MELISSA B PETERSEN, CPA LLC

CERTIFIED PUBLIC ACCOUNTANT

Standing Rock Housing Authority

Audited Financial Statements

and

Uniform Guidance

June 30, 2025

2500 EAST BELTLINE AVE SE, STE G PMB 193, GRAND RAPIDS MI 49546-5987
TEL:616.862.3983, EMAIL: melissa@mbpetersencpa.com, www.mbpetersencpa.com
Member of Grand Traverse Band of Ottawa and Chippewa Indians

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June 30, 2025

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CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

Board of Commissioners
Standing Rock Housing Authority
Fort Yates, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Standing Rock Housing Authority ("Housing Authority"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements of the Housing Authority referred to above present fairly, in all material respects, the respective financial position of the Housing Authority, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We didn't audit the financial statements of the discretely presented component unit Standing Rock Limited Partnership #18. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregated discretely presented component unit, is based solely on the report of the other auditor.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

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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 Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis information, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying combining financial statements of the discretely presented component unit are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements of the Housing Authority. The combining financial statements of the discretely presented component unit are the responsibility of management and were derived from the underlying accounting and other records used to prepare those financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial

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statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement 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 of the discretely presented component unit and the Schedule of Expenditures of Federal Awards, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Melissa B Petersen

Melissa B. Petersen, CPA LLC
Grand Rapids, Michigan
March 2, 2026

2500 EAST BELTLINE AVE SE, STE G PMB 193, GRAND RAPIDS MI 49546-5987
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Basic Financial Statements

Standing Rock Housing Authority
Statement of Net Position
June 30, 2025

		Discretely Presented Component Unit as of December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents, unrestricted	$ 2,530,891	$ 7,879
Cash and cash equivalents, restricted	34,118	-
Due from other governments	56,215	-
Tenant Receivables, net	144,348	5,800
Prepaid insurance	502,653	-
Total current assets	3,268,225	13,679
Non-Current Assets:		
Reserve accounts	-	57,668
Related Party Receivables	31,695,184	523,911
Interest Receivable - related party	406,593	-
Mortgage Receivable - related party	1,153,887	-
Total other assets	33,255,664	581,579
Capital assets		
Intangible assets, net of amortization	-	24,094
Capital assets not being depreciated	327,952	-
Capital assets, net of depreciation	3,799,940	3,825,552
Total capital assets	4,127,892	3,849,646
Total non-current assets	37,383,557	4,431,225
Total Assets	40,651,781	4,444,904
LIABILITIES		
Current Liabilities:		
Accounts payable	534,373	-
Accrued payroll and related expenses	93,306	-
Other current liabilities	58,324	-
Unearned Revenues	325,043	1,842
Related party payable	-	522,325
Subtotal current liabilities	1,011,046	524,167
Current liabilities payable from restricted assets:		
Tenant Security Deposits	34,118	2,700
Total current liabilities payable from restricted assets	34,118	2,700
Total current liabilities	1,045,164	526,867
Non-current Liabilities:		
Compensated Absenses	105,322	-
Accrued interest payable	-	385,053
Mortgage Notes payable	-	1,153,887
Total non-current liabilities	105,322	1,538,940
Total Liabilities	1,150,486	2,065,807
Net Position		
Net investment in capital assets	4,127,892	-
Restricted - renewal and replacement - LIHTC LP	33,255,664	-
Unrestricted	2,117,739	-
Partners' Capital	-	2,379,097
Total Net Position	$ 39,501,295	$ 2,379,097

The notes to the financial statements are an integral part of this statement.

Standing Rock Housing Authority
Statement of Revenues, Expenditures, and Changes in Net Position
For the Year Ended June 30, 2025

		Discretely Presented Componet Unit As of December 31, 2024
OPERATING REVENUES		
Rental income	$ 193,189	$ 36,090
Subsidy income	-	53,977
Other income	43,364	7,534
Total operating revenues	**236,553**	**97,601**
OPERATING EXPENSES		
IHBG Expenditures		
Administrative	2,491,993	46,593
Tenant services	496,464	-
Ordinary maintenance & operation	197,712	9,696
FCAS Ops	3,749,426	-
Rehabilitation	581,248	-
Modernization	233,488	
Security	70,626	-
Insurance	414,199	-
NAHASDA subsidized costs	848,023	-
IHBG ARP	124,447	-
ARP-SRST expenditures	464,841	-
VASH expenditures	123,219	-
Program expeditures	9,865	
Nonprogram expenditures	71,323	-
Reclassification of capital outlay	(613,072)	-
Utilities	-	14,047
Depreciation and amortization expense	486,408	170,491
Bad debt expense	-	19,436
Total operating expenses	**9,750,210**	**260,263**
OPERATING INCOME (LOSS)	(9,513,657)	(162,662)
NONOPERATING REVENUES AND (EXPENSES)		
Federal grants and contracts	9,208,647	-
Interest income	42,506	-
Casualty losses	57,039	
Interest expense	-	(41,890)
Asset Management Fee	-	(7,392)
Total other nonoperating revenues and (expenses)	9,308,192	(49,282)
Change in net position	(205,465)	(211,944)
Net Position, beginning of year - as adjusted	39,706,760	2,591,041
Net Position, end of year	**$ 39,501,295**	**$ 2,379,097**

The notes to the financial statements are an integral part of this statement.

