

# Housing Catalyst

Fort Collins, Colorado

## Annual Comprehensive Financial Report and Single Audit Report

Year ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022



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Fort Collins, Colorado

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Year ended December 31, 2023

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Issued by:

Financial Services Department of Housing Catalyst

Tonya Frammolino, Chief Financial Officer



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# Housing Catalyst

Fort Collins, Colorado

## ***Introductory Section:***

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart

List of Principal Officials





June 28, 2024

Jennifer Wagner, Chairperson  
Housing Catalyst Board of Commissioners

Dear Chairperson Wagner, Honorable Commissioners and Community Members:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for Housing Catalyst for the year ended December 31, 2023. This report is prepared in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board and the Government Finance Officers Association. The United States Department of Housing and Urban Development (HUD) requires that all public housing authorities publish within nine months after the fiscal year-end, financial statements presented in conformity with United States Generally Accepted Accounting Principles (GAAP), Housing Catalyst's financial statements presented here have been audited by Eide Bailly, LLP. The auditors issued an unmodified opinion on Housing Catalyst's financial statements for the years ended December 31, 2023 and 2022. The data presented in this report is the responsibility of the management of Housing Catalyst. To the best of our knowledge and belief, the data as presented is accurate in all material aspects; is presented in a manner designed to fairly state the financial position and results of operations of Housing Catalyst; and all disclosures necessary have been included to enable the reader to gain an understanding of Housing Catalyst's financial affairs. GAAP requires that management provide a narrative introduction, overview and analysis to complement the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Housing Catalyst's MD&A can be found immediately following the report of the independent auditors. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

Housing Catalyst is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*. Information related to this single audit, including the independent auditors' 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; the independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with the Uniform Guidance; the Schedule of Federal Awards; Schedule of Findings and Questioned Costs; and the schedule of prior year audit findings are included in the Single Audit Section of this report.

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**HousingCatalyst.com**



## **Organizational Overview**

For more than fifty years, Housing Catalyst has been building community in Northern Colorado. The agency addresses the growing need for affordable homes through innovative, sustainable, community-focused solutions—developing and managing residential properties, administering rental assistance, and coordinating community programs and services. As a mission-driven real estate developer, Housing Catalyst forges public-private partnerships to build and preserve affordable homes. The agency has been instrumental in the creation or preservation of more than 1,800 local residences. In 2023, Housing Catalyst supported more than 2,800 Northern Colorado residents through voucher assistance, administering \$18.7 million in Housing Assistance Payments (HAP) to local landlords on behalf of program participants. Housing Catalyst’s resident services enhance social and economic wellbeing by providing resources, community-building events, and self-sufficiency programs. Each year the agency serves thousands of community members, including seniors, individuals with disabilities, and children.

Founded in 1971 with a resolution by the Fort Collins City Council, Housing Catalyst now has a staff of more than 90 employees, an annual operating budget of nearly \$40 million, and more than \$225 million in owned and managed assets. The agency’s primary sources of operating funding are the U.S. Department of Housing and Urban Development (housing voucher pass-through funding), property rental income, real estate developer fees, and project-specific competitive public and private grants. Housing Catalyst does not directly receive any City of Fort Collins general funds.

To achieve our mission, all Housing Catalyst functions are operated with attention paid to a triple bottom line:

- Maintaining the fiscal viability of the organization.
- Achieving a social goal through the provision of affordable housing and supportive services.
- Achieving environmental sustainability.

This report includes all of Housing Catalyst’s programs and its component units. Component units are legally separate entities for which a government entity is financially accountable. Housing Catalyst is not a component unit of the City of Fort Collins as defined by the pronouncements of the Governmental Accounting Standards Board. The governing body for Housing Catalyst is its Board of Commissioners comprised of seven members appointed by the Fort Collins City Council. The Board appoints a Chief Executive Officer (CEO) to administer the affairs of Housing Catalyst. The City is not financially accountable for the operations of Housing Catalyst, has no responsibility to fund deficits or receive surpluses, and has not guaranteed Housing Catalyst's debt.

## **Economic Condition and Outlook**

The 2021 City of Fort Collins Housing Strategic Plan finds that disproportionate increases in housing costs have continued to place a strain on residents. Between 2010 and 2020 rents in Fort Collins increased 68%, the median sales price of single-family detached homes increased 124%, and the median sales price of townhomes and condos rose 164%. During the same time period, wages increased by just 25%.

