     | 10011111.1  | MN Fire & Security       | (197.95)   |
| 05/29/26                   | 12665     | 10014430.12 | MN Fire & Security       | 197.95     |
| <b>Transaction Balance</b> |           |             |                          | 0.00       |

**HRA of Pine City**  
**Cash Disbursements-ACH Journal**

May 1, 2026 - May 31, 2026

| Date                       | Reference | Account     | Description                | Amount     |
|----------------------------|-----------|-------------|----------------------------|------------|
| 05/01/26                   | 1359      | 10011111.1  | MN PL Fund                 | (54.12)    |
| 05/01/26                   | 1359      | 10012117.31 | MN PL Fund                 | 54.12      |
| 05/01/26                   | 1360      | 10011111.1  | Baumbard Rose & Associates | (150.00)   |
| 05/01/26                   | 1360      | 10014190.2  | Baumbard Rose & Associates | 150.00     |
| 05/05/26                   | 1361      | 10011111.1  | Elan                       | (387.61)   |
| 05/05/26                   | 1361      | 10014190.4  | Elan                       | 11.08      |
| 05/05/26                   | 1361      | 10014420    | Elan                       | 8.85       |
| 05/05/26                   | 1361      | 10014420    | Elan                       | 303.28     |
| 05/05/26                   | 1361      | 10014420    | Elan                       | 64.40      |
| 05/06/26                   | 1362      | 10011111.1  | East Central Fiber         | (207.57)   |
| 05/06/26                   | 1362      | 10014185    | East Central Fiber         | 207.57     |
| 05/12/26                   | 1363      | 10011111.1  | Frandsen Bank & Trust      | (8.00)     |
| 05/12/26                   | 1363      | 10014190.4  | Frandsen Bank & Trust      | 8.00       |
| 05/15/26                   | 1364      | 10011111.1  | IRS                        | (765.14)   |
| 05/15/26                   | 1364      | 10012117.1  | IRS                        | 451.56     |
| 05/15/26                   | 1364      | 10012117.11 | IRS                        | 105.58     |
| 05/15/26                   | 1364      | 10012117.2  | IRS                        | 208.00     |
| 05/15/26                   | 1365      | 10011111.1  | East Central Energy        | (1,157.00) |
| 05/15/26                   | 1365      | 10014320    | East Central Energy        | 1,157.00   |
| 05/18/26                   | 1366      | 10011111.1  | Verizon                    | (20.66)    |
| 05/18/26                   | 1366      | 10014185    | Verizon                    | 20.66      |
| 05/18/26                   | 1367      | 10011111.1  | MN Dept of Revenue         | (106.00)   |
| 05/18/26                   | 1367      | 10012117.3  | MN Dept of Revenue         | 106.00     |
| 05/18/26                   | 1368      | 10011111.1  | Talon Sanitation           | (153.65)   |
| 05/18/26                   | 1368      | 10014390    | Talon Sanitation           | 153.65     |
| 05/22/26                   | 1369      | 10011111.1  | City of Pine City          | (2,125.87) |
| 05/22/26                   | 1369      | 10014310    | City of Pine City          | 2,125.87   |
| 05/26/26                   | 1370      | 10011111.1  | MN Energy Resources        | (952.97)   |
| 05/26/26                   | 1370      | 10014330    | MN Energy Resources        | 952.97     |
| <b>Transaction Balance</b> |           |             |                            | 0.00       |

**HRA of Pine City**  
**Cash Receipts Journal**

May 1, 2026 - May 31, 2026

| <b>Date</b>                | <b>Reference</b> | <b>Account</b> | <b>Description</b>   | <b>Amount</b> |
|----------------------------|------------------|----------------|----------------------|---------------|
| 05/08/26                   | CR106            | 10011111.1     | Operating Subsidy    | 2,876.00      |
| 05/08/26                   | CR106            | 10013401.2     | Operating Subsidy    | (2,876.00)    |
| 05/31/26                   | CR107            | 10011111.1     | May Cash Receipts    | 13,295.00     |
| 05/31/26                   | CR107            | 10011122       | May TAR Collections  | (13,295.00)   |
| 05/31/26                   | CR108            | 10011111.1     | Interest on Checking | 5.17          |
| 05/31/26                   | CR108            | 10013610       | Interest on Checking | (5.17)        |
| <b>Transaction Balance</b> |                  |                |                      | <u>0.00</u>   |

**HRA of Pine City**  
**Journal Entry Journal**

May 1, 2026 - May 31, 2026

| Date                       | Reference | Account     | Description                                      | Amount      |
|----------------------------|-----------|-------------|--|-------------|
| 05/31/26                   | A1        | 10019998    | To record units available                        | 34.00       |
| 05/31/26                   | A1        | 10019999    | To record units available                        | (34.00)     |
| 05/31/26                   | A2        | 10014520    | To record estimated monthly PILOT expense        | 494.17      |
| 05/31/26                   | A2        | 10012137    | To record estimated monthly PILOT expense        | (494.17)    |
| 05/31/26                   | A3        | 10014800    | To record estimated monthly depreciation expense | 2,745.83    |
| 05/31/26                   | A3        | 10011400.95 | To record estimated monthly depreciation expense | (2,745.83)  |
| 05/31/26                   | JE208     | 10011122    | To record charges to tenants per May MSO         | 13,829.00   |
| 05/31/26                   | JE208     | 10013110    | To record charges to tenants per May MSO         | (12,715.00) |
| 05/31/26                   | JE208     | 10011111.1  | To record charges to tenants per May MSO         | (320.00)    |
| 05/31/26                   | JE208     | 10013120    | To record charges to tenants per May MSO         | (759.00)    |
| 05/31/26                   | JE208     | 10013690    | To record charges to tenants per May MSO         | (35.00)     |
| 05/31/26                   | JE209     | 10011111.1  | To record payroll dated 5/15/26                  | (1,489.73)  |
| 05/31/26                   | JE209     | 10014110    | To record payroll dated 5/15/26                  | 820.24      |
| 05/31/26                   | JE209     | 10014410    | To record payroll dated 5/15/26                  | 966.00      |
| 05/31/26                   | JE209     | 10014182    | To record payroll dated 5/15/26                  | 62.75       |
| 05/31/26                   | JE209     | 10014433    | To record payroll dated 5/15/26                  | 73.90       |
| 05/31/26                   | JE209     | 10012117.3  | To record payroll dated 5/15/26                  | (51.00)     |
| 05/31/26                   | JE209     | 10012117.2  | To record payroll dated 5/15/26                  | (101.00)    |
| 05/31/26                   | JE209     | 10012117.1  | To record payroll dated 5/15/26                  | (221.50)    |
| 05/31/26                   | JE209     | 10012117.11 | To record payroll dated 5/15/26                  | (51.80)     |
| 05/31/26                   | JE209     | 10012117.31 | To record payroll dated 5/15/26                  | (11.79)     |
| 05/31/26                   | JE209     | 10014182    | To record payroll dated 5/15/26                  | 1.80        |
| 05/31/26                   | JE209     | 10014433    | To record payroll dated 5/15/26                  | 2.13        |
| 05/31/26                   | JE210     | 10011111.1  | To record payroll dated 5/29/26                  | (1,260.94)  |
| 05/31/26                   | JE210     | 10014110    | To record payroll dated 5/29/26                  | 820.24      |
| 05/31/26                   | JE210     | 10014410    | To record payroll dated 5/29/26                  | 667.00      |
| 05/31/26                   | JE210     | 10014182    | To record payroll dated 5/29/26                  | 62.74       |
| 05/31/26                   | JE210     | 10014433    | To record payroll dated 5/29/26                  | 51.02       |
| 05/31/26                   | JE210     | 10014182    | To record payroll dated 5/29/26                  | 1.80        |
| 05/31/26                   | JE210     | 10014433    | To record payroll dated 5/29/26                  | 1.47        |
| 05/31/26                   | JE210     | 10012117.3  | To record payroll dated 5/29/26                  | (35.00)     |
| 05/31/26                   | JE210     | 10012117.2  | To record payroll dated 5/29/26                  | (71.00)     |
| 05/31/26                   | JE210     | 10012117.1  | To record payroll dated 5/29/26                  | (184.40)    |
| 05/31/26                   | JE210     | 10012117.11 | To record payroll dated 5/29/26                  | (43.12)     |
| 05/31/26                   | JE210     | 10012117.31 | To record payroll dated 5/29/26                  | (9.81)      |
| 05/31/26                   | JE211     | 10011111.9  | To record interest on short term investments     | 0.12        |
| 05/31/26                   | JE211     | 10013610    | To record interest on short term investments     | (0.12)      |
| 05/31/26                   | RT1       | 10019996    | To record units leased                           | 32.00       |
| 05/31/26                   | RT1       | 10019997    | To record units leased                           | (32.00)     |
| 05/31/26                   | RT2       | 10014510    | To record monthly insurance write off            | 1,517.46    |
| 05/31/26                   | RT2       | 10011211    | To record monthly insurance write off            | (1,517.46)  |
| <b>Transaction Balance</b> |           |             |  | 0.00        |