Standing Rock Housing Authority
Statements of Cash Flows
For the year ended June 30, 2025

		Discretely Presented Component Unit As of December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and other deposits	$ 196,133	$ 24,250
Other receipts	43,364	53,977
Payments to suppliers	(6,476,330)	(70,336)
Payments to employees	(2,982,852)	-
Net Cash Provided / (Used) by Operating Activities	(9,219,685)	7,891
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from operating federal grants, and contracts	9,485,816	-
Net Cash Provided / (Used) for Noncapital Financing Activities	9,485,816	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Tax credit operations	276,323	(962)
Casualty expenditures (net)	57,039	
Purchase of furniture and fixtures	(719,276)	-
Net Cash Provided / (Used) for Capital and Related Financing Activities	(279,710)	(962)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	42,506	-
Net Cash Provided / (Used) by Investing Activities	42,506	-
Net Increase (Decrease) in Cash	28,927	6,929
CASH AND CASH EQUIVALENTS, beginning of year	2,536,082	58,618
CASH AND CASH EQUIVALENTS, ending of year	$ 2,565,009	$ 65,547
Reconciliation of operating income to net cash provided by operating activities:		
Net Operating Income (Loss)	$ (9,513,657)	$ 7,829
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation and amortization	486,408	-
Change in assets and liabilities		
(Increase) / decrease in asset accounts:		
Accounts receivable	2,389	(112)
Prepaid expenses	(335,416)	-
Increase / (decrease) in liability accounts:		
Accounts payable	(159,568)	-
Accrued payroll and related liabilities	34,263	-
Accrued liabilities	265,896	174
Net cash Provided / (Used) by operating activities	$ (9,219,685)	$ 7,891

The notes to the financial statements are an integral part of this statement.

NOTE I - Summary of Significant Accounting Policies and Organization:

Organization - The Standing Rock Housing Authority ("the Authority") is a Tribally Chartered Entity functioning on behalf of the Standing Rock Sioux Tribe (Tribe) to provide administration and management continuity in the provision of housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD), Native American Housing Assistance and Self-Determination Act (NAHASDA), and the Standing Rock Housing Authority. The Housing Authority is the Tribally Designated Housing Entity (TDHE) for the Tribe.

Reporting Entity – The Housing Authority is a component unit of the Standing Rock Sioux Tribe. In determining how to define the reporting entity management has considered all potential component units. The decision to include a component unit in the reporting entity is made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity.* These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. The Standing Rock Sioux Tribe's Chairman appoints the Housing Authority's Board Chair from the members elected to the Housing Authority's Board additionally, the Housing Authority was created to serve the members of the Tribe and people of the Tribal community; based on these criteria the Housing Authority is determined to be a component unit of the Tribe.

Discretely Presented Component Unit - Based upon the application of the criteria listed above, the Housing Authority has included Standing Rock Limited Partnership 18, a legally separate entity, as a component unit in this financial statement. The Housing Authority, as General Partner, has financial responsibility for the entity. The financial position and current year activity is summarized and presented in the column labeled aggregated discretely presented component units.

The purpose of the partnership is to construct, rehabilitate, own, operate, hold, develop, and operate income-producing property in a manner that will qualify for the Maximum Annual Low-Income Housing Tax Credit pursuant to Section 42 of the Internal Revenue Code for housing units located on Standing Rock Sioux Tribe reservation.

Description of Programs and Units under Management - The Housing Authority's programs include low rent and homeownership funding to support affordable housing.

NAHASDA – The Housing Authority administers grants provided by HUD to finance the Indian Housing Plan. Monies awarded to the Housing Authority are used to provide affordable housing to qualified households.

Other Authority Program – To provide additional funding for housing needs, the Housing Authority has entered into a Tax Credit Partnership, whereby the Housing Authority was a .01% General Partner and is responsible for management of the properties held by the Tax Credit Partnership.

Standing Rock Down Payment Assistance Program - The Authority established the Standing Rock Down Payment Assistance Program in conjunction with the Standing Rock Sioux Tribe whereby the Authority assists eligible Native American families to become homeowners by a grant not to exceed $25,000. This agreement with the participant provided for a 10% amortization on the loan which required the participant to live in the house 10 years. The amounts provided to the program participants were fully amortized as of June 30, 2022 to $0.