## **Economic Condition and Outlook**

Significant increases in home purchase prices have also increased the percentage of renters in Fort Collins. The city is now almost evenly split between renters and homeowners. With demand for rental homes at an all-time high, rents continue to rise. In 2012, 50% of the rental housing stock cost less than \$1,000 per month. By 2018, only 20% of the rental housing stock cost less than \$1,000 per month. More than 60% of renters in Fort Collins are considered “cost burdened,” spending more than 30% of their income on housing.

Similar trends are taking place at the county level. According to Larimer County’s 2021 Housing Needs Assessment, the median rent in Larimer County increased from \$849 to \$1,228 per month between 2010 and 2018. Renter incomes did not keep pace with the 45% increase.

Despite considerable development since 2015, only about 5% of Fort Collins’ overall housing stock is considered affordable. If the City hopes to achieve its goal for 10% of housing to be affordable by 2040, 282 affordable homes need to be added every year from 2020 onward.

Funding instability continues to present challenges for long-term planning and budgeting. National economic conditions contribute to local housing challenges, Congressional appropriations are often uncertain when Housing Catalyst budgets are created, and staff must estimate annual subsidies based on Congressional actions and historic data. Increasing sources of revenue other than those dependent upon Congressional appropriations continues to be crucial to the sustainability of Housing Catalyst’s current programs and future growth.

Since 2016, Housing Catalyst has maintained a S&P Global Rating of AA-. The rating reflects Housing Catalyst’s very strong enterprise risk profile, strong financial profile, very strong management, and clear strategic plan to maximize affordable housing in Northern Colorado.

## **Long-Term Planning and Major Commitments and Initiatives**

Housing Catalyst works to strategically increase the supply of affordable housing through new development, preservation, acquisitions, and partnerships. The agency builds on its strength, history, and reputation as a skilled developer to critically analyze and strategically pursue opportunities to build and preserve homes that are affordable. Housing Catalyst develops and maintains strong strategic partnerships and expertly utilizes available financing tools for maximum benefit to the Northern Colorado community. To achieve its mission of building vibrant, sustainable communities, Housing Catalyst approaches new construction and substantial renovation with a focus on intentional design, environmental stewardship, and inclusive processes.

In early 2024, Housing Catalyst successfully completed the final Section 18 disposition of its public housing portfolio. This strategic portfolio restructuring has enhanced operational efficiency, maintained affordability and introduced diverse housing types to better meet the evolving needs of

Letter of Transmittal  
 2023 Annual Comprehensive Financial Report

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Housing Catalyst began to accumulate the assignment of significant Private Activity Bond (PAB) authority in 2013 for the purpose of rehabilitating, developing and refinancing affordable housing units located in Northern Colorado. Through 2023, Housing Catalyst had secured the following assignments:

	<u>PAB Authority</u>
City of Fort Collins	\$ 73,343,266
Larimer County	36,479,679
Weld County	16,165,035
State of Colorado	55,641,372
Other Counties	<u>15,419,346</u>
 Total	 <u><u>\$ 197,048,698</u></u>

Projects have utilized or will utilize PAB authority as follows:

	<u>PAB Authority</u>	<u>Bonds Issued</u>
Village on Plum	\$ 8,750,000	2014
Village on Redwood	12,000,000	2016
Village on Horsetooth	19,190,000	2017
Village on Shields	35,000,000	2017
Lakeview on the Rise	30,950,600	2018
Meadows Townhomes	6,500,000	2020
Swallow Road Apartments	13,200,000	2021
Oak 140	14,272,788	2021
Northfield Commons	14,237,109	2022
Village on Impala	23,000,000	2023
Future Projects	<u>19,948,201</u>	-
 Total	 <u><u>\$ 197,048,698</u></u>	

In January 2023, Housing Catalyst completed development on Oak 140. The five-story mixed-use building is home to 79 apartments and two commercial tenant spaces. Made possible through a partnership between Housing Catalyst and the Fort Collins Downtown Development Authority, Oak 140 is the first Low Income Housing Tax Credit (LIHTC) project to address the community need for affordable housing near downtown businesses and services. The project was financed using 4% Federal and State LIHTC's, City of Fort Collins grant funds, capital from the Downtown Development Authority, a loan from Housing Catalyst, and Private Activity Bonds accumulated by Housing Catalyst. Housing Catalyst utilized a general revenue pledge enhanced by its Standard & Poor's credit rating for the public bond offering.