**HRA of Pine City  
General Ledger**

May 1, 2026 - May 31, 2026

| Date              | Reference  | Journal | Description                                  | Beginning Balance | Current Amount    | Period End Balance |
|-------------------|--|---------|--|-------------------|-------------------|--------------------|
| <b>10011111.1</b> | <b>Cash - General Fund</b>                       |         |  | 319,974.16        |                   |                    |
| 05/01/26          | 1359   | 4       | MN PL Fund                                   |                   | (54.12)           |                    |
| 05/01/26          | 1360   | 4       | Baumbard Rose & Associates                   |                   | (150.00)          |                    |
| 05/05/26          | 1361   | 4       | Elan   |                   | (387.61)          |                    |
| 05/06/26          | 1362   | 4       | East Central Fiber                           |                   | (207.57)          |                    |
| 05/06/26          | 12650  | 2       | H.A.A.S., Inc.                               |                   | (154.02)          |                    |
| 05/06/26          | 12651  | 2       | Ace Hardware                                 |                   | (171.05)          |                    |
| 05/06/26          | 12652  | 2       | Premier Outdoor Services                     |                   | (676.46)          |                    |
| 05/06/26          | 12653  | 2       | Summit Fire Protection                       |                   | (879.41)          |                    |
| 05/06/26          | 12654  | 2       | SMR Management                               |                   | (3,541.66)        |                    |
| 05/08/26          | CR106  | 1       | Operating Subsidy                            |                   | 2,876.00          |                    |
| 05/12/26          | 1363   | 4       | Frandsen Bank & Trust                        |                   | (8.00)            |                    |
| 05/13/26          | 12655  | 2       | Pine Cty Treasurer                           |                   | (5,678.95)        |                    |
| 05/15/26          | 1364   | 4       | IRS  |                   | (765.14)          |                    |
| 05/15/26          | 1365   | 4       | East Central Energy                          |                   | (1,157.00)        |                    |
| 05/15/26          | 12659  | 2       | Ace Hardware                                 |                   | (394.61)          |                    |
| 05/15/26          | 12660  | 2       | K&K Concrete                                 |                   | (2,551.00)        |                    |
| 05/18/26          | 1366   | 4       | Verizon                                      |                   | (20.66)           |                    |
| 05/18/26          | 1367   | 4       | MN Dept of Revenue                           |                   | (106.00)          |                    |
| 05/18/26          | 1368   | 4       | Talon Sanitation                             |                   | (153.65)          |                    |
| 05/21/26          | 12661  | 2       | Ace Hardware                                 |                   | (41.85)           |                    |
| 05/21/26          | 12662  | 2       | Quality Carpet Cleaners                      |                   | (926.11)          |                    |
| 05/21/26          | 12663  | 2       | SFM  |                   | (150.00)          |                    |
| 05/22/26          | 1369   | 4       | City of Pine City                            |                   | (2,125.87)        |                    |
| 05/26/26          | 1370   | 4       | MN Energy Resources                          |                   | (952.97)          |                    |
| 05/29/26          | 12664  | 2       | Century Link                                 |                   | (34.99)           |                    |
| 05/29/26          | 12665  | 2       | MN Fire & Security                           |                   | (197.95)          |                    |
| 05/31/26          | CR107  | 1       | May Cash Receipts                            |                   | 13,295.00         |                    |
| 05/31/26          | CR108  | 1       | Interest on Checking                         |                   | 5.17              |                    |
| 05/31/26          | JE208  | 3       | To record charges to tenants per May MSO     |                   | (320.00)          |                    |
| 05/31/26          | JE209  | 3       | To record payroll dated 5/15/26              |                   | (1,489.73)        |                    |
| 05/31/26          | JE210  | 3       | To record payroll dated 5/29/26              |                   | (1,260.94)        |                    |
|                   |  |         | <b>Totals for 10011111.1</b>                 |                   | <u>(8,381.15)</u> | <u>311,593.01</u>  |
| <b>10011111.9</b> | <b>Cash - Short Term Investments</b>             |         |  | 45,319.06         |                   |                    |
| 05/31/26          | JE211  | 3       | To record interest on short term investments |                   | 0.12              |                    |
|                   |  |         | <b>Totals for 10011111.9</b>                 |                   | <u>0.12</u>       | <u>45,319.18</u>   |
| <b>10011114</b>   | <b>Cash - Security Deposits</b>                  |         |  | 11,836.06         |                   |                    |
|                   |  |         | <b>Totals for 10011114</b>                   |                   | <u>0.00</u>       | <u>11,836.06</u>   |
| <b>10011117</b>   | <b>Petty Cash Fund</b>                           |         |  | 100.00            |                   |                    |
|                   |  |         | <b>Totals for 10011117</b>                   |                   | <u>0.00</u>       | <u>100.00</u>      |
| <b>10011122</b>   | <b>Accounts Receivable - Tenants</b>             |         |  | 12,392.14         |                   |                    |
| 05/31/26          | CR107  | 1       | May TAR Collections                          |                   | (13,295.00)       |                    |
| 05/31/26          | JE208  | 3       | To record charges to tenants per May MSO     |                   | 13,829.00         |                    |
|                   |  |         | <b>Totals for 10011122</b>                   |                   | <u>534.00</u>     | <u>12,926.14</u>   |
| <b>10011122.1</b> | <b>Allowance for Doubtful Accounts - Tenants</b> |         |  | (11,079.16)       |                   |                    |
|                   |  |         | <b>Totals for 10011122.1</b>                 |                   | <u>0.00</u>       | <u>(11,079.16)</u> |
| <b>10011145</b>   | <b>Accrued Interest Receivable</b>               |         |  | 14.79             |                   |                    |
|                   |  |         | <b>Totals for 10011145</b>                   |                   | <u>0.00</u>       | <u>14.79</u>       |
| <b>10011162</b>   | <b>Investments - Unrestricted</b>                |         |  | 44,194.68         |                   |                    |
|                   |  |         | <b>Totals for 10011162</b>                   |                   | <u>0.00</u>       | <u>44,194.68</u>   |

**HRA of Pine City  
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May 1, 2026 - May 31, 2026

| Date               | Reference                             | Journal | Description                                      | Beginning<br>Balance | Current<br>Amount | Period End<br>Balance |
|--------------------|---------------------------------------|---------|--|----------------------|-------------------|-----------------------|
| <b>10011211</b>    | <b>Prepaid Insurance</b>              |         |  | 6,103.09             |                   |                       |
| 05/31/26           | RT2                                   | 3       | To record monthly insurance write off            |                      | (1,517.46)        |                       |
|                    |                                       |         | <b>Totals for 10011211</b>                       |                      | (1,517.46)        | 4,585.63              |
| <b>10011290</b>    | <b>Other Prepaid Expenses</b>         |         |  | 0.00                 |                   |                       |
|                    |                                       |         | <b>Totals for 10011290</b>                       |                      | 0.00              | 0.00                  |
| <b>10011400.6</b>  | <b>Land</b>                           |         |  | 14,281.00            |                   |                       |
|                    |                                       |         | <b>Totals for 10011400.6</b>                     |                      | 0.00              | 14,281.00             |
| <b>10011400.61</b> | <b>Land Improvements</b>              |         |  | 95,616.93            |                   |                       |
|                    |                                       |         | <b>Totals for 10011400.61</b>                    |                      | 0.00              | 95,616.93             |
| <b>10011400.7</b>  | <b>Buildings</b>                      |         |  | 458,611.12           |                   |                       |
|                    |                                       |         | <b>Totals for 10011400.7</b>                     |                      | 0.00              | 458,611.12            |
| <b>10011400.71</b> | <b>Building Improvements</b>          |         |  | 1,076,613.03         |                   |                       |
|                    |                                       |         | <b>Totals for 10011400.71</b>                    |                      | 0.00              | 1,076,613.03          |
| <b>10011400.72</b> | <b>Nondwelling Structures</b>         |         |  | 42,378.26            |                   |                       |
|                    |                                       |         | <b>Totals for 10011400.72</b>                    |                      | 0.00              | 42,378.26             |
| <b>10011400.8</b>  | <b>Furn., Equip., Mach.-Dwellings</b> |         |  | 34,627.53            |                   |                       |
|                    |                                       |         | <b>Totals for 10011400.8</b>                     |                      | 0.00              | 34,627.53             |
| <b>10011400.9</b>  | <b>Furn., Equip., Mach.-Admin</b>     |         |  | 39,619.61            |                   |                       |
|                    |                                       |         | <b>Totals for 10011400.9</b>                     |                      | 0.00              | 39,619.61             |
| <b>10011400.95</b> | <b>Accumulated Depreciation</b>       |         |  | (1,404,742.95)       |                   |                       |
| 05/31/26           | A3                                    | 3       | To record estimated monthly depreciation expense |                      | (2,745.83)        |                       |
|                    |                                       |         | <b>Totals for 10011400.95</b>                    |                      | (2,745.83)        | (1,407,488.78)        |
| <b>10012111</b>    | <b>Accounts Payable - Vendors</b>     |         |  | (3,051.08)           |                   |                       |
|                    |                                       |         | <b>Totals for 10012111</b>                       |                      | 0.00              | (3,051.08)            |
| <b>10012114</b>    | <b>Tenant Security Deposits</b>       |         |  | (14,168.25)          |                   |                       |
|                    |                                       |         | <b>Totals for 10012114</b>                       |                      | 0.00              | (14,168.25)           |
| <b>10012117.1</b>  | <b>Social Security Withheld</b>       |         |  | (451.56)             |                   |                       |
| 05/15/26           | 1364                                  | 4       | IRS  |                      | 451.56            |                       |
| 05/31/26           | JE209                                 | 3       | To record payroll dated 5/15/26                  |                      | (221.50)          |                       |
| 05/31/26           | JE210                                 | 3       | To record payroll dated 5/29/26                  |                      | (184.40)          |                       |
|                    |                                       |         | <b>Totals for 10012117.1</b>                     |                      | 45.66             | (405.90)              |
| <b>10012117.11</b> | <b>Medicare Withheld</b>              |         |  | (105.58)             |                   |                       |
| 05/15/26           | 1364                                  | 4       | IRS  |                      | 105.58            |                       |
| 05/31/26           | JE209                                 | 3       | To record payroll dated 5/15/26                  |                      | (51.80)           |                       |
| 05/31/26           | JE210                                 | 3       | To record payroll dated 5/29/26                  |                      | (43.12)           |                       |
|                    |                                       |         | <b>Totals for 10012117.11</b>                    |                      | 10.66             | (94.92)               |
| <b>10012117.2</b>  | <b>Federal Income Tax Withheld</b>    |         |  | (208.00)             |                   |                       |
| 05/15/26           | 1364                                  | 4       | IRS  |                      | 208.00            |                       |
| 05/31/26           | JE209                                 | 3       | To record payroll dated 5/15/26                  |                      | (101.00)          |                       |
| 05/31/26           | JE210                                 | 3       | To record payroll dated 5/29/26                  |                      | (71.00)           |                       |