NAHASDA – Tax Credit Units – that were originally owned by SRHA as HUD 1937 Act units. The Housing Authority receives NAHASDA operating subsidies for these units. These units are subject to HUDs rules and regulations.

Tax Credit New Construction – that were constructed with Partnership funds and non-NAHASDA funds. The units are operated utilizing Section 8 Rental Unit assistance vouchers, and rental income from the units.

Basis of Presentation - The Authority's financial statements are accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority applies all applicable GASB pronouncements.

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged only in business type activities.

This special purpose government engaged in activities similar to business activities uses an enterprise fund to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Deferred Outflows and Inflows of Resources The Housing Authority, using guidance provided in GASBS 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* to identify decreases and increases in net assets that relate to future periods. The Housing Authority does not have an item that qualifies for reporting as a deferred outflow or deferred inflow of resources.

Equity Classification, net position is displayed in three components Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following net position categories:

Net investment in Capital Assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted - Net position that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

Accounting Policies - The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Use of Enterprise Accounting - The Authority presents its financial statements using enterprise accounting, as allowed by governments. Although the Authority accounts for its programs using accounts for its internal reporting, the Authority is considered to be a unified enterprise fund for reporting purposes. Accordingly, the Authority uses the economic resources measurement focus and the related accrual basis of accounting. Under the economic resources measurement focus, the Authority accounts for all assets and liabilities. Under the accrual basis of accounting expenses are recorded when the goods and services are received, irrespective of when paid for, and revenues are recorded as earned, irrespective of when cash is received.

Budgets - The Authority does not adopt a legally authorized budget, as such the budget compared to actual presentation has been omitted. However, budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The HUD block grant budgets are adopted on a "project length" basis.

Cash and Cash Equivalents - For the purposes of the Statement of Cash Flows, the Authority considers all highly liquid cash deposits and cash equivalents with maturity of three months or less when purchased and non-negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital, and financing activities during the year.

Interprogram Receivables and Payables - When present, the amounts are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.

Tenant Receivables - Receivables for rentals and service charges are reported at net of an allowance for doubtful accounts. The Authority board takes action as required to write off specific uncollectible accounts receivable balances.

Prepaid – Prepaid expenses represent payments made to vendors for services that will benefit beyond June 30, 2025.

Investments - The carrying amount of the Housing Authority's financial instruments are stated at fair value in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pool,* as amended by GASB Statement 72*, Fair Value Measurement and Application.*

Inventories - The Authority maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are minimal. The Authority's administration believes that the benefits of maintaining an inventory would be less in value than the cost of maintaining such a system.

Capital assets - Capital assets purchased are recorded on the Statement of Net Position at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is $1,000 or more. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

Book Value - All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost. Land values were derived from development closeout documentation. Donated fixed assets are recorded at their fair value at the time they are received. Donor imposed restrictions are deemed to expire as the asset depreciates. All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

Depreciation of capital assets is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

Class	Life
Buildings and improvements	15-40 years
Furniture, Equipment & Machinery	5 – 7 years

Compensated Absences - Compensated absences are those absences for which employees will be paid, which includes accrued vacation time. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. The maximum accrual is 240 hours in addition to the amount accrued in the current fiscal year.

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

Operating Revenues and Expenses - Operating revenues and expenses generally result from providing and producing goods and/or services in connection with providing low-income housing programs. Operating expenses include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Restricted Assets - Non-exchange transactions, in which the Housing Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which eligibility requirements have been satisfied. When both restricted and unrestricted fund are available for use, it is the Housing Authority's policy to use restricted resources first, then unrestricted resources as they are necessary.

Leasing Activities (as Lessor) - The Authority is the lessor of dwelling units primarily to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. The lessee may cancel leases at any time. The Authority may cancel the lease only for cause.

Incomes associated with these leases are recorded in the financial statements and schedules as "Rental income". Rental income per resident generally remains consistent from year to year, but is affected by general economic conditions which impact personal income, such as local job availability.

Income Taxes - The Authority is a component unit of the Standing Rock Sioux Tribe, a sovereign federally recognized Tribal entity. Consequently, the Housing Authority is exempt from federal income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

NOTE II – NOTES REGARDING SPECIFIC ACCOUNT BALANCES

NOTE A – Cash and cash equivalents:

Cash and cash equivalents consist of the following as of June 30, 2025:

	Carrying Amount	Balances on account
Checking accounts	$ 2,565,009	$ 2,587,078

The difference in the carrying amount and the amount the bank has recorded on account at June 30, 2025 is attributable to outstanding checks that have been written and mailed to vendors but not presented to the bank. Restrictions on cash include tenant security deposits and escrowed replacement reserves.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase.