In fall 2023, Housing Catalyst broke ground its latest redevelopment project. The updated and expanded Village on Impala is a thoughtfully designed project that will provide 86 homes with affordable rents in northwest Fort Collins. The footprint of the expanded community includes the Village on Impala (existing duplexes with affordable rents managed by Housing Catalyst), as well as former public housing that was repositioned through the Section 18 disposition process. The redevelopment will improve the health and aesthetic of the community while substantially increasing the number of affordable homes on the site. Renovations to the existing duplexes will improve accessibility and energy efficiency. Sustainability efforts include the addition of solar panels to the new community. Construction is anticipated to be completed in early 2025.

### **Financial Information**

Management of Housing Catalyst is responsible for establishing and maintaining an internal control structure designed to ensure that Housing Catalyst's assets are protected from loss, theft or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Housing Catalyst has designed its internal control structure to provide reasonable, but not absolute, assurances that those objectives are met. The concept of reasonable assurance recognizes that: (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgment by management.

As a recipient of federal awards, Housing Catalyst is responsible for ensuring that adequate internal controls are in place to provide compliance with applicable laws, regulations, contracts and grants related to those programs. Those internal controls are subject to periodic evaluation by management, and their independent auditors.

As part of Housing Catalyst's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal award programs, as well as to learn whether Housing Catalyst has complied with applicable laws, regulations, contracts and grants. Housing Catalyst's single audit for the year ended December 31, 2023 found no instances of material weakness in internal control. Audit reports regarding this are included in this Annual Report in the Single Audit Section.

### **Other Information - Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Housing Catalyst for its annual comprehensive financial report for the year ended December 31, 2022. This was the tenth consecutive year that Housing Catalyst has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

## Acknowledgments

The timely preparation of the Annual Comprehensive Financial Report was achieved through the dedicated efforts of the entire Financial Services department. We extend our sincere gratitude to each team member for the invaluable contributions. Additionally, we express our appreciation to the management and staff of Eide Bailly, LLP for their expertise and technical support.

In closing, without the leadership and support of the members of the Board of Commissioners, preparation of this report would not have been possible.

Respectfully submitted,



Julie Brewen  
Chief Executive Officer



Tonya Frammolino  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

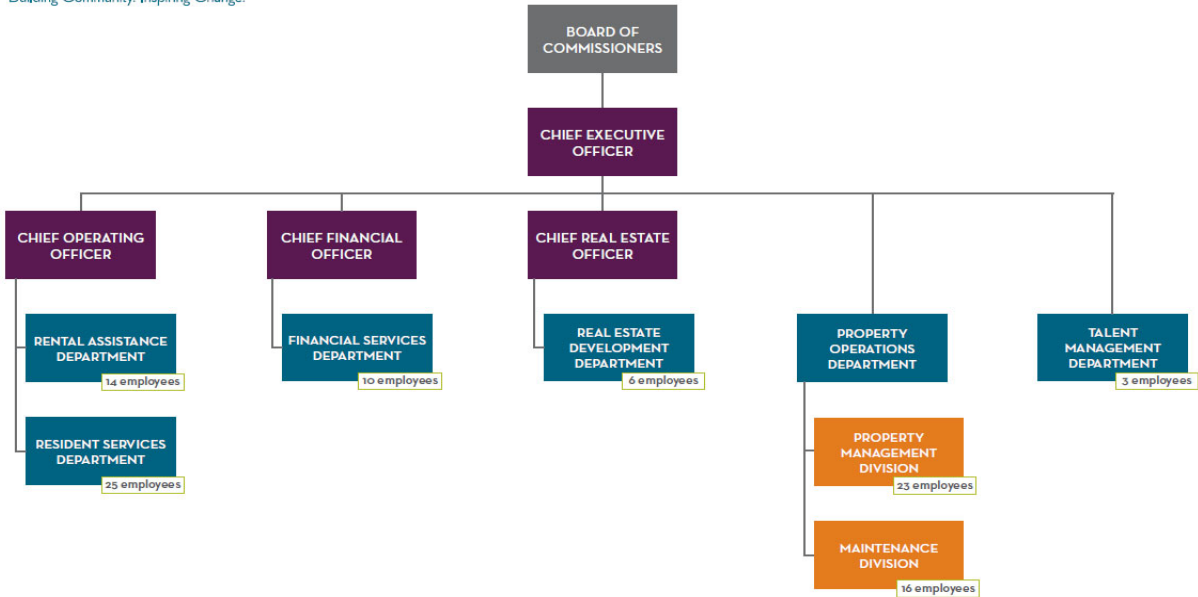
**Housing Catalyst  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