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May 1, 2026 - May 31, 2026

| Date                          | Reference                                  | Journal | Description                               | Beginning<br>Balance | Current<br>Amount | Period End<br>Balance |
|-------------------------------|--|---------|---|----------------------|-------------------|-----------------------|
| <b>Totals for 10012117.2</b>  |  |         |   |                      | 36.00             | (172.00)              |
| <b>10012117.3</b>             | <b>State Income Tax Withheld</b>           |         |   | (106.00)             |                   |                       |
| 05/18/26                      | 1367                                       | 4       | MN Dept of Revenue                        |                      | 106.00            |                       |
| 05/31/26                      | JE209                                      | 3       | To record payroll dated 5/15/26           |                      | (51.00)           |                       |
| 05/31/26                      | JE210                                      | 3       | To record payroll dated 5/29/26           |                      | (35.00)           |                       |
| <b>Totals for 10012117.3</b>  |  |         |   |                      | 20.00             | (86.00)               |
| <b>10012117.31</b>            | <b>State Paid Leave Withheld</b>           |         |   | (78.16)              |                   |                       |
| 05/01/26                      | 1359                                       | 4       | MN PL Fund                                |                      | 54.12             |                       |
| 05/31/26                      | JE209                                      | 3       | To record payroll dated 5/15/26           |                      | (11.79)           |                       |
| 05/31/26                      | JE210                                      | 3       | To record payroll dated 5/29/26           |                      | (9.81)            |                       |
| <b>Totals for 10012117.31</b> |  |         |   |                      | 32.52             | (45.64)               |
| <b>10012135.1</b>             | <b>Compensated Absences-Short Term</b>     |         |   | (2,874.79)           |                   |                       |
| <b>Totals for 10012135.1</b>  |  |         |   |                      | 0.00              | (2,874.79)            |
| <b>10012135.2</b>             | <b>Accrued Wage/Payroll Taxes Payable</b>  |         |   | (755.16)             |                   |                       |
| <b>Totals for 10012135.2</b>  |  |         |   |                      | 0.00              | (755.16)              |
| <b>10012136</b>               | <b>Accrued Liabilities - Other</b>         |         |   | (4,127.71)           |                   |                       |
| <b>Totals for 10012136</b>    |  |         |   |                      | 0.00              | (4,127.71)            |
| <b>10012137</b>               | <b>Accounts Payable - Other Government</b> |         |   | (6,173.12)           |                   |                       |
| 05/13/26                      | 12655                                      | 2       | Pine Cty Treasurer                        |                      | 5,678.95          |                       |
| 05/31/26                      | A2   | 3       | To record estimated monthly PILOT expense |                      | (494.17)          |                       |
| <b>Totals for 10012137</b>    |  |         |   |                      | 5,184.78          | (988.34)              |
| <b>10012435.1</b>             | <b>Compensated Absences-Long Term</b>      |         |   | (4,982.04)           |                   |                       |
| <b>Totals for 10012435.1</b>  |  |         |   |                      | 0.00              | (4,982.04)            |
| <b>10012806</b>               | <b>Unrestricted Net Position</b>           |         |   | (369,644.45)         |                   |                       |
| <b>Totals for 10012806</b>    |  |         |   |                      | 0.00              | (369,644.45)          |
| <b>10012806.1</b>             | <b>Net Investment in Capital Assets</b>    |         |   | (359,750.36)         |                   |                       |
| <b>Totals for 10012806.1</b>  |  |         |   |                      | 0.00              | (359,750.36)          |
| <b>10012820</b>               | <b>HUD Operating Reserve - Memo</b>        |         |   | (139,796.73)         |                   |                       |
| <b>Totals for 10012820</b>    |  |         |   |                      | 0.00              | (139,796.73)          |
| <b>10012820.1</b>             | <b>HUD Operating Reserve-Contra</b>        |         |   | 139,796.73           |                   |                       |
| <b>Totals for 10012820.1</b>  |  |         |   |                      | 0.00              | 139,796.73            |
| <b>10013110</b>               | <b>Net Tenant Rental Revenue</b>           |         |   | (12,359.00)          |                   |                       |
| 05/31/26                      | JE208                                      | 3       | To record charges to tenants per May MSO  |                      | (12,715.00)       |                       |
| <b>Totals for 10013110</b>    |  |         |   |                      | (12,715.00)       | (25,074.00)           |
| <b>10013120</b>               | <b>Tenant Revenue - Excess Utilities</b>   |         |   | (53.00)              |                   |                       |
| 05/31/26                      | JE208                                      | 3       | To record charges to tenants per May MSO  |                      | (759.00)          |                       |
| <b>Totals for 10013120</b>    |  |         |   |                      | (759.00)          | (812.00)              |
| <b>10013401.2</b>             | <b>Operating Subsidy</b>                   |         |   | (3,229.40)           |                   |                       |
| 05/08/26                      | CR106                                      | 1       | Operating Subsidy                         |                      | (2,876.00)        |                       |
| <b>Totals for 10013401.2</b>  |  |         |   |                      | (2,876.00)        | (6,105.40)            |
| <b>10013610</b>               | <b>Interest Income</b>                     |         |   | (4.32)               |                   |                       |

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| Date              | Reference                        | Journal | Description                                  | Beginning Balance | Current Amount  | Period End Balance |
|-------------------|----------------------------------|---------|--|-------------------|-----------------|--------------------|
| 05/31/26          | CR108                            | 1       | Interest on Checking                         |                   | (5.17)          |                    |
| 05/31/26          | JE211                            | 3       | To record interest on short term investments |                   | (0.12)          |                    |
|                   |                                  |         | <b>Totals for 10013610</b>                   |                   | <u>(5.29)</u>   | <u>(9.61)</u>      |
| <b>10013690</b>   | <b>Tenant Revenue - Other</b>    |         |  | (70.00)           |                 |                    |
| 05/31/26          | JE208                            | 3       | To record charges to tenants per May MSO     |                   | (35.00)         |                    |
|                   |                                  |         | <b>Totals for 10013690</b>                   |                   | <u>(35.00)</u>  | <u>(105.00)</u>    |
| <b>10013690.1</b> | <b>Other Revenue</b>             |         |  | (281.50)          |                 |                    |
|                   |                                  |         | <b>Totals for 10013690.1</b>                 |                   | <u>0.00</u>     | <u>(281.50)</u>    |
| <b>10014110</b>   | <b>Administrative Salaries</b>   |         |  | 1,640.48          |                 |                    |
| 05/31/26          | JE209                            | 3       | To record payroll dated 5/15/26              |                   | 820.24          |                    |
| 05/31/26          | JE210                            | 3       | To record payroll dated 5/29/26              |                   | 820.24          |                    |
|                   |                                  |         | <b>Totals for 10014110</b>                   |                   | <u>1,640.48</u> | <u>3,280.96</u>    |
| <b>10014120</b>   | <b>Management Fee</b>            |         |  | 3,541.66          |                 |                    |
| 05/06/26          | 12654                            | 2       | SMR Management                               |                   | 3,541.66        |                    |
|                   |                                  |         | <b>Totals for 10014120</b>                   |                   | <u>3,541.66</u> | <u>7,083.32</u>    |
| <b>10014170</b>   | <b>Accounting Fees</b>           |         |  | 154.02            |                 |                    |
| 05/06/26          | 12650                            | 2       | H.A.A.S., Inc.                               |                   | 154.02          |                    |
|                   |                                  |         | <b>Totals for 10014170</b>                   |                   | <u>154.02</u>   | <u>308.04</u>      |
| <b>10014182</b>   | <b>Employee Benefits - Admin</b> |         |  | 129.09            |                 |                    |
| 05/31/26          | JE209                            | 3       | To record payroll dated 5/15/26              |                   | 62.75           |                    |
| 05/31/26          | JE209                            | 3       | To record payroll dated 5/15/26              |                   | 1.80            |                    |
| 05/31/26          | JE210                            | 3       | To record payroll dated 5/29/26              |                   | 62.74           |                    |
| 05/31/26          | JE210                            | 3       | To record payroll dated 5/29/26              |                   | 1.80            |                    |
|                   |                                  |         | <b>Totals for 10014182</b>                   |                   | <u>129.09</u>   | <u>258.18</u>      |
| <b>10014185</b>   | <b>Telephone &amp; Internet</b>  |         |  | 344.64            |                 |                    |
| 05/06/26          | 1362                             | 4       | East Central Fiber                           |                   | 207.57          |                    |
| 05/18/26          | 1366                             | 4       | Verizon                                      |                   | 20.66           |                    |
| 05/29/26          | 12664                            | 2       | Century Link                                 |                   | 34.99           |                    |
|                   |                                  |         | <b>Totals for 10014185</b>                   |                   | <u>263.22</u>   | <u>607.86</u>      |
| <b>10014190.2</b> | <b>Admin Service Contracts</b>   |         |  | 150.00            |                 |                    |
| 05/01/26          | 1360                             | 4       | Baumgard Rose & Associates                   |                   | 150.00          |                    |
|                   |                                  |         | <b>Totals for 10014190.2</b>                 |                   | <u>150.00</u>   | <u>300.00</u>      |
| <b>10014190.4</b> | <b>Other Sundry Expense</b>      |         |  | 7.57              |                 |                    |
| 05/05/26          | 1361                             | 4       | Elan   |                   | 11.08           |                    |
| 05/12/26          | 1363                             | 4       | Frandsen Bank & Trust                        |                   | 8.00            |                    |
|                   |                                  |         | <b>Totals for 10014190.4</b>                 |                   | <u>19.08</u>    | <u>26.65</u>       |
| <b>10014310</b>   | <b>Water</b>                     |         |  | 2,034.17          |                 |                    |
| 05/22/26          | 1369                             | 4       | City of Pine City                            |                   | 2,125.87        |                    |
|                   |                                  |         | <b>Totals for 10014310</b>                   |                   | <u>2,125.87</u> | <u>4,160.04</u>    |
| <b>10014320</b>   | <b>Electricity</b>               |         |  | 1,099.00          |                 |                    |
| 05/15/26          | 1365                             | 4       | East Central Energy                          |                   | 1,157.00        |                    |
|                   |                                  |         | <b>Totals for 10014320</b>                   |                   | <u>1,157.00</u> | <u>2,256.00</u>    |
| <b>10014330</b>   | <b>Gas</b>                       |         |  | 994.54            |                 |                    |
| 05/26/26          | 1370                             | 4       | MN Energy Resources                          |                   | 952.97          |                    |