Credit Risk- This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. Deposits are fully collateralized or vested in securities of the United States Government. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, effective July 21, 2010, the standard maximum deposit insurance amount is $250,000 per depositor, per insured depository institution. At June 30, 2025, the Housing Authority's bank balances were held a 2 banking institutions; $ 2,295,193 were collateralized by the banking institutions pledge of securities; and $ 0 of the balances on deposit were uninsured.

NOTE B –Current Receivables :

Accounts receivable at June 30, 2025, consists of the following:

Tenants accounts receivable - rental	$	1,514,229
Less: Allowance for doubtful accounts		(1,369,881)
Tenants accounts receivable, net of allowance for doubtful accounts		144,348
Accounts Receivable Employee Advances, net of allowance ($43,097)	$	-

NOTE C - Inventory Held for Resale:

The Board of Commissioners, on June 24, 2019, approved the conveyance of all remaining mutual help inventory, effective July 1, 2019. Management completed and finalized all administrative requirements to convey the remaining 98 New Mutual Help Homes to the residents pursuant to the lease option to purchase contained in the Mutual Help Occupancy Agreement (MHOA). Participants with principal balances remaining at the date of conveyance were granted debt forgiveness.

NOTE D - Prepaid Expenses and Deposits:

Prepaid expenses at June 30, 2025, consists of the following:

Amerind Housing Insurance Premiums	$	475,962
Workers Compensation		6,632
Subscriptions		20,059
		502,653

NOTE E – Related Party Receivable:

The Authority entered into 18 partnerships, whereby the expenses of each Project in excess of the Limited Partnership Funds available are paid by the Authority and are subject to repayment to the Authority as funds become available under the terms of the Limited Partnership Agreement, or upon the Sale or Refinancing of the Partnership under the Terms of the Agreements between the Authority and the Limited Partnerships.

The Authority has recorded the following uncollected management fees and expenses as related party receivables in connection with the Limited Partnerships 1-18 for transactions through June 30, 2025:

		Beginning of Year	Increases	Decreases	Adjust		End of Year
Amounts SRHA owes to the Partnership 18							
Related party transactions	$	(3,131)	-	3,131	-	$	-
Amounts the Partnerships owe to SRHA for operating activity							
Operating Advances Partnership 18		-	-	10,425	-		10,425
Balances associated with liquidated Partnerships 1-17 wholly owned by SRHA	$	31,684,759	-	-	-	$	31,684,759
Net Related Party Receivable	$	31,681,628	-	13,556	-	$	31,695,184

The Authority has recorded the following balances as related party receivables in connection with the sale of housing units to the Limited Partnership 18 as of June 30, 2025, Note S below contains detail information. The limited partner exited Partnerships 1-17, the loans and accrued interest have been removed from the schedule below as the Authority is the sole owner of the assets previously owned by Partnerships 1-17.

	Beginning of Year	Increases	Decreases	End of Year
Accrued Interest Receivable-Mortgage	$ 364,110	42,483	-	$ 406,593
	$ 364,110	42,483	-	$ 406,593
Mortgage Receivable	1,153,887	-	-	1,153,887
	$ 1,153,887	-	-	$ 1,153,887

NOTE F - Capital Assets: A summary in changes in capital assets is as follows:

	Beginning of Year	Increases	Decreases	End of Year
Capital assets, not subject to depreciation				
Land	$ 110,854	$ -	$ -	$ 110,854
Work in progress	270,373	52,930	(106,205)	217,098
Total Capital Assets, *not subject to depreciation*	381,227	52,930	(106,205)	327,952
Capital assets, subject to depreciation				
Buildings Dwellings	20,470,728	-	-	20,470,728
Buildings - Admin	1,733,911	-	-	1,733,911
Building Improvements	715,063	160,082	106,205	981,350
Furniture, Equipment & Machinery	1,881,566	400,058	-	2,281,624
Total Capital Assets, being depreciated	24,801,268	560,140	106,205	25,255,206
Less Accumulated Depreciation	(21,181,266)	(486,408)	-	(21,667,674)
Total Capital Assets, *subject to depreciation, net*	3,620,002	73,732	106,205	3,799,940

Depreciation expense for the year ended June 30, 2025, is $ 486,408.

NOTE G – Construction in Progress : The Authority is in the process of transferring units from the terminated tax credit partnerships back to the housing authority; construction in progress includes costs associated with the purchase of the limited partner interest in seventeen of the tax credit partnership. The amount also included work in progress expended for the rehabilitation costs.