***Board of Commissioners:***

Jennifer Wagner  
Chairperson

Lizette Mill  
Vice-Chairperson

Karen Dunbar  
Commissioner

Emily Francis  
Commissioner

Ann Green  
Resident Commissioner

Anne Nelsen  
Commissioner

Joseph Penta  
Commissioner

***Management:***

Julie Brewen  
Chief Executive Director

Michele Christensen  
Chief Strategy & Operations Officer

Tonya Frammolino  
Chief Financial Officer

Kristin Krasnove Fritz  
Chief Real Estate Officer

# Housing Catalyst

Fort Collins, Colorado

## ***Financial Section:***

Report of Independent Auditors

Management's Discussion and Analysis

Basic Financial Statements

Notes to Basic Financial Statements

Combining Financial Schedules





## Independent Auditor's Report

To the Board of Commissioners  
Housing Catalyst  
Fort Collins, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Catalyst (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

#### *Adoption of New Accounting Standard*

As discussed in Note 1 to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, for the year ended December 31, 2023. Accordingly, the presentation and disclosure of the change in reporting entity in the financial statements conform to the requirements of the new standard for the year ended December 31, 2023, to restate beginning net position. Our opinions are not modified with respect to this matter.

### ***Change in Reporting Entity***

As discussed in Note 1 to the financial statements, Village on Elizabeth, LLLP was transferred to the Authority. The change in ownership resulted in Village on Elizabeth, LLLP being subject to oversight and control by the Authority. Accordingly, a restatement has been made to the basic financial statements as of December 31, 2022. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The accompanying combining statements as listed in the table of contents 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Report on Summarized Comparative Information**

We have previously audited the Authority's 2022 basic financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the aggregate discretely presented component units of the Authority in our report dated June 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Fargo, North Dakota  
June 28, 2024

Housing Catalyst offers readers of the financial statements this narrative overview and analysis of the financial activities of Housing Catalyst for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with Housing Catalyst's financial statements, which begin on page 16.

### **Financial Highlights**

- **Net Position:** The assets and deferred outflows of Housing Catalyst exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$106,538,715 (net position), an increase of \$13,057,236 from the prior year balance. The most significant contributing factors to the current year increase was the increase in current year gain on sale of capital assets which increased by \$6,321,557 as compared to the prior due to the sale of several properties during the year. Additionally, as compared to the prior year, there were increases in HUD PHA grant revenue of \$2,603,145 due to increased funding during the year and administrative fee revenue of \$1,989,346 due to increases in fee billings to managed properties to cover operating costs. Of the current year other grant income received, a total of \$61,000 was loaned to Oak 140, LLLP, a tax credit partnership, to assist in financing the construction of low-income housing and \$1,178,197 was received to fund the rehabilitation project for the Village on Bryan.
- **Unrestricted and Restricted Net Position:** As of the close of the current fiscal year, Housing Catalyst's programs had an unrestricted net position of \$93,836,123 and \$102,641 in restricted net position, which represents unspent HUD voucher funding.
- **Cash Balance:** Housing Catalyst's cash balance at December 31, 2023 was \$19,693,243, representing a decrease of \$1,627,593 (8%) from December 31, 2022. The decrease was mainly due to increased investment in capital assets and an increase in administrative salaries and benefits.
- **Revenue and Expenses:** Housing Catalyst received HUD operating funding of \$21,965,131, internal service fees (management fees and overhead cost allocations) of \$5,063,471 and rental income of \$2,802,734 for the year. Housing Catalyst paid out \$19,225,513 in housing assistance payments and incurred \$12,027,937 in other operating expenses (excluding depreciation and amortization of \$891,434).
- **Developer Fee Income:** The balance of current year developer fee income of \$1,264,246 represents the initial developer fee for the development of the Village on Impala. The amount decreased as compared to the prior year balance by \$1,760,219 (58%). The prior year balance of \$3,024,465 represented the remaining balance of developer fees for the development of Oak 140 and Swallow Road Apartments as both of those projects reached substantial completion during the year.