**HRA of Pine City  
General Ledger**

May 1, 2026 - May 31, 2026

| Date                          | Reference                                | Journal | Description                     | Beginning Balance | Current Amount | Period End Balance |
|-------------------------------|--|---------|---------------------------------|-------------------|----------------|--------------------|
| <b>Totals for 10014330</b>    |  |         |                                 |                   | 952.97         | 1,947.51           |
| <b>10014331</b>               | <b>Gas-Heating</b>                       |         |                                 | 0.00              |                |                    |
| <b>Totals for 10014331</b>    |  |         |                                 |                   | 0.00           | 0.00               |
| <b>10014390</b>               | <b>Garbage Removal</b>                   |         |                                 | 235.96            |                |                    |
| 05/18/26                      | 1368                                     | 4       | Talon Sanitation                |                   | 153.65         |                    |
| <b>Totals for 10014390</b>    |  |         |                                 |                   | 153.65         | 389.61             |
| <b>10014410</b>               | <b>Labor, Maintenance</b>                |         |                                 | 2,001.00          |                |                    |
| 05/31/26                      | JE209                                    | 3       | To record payroll dated 5/15/26 |                   | 966.00         |                    |
| 05/31/26                      | JE210                                    | 3       | To record payroll dated 5/29/26 |                   | 667.00         |                    |
| <b>Totals for 10014410</b>    |  |         |                                 |                   | 1,633.00       | 3,634.00           |
| <b>10014420</b>               | <b>Materials</b>                         |         |                                 | 1,213.77          |                |                    |
| 05/05/26                      | 1361                                     | 4       | Elan                            |                   | 8.85           |                    |
| 05/05/26                      | 1361                                     | 4       | Elan                            |                   | 303.28         |                    |
| 05/05/26                      | 1361                                     | 4       | Elan                            |                   | 64.40          |                    |
| 05/06/26                      | 12651                                    | 2       | Ace Hardware                    |                   | 171.05         |                    |
| 05/15/26                      | 12659                                    | 2       | Ace Hardware                    |                   | 394.61         |                    |
| 05/21/26                      | 12661                                    | 2       | Ace Hardware                    |                   | 41.85          |                    |
| <b>Totals for 10014420</b>    |  |         |                                 |                   | 984.04         | 2,197.81           |
| <b>10014430.02</b>            | <b>Heating &amp; Cooling Contracts</b>   |         |                                 | 772.00            |                |                    |
| <b>Totals for 10014430.02</b> |  |         |                                 |                   | 0.00           | 772.00             |
| <b>10014430.03</b>            | <b>Snow Removal Contracts</b>            |         |                                 | 210.00            |                |                    |
| <b>Totals for 10014430.03</b> |  |         |                                 |                   | 0.00           | 210.00             |
| <b>10014430.05</b>            | <b>Landscape &amp; Grounds Contracts</b> |         |                                 | 0.00              |                |                    |
| 05/06/26                      | 12652                                    | 2       | Premier Outdoor Services        |                   | 676.46         |                    |
| <b>Totals for 10014430.05</b> |  |         |                                 |                   | 676.46         | 676.46             |
| <b>10014430.06</b>            | <b>Unit Turnaround Contracts</b>         |         |                                 | 0.00              |                |                    |
| 05/21/26                      | 12662                                    | 2       | Quality Carpet Cleaners         |                   | 163.61         |                    |
| <b>Totals for 10014430.06</b> |  |         |                                 |                   | 163.61         | 163.61             |
| <b>10014430.08</b>            | <b>Plumbing Contracts</b>                |         |                                 | 850.00            |                |                    |
| <b>Totals for 10014430.08</b> |  |         |                                 |                   | 0.00           | 850.00             |
| <b>10014430.09</b>            | <b>Extermination Contracts</b>           |         |                                 | 147.97            |                |                    |
| <b>Totals for 10014430.09</b> |  |         |                                 |                   | 0.00           | 147.97             |
| <b>10014430.11</b>            | <b>Routine Maintenance Contracts</b>     |         |                                 | 0.00              |                |                    |
| 05/06/26                      | 12653                                    | 2       | Summit Fire Protection          |                   | 879.41         |                    |
| 05/21/26                      | 12662                                    | 2       | Quality Carpet Cleaners         |                   | 762.50         |                    |
| <b>Totals for 10014430.11</b> |  |         |                                 |                   | 1,641.91       | 1,641.91           |
| <b>10014430.12</b>            | <b>Miscellaneous Contracts</b>           |         |                                 | 505.00            |                |                    |
| 05/15/26                      | 12660                                    | 2       | K&K Concrete                    |                   | 2,551.00       |                    |
| 05/29/26                      | 12665                                    | 2       | MN Fire & Security              |                   | 197.95         |                    |
| <b>Totals for 10014430.12</b> |  |         |                                 |                   | 2,748.95       | 3,253.95           |
| <b>10014433</b>               | <b>Employee Benefits - Maint.</b>        |         |                                 | 157.48            |                |                    |
| 05/31/26                      | JE209                                    | 3       | To record payroll dated 5/15/26 |                   | 73.90          |                    |
| 05/31/26                      | JE209                                    | 3       | To record payroll dated 5/15/26 |                   | 2.13           |                    |

**HRA of Pine City  
General Ledger**

May 1, 2026 - May 31, 2026

| Date                         | Reference                          | Journal | Description                                      | Beginning<br>Balance | Current<br>Amount | Period End<br>Balance |
|------------------------------|------------------------------------|---------|--|----------------------|-------------------|-----------------------|
| 05/31/26                     | JE210                              | 3       | To record payroll dated 5/29/26                  |                      | 51.02             |                       |
| 05/31/26                     | JE210                              | 3       | To record payroll dated 5/29/26                  |                      | 1.47              |                       |
| <b>Totals for 10014433</b>   |                                    |         |  |                      | <u>128.52</u>     | <u>286.00</u>         |
| <b>10014510</b>              | <b>Insurance</b>                   |         |  | 1,517.46             |                   |                       |
| 05/21/26                     | 12663                              | 2       | SFM  |                      | 150.00            |                       |
| 05/31/26                     | RT2                                | 3       | To record monthly insurance write off            |                      | 1,517.46          |                       |
| <b>Totals for 10014510</b>   |                                    |         |  |                      | <u>1,667.46</u>   | <u>3,184.92</u>       |
| <b>10014520</b>              | <b>Payments in Lieu of Taxes</b>   |         |  | 494.17               |                   |                       |
| 05/31/26                     | A2                                 | 3       | To record estimated monthly PILOT expense        |                      | 494.17            |                       |
| <b>Totals for 10014520</b>   |                                    |         |  |                      | <u>494.17</u>     | <u>988.34</u>         |
| <b>10014590</b>              | <b>Other General Expense</b>       |         |  | 48.32                |                   |                       |
| <b>Totals for 10014590</b>   |                                    |         |  |                      | <u>0.00</u>       | <u>48.32</u>          |
| <b>10014800</b>              | <b>Depreciation - Current Year</b> |         |  | 2,745.83             |                   |                       |
| 05/31/26                     | A3                                 | 3       | To record estimated monthly depreciation expense |                      | 2,745.83          |                       |
| <b>Totals for 10014800</b>   |                                    |         |  |                      | <u>2,745.83</u>   | <u>5,491.66</u>       |
| <b>10018010</b>              | <b>Operating Transfers In</b>      |         |  | (24,380.00)          |                   |                       |
| <b>Totals for 10018010</b>   |                                    |         |  |                      | <u>0.00</u>       | <u>(24,380.00)</u>    |
| <b>10019996</b>              | <b>Units Leased</b>                |         |  | 32.00                |                   |                       |
| 05/31/26                     | RT1                                | 3       | To record units leased                           |                      | 32.00             |                       |
| <b>Totals for 10019996</b>   |                                    |         |  |                      | <u>32.00</u>      | <u>64.00</u>          |
| <b>10019997</b>              | <b>Units Leased - Contra</b>       |         |  | (32.00)              |                   |                       |
| 05/31/26                     | RT1                                | 3       | To record units leased                           |                      | (32.00)           |                       |
| <b>Totals for 10019997</b>   |                                    |         |  |                      | <u>(32.00)</u>    | <u>(64.00)</u>        |
| <b>10019998</b>              | <b>Units Available</b>             |         |  | 34.00                |                   |                       |
| 05/31/26                     | A1                                 | 3       | To record units available                        |                      | 34.00             |                       |
| <b>Totals for 10019998</b>   |                                    |         |  |                      | <u>34.00</u>      | <u>68.00</u>          |
| <b>10019999</b>              | <b>Units Available - Contra</b>    |         |  | (34.00)              |                   |                       |
| 05/31/26                     | A1                                 | 3       | To record units available                        |                      | (34.00)           |                       |
| <b>Totals for 10019999</b>   |                                    |         |  |                      | <u>(34.00)</u>    | <u>(68.00)</u>        |
| <b>10273401.1</b>            | <b>Operating Grants</b>            |         |  | (24,380.00)          |                   |                       |
| <b>Totals for 10273401.1</b> |                                    |         |  |                      | <u>0.00</u>       | <u>(24,380.00)</u>    |
| <b>10278011</b>              | <b>Operating Transfer Out</b>      |         |  | 24,380.00            |                   |                       |
| <b>Totals for 10278011</b>   |                                    |         |  |                      | <u>0.00</u>       | <u>24,380.00</u>      |
| <b>15271406</b>              | <b>Operations</b>                  |         |  | 24,380.00            |                   |                       |
| <b>Totals for 15271406</b>   |                                    |         |  |                      | <u>0.00</u>       | <u>24,380.00</u>      |
| <b>15271600</b>              | <b>Grant Funding</b>               |         |  | 24,380.00            |                   |                       |
| <b>Totals for 15271600</b>   |                                    |         |  |                      | <u>0.00</u>       | <u>24,380.00</u>      |
| <b>15271699</b>              | <b>Grant Funding-Contra</b>        |         |  | (24,380.00)          |                   |                       |
| <b>Totals for 15271699</b>   |                                    |         |  |                      | <u>0.00</u>       | <u>(24,380.00)</u>    |
| <b>15279800</b>              | <b>Grant Costs-Contra</b>          |         |  | (24,380.00)          |                   |                       |

**HRA of Pine City  
General Ledger**

May 1, 2026 - May 31, 2026

| Date                       | Reference | Journal | Description       | Beginning<br>Balance | Current<br>Amount | Period End<br>Balance |
|----------------------------|-----------|---------|-------------------|----------------------|-------------------|-----------------------|
| <b>Totals for 15279800</b> |           |         |                   |                      | 0.00              | <u>(24,380.00)</u>    |
| <b>Report Total</b>        |           |         |                   |                      |                   | <u>0.00</u>           |
| <b>Net Profit/(Loss)</b>   |           |         |                   |                      |                   |                       |
| Current Period             |           |         | <u>(6,780.70)</u> |                      |                   |                       |
| Year-to-Date               |           |         | <u>12,602.39</u>  |                      |                   |                       |