NOTE H - Accrued Liabilities:

Accrued Liabilities at June 30, 2025, consists of the following:

Accrued Salaries	$	90,145
Payroll tax liabilities and withholding		3,161
Total Accrued payroll and related expenses	$	93,306

NOTE I – Other Current Liabilities and Unearned Revenue:

Other Current Liabilities at June 30, 2025, consists of the following:

Down payment assistance reserve	$	58,324

Unearned Revenue at June 30, 2025, consists of the following:

Prepaid rents	$	10,489
Unspent casualty insurance proceeds		314,554
		325,043

NOTE J – Due from other governments and Unearned Grant Revenue:

At June 30, 2025, consists of the following:

	Grant Receivable
ARP SRST	$ 56,215

NOTE K - Current Liabilities Payable from Restricted Assets:

Current Liabilities payable from restricted assets at June 30, 2025, consists of the following:

Tenant security deposits	$ 34,118

NOTE L – Schedule of Changes in Noncurrent Liabilities:

The Authority has the following change in noncurrent liabilities:

	Beginning Balance	Increase	Decrease	Ending Balance
Compensated Absences	$ 105,242	$ 80	$ -	$ 105,322

NOTE M - Commitments and Contingencies:

Examinations: The Authority is subject to possible examinations made by federal and state authorities that determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years.

Grant Disallowances: Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

NOTE N – Employee Retirement Plan:

The Housing Authority established the Standing Rock Housing Authority 401k Retirement Plan effective January 1, 1997, amended February 1, 2019. The Housing Authority provides retirement benefits for all qualified employees through the plan. The plan is administrated by the Standing Rock Housing Authority and the Housing Authority serves as Trustee. The Plan assets are invested with Minnesota Life Insurance Company, a Securian Financial company. Plan participants direct the investment.

General Plan information:

•Eligibility: An employee is eligible to participate after completing 12 months of service

•Contributions: Employees may elect to make contributions via an elective deferral, which is limited by federal law and based on 100% of the employee's compensation. The Housing Authority may at its discretion, make a matching contribution, also limited to a fixed dollar amount based on federal law.

•Vesting: The employee vests in all elective deferral contributions at the time the contribution is credited to his or her account; employer contributions vest based on years of service using a 5-year schedule

•Loans are permitted from the plan; subject to the limitations contained in the plan agreement

The employer match contributions totaling $35,576 and employee elective deferral amounts of $23,026 and employee Roth contributions $22,059 were remitted for the 12-month period ended June 30, 2025.

NOTE O - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management.

The Authority participates in a public entity risk pool (Amerind Risk Management Pool) for general liability, and Directors' and Officers' liability. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

NOTE P - Economic Dependency:

The Authority receives the majority of its operating revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

NOTE Q – COVID-19

The COVID-19 pandemic in the United States has caused significant challenges and disruption to the normal course of operations of the Housing Authority. The Housing Authority is following guidelines provided by OMB, and HUD ONAP in tracking expenditures associated with responding to this public health emergency and evaluating the appropriate source of available funding to meet its obligations to tenants and the HUD program. The financial and operational impact is not presently fully known, as the spread of the virus and the eventual timeline is uncertain.

NOTE R – Subsequent Events:

The Authority's Management has evaluated subsequent events through March 2, 2026, the date on which the financial statements were available to be issued.

NOTE S– Related Party Transactions:

The Authority, as the .01% general partner in the partnership listed below, as discussed in Note I above, is considered to have a controlling interest in these entities.

The Authority has agreed to perform up-front funding of affordable housing development. Upon completion of construction or renovation, and compliance with all of the Limited Partnership requirements, the Authority is eligible to receive a Developer Fee for each project, as specified within each Limited Partnership Agreement. Additionally, the Authority provides property management services. The Authority has entered into Completion Guarantee Agreements, whereby the Authority guarantees completion of construction and payment of any construction costs in excess of funds available from the Project. The Authority has also entered into a Tax Credit Guaranty Agreement for each Limited Partnership whereby the Authority is responsible for payment of any amounts of tax credits recaptured. The Authority has also entered into Operating Deficit Guaranty Agreements, whereby the expenses of the Project in excess of the Limited Partnership Funds available are paid by the Authority and are subject to repayment to the Authority as funds become available under the terms of the Limited Partnership Agreement, or upon the Sale or Refinancing of the Partnership under the Terms of the Operating Deficit Guaranty Agreements and Limited Partnership Agreements. The Authority has recorded management fees and expenses denoted as related party receivables in connection with Limited Partnerships 18 for transactions through June 30, 2025, summarized in Note E above.

The audited financial statements for the partnership for the period ended December 31, 2024, have been separately issued; below are excerpts from those financial statements. Additionally, summarized financial statement balances have been presented in the supplemental information section with summarized amounts for each of the audited financial statements from each of the partnership as of December 31, 2024, and the amounts recorded by the Authority for transactions through June 30, 2025.

NOTE S-18 DISCRETELY PRESENTED COMPONENT UNIT– STANDING ROCK LIMITED PARTNERSHIP #18

S-18 A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Standing Rock Limited Partnership #18 (SRLP#18) is a limited partnership formed on January 24, 2012 in accordance with the provisions of the North Dakota Uniform Limited Partnership Act.