- **Gain on Sale of Capital Assets:** Total gain on sale of capital assets of \$9,585,777 is due to the release and sale of former public housing properties under the Section 18 Demolition and Disposition (Section 18) program through HUD (\$3,463,459) as well as the sale of various properties under the Villages portfolio to Village on Impala, LLLP and others (\$6,122,318). The Section 18 program allows for the release and subsequent sale of public housing properties with the sale proceeds received required to be reinvested in low-income housing. The sale of the 22 units to unrelated third parties resulted in sales proceeds of \$4,400,001.

## Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Housing Catalyst's basic financial statements. Housing Catalyst's basic financial statements are comprised of 1) fund financial statements and 2) notes to the financial statements. As required by HUD, this report also includes supplemental information such as:

- Reports on Compliance
- Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs

The **Statement of Net Position** presents information on all of Housing Catalyst's assets and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Housing Catalyst is improving or deteriorating.

The **Statement of Revenues, Expenses and Changes in Net Position** presents information showing how Housing Catalyst's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in past or future periods.

The **Statement of Cash Flows** presents information showing Housing Catalyst's inflows and outflows of cash and cash equivalents during the most recent fiscal year. All changes in cash and cash equivalents are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related changes in net position. Thus, cash flows are reported in this statement for some items that will only result in revenue or expenses in past or future periods. This statement provides answers to questions such as where the cash came from, how cash was used and what the change in the cash balance was during the year.

The **Combining Statements of Net Position and of Revenues, Expenses and Changes in Net Position for Discretely Presented Component Units** presents the financial information for Housing Catalyst's discretely presented component units. The discretely presented component units are described in Note 1 of the financial statements.

**Notes to the Basic Financial Statements** provide financial statement disclosures that are an integral part of the basic financial statements. Such disclosures are essential to a comprehensive understanding of the information provided in the basic financial statements.

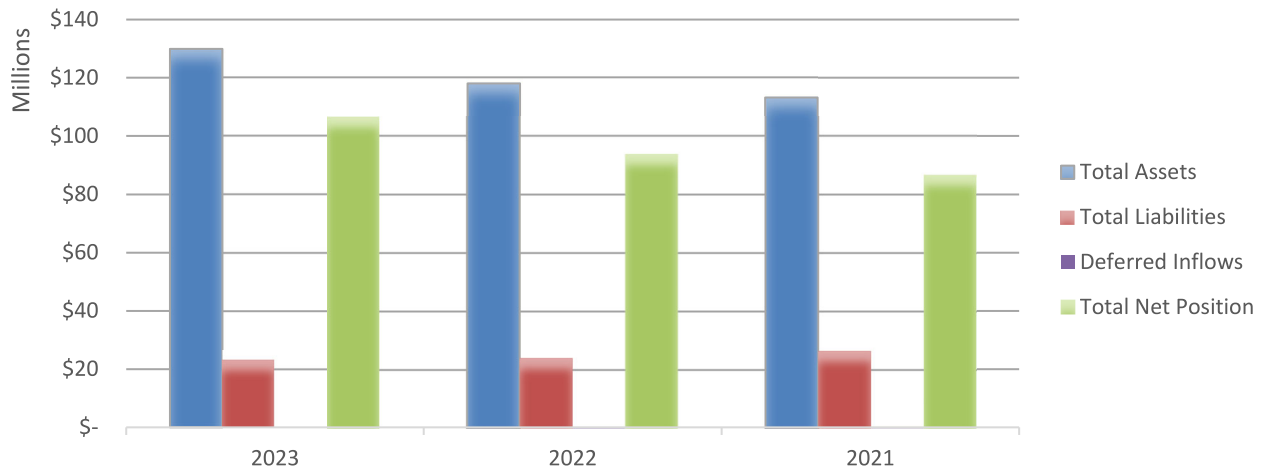
**Financial Analysis**

**Statements of Net Position:**

The following table reflects the condensed Statements of Net Position for the organization (balances in thousands of dollars).