**HRA of Pine City**  
**Bank Account Reconciliation Transmittal**

General Fund Checking - 1110054336

April 1, 2026 - April 30, 2026

**General Ledger**

|   |                          |
|---|--------------------------|
| Balance per General Ledger (Account 10011111.1) at 04/01/26 | 243,376.16               |
| Activity for the month:                                     |                          |
| Total Debits (Deposits and Additions)                       | 94,970.10                |
| Total Credits (Checks and Payments)                         | <u>(18,372.10)</u>       |
| Unadjusted General Ledger Balance at 04/30/26               | 319,974.16               |
| Total Adjustments   | <u>0.00</u>              |
| Reconciled General Ledger Balance at 04/30/26               | <u><u>319,974.16</u></u> |

**Bank**

|   |                          |
|---|--------------------------|
| Balance per Bank Statement at 04/30/26              | 321,959.72               |
| Total Additions (Deposits and Additions in Transit) | 0.00                     |
| Total Subtractions (Checks and Payments in Transit) | <u>(1,985.56)</u>        |
| Total Bank Errors                                   | <u>0.00</u>              |
| Adjusted Bank Balance at 04/30/26                   | <u><u>319,974.16</u></u> |

**HRA of Pine City**  
**Bank Account Reconciliation Worksheet**

General Fund Checking  
 April 1, 2026 - April 30, 2026

| Reference                               | Date     | GL Account  | Description                     | Amount     |
|---|----------|-------------|---------------------------------|------------|
| <b>Bank Statement Information</b>       |          |             |                                 |            |
| <b>Beginning Bank Balance</b>           |          |             |                                 | 243,776.32 |
| <b>Cleared Deposits &amp; Additions</b> |          |             |                                 |            |
| CR100                                   | 04/09/26 | 10013401.2  | Operating Subsidy               | 3,229.40   |
| CR101                                   | 04/09/26 | 10013690.1  | Laundry Income                  | 281.50     |
| CR102                                   | 04/29/26 | Multiple    | Capital Fund                    | 24,380.00  |
| CR103                                   | 04/29/26 | Multiple    | 2024 Capital Fund               | 54,416.00  |
| CR104                                   | 04/30/26 | 10011122    | April Cash Receipts             | 12,659.00  |
| CR105                                   | 04/30/26 | 10013610    | Interest on Checking            | 4.20       |
| <b>Total</b>                            |          |             |                                 | 94,970.10  |
| <b>Statement Total</b>                  |          |             |                                 | 94,970.10  |
| <b>Difference</b>                       |          |             |                                 | 0.00       |
| <b>Cleared Checks &amp; Payments</b>    |          |             |                                 |            |
| 1349                                    | 04/01/26 | 10014190.2  | Baumbard Rose & Associates      | 150.00     |
| 1350                                    | 04/02/26 | 10014190.4  | Elan                            | 7.57       |
| 1351                                    | 04/07/26 | 10014185    | East Central Fiber              | 132.89     |
| 1352                                    | 04/15/26 | Multiple    | IRS                             | 647.38     |
| 1353                                    | 04/15/26 | 10014320    | East Central Energy             | 1,099.00   |
| 1354                                    | 04/16/26 | 10012117.3  | MN Dept of Revenue              | 80.00      |
| 1355                                    | 04/16/26 | 10014390    | Talon Sanitation                | 235.96     |
| 1356                                    | 04/23/26 | Multiple    | MN Energy Resources             | 994.54     |
| 1357                                    | 04/23/26 | 10014310    | City of Pine City               | 2,034.17   |
| 1358                                    | 04/24/26 | 10014185    | Verizon                         | 19.93      |
| 12617                                   | 03/16/26 | 10014420    | Ace Hardware                    | 21.66      |
| 12623                                   | 03/24/26 | 10012114    | Katherine Anderson              | 378.50     |
| 12632                                   | 04/20/26 | 10014430.09 | Adam's Pest Control             | 147.97     |
| 12634                                   | 04/20/26 | 10014185    | Century Link                    | 138.83     |
| 12636                                   | 04/20/26 | Multiple    | Dale's Heating & Appliance      | 1,108.00   |
| 12638                                   | 04/20/26 | 10014420    | Ace Hardware                    | 541.77     |
| 12639                                   | 04/20/26 | 10014430.03 | Premier Outdoor Services        | 210.00     |
| 12640                                   | 04/20/26 | 10014430.12 | Rush Creek Finishing            | 780.00     |
| 12641                                   | 04/20/26 | 10014120    | SMR Management                  | 3,541.66   |
| 12642                                   | 04/20/26 | 10014430.08 | Timber Creek Plumbing           | 850.00     |
| 12643                                   | 04/21/26 | 10014185    | Century Link                    | 52.99      |
| 12644                                   | 04/22/26 | 10014420    | Dale's Heating & Appliance      | 336.00     |
| 12645                                   | 04/22/26 | 10014430.12 | Vintage Loc                     | 245.00     |
| JE202                                   | 04/30/26 |             | To record payroll dated 4/15/26 | 1,612.71   |
| JE203                                   | 04/30/26 |             | To record payroll dated 4/30/26 | 1,420.17   |
| <b>Total</b>                            |          |             |                                 | 16,786.70  |
| <b>Statement Total</b>                  |          |             |                                 | 16,786.70  |
| <b>Difference</b>                       |          |             |                                 | 0.00       |
| <b>Ending Bank Balance</b>              |          |             |                                 | 321,959.72 |
| <b>Reconciled Bank Information</b>      |          |             |                                 |            |
| <b>Ending Bank Balance</b>              |          |             |                                 | 321,959.72 |
| <b>Open Deposits &amp; Additions</b>    |          |             |                                 |            |
| <b>Total</b>                            |          |             |                                 | 0.00       |
| <b>Open Checks &amp; Payments</b>       |          |             |                                 |            |
| 12633                                   | 04/20/26 | 10014430.12 | Audio Systems                   | 260.00     |
| 12635                                   | 04/20/26 | 10014430.06 | Carpet Unlimited                | 1,523.22   |
| 12637                                   | 04/20/26 | 10014170    | H.A.A.S., Inc.                  | 154.02     |
| 12646                                   | 04/30/26 | 10014590    | East Central Energy             | 48.32      |
| <b>Total</b>                            |          |             |                                 | 1,985.56   |
| <b>Reconciled Bank Balance</b>          |          |             |                                 | 319,974.16 |

**HRA of Pine City**  
**Bank Account Reconciliation Worksheet**

General Fund Checking  
 April 1, 2026 - April 30, 2026

| Reference                                  | Date | GL Account | Description                            | Amount     |
|--|------|------------|--|------------|
| <b>Bank Account Reconciliation Summary</b> |      |            |  |            |
| <b>Bank Statement Information</b>          |      |            |  |            |
|  |      |            | Beginning Bank Balance                 | 243,776.32 |
|  |      |            | + Cleared Deposits & Additions         | 94,970.10  |
|  |      |            | - Cleared Checks & Payments            | 16,786.70  |
|  |      |            | Ending Bank Balance                    | 321,959.72 |
| <b>Reconciled Bank Information</b>         |      |            |  |            |
|  |      |            | + Open Deposits & Additions            | 0.00       |
|  |      |            | - Open Checks & Payments               | 1,985.56   |
|  |      |            | <b>Reconciled Bank Balance</b>         | 319,974.16 |
| <b>General Ledger Information</b>          |      |            |  |            |
|  |      |            | Unadjusted General Ledger Balance      | 319,974.16 |
|  |      |            | +/- Total Adjustments                  | 0.00       |
|  |      |            | <b>Adjusted General Ledger Balance</b> | 319,974.16 |
|  |      |            | <b>Unreconciled Amount</b>             | 0.00       |

**HRA of Pine City**  
**Bank Account Reconciliation Transmittal**

General Fund Checking - 1110054336

May 1, 2026 - May 31, 2026

**General Ledger**

|   |                          |
|---|--------------------------|
| Balance per General Ledger (Account 10011111.1) at 05/01/26 | 319,974.16               |
| Activity for the month:                                     |                          |
| Total Debits (Deposits and Additions)                       | 16,176.17                |
| Total Credits (Checks and Payments)                         | <u>(24,557.32)</u>       |
| Unadjusted General Ledger Balance at 05/31/26               | 311,593.01               |
| Total Adjustments   | <u>0.00</u>              |
| Reconciled General Ledger Balance at 05/31/26               | <u><u>311,593.01</u></u> |

**Bank**

|   |                          |
|---|--------------------------|
| Balance per Bank Statement at 05/31/26              | 311,825.95               |
| Total Additions (Deposits and Additions in Transit) | 0.00                     |
| Total Subtractions (Checks and Payments in Transit) | <u>(232.94)</u>          |
| Total Bank Errors                                   | <u>0.00</u>              |
| Adjusted Bank Balance at 05/31/26                   | <u><u>311,593.01</u></u> |

