

*Financial statements of:*

**HOUSINGLINK**

Years ended  
December 31, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
HousingLink  
Saint Paul, Minnesota

### ***Opinion***

We have audited the financial statements of HousingLink (the Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of HousingLink as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HousingLink and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 HousingLink's ability to continue as a going concern for one year after the date that the financial statements are available for issuance.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HousingLink'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 HousingLink's ability to continue as a going concern for a reasonable period of time.

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

*Schechter Dokken Kanter  
Andrews & Silver Ltd.*

June 2, 2026  
Minneapolis, MN

**HOUSINGLINK**STATEMENTS OF FINANCIAL POSITION  
YEARS ENDED DECEMBER 31

	<u>2025</u>	<u>2024</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 53,248	\$ 191,317
Accounts receivable	24,333	28,505
Grants receivable	193,000	-
Prepaid expenses	3,838	3,982
	<u>274,419</u>	<u>223,804</u>
Total current assets		
Right-of-use asset	-	23,915
Capitalized software, net	307,390	376,988
	<u>307,390</u>	<u>400,903</u>
Total assets	<u>\$ 581,809</u>	<u>\$ 624,707</u>
<b>Liabilities and net assets:</b>		
Accounts payable	\$ 21,835	\$ 16,943
Accrued expenses and other liabilities	38,424	32,650
Deferred revenue	88,166	88,987
Lease liability, current	-	24,819
	<u>148,425</u>	<u>163,399</u>
Total liabilities		
Net assets:		
Without donor restrictions:		
Board designated, reserves	53,000	152,000
Undesignated	158,838	180,971
Total without donor restrictions	<u>211,838</u>	<u>332,971</u>
With donor restrictions	<u>221,546</u>	<u>128,337</u>
Total net assets	<u>433,384</u>	<u>461,308</u>
Total liabilities and net assets	<u>\$ 581,809</u>	<u>\$ 624,707</u>

**HOUSINGLINK**

 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 YEARS ENDED DECEMBER 31

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue and support:						
Contracts for services	\$ 579,499		\$ 579,499	\$ 504,904		\$ 504,904
Grants and contributions	81,042	\$ 273,000	354,042	242,522	\$ 104,250	346,772
In-kind contributions	3,544	-	3,544	563	-	563
Interest income	743	-	743	266	-	266
Miscellaneous income	25,401	-	25,401	14,279	-	14,279
Net assets released from restrictions	179,791	(179,791)	-	176,944	(176,944)	-
Total revenue and support	<u>870,020</u>	<u>93,209</u>	<u>963,229</u>	<u>939,478</u>	<u>(72,694)</u>	<u>866,784</u>
Expenses:						
Program services	802,236		802,236	781,144		781,144
Management and general	125,471		125,471	184,595		184,595
Fundraising	63,446		63,446	56,354		56,354
Total expenses	<u>991,153</u>		<u>991,153</u>	<u>1,022,093</u>		<u>1,022,093</u>
Change in net assets	(121,133)	93,209	(27,924)	(82,615)	(72,694)	(155,309)
Net assets, beginning	<u>332,971</u>	<u>128,337</u>	<u>461,308</u>	<u>415,586</u>	<u>201,031</u>	<u>616,617</u>
Net assets, ending	<u>\$ 211,838</u>	<u>\$ 221,546</u>	<u>\$ 433,384</u>	<u>\$ 332,971</u>	<u>\$ 128,337</u>	<u>\$ 461,308</u>

**HOUSINGLINK**STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (27,924)	\$ (155,309)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Amortization	69,598	69,597
Changes in operating assets and liabilities:		
Accounts receivable	4,172	(304)
Grants receivable	(193,000)	115,000
Prepaid expenses	144	3,405
Accounts payable	4,892	(2,599)
Accrued expenses and other liabilities	5,774	1,829
Deferred revenue	(821)	85,821
Right-of-use assets and lease liabilities	(904)	(48)
	<u>(138,069)</u>	<u>117,392</u>
Net cash (used in) provided by operating activities		
	(138,069)	117,392
Cash and cash equivalents, beginning of year	<u>191,317</u>	<u>73,925</u>
Cash and cash equivalents, end of year	<u>\$ 53,248</u>	<u>\$ 191,317</u>