	2023	2022	2021
Current assets, unrestricted	\$ 32,418	\$ 23,742	\$ 20,415
Other current assets, restricted	836	874	697
Capital assets, net	14,648	11,138	11,192
Non-current assets	82,007	82,273	80,930
<b>Total Assets</b>	<b>\$ 129,909</b>	<b>\$ 118,027</b>	<b>\$ 113,234</b>
Current liabilities	\$ 12,618	\$ 1,904	\$ 1,182
Current liabilities payable from restricted assets	540	531	544
Long-term liabilities	10,086	21,643	24,755
<b>Total Liabilities</b>	<b>23,244</b>	<b>24,078</b>	<b>26,481</b>
Deferred Inflows	126	168	53
Net Investment in Capital Assets	12,865	8,991	5,921
Restricted Net Position	103	161	139
Unrestricted Net Position	93,571	84,629	80,640
<b>Total Net Position</b>	<b>106,539</b>	<b>93,781</b>	<b>86,700</b>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<b>\$ 129,909</b>	<b>\$ 118,027</b>	<b>\$ 113,234</b>

**Assets, Liabilities, Deferred Inflows and Net Position**



Unrestricted current assets are comprised of cash, receivables, prepaid items and inventories. The balance of unrestricted current assets increased by over \$8.6 million (37%) as compared to December 31, 2022. The increase is primarily due to an increase in notes receivable, current portion with an increase of approximately \$11.2 million during the year.

Restricted current assets are comprised of cash that is restricted for payment of tenant security deposits, family self-sufficiency program escrow balances, flex fund escrow balances and other unspent grant funding. The balance of restricted current assets decreased by approximately \$38 thousand (4%) as compared to the prior year, primarily due to a decrease in Housing Assistance Payment (HAP) reserves of \$25 thousand. The reserve funds held are available for future housing assistance payments, as needed by the program.

Capital assets include land, buildings, building improvements, furniture and equipment and are shown net of accumulated depreciation. Capital assets increased by approximately \$3.8 million (34%), primarily due to the purchase of additional property, investments in current properties and the sale of public housing properties, which were nearly fully depreciated.

Non-current assets consist of long-term developer fees receivable, lease receivable, notes receivable, long-term prepaid lease, investments in tax credit partnerships and investments in future developments. Non-current assets decreased by \$266 thousand (0%) due to an increase in notes receivable of approximately \$769 thousand, a decrease in long-term developer fees receivable of approximately \$543 thousand and a decrease in investments in future developments of over \$456 thousand.

Current liabilities consist of accounts payable, accrued liabilities, accrued wages and payroll tax, accrued interest, unearned revenue, balances due to other agencies and current portion of leases and notes payable. Current liabilities increased by over \$10.7 million (563%), primarily due to an increase in the current portion of notes and mortgages payable of over \$11.1 million due to a required bond payment to be made in 2024.

Current liabilities payable from restricted assets consist of tenant security deposits payable, family self-sufficiency escrow balances payable, flex fund escrow balances and unspent grant funds. These liabilities remained consistent with the prior year, increasing by approximately \$9 thousand (2%) as compared to the prior year. The decrease was primarily due to decreases in security deposits held of approximately \$5 thousand, unspent grant funds of \$29 thousand and deferred revenue of \$5 thousand. There was also an increase in family self-sufficiency escrow balances of approximately \$44 thousand.

Long-term liabilities consist of leases and notes payable. Long-term liabilities decreased by approximately \$11.6 million (53%) as compared to the prior year. The decrease is primarily due to the \$11.1 million of required bond payments coming due and being reclassified to current liabilities along with regular debt and lease payments of \$366 thousand.

Deferred inflows consist of the balance of lease income expected to be received from the Village on Plum land leases. The increase in deferred inflows of approximately \$42 thousand (25%) as compared to the prior year is due to the termination of the Mason Street parking lot lease.

Net position represents the equity of Housing Catalyst after liabilities are subtracted from assets. Net position is divided into three major categories.

- **Net investment in capital assets:** Represents Housing Catalyst's equity in land, buildings, building improvements, furniture and equipment, net of related outstanding debt and other liabilities.
  