**HRA of Pine City**  
**Bank Account Reconciliation Worksheet**

General Fund Checking  
 May 1, 2026 - May 31, 2026

| Reference                               | Date     | GL Account  | Description                              | Amount                         |
|---|----------|-------------|--|--------------------------------|
| <b>Bank Statement Information</b>       |          |             |  |                                |
|   |          |             |  | <b>Beginning Bank Balance</b>  |
|   |          |             |  | 321,959.72                     |
| <b>Cleared Deposits &amp; Additions</b> |          |             |  |                                |
| CR106                                   | 05/08/26 | 10013401.2  | Operating Subsidy                        | 2,876.00                       |
| CR107                                   | 05/31/26 | 10011122    | May Cash Receipts                        | 13,295.00                      |
| CR108                                   | 05/31/26 | 10013610    | Interest on Checking                     | 5.17                           |
|   |          |             |  | <b>Total</b>                   |
|   |          |             |  | 16,176.17                      |
|   |          |             |  | <b>Statement Total</b>         |
|   |          |             |  | 16,176.17                      |
|   |          |             |  | <b>Difference</b>              |
|   |          |             |  | 0.00                           |
| <b>Cleared Checks &amp; Payments</b>    |          |             |  |                                |
| 1359                                    | 05/01/26 | 10012117.31 | MN PL Fund                               | 54.12                          |
| 1360                                    | 05/01/26 | 10014190.2  | Baumgard Rose & Associates               | 150.00                         |
| 1361                                    | 05/05/26 | Multiple    | Elan                                     | 387.61                         |
| 1362                                    | 05/06/26 | 10014185    | East Central Fiber                       | 207.57                         |
| 1363                                    | 05/12/26 | 10014190.4  | Frandsen Bank & Trust                    | 8.00                           |
| 1364                                    | 05/15/26 | Multiple    | IRS                                      | 765.14                         |
| 1365                                    | 05/15/26 | 10014320    | East Central Energy                      | 1,157.00                       |
| 1366                                    | 05/18/26 | 10014185    | Verizon                                  | 20.66                          |
| 1367                                    | 05/18/26 | 10012117.3  | MN Dept of Revenue                       | 106.00                         |
| 1368                                    | 05/18/26 | 10014390    | Talon Sanitation                         | 153.65                         |
| 1369                                    | 05/22/26 | 10014310    | City of Pine City                        | 2,125.87                       |
| 1370                                    | 05/26/26 | Multiple    | MN Energy Resources                      | 952.97                         |
| 12633                                   | 04/20/26 | 10014430.12 | Audio Systems                            | 260.00                         |
| 12635                                   | 04/20/26 | 10012111    | Carpet Unlimited                         | 1,523.22                       |
| 12637                                   | 04/20/26 | 10014170    | H.A.A.S., Inc.                           | 154.02                         |
| 12646                                   | 04/30/26 | 10014590    | East Central Energy                      | 48.32                          |
| 12650                                   | 05/06/26 | 10014170    | H.A.A.S., Inc.                           | 154.02                         |
| 12651                                   | 05/06/26 | 10014420    | Ace Hardware                             | 171.05                         |
| 12652                                   | 05/06/26 | 10014430.05 | Premier Outdoor Services                 | 676.46                         |
| 12653                                   | 05/06/26 | 10014430.11 | Summit Fire Protection                   | 879.41                         |
| 12654                                   | 05/06/26 | 10014120    | SMR Management                           | 3,541.66                       |
| 12655                                   | 05/13/26 | 10012137    | Pine Cty Treasurer                       | 5,678.95                       |
| 12659                                   | 05/15/26 | 10014420    | Ace Hardware                             | 394.61                         |
| 12660                                   | 05/15/26 | 10014430.12 | K&K Concrete                             | 2,551.00                       |
| 12661                                   | 05/21/26 | 10014420    | Ace Hardware                             | 41.85                          |
| 12662                                   | 05/21/26 | Multiple    | Quality Carpet Cleaners                  | 926.11                         |
| 12663                                   | 05/21/26 | 10014510    | SFM                                      | 150.00                         |
| JE208                                   | 05/31/26 |             | To record charges to tenants per May MSO | 320.00                         |
| JE209                                   | 05/31/26 |             | To record payroll dated 5/15/26          | 1,489.73                       |
| JE210                                   | 05/31/26 |             | To record payroll dated 5/29/26          | 1,260.94                       |
|   |          |             |  | <b>Total</b>                   |
|   |          |             |  | 26,309.94                      |
|   |          |             |  | <b>Statement Total</b>         |
|   |          |             |  | 26,309.94                      |
|   |          |             |  | <b>Difference</b>              |
|   |          |             |  | 0.00                           |
|   |          |             |  | <b>Ending Bank Balance</b>     |
|   |          |             |  | 311,825.95                     |
| <b>Reconciled Bank Information</b>      |          |             |  |                                |
|   |          |             |  | <b>Ending Bank Balance</b>     |
|   |          |             |  | 311,825.95                     |
| <b>Open Deposits &amp; Additions</b>    |          |             |  |                                |
|   |          |             |  | <b>Total</b>                   |
|   |          |             |  | 0.00                           |
| <b>Open Checks &amp; Payments</b>       |          |             |  |                                |
| 12664                                   | 05/29/26 | 10014185    | Century Link                             | 34.99                          |
| 12665                                   | 05/29/26 | 10014430.12 | MN Fire & Security                       | 197.95                         |
|   |          |             |  | <b>Total</b>                   |
|   |          |             |  | 232.94                         |
|   |          |             |  | <b>Reconciled Bank Balance</b> |
|   |          |             |  | 311,593.01                     |

**HRA of Pine City**  
**Bank Account Reconciliation Worksheet**

General Fund Checking  
 May 1, 2026 - May 31, 2026

| Reference                                  | Date | GL Account | Description                            | Amount     |
|--|------|------------|--|------------|
| <b>Bank Account Reconciliation Summary</b> |      |            |  |            |
| <b>Bank Statement Information</b>          |      |            |  |            |
|  |      |            | Beginning Bank Balance                 | 321,959.72 |
|  |      |            | + Cleared Deposits & Additions         | 16,176.17  |
|  |      |            | - Cleared Checks & Payments            | 26,309.94  |
|  |      |            | Ending Bank Balance                    | 311,825.95 |
| <b>Reconciled Bank Information</b>         |      |            |  |            |
|  |      |            | + Open Deposits & Additions            | 0.00       |
|  |      |            | - Open Checks & Payments               | 232.94     |
|  |      |            | <b>Reconciled Bank Balance</b>         | 311,593.01 |
| <b>General Ledger Information</b>          |      |            |  |            |
|  |      |            | Unadjusted General Ledger Balance      | 311,593.01 |
|  |      |            | +/- Total Adjustments                  | 0.00       |
|  |      |            | <b>Adjusted General Ledger Balance</b> | 311,593.01 |
|  |      |            | <b>Unreconciled Amount</b>             | 0.00       |



## Housing Redevelopment Authority

### MEMORANDUM

**Date:** February 12, 2026

**To:** Housing Redevelopment Authority (HRA) of Pine City

**From:** Lezlie Sauter, Economic Development Coordinator

**RE:** RAD Conversion versus Section 18 Disposition

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Since September, we have been actively researching the Rental Assistance Demonstration (RAD) Conversion to comply with requests from the City Council to dispose of the Hillside Court Apartments to another entity (see [Pine City City Council Special Meeting Minutes – September 26, 2025](#)). Upon finding an experienced professional in RAD conversions, we were introduced to the Section 18 Disposition, as an alternative. Jill Keppers, Executive Director of Duluth HRA will be present to answer questions, as she has experience in both forms of conversion.

#### **Section 18 Disposition (Section 18 of the U.S. Housing Act of 1937)**

Allows a Public Housing Authority (PHA) dispose of (sell/transfer) or remove a property from public housing inventory. HUD provides Tenant Protection Vouchers (TPVs) to continue resident rent assistance under Section 8 after disposition. This is typically used when public housing is obsolete, inefficient to maintain, or better positioned for ownership/operation by another entity. The property is no longer public housing; assistance continues through voucher subsidies (often project-based) rather than direct public housing subsidies.

- Often used when rehabilitation is too costly under the public housing funding structure. With TPVs, a converted property can support higher rent subsidies that may attract private capital or new ownership structures.
- TPVs may offer higher payment standards (often at or above Fair Market Rent), which can improve cash flow compared to traditional public housing.
- Residents receive basic protection by receipt of TPVs to continue rent assistance.
- Affordability is tied to voucher usage and any project-based contract; ongoing affordability after initial contracts may not be guaranteed in the same way RAD requires. Historically Section 18 offers less explicit long-term affordability assurance compared to RAD's statutory guarantees.

Through Section 18, Hillside Court would be removed from public housing and shift to a Section 8 voucher platform. Ownership would be transferred, reducing public housing management burdens, and would allow the HRA to pursue a new ownership/developer partnership. The benefit would be the potential for higher subsidy levels through the TPV, and the flexibility in future ownership or use. The negative side is there is no statutory affordability in the future for tenants.

### **RAD (Rental Assistance Demonstration) Conversion**

Allows PHAs to convert public housing subsidy to long-term Section 8 funding (either Project-Based Vouchers (PBV) or Project-Based Rental Assistance (PBRA)) while preserving affordability. RAD is designed to preserve and improve affordable housing by enabling access to private financing for rehabilitation or redevelopment. The property becomes Section 8-assisted affordable housing with long-term contract security.

- RAD provides a stable long-term Section 8 contract, which allows PHAs or partners to leverage private debt/equity and tax credits for rehabilitation or redevelopment.
- Enables comprehensive repair or modernization that might otherwise be unaffordable under public housing funding rules.
- RAD provides robust resident protections, including relocation rights during rehab, right to return, no rescreening, and long-term contract renewal rights.
- Under RAD, after the initial 20-year Section 8 contract, HUD must offer renewal and the owner must accept, providing stronger long-term affordability assurance than traditional Section 18.

Through a RAD Conversion, Hillside Court's affordable units would be preserved and the project would retain access capital for rehabilitation (same resources currently have access to). The benefit is that RAD provides stronger affordability protection. The negative side is that RAD is complicated and commits the property to a long-term Section 8 contract.



**Mission:**

*“The mission of the Pine City Housing Redevelopment Authority is to develop housing opportunities by seeking collaboration with public and private organizations and the community, in order to advance awareness of housing needs and to identify resources for promotion, growth, and development of housing in the community.”*

**Background:**

During the summer and fall of 2020, the Pine City Housing Redevelopment Authority (HRA) updated its strategic plan to guide the housing development activities initiated by the City for the next five years.

The following members were involved in the planning process: Mayor Carl Pederson, Councilor Gina Pettie, HRA Board member Rita Watson, HRA Board member Becky Schueller, HRA Board member Aaron Duffee, HRA Executive Director Deb Robelia, City Administrator Matt Van Steenwyk, and Community Development Director Lezlie Sauter.

The planning process used existing plans (2017 Pine City Housing Implementation Plan and Pine County Strategic Housing Action Plan) and evaluated accomplishments over the past three years to establish the following goals and objectives.

**Goals:**

**1. Support Homeownership**

The Pine City HRA recognizes the importance of homeownership and the desire for community members to become homeowners. The Pine City community is fortunate to have added on average, 10 new single-family homes annually for the past decade and so, the HRA wants to support continued single-family home construction and maintenance.