	2025				2024			
	Program services	Management and general	Fundraising	Total	Program services	Management and general	Fundraising	Total
Employee services	\$ 374,759	\$ 81,937	\$ 31,294	\$ 487,990	\$ 368,164	\$ 129,490	\$ 23,991	\$ 521,645
Occupancy	21,484	4,919	1,868	28,271	18,541	6,591	1,220	26,352
Program services	119,818	124	-	119,942	66,330	49	-	66,379
Postage	579	26	-	605	287	167	980	1,434
Printing and copying	1,229	-	-	1,229	1,289	-	2,440	3,729
Dues and subscriptions	2,924	768	22	3,714	3,906	1,533	-	5,439
Professional fees	169,546	23,944	27,655	221,145	194,658	24,483	25,146	244,287
Accounting fees	21,718	5,719	1,638	29,075	20,321	6,158	1,098	27,577
Mileage and parking	3,043	46	-	3,089	1,559	168	-	1,727
Education and training	2,030	2,621	5	4,656	1,050	1,538	-	2,588
Advertising and marketing	2,888	-	44	2,932	6,577	-	505	7,082
Meeting expenses	795	1,014	-	1,809	197	505	-	702
Telecommunication	1,498	1,119	109	2,726	3,177	1,130	189	4,496
Amortization	69,598	-	-	69,598	69,597	-	-	69,597
Miscellaneous expenses	4,050	1,197	-	5,247	8,849	10,819	-	19,668
Insurance	3,613	955	312	4,880	3,311	1,186	220	4,717
Operating and maintenance	2,664	1,082	499	4,245	13,331	778	565	14,674
Total expenses	\$ 802,236	\$ 125,471	\$ 63,446	\$ 991,153	\$ 781,144	\$ 184,595	\$ 56,354	\$ 1,022,093

1. Nature of business and significant accounting policies:

Organization:

HousingLink (the Organization) was incorporated in Minnesota and began operations in 1997. The mission is to improve people's lives through information expanding their affordable rental choices. The Organization also provides research services that is used by policymakers and research organizations to shape affordable housing policy in the Twin Cities and the state of Minnesota.

Financial statement presentation:

The Organization classifies its net assets, revenues and expenses based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Designated amounts represent those net assets which the board has set aside for a particular purpose.

*Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets are limited by donor-restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Cash and cash equivalents:

The Organization considers all cash and highly liquid financial instruments purchased with a maturity of three months or less, which are not restricted by donors, to be cash and cash equivalents. At times, cash and cash equivalents may be in excess of FDIC limits.

Receivables and credit policies:

Receivables for fees for service contracts represent amounts due to the Organization for services performed. For trade receivables, the allowance for credit losses is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, historical experience and other currently available evidence. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due to the Organization could be adversely affected. No allowance was deemed necessary as of December 31, 2025 and 2024.

**1. Nature of business and significant accounting policies (continued):****Grants receivable:**

Unconditional promises to give are recorded as grants receivable and contribution revenue in the period the promise is made. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. Promises to give are written off when deemed uncollectable. No allowance was deemed necessary as of December 31, 2025 and 2024.

**Property and equipment:**

Expenditures for the acquisition of equipment greater than \$5,000 are capitalized at cost, and donated equipment is capitalized at fair value at the date of the gift.

Depreciation of equipment is provided using the straight-line method over the estimated useful lives of the assets, which range from three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts and any remaining gain or loss is included in the statement of activities.

**Leases:**

The Organization records leases in accordance with Accounting Standards Update No. 2016-02, Leases (Topic 842). The Organization's leases with terms of more than twelve months will be required to be recognized as assets and liabilities.

The Organization elected the short-term lease exemption for certain qualifying leases with lease terms of twelve months or less and, accordingly, did not record ROU assets and lease liabilities. These leases with initial terms of less than twelve months are recorded directly to occupancy expense on a straight-line basis over the term of the lease. Rent expense is recognized on a straight-line basis for operating leases over the lease term.

**Donated services and in-kind contributions:**

Volunteers contribute significant amounts of time to the Organization's program services, administration and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

**Advertising costs:**

Advertising costs are expensed as incurred and were \$2,932 and \$7,082 for the years ended December 31, 2025 and 2024, respectively.

**1. Nature of business and significant accounting policies (continued):****Functional expenses:**

The costs of providing the Organization's various programs and supporting services activities have been summarized in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses which are related to a specific program or supporting service are charged directly to that service. Shared non-specific expenses are allocated based on the payroll allocation for the month. Expenses, other than salaries and related expenses, which are not directly identifiable by program or support services are allocated based on the best estimates of management.

**Capitalized software:**

Expenditures for software development are capitalized when both the preliminary project stage is completed and it is probable that the software will be used as intended. Capitalized costs include only external direct costs of materials and services utilized in developing or obtaining computer software. Capitalized software is amortized on a straight-line basis over the estimated useful lives of the software, estimated to be 7 years.

**Support and revenue recognition:**

Contributions are recognized when cash, securities or other assets are received or the donor makes a promise to give the Organization that is, in substance, unconditional. Unconditional promises are recorded in the statement of financial position when the Organization is notified of the promises. Conditional promises to give are not recognized until the condition upon which they depend have been substantially met.

Contracts for services consist of grants and contracts. The Organization recognizes revenue from these contracts when performance obligations are met when eligible expenditures, as defined in each grant or contract, are incurred. Funds received but not yet earned are recorded as deferred revenue. Amounts recognized but not yet received are classified as receivables.