The Partnership was formed for the purpose of providing low-income housing utilizing the housing tax credit program. The housing tax credit program places restrictions on rental rates and requires tenants to qualify for occupancy based on income levels.

The Project consists of twenty single-family rental homes, located in North Dakota, all located within the boundaries of the Standing Rock Sioux Indian Reservation.

Income, losses and tax credits from its operations are allocated 99.99% to the Limited Partner and .01% to the General Partner. A detailed description of the allocations can be found in the partnership agreement.

Basis of Accounting

The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

S-18 B. LONG TERM DEBT

Long-term debt consisted of the following:	December 31, 2024	
	Principal	Accrued interest
First mortgage – in the original amount of $903,887, with an interest rate of 3.00% compounded annually. Interest to be paid annually on April 30, to the extent of Net Cash Flow of the previous year. Interest is accrued and added to the principal on an annual basis. Principal and interest are due on or before June 4, 2064. Secured by the Project.	$ 903,887	$ 327,337
Second mortgage – in the original amount of $250,000, with an interest rate of 2.00% compounded annually. Interest is accrued and added to the principal on an annual basis. Principal and interest are due on or before June 4, 2064. Secured by the Project.	250,000	57,716
Totals	$ 1,153,887	$ 385,053

While the debt agreements provide for entire payment of principal and interest on maturity date of the notes, the entire outstanding balance plus accrued interest will be immediately due and payable upon the occurrence of any one of the following events:

- transfer or sale of the Project without the lender's approval
- termination of the use of the Project as low income housing,
- use of the Project which violates any federal, state or local law, statute or ordinance,
- default under any of the loan agreements.

The General Partner is Standing Rock Housing Authority (SRHA). The Limited Partner is Hunt Capital Partners Tax Credit Fund 18, LP.

S-18 C. TRANSACTIONS WITH AFFILIATES

The Partnership has entered into a property management agreement with SRHA for services rendered in connection with the leasing and operation of the Project. The Partnership owes annual property management fees based on 5% of net rental receipts, or $ 1,267 for the year ended December 31, 2024. As of December 31, 2024, the Partnership owed $9,061 to SRHA for accrued and unpaid property management fees.

The General Partner, as the property management agent for the Project has charged the partnership a monthly fee for maintenance, lawn care & ground, and exterminating. The total fees charged to the Partnership were $14,047 for 2024. The Partnership owes the General Partner $130,341 for these maintenance costs at December 31, 2024.

During the course of operations, the General Partner collected rents on behalf of the Partnership. As of December 31, 2024, the General Partner owed the Partnership $170,700 for rents and security deposits collected.

During the course of development and operations, the General Partner advanced funds or paid for services on behalf of the Partnership related to the construction and operations of the Property. These advances are non-interest bearing and due on demand. As of December 31, 2024, the advances due to the General Partner totaled $348,056.

The Development Fee Agreement states that the General Partner is to receive a developer fee of $517,000. The General Partner has earned the entire developer fee at December 31, 2024 for services rendered related to the development of the Project. The Partnership owes the General Partner $0 at December 31, 2024. The fee is payable from capital contributions of the Limited Partner and net cash flows. The outstanding balance of the developer fee accrues interest at a rate of 8% compounded annually.

S-18 D. HOUSING ASSISTANCE

The Standing Rock Housing Authority has agreed to provide a monthly subsidy to the Partnership. The subsidy is up to $350 per unit per month for each unit occupied by a member of the Standing Rock Sioux Tribe whose income is sixty percent (60%) or less of area median income at the time that the lease for the unit is signed. As of December 31, 2024, subsidy income of $53,977 was recorded. As of December 31, 2024, the Standing Rock Housing Authority owes the Partnership $353,211 for this subsidy.

Supplemental Information Section

Standing Rock Housing Authority
Discretely Presented Component Unit
Summary of Tax Credit Partnership 18
Statement of Net Position

			Unaudited	
Assets	**December 31, 2024**		**June 30, 2025**	
Cash	$	7,879	$	7,258
Cash Restricted		-		-
Tenant Accounts Receivable, net		5,800		17,832
Accounts Receivable other		-		200
Prepaid Insurance		-		21,153
Related Party receivable		523,911		-
Reserve balances		57,668		58,338
Intangible Assets		24,094		21,652
Capital Assets		3,825,552		3,742,746
Total Assets	**$**	**4,444,904**	**$**	**3,869,179**
Liabilities				
Accounts Payable	$	-	$	-
Prepaid Rent		1,842		1,712
Related Party Payable- LP		34,867		2,918
Related Party Payable- GP		487,458		10,425
Tenant Security Deposit		2,700		2,700
Related Party Payable- GP		-		-
Accrued Interest		385,053		406,593
Mortgage Payable		1,153,887		1,153,887
Total Liabilities	**$**	**2,065,807**	**$**	**1,578,235**
Capital				
Limited Partner	$	2,379,212	$	2,291,068
General Partner (SRHA)		(115)		(124)
Total Capital	**$**	**2,379,097**	**$**	**2,290,944**