**2. Maintain Affordable Housing**

Within the Pine City community, there are a variety of income-based and affordable housing options including the HRA managed Hillside Court

Apartments. Additionally, the existing housing stock provides single-family affordable homeownership and rental opportunities. It is the goal of the Pine City HRA to maintain these affordable housing options so that people of all income levels can call Pine City home.

### **3. Increase Development Capacity**

In 2017, the City initiated the HRA levy which has been used to provide housing market analysis' for current housing developments (Timber Pines senior living and Hilltop Cottages affordable living). The HRA intends to continue to utilize the levy to expand housing opportunities, share housing information with the public, and develop staffing levels to provide needed expertise and service.

#### **Objectives:**

- 1. Assist with identifying new land opportunities for single-family development and marketing vacant land to developers and/or builders.*
- 2. Finish development of the Fawn Meadows development (plat, utilities) which initially was designed to provide an array of single-family homes and townhomes.*
- 3. Develop housing programs such as down-payment assistance and rehabilitation assistance through collaborations with local, regional, state and federal agencies.*
- 4. Conduct research and develop policies, procedures and draft ordinances to address potential housing foreclosures and tax forfeitures.*
- 5. Begin mapping housing data, such as building permits, rental registration and building conditions to assist in future planning and trend tracking.*
- 6. Communicate the availability of housing programs to residents, property owners and housing professionals.*
- 7. Conduct public outreach and initiate education efforts for homeowners, landlords, tenants and housing professionals to improve housing knowledge of the community.*



*Photo 1 - Bottle Cap Condos & Riveredge Townhomes along the Snake River in Pine City (photo credit: Michelle Anderson)*

**North Branch Economic Development Authority Strategic Plan  
Adopted June 7, 2018, Revised December 3, 2019, updated 3.21**

| Strategic Priorities                                   | Key Goals  | Action Plan   | Timeline & Activity  |
|--|--|---|--|
| Expansion of Broadband                                 | Making high speed internet available to the entire community   | <p><b>Establish a fiber expansion plan, by coordinating the delivery of high speed internet through a variety of providers and delivery methods, including working with area developers, the possible formation of a regional co-op, and implementing recommendations of the GPS:45:93 feasibility study.</b></p> <p><b>Explore funding options, such as various grant options; collaborate with state representatives, our senator, county officials and others as appropriate on shared concerns; and support lobby efforts to secure county and state funding for expansion of broadband. If private sector delivery options are not meeting goals and other public grant/private sector partnerships have been explored, the City may consider other options.</b></p> <p><b>Engage neighborhood liaisons to promote neighborhood by neighborhood expansion efforts.</b></p> | <p>Broadband taskforce – working on alternatives for high speed internet in every corner of the City.</p> <p>-Continuous work with Genesis wireless, Midco, Midcontinent, Kinetic Windstream</p> <p>-Survey administered for service area/needs</p> <p>-GPS 45:93 – Awareness of regional work/ideas</p> <p><b>-Feb 2021 – Installation of wireless towers and testing</b></p> <p><b>-Midco extended fiber to service areas</b></p> <p><b>-Utilized budget savings to fund initial infrastructure for towers</b></p> |
| Business Growth - continued land sales and development | <ul style="list-style-type: none"> <li>• Expansion of existing and new retail, manufacturing, service and industrial businesses</li> <li>• Downtown revitalization</li> <li>• New development along I35 and in the industrial park</li> <li>• Available spaced filled</li> </ul> | <p><b>Participate in redevelopment programs such as U of M Downtown program, Preservation Alliance of Minnesota and Main Street USA, and promote tax incentives for redevelopment.</b></p>  | <p>10.18 – MN Design Team meeting, implementation teams formed, 9.19 – Vita attended U of M downtown conference, plans to attend in 2020</p> <p><b>-New Industrial Businesses Flashing By Design</b></p>   |

**Almost complete**

|  |  |  |  |
|--|--|--|--|
|  |  | <p><b>Explore and promote innovative and emerging uses and industries for possible inclusion in the interstate industrial park, promote features of the interstate business park (shovel ready status), install promotional signage and work with area realtors to promote land available for development.</b></p> <p><b>Collaborate with retail associations to identify potential business prospects for area.</b></p> | <p><b>IDEA Co – New building</b></p> <p><b>-Industrial Park Land Sale – Andersen Windows</b></p> <p><b>-Old Industrial Park is full (2020)</b></p> <p>3.19 – Realtor for Ind Park selected. Updated Ind Park signs for realtor, 2018-berma-shave signs installed, Updated, brochures and flyers, Various websites showcasing industrial land, re-release of \$3000 “finder’s fee”, updating City EDA webpage.<br/>7.20- EDA authorizes updated website</p> <p>On-going – CBRE –former shopko, Outlet mall realtors, U of M Retail Report – given to realtors to assist in promoting</p> <p>MN DT Business Promotions – Haydays and MS 150, Ragnar Run, Red Ribbon Run</p> <p>Met with St. Croix. Crossing upgrade and spur conversations.</p> <p>Staff attending U of M downtown conference Sept 2019</p> <p><b>Staff communicates with Shoppes team regularly</b></p> |
|--|--|--|--|

|                       |   |  |  |
|-----------------------|---|--|--|
|                       |   | <p><b>Develop a marketing plan to promote North Branch as a place to visit, work and live, emphasizing the opportunity zone status.</b></p><br><p><b>Develop implementation timelines for proposed action items recommended by the Minnesota Design Team that are related to economic development, which may include completing an industrial analysis, and taking an inventory of downtown businesses and property ownership.</b></p> | <p>EDA &amp; CC – Development update reports. Website.</p> <p>EDA Marketing Committee meets regularly to advise. Projects – Monthly newspaper column also on website and FB, Linked*in bi-weekly, ground-breakings, ribbon-cuttings, Manufacturer’s Month recognition, Monthly Development update in the EDA packet</p> <p>Implemented additional activities to enhance the concerts in the park activities. Pocket parks were developed as ways to entice residents and visitors to the downtown area.</p> <p>EDA &amp; NBW&amp;L met jointly and plan to continue to meet as economic development is important to both entities. Staff attends all NBW&amp;L mtgs.</p> <p>-Ehlers retained for consultants</p> <p>-Financial plan in development</p> |
| <p>Transportation</p> | <ul style="list-style-type: none"> <li>• Along TH 95</li> <li>• New intersection/overpass on I35</li> </ul> | <p><b>Develop five year plan to construct streets for traffic flow moving east-west through the city, including plans for the intersection of TH95/Co. 30 and a possible by-pass.</b></p>  | <p>2018 Comprehensive Plan included traffic plans.</p>   |

|           |  |  |  |
|-----------|--|--|--|
|           | <ul style="list-style-type: none"> <li>• Parking in downtown area</li> </ul>   | <p><b>Develop a comprehensive parking plan for the downtown area.</b></p> <p><b>Promote the availability of rail as an amenity of the interstate industrial park.</b></p> <p><b>Utilize the parking space inventory to convey messages regarding the availability of parking spaces.</b></p>   | <p>Parking analysis of the downtown complete. 7.20 – updating maps of DT, 6 electric parking stations, preparing for CR 30. QR code, update Googles maps</p> <p>Rail is being promoted on signs, web and other marketing materials</p> <p>Staff is holding early stage conversations with MNDOT and Chisago County on TH95 and CR 30.</p>  |
| Community | <ul style="list-style-type: none"> <li>• Small town atmosphere</li> <li>• Family friendly businesses and employers</li> <li>• Facilities (new or expanded) from which to offer events, activities, athletics and recreational opportunities</li> </ul> | <p><b>Establish a theme/brand for North Branch, one that promotes the city’s family friendly culture, celebrates its history and unique environmental communities, and promotes other opportunities for recognition, such as becoming an artist community.</b></p> <p><b>Develop a plan to expand recreational facilities and other event hosting sites, and promote these amenities to convention organizers with the goal to draw new visitors to the area.</b></p> <p><b>Promote community engagement through a variety of programs for all ages.</b></p> <p><b>Support the members of the Parks, Trails and Open Spaces Commission in planning efforts to expand recreational facilities. Promote community engagement relative to fund raising and gaining buy-in about the economic development benefits of having such amenities.</b></p> | <p>Branding complete, new logo adopted. 2020 – working on taglines, etc.</p> <p>12.18 – Arts Grants workshop<br/>2019 – Outdoor movies<br/>2018 – Music in the park &amp; a few outdoor movies<br/>2020 – outdoor movies, art in businesses, working on Walk the Chalk, Dome donation for outdoor venues, planning for 2021 mural</p> <p><b>-Business Promotion Implementation Team – continuing to showcase North Branch.</b></p> <p><b>-Welcome event for Hay Days planned for Sept 2021</b></p> |

|         |  |   |   |
|---------|--|---|---|
|         |  |   | -City/School District established new hockey rink at high school.   |
| Housing | offering a mix of styles, prices, rentals and owner occupied, for all stages of life, including, but not limited to, workforce, seniors, and new starter options, to address gaps and shortages identified in the Chisago County Housing Study | <p><b>Promote additional affordable housing options for all age groups - identify financing options, funding opportunities (such as USDA, Greater Minnesota Housing, Central Minnesota Housing Partnership, CommonBond and MHFA programs) and incentive programs to for a variety of housing alternatives.</b></p> <p><b>Expand housing inventory and diversify housing styles, such as promoting apartment units in the Central Business District as an element of revitalizing the downtown area and apartments designed for seniors.</b></p> <p><b>Explore creative options for meeting housing needs.</b></p> | <p>Chisago Cty -2019- will allow Tax Abatement for affordable housing. Chisago County – 2020 – working on a Housing trust. Cherokee Place – 48 units complete. Willow Grove – 20 units complete. CMHP/City – 2020 – Heritage Court – Senior Housing project – received funding – construction 2022?</p> <p>Numerous housing developments. 2020 record single family housing starts. 2021- Falcon Apts to be constructed – 72 units in phase 1</p> <p>City Council working on a TIF housing policy</p> |