**Income taxes:**

The Organization is exempt from income taxation on activities related to its charitable purposes under the provisions of Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute and has been classified as a public charity under the Internal Revenue Code; therefore, charitable contributions by donors are tax deductible. The Organization is subject to tax on income from any business it conducts which is unrelated to its charitable purposes. Revenue from advertising service revenue is considered unrelated business income. Unrelated business income taxes have been minimal for the years ended December 31, 2025 and 2024.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Use of estimates:**

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

1. Nature of business and significant accounting policies (continued):

Subsequent events:

Management has evaluated for subsequent events through June 2, 2026, the date the financial statements were available for issuance.

2. Liquidity:

The following represents the Organization’s financial assets at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 53,248	\$ 191,317
Accounts receivable	24,333	28,505
Contributions and grants receivable	<u>193,000</u>	<u>-</u>
Total financial assets	<u>270,581</u>	<u>219,822</u>
Less amounts not available to be used within one year:		
Designated net assets by the board	<u>53,000</u>	<u>152,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 217,581</u>	<u>\$ 67,822</u>

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, the Organization invests cash in excess of requirements in an interest-bearing savings account.

3. Capitalized software:

Capitalized software consists of the following at December 31:

	<u>2025</u>	<u>2024</u>
Wait List Central software	\$ 487,184	\$ 487,184
Less accumulated amortization	<u>(179,794)</u>	<u>(110,196)</u>
Total capitalized software	<u>\$ 307,390</u>	<u>\$ 376,988</u>

4. Leases:

The Organization leases office space under a non-cancellable operating lease through December 2025. The Organization is also responsible for its share of common area operating expenses, including common area maintenance costs. Total occupancy expense, including common area maintenance costs, was \$28,271 and \$26,352 for the years ended December 31, 2025 and 2024, respectively.

5. Net assets with donor restrictions:

Net assets with donor restrictions at December 31 consist of the following:

	<u>2025</u>	<u>2024</u>
Beyond Backgrounds	\$ 6,000	\$ 6,000
Affordable housing database	123,612	99,420
Tenant screening	9,434	-
General operations, timing	<u>82,500</u>	<u>22,917</u>
	<u>\$ 221,546</u>	<u>\$ 128,337</u>

Net assets were released from restrictions as follows during the years ended December 31:

	<u>2025</u>	<u>2024</u>
Beyond Backgrounds	\$ 15,000	\$ -
Affordable housing database	113,808	580
Tenant screening	566	93,333
General operations, timing	50,417	64,250
Website redesign	<u>-</u>	<u>18,781</u>
	<u>\$ 179,791</u>	<u>\$ 176,944</u>

6. Board designated, reserves:

The Organization’s Board of Directors approved the designation of net assets of \$20,000 and \$102,000 as of December 31, 2025 and 2024, respectively, to ensure the stability of the mission, programs and ongoing operations of the Organization and to provide a source of funds for organizational priorities. The Board’s ultimate goal is to maintain a fund equal to three months of budgeted operating expenses. In addition, the Organization has a risk fund reserve of \$33,000 and \$50,000 as of December 31, 2025 and 2024, respectively.

7. In-kind contributions:

In-kind contributions are comprised of professional services which are recorded at fair market value at date of donation. These donated services that are used in the Organization’s programming are valued at the typically charged rates reported by the individuals or organizations providing the services. Donated services were:

	<u>2025</u>	<u>2024</u>
Legal fees	<u>\$ 3,544</u>	<u>\$ 563</u>

8. Retirement plan:

The Organization has a retirement savings plan, which is intended to satisfy the requirements of Section 401(k) of the Internal Revenue Code. All employees of the Organization are eligible to participate in this plan. This plan is funded by withholdings from the employee's payroll. Employer's contributions are discretionary. The employer contributions were \$12,963 and \$15,628 for the years ended December 31, 2025 and 2024, respectively.

9. Concentrations:

Substantially all support and revenue are received from individuals, charitable organizations, foundations and governmental entities; therefore, the continuation of certain programs of the Organization is dependent upon future funding. Of the Organization's total support, three funding sources for the years ended December 31, 2025 and 2024, accounted for approximately 86% and 85%, respectively.

10. Accounts receivable, deferred revenue and contract balances:

Opening and closing balances for accounts receivable arising from contracts with customers include:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Accounts receivable	\$ <u>24,333</u>	\$ <u>28,505</u>	\$ <u>28,201</u>

Contract assets arise when the Organization transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Organization is able to invoice the customer. There were no contract assets at December 31, 2025, 2024 or January 1, 2024.

Upon receipt of a prepayment from a customer, the Organization recognizes deferred revenue in the amount of the prepayment for its performance obligation to transfer goods and services in the future. The following table provides information about significant changes in deferred revenue for the year ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Deferred revenue, beginning of year:	\$ <b>88,987</b>	\$ 3,166
Revenue recognized included in deferred revenue at the beginning of year	<b>(821)</b>	(3,166)
Increases in deferred revenue due to cash received during the year	<u>-</u>	<u>88,987</u>
Deferred revenue, end of year	<u>\$ <b>88,166</b></u>	<u>\$ 88,987</u>