Standing Rock Housing Authority
Discretely Presented Component Unit
Summary of Tax Credit Partnership 18
Statement of Revenues, Expenditures, and Changes in Net Position

		December 31, 2024
OPERATING REVENUES		
Rental Income	$	36,090
Subsidy Income		53,977
Other Income		7,534
Total operating revenues	**$**	**97,601**
OPERATING EXPENSES		
Administrative	$	8,318
Property Mgmt fee		1,267
Maintenance		14,047
Utilities		9,696
Insurance		37,008
Bad Debts		19,436
Total operating expenses	**$**	**89,772**
OPERATING INCOME (LOSS)	**$**	**7,829**
NONOPERATING REVENUES AND (EXPENSES)		
Interest Expense	$	(41,890)
Interest Income		-
Gain / (Loss) on units		-
Depreciation and amortization expense		(170,491)
Asset management fee		(7,392)
Total other nonoperating revenues and (expenses)	**$**	**(219,773)**
CAPITAL CONTRIBUTIONS AND (DISTRIBUTIONS):		
Capital contriubitons	**$**	**-**
Total capital contributions and (distribtuions)	**$**	**-**
Prior period adjustment		-
Net change in net position	$	(211,944)
Net position, beginning of year	**$**	**2,591,041**
Net position, end of year	**$**	**2,379,097**

Standing Rock Housing Authority
Discretely Presented Component Unit
Summary of Tax Credit Partnership 18
Statement of Cash Flow

		December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		24,250
Other receipts-rental subsidy		53,977
Payments to suppliers		(70,336)
Net Cash Provided/(Used) by Operating Activities	**$**	**7,891**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Disposal of property and equipment		-
Interest expense on long term debt		-
Replacement reserve deposits		-
Due to affiliates		(962)
Tenant Security deposits		-
Asset management fee		-
Net Cash Provided/(Used) by Capital and Related Financing Activities	**$**	**(962)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Contribution		-
Syndication Costs		-
Interest income		-
Net Cash Provided/(Used) by Investing Activities	**$**	**-**
Net Increase (Decrease) in Cash		6,929
CASH AND CASH EQUIVALENTS, beginning of year		58,618
CASH AND CASH EQUIVALENTS, end of year		65,547
Reconciliation of operating income to net cash provided by operating activities:		
Net Operating Income (Loss)	$	7,829
Adjustments to reconcile operating income to net cash provide (used) by operating activities		
Changes in assets and liabilities		
(Increases) / decreases in asset accounts:		
Accounts Receivable		(112)
Prepaid expenses		-
Increases / (decreases) in asset accounts:		
Accounts Payable		-
Other current liabilities and accrued exp		174
Net cash provided / (used) by operating activities	**$**	**7,891**

Single Audit Section

Standing Rock Housing Authority
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Funding Agency	ALN	Grant No.	Pass-through Grant No.	Award Amount	Current Federal Expenditures	E.O.Y Balance of Award	Cumulative Grant Receipts	Grant Receivable (Unearned Grant Revenue)
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
IHBG	14.867	55IH38138700		81,194,691	8,485,392	7,781,158	73,413,533	-
IHBG ARP	14.867	21AH3818700		3,977,372	124,447	-	3,977,372	-
			Subtotal		**$ 8,609,839**	**$ 7,781,158**	**$ 77,390,905**	**$ -**
HOUSING VOUCHER CLUSTER								
VASH 24	14.871	24HV3818700		175,560	99,182	76,378	99,182	-
VASH 23	14.871	23HV3818700		180,960	24,037	81,827	99,133	-
			Subtotal Housing Voucher Cluster		**$ 123,219**	**$ 158,205**	**$ 198,315**	**$ -**
			Total Department of Housing and Urban Development		**$ 8,733,058**	**$ 7,939,363**	**$ 77,589,220**	**$ -**
U.S. DEPARTMENT OF TREASURY								
Pass-through from Standing Rock Sioux Tribe								
ARP SRST	21.027		*528-24*	733,825	464,841	268,984	408,626	56,215
			Total Department of Treasury		**$ 464,841**	**$ 268,984**	**$ 408,626**	**$ 56,215**
			Total Federal Programs		**$ 9,197,899**	**$ 8,208,347**	**$ 77,997,846**	**$ 56,215**

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

Standing Rock Housing Authority

Notes to Schedule of Expenditures of Federal Awards

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal awards programs of the Standing Rock Housing Authority (the "Housing Authority"), for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and doesn't present the financial position, changes in net position, or cash flows of the Housing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule is presented using the accrual basis of accounting, the method used to prepare the Housing Authority's basic financial statements. Note I of the Housing Authority's basic financial statements describes the significant accounting policies used by the Housing Authority. Such expenses are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. SUBRECEPIENTS