**PINE CITY HRA  
BALANCE SHEET  
FUNDS 213, 214, 215  
AS OF MAY 31, 2026**

|   | <b>GENERAL<br/>HRA FUND<br/>213</b> | <b>REVOLVING LOAN<br/>HRA FUND<br/>214</b> | <b>PROGRAM<br/>HRA FUND<br/>215</b> |
|---|-------------------------------------|--|-------------------------------------|
| CASH  | 142,997                             | 88,148                                     | 33,116                              |
| ACCOUNTS RECEIVABLE                         | -                                   |  | -                                   |
| LOAN RECEIVABLE                             | -                                   |  | -                                   |
| LOAN TO TIMBER PINES                        |                                     | 50,000                                     |                                     |
| LOAN TO LAKESIDE CENTER                     |                                     | 50,000                                     |                                     |
| <b>TOTAL ASSETS</b>                         | <b>142,997</b>                      | <b>188,148</b>                             | <b>33,116</b>                       |
| FUND BALANCE                                | 142,997                             | 188,148                                    | 33,116                              |
| <b>TOTAL LIABILITIES &amp; FUND BALANCE</b> | <b>142,997</b>                      | <b>188,148</b>                             | <b>33,116</b>                       |

\* PER LEZLIE, PROGRAM HRA FUND 215 HAVE BEEN ALLOCATED TO THE HILLSIDE COURT APTS FOUNDATION PROJECT

**STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE  
HOUSING REDEVELOPMENT AUTHORITY (213 General & 215 Program)**

|   | <b>PRE-AUDIT<br/>2025</b> | <b>BUDGET<br/>2026</b> | <b>YTD<br/>2026</b>   |
|---|---------------------------|------------------------|-----------------------|
| BEGINNING FUND BALANCE                    | 165,852                   | 179,152                | 179,152               |
| <b>REVENUES</b>                           |                           |                        |                       |
| General Property Taxes                    | 55,000                    | 42,312                 | -                     |
| Charges for services                      |                           |                        | -                     |
| Investment earnings income                | 2,761                     |                        | -                     |
| MN Housing partnership grant              |                           |                        | -                     |
| Federal HLB payment                       |                           |                        | -                     |
| Total Revenues                            | <u>57,761</u>             | <u>42,312</u>          | <u>-</u>              |
| <b>EXPENDITURES</b>                       |                           |                        |                       |
| Wages - Full Time - Admin                 | 2,515                     | 2,697                  | 982                   |
| Pera Contributions                        | 183                       | 195                    | 71                    |
| FICA Contributions                        | 187                       | 199                    | 72                    |
| Health Insurance                          | 190                       | 228                    | 139                   |
| Dental Insurance                          | 50                        | 58                     | 24                    |
| Life Insurance                            | 4                         | 5                      | 2                     |
| Disability Insurance                      | 12                        | 15                     | 6                     |
| HSA City Contribution                     | 32                        | 32                     | 31                    |
| MN PD Leave                               |                           | 11                     | 4                     |
| Professional services - general           | 7,810                     | 8,627                  | 1,650                 |
| Professional services - Audit             | 1,859                     | 1,755                  | -                     |
| Professional services - Engineering       | -                         | -                      | -                     |
| Professional services - Legal Fees        | -                         | -                      | -                     |
| Professional services - Dues/Subscription | -                         | -                      | -                     |
| Computer/Internet/GIS Support             | -                         | 1,199                  | -                     |
| Training/Conferences                      | -                         |                        | -                     |
| Advertising and Promotion                 | -                         |                        | 56                    |
| Total Expenditures                        | <u>12,842</u>             | <u>15,021</u>          | <u>3,038</u>          |
| REVENUES OVER (UNDER) EXPENDITURES        | 44,919                    | 27,291                 | (3,038)               |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                           |                        |                       |
| Transfers In                              |                           |                        | -                     |
| Transfers out                             | (31,619)                  | (27,291)               | -                     |
| Total Financing Sources                   | <u>(31,619)</u>           | <u>(27,291)</u>        | <u>-</u>              |
| <b>LIABILITIES</b>                        |                           |                        |                       |
| Accounts Payable                          | 1,302                     |                        |                       |
| Wages payable                             | 138                       |                        |                       |
| Total Liabilities                         | <u>1,441</u>              | <u>-</u>               | <u>-</u>              |
| NET CHANGE IN FUND BALANCE                | <u>14,741</u>             | <u>-</u>               | <u>(3,038)</u>        |
| <b>ENDING FUND BALANCE</b>                | <b><u>179,152</u></b>     | <b><u>179,152</u></b>  | <b><u>176,113</u></b> |

**STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE  
HOUSING REDEVELOPMENT AUTHORITY (214 Revolving Loan)**

|                                       | <b>PRE-AUDIT<br/>2025</b> | <b>BUDGET<br/>2026</b> | <b>YTD<br/>2026</b>   |
|---------------------------------------|---------------------------|------------------------|-----------------------|
| BEGINNING FUND BALANCE                | 153,024                   | 188,148                | 188,148               |
| <b>REVENUES</b>                       |                           |                        |                       |
| General Property Taxes                |                           |                        | -                     |
| Loan Interest Income                  | 2,640                     |                        | -                     |
| Charges for services                  |                           |                        | -                     |
| Investment earnings income            | 865                       |                        | -                     |
| MN Housing partnership grant          |                           |                        | -                     |
| Federal HLB payment                   |                           |                        | -                     |
| Total Revenues                        | <u>3,505</u>              | -                      | -                     |
| <b>EXPENDITURES</b>                   |                           |                        |                       |
| Professional services - general       |                           |                        | -                     |
| Professional services - Audit         |                           |                        | -                     |
| Training/Conferences                  |                           |                        | -                     |
| Professional services - Fawn Meadows  |                           |                        | -                     |
| Total Expenditures                    | -                         | -                      | -                     |
| REVENUES OVER (UNDER) EXPENDITURES    | 3,505                     | -                      | -                     |
| <b>OTHER FINANCING SOURCES (USES)</b> |                           |                        |                       |
| Transfers In from HRA fund 213        | 31,619                    | 27,291                 | -                     |
| Transfers out                         |                           |                        | -                     |
| Total Financing Sources               | <u>31,619</u>             | <u>27,291</u>          | -                     |
| NET CHANGE IN FUND BALANCE            | <u>35,124</u>             | <u>27,291</u>          | -                     |
| <b>ENDING FUND BALANCE</b>            | <b><u>188,148</u></b>     | <b><u>215,439</u></b>  | <b><u>188,148</u></b> |

INVOICE DISTRIBUTION REPORT FOR CITY OF PINE CITY

EXP CHECK RUN DATES 05/01/2026 - 05/31/2026

POSTED  
PAID

| GL Number            | Invoice Date | Vendor Name                | Invoice Description              | Invoice Number | Check Date                 | Amount       | Check Number |
|----------------------|--------------|----------------------------|----------------------------------|----------------|----------------------------|--------------|--------------|
| <b>Check: 254892</b> |              |                            |                                  |                |                            |              |              |
| 213-46510-50300      | 04/29/2026   | PINE COUNTY, AUDITOR-TREAS | SCDP APPLICATION SHIPPING COSTS  | 042926-2       | 05/15/2026                 | 29.88        | 254892       |
|                      |              |                            |                                  |                | <b>Total Check 254892:</b> | <u>29.88</u> |              |
| <b>Check: 7486</b>   |              |                            |                                  |                |                            |              |              |
| 213-46510-50133      | 04/13/2026   | DEARBORN LIFE INS CO       | MAY 2026 LIFE INSURANCE PREMIUMS | 05312026       | 05/08/2026                 | 0.41         | 7486         |
|                      |              |                            |                                  |                | <b>Total Check 7486:</b>   | <u>0.41</u>  |              |
| <b>Check: 7487</b>   |              |                            |                                  |                |                            |              |              |
| 213-46510-50132      | 05/01/2026   | DELTA DENTAL OF MN         | MAY 2026 DENTAL INSURANCE        | RIS0006988784  | 05/08/2026                 | 4.84         | 7487         |
|                      |              |                            |                                  |                | <b>Total Check 7487:</b>   | <u>4.84</u>  |              |
| <b>Check: 7499</b>   |              |                            |                                  |                |                            |              |              |
| 213-46510-50134      | 04/10/2026   | THE LINCOLN NATIONAL LIFE  | MAY 2026 DISABILITY              | 4960545130     | 05/08/2026                 | 1.10         | 7499         |
|                      |              |                            |                                  |                | <b>Total Check 7499:</b>   | <u>1.10</u>  |              |
| <b>Check: 7542</b>   |              |                            |                                  |                |                            |              |              |
| 213-46510-50131      | 05/10/2026   | MN PEIP                    | JUNE 2026 HEALTH INS             | 1629563        | 05/29/2026                 | 19.01        | 7542         |
|                      |              |                            |                                  |                | <b>Total Check 7542:</b>   | <u>19.01</u> |              |

INVOICE DISTRIBUTION REPORT FOR CITY OF PINE CITY

EXP CHECK RUN DATES 05/01/2026 - 05/31/2026

POSTED  
PAID

| GL Number | Invoice Date       | Vendor Name | Invoice Description          | Invoice Number | Check Date | Amount | Check Number |
|-----------|--------------------|-------------|------------------------------|----------------|------------|--------|--------------|
| ---       | TOTALS BY FUND --- | 213         | HOUSING & REDEVELOPMENT AUTH |                |            | 55.24  |              |

**Pine City HRA  
RLF Status Report  
June 2026**

**Pine City Senior Living/Timber Pines**

Original Loan Date: August. 24, 2023

Original Loan Amount: \$50,000

Rate of Interest: 1.99%

Term of Loan: 36 Months

Date of Last Payment: 10/15/2025

Amount of Last Payment: \$640.10

Amount Still Owed: \$50,640.10

Note: Annual Interest Only Payments for Three Years

- \$640.10 due Oct. 1, 2024, Paid October 15, 2024
- \$640.10 due Oct. 1, 2025, Paid October 15, 2025
- \$640.10 due Oct. 1, 2026

**\*\*\*Balloon Due Sept. 30, 2026, Amount \$50,000.00**

**Lakeside Center**

Original Loan Date: Nov. 20, 2023

Original Loan Amount: \$50,000

Rate of Interest: 4%

Term of Loan: 36 Months

Date of Last Payment: 12/08/2025

Amount of Last Payment: \$2,000.04

Amount Still Owed: \$52,000.04

Note: Annual Interest Only Payments for Three Years

- \$2,000.04 due December 1, 2024, Paid December 17, 2024
- \$2,000.04 due December 1, 2025, Paid December 8, 2025
- \$2,000.04 due December 1, 2026

**\*\*\*Balloon Due Dec. 30, 2026, Amount \$50,000.00**