None reported

4. OTHER MATTERS – Indirect Cost Rate

The Housing Authority has elected to not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

* * * * * *

MELISSA B PETERSEN, CPA LLC

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Standing Rock Housing Authority
Fort Yates, North Dakota

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 Standing Rock Housing Authority (Housing Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon dated March 2, 2026. The financial statements of the Standing Rock Limited Partnership #18, as described in our report on the Housing Authority's financial statements were audited by other auditors. Accordingly, this report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Standing Rock Limited Partnership #18 were not audited in accordance with *Government Auditing Standards.*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing 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 Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing 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 combination of control deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Housing Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control* 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Melissa B. Petersen

Melissa B. Petersen, CPA LLC
Grand Rapids, Michigan
March 2, 2026

MELISSA B PETERSEN, CPA LLC

CERTIFIED PUBLIC ACCOUNTANT



Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance

Board of Commissioners
Standing Rock Housing Authority
Fort Yates, North Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Standing Rock Housing Authority's (Housing Authority) compliance with the types of compliance requirements identified as subject to audit in the U. S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2025. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

user of the report on compliance about the Housing Authority's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report on Internal Control Over Compliance

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

Melissa B. Petersen

Melissa B. Petersen, CPA LLC
Grand Rapids, Michigan
March 2, 2026

Standing Rock Housing Authority
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of Auditors Report Issued:	**Unmodified**
Internal Control over financial reporting:	
Material weakness(es) identified?	**No**
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	**None reported**
Noncompliance material to financial statements noted?	**No**

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	**No**
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	**None reported**
Type of Auditors Report Issued on compliance for major programs:	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	**No**

Major Programs:

ALN	Federal Program
14.867	IHBG & IHBG ARP

Dollar threshold used to distinguish between type A and type B programs:	**$750,000**
Auditee qualified as a low-risk auditee?	**Yes**

Standing Rock Housing Authority
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section II - Financial Statements

No matters noted.

Section III - Federal Awards

No matters noted.

Standing Rock Housing Authority
Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

For the year ended 2025:

No matters to report.

Other Information

Board of Commissioners, Members of Management, and Funding Agencies

MELISSA B PETERSEN, CPA LLC

CERTIFIED PUBLIC ACCOUNTANT

Board of Commissioners
Standing Rock Housing Authority
Fort Yates, North Dakota

Dear Members of the Board of Commissioners:

In planning and performing our audit of the financial statements of the Standing Rock Housing Authority (Housing Authority) for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Those items are listed below. Please note we previously reported on Housing Authority's internal control in our report dated March 2, 2026, this letter doesn't affect that report on the financial statements.

We will review the status of these comments during our subsequent audit of Housing Authority. We have already discussed many of these comments and suggestions with Housing Authority's management and will discuss them with you further at your request. We are also willing to assist you in implementing the recommendations or provide additional study of the matters commented on. Our comments are as follows:

1) We recommend that the fiscal policy be updated to include the program income computation requirements as outlined in PIH 2025-01.
2) We recommend that the fiscal office personnel consider participating in the HUD provided training in the areas of Form APR and Form 425 preparation.
3) We recommend that the fiscal office personnel consider attending a finance course that that includes training materials covering GASB reporting; and budget and cash flow procedures.
4) We recommend that the conflict of interest policy be adopted to incorporate the 2 CFR 200 required language and procedures.
5) We recommend that a brief procurement memorandum be drafted for each large construction project to document the procurement steps undertaken.
6) We recommend that a detailed step-by-step procedures manual be drafted by each Fiscal staff to detail out daily job duties.

2500 EAST BELTLINE AVE SE, STE G PMB 193, GRAND RAPIDS MI 49546-5987
TEL:616.862.3983, EMAIL: melissa@mbpetersencpa.com, www.mbpetersencpa.com
Member of Grand Traverse Band of Ottawa and Chippewa Indians

7) We recommend that all policies be examined to ensure the Uniform Guidance has been fully implemented; including a self-monitoring policy and procedures and increased capitalization threshold for capital assets.
8) We recommend the Housing Authority consider exploring additional add-on modules for its current software to further automate processing cycles such as procurement and payroll to alleviate the time spent by finance and procurement personnel. Additionally, an Human Resources module with the ability to track and process time off requests would be beneficial.

Purpose of this Report

The purpose of this report is to report matters concerning noncompliance with provisions of grant agreements; abuse that has an effect on the financial statements; or other financial data significant to the audit objective that are less than material, but warrant the attention of those charged with governance and members of management, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. As well as matters that are opportunities for strengthening internal controls and operating efficiency. Accordingly, this report is not suitable for any other purpose.

Respectfully,

Melissa B. Petersen

Melissa B. Petersen, CPA LLC
Grand Rapids, Michigan
March 2, 2026