- **Restricted net position:** Represents amounts that have external limitations on the way in which the assets can be used.
  
- **Unrestricted net position:** Represents amounts that are available to Housing Catalyst to be used for any lawful and prudent purpose.

The total net position of Housing Catalyst increased by approximately \$13 million (14%) from December 31, 2022, to December 31, 2023.

Housing Catalyst's current ratio reflects the relationship between current assets and current liabilities and is a measure of Housing Catalyst's ability to pay short-term obligations. On December 31, 2023 and 2022, Housing Catalyst's current ratios were 2.5:1 and 10.1:1, respectively.

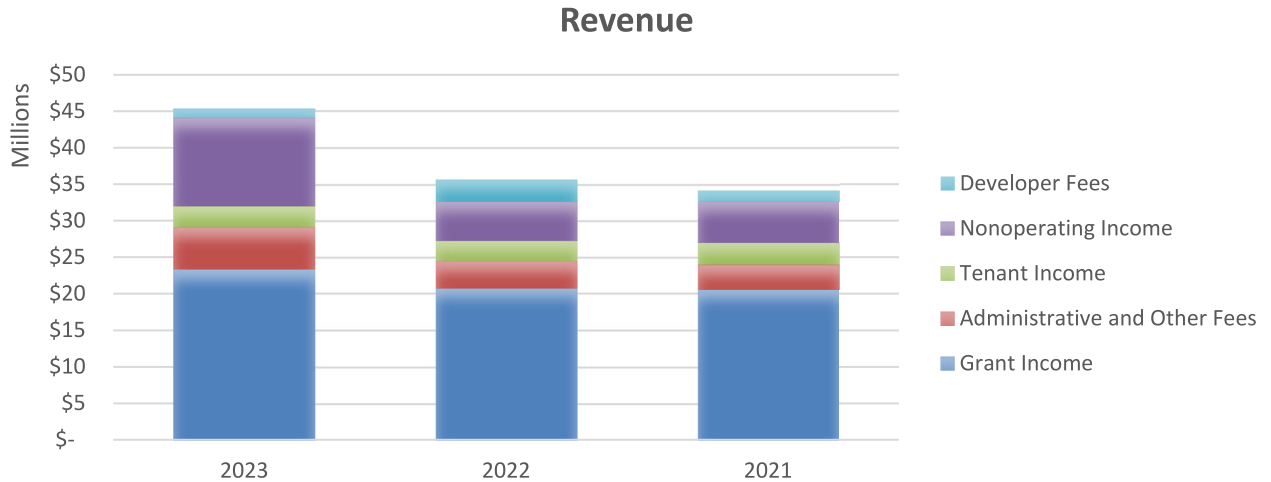
**Revenues, Expenses and Changes in Net Position:**

The following table compares the revenue and expenses for the current and previous periods (balance in thousands of dollars):

	2023	2022	2021
<b>Revenues:</b>			
Grant income	\$ 23,453	\$ 20,855	\$ 20,685
Administrative fees	5,063	3,075	2,759
Tenant income	2,803	2,803	2,994
Interest income	2,475	1,899	1,579
Developer fees	1,264	3,024	1,536
Gain on sale of capital assets	9,586	3,264	3,900
Capital grants and contributions	-	218	178
Other	703	632	643
<b>Total Revenue</b>	<b>45,347</b>	<b>35,770</b>	<b>34,274</b>
<b>Expenses</b>			
Housing assistance payments	19,226	16,796	14,025
Administrative	9,481	7,921	6,452
Maintenance	1,813	2,052	1,838
Depreciation	891	744	772
Utilities	297	310	299
Insurance	265	220	213
Interest expense and financing costs	445	552	396
Other	171	94	423
<b>Total Expenses</b>	<b>32,589</b>	<b>28,689</b>	<b>24,418</b>
<b>Change in Net Position</b>	<b>12,758</b>	<b>7,081</b>	<b>9,856</b>
<b>Net Position - Beginning of Year</b>	<b>93,781</b>	<b>86,700</b>	<b>76,844</b>
<b>Net Position - End of Year</b>	<b>\$ 106,539</b>	<b>\$ 93,781</b>	<b>\$ 86,700</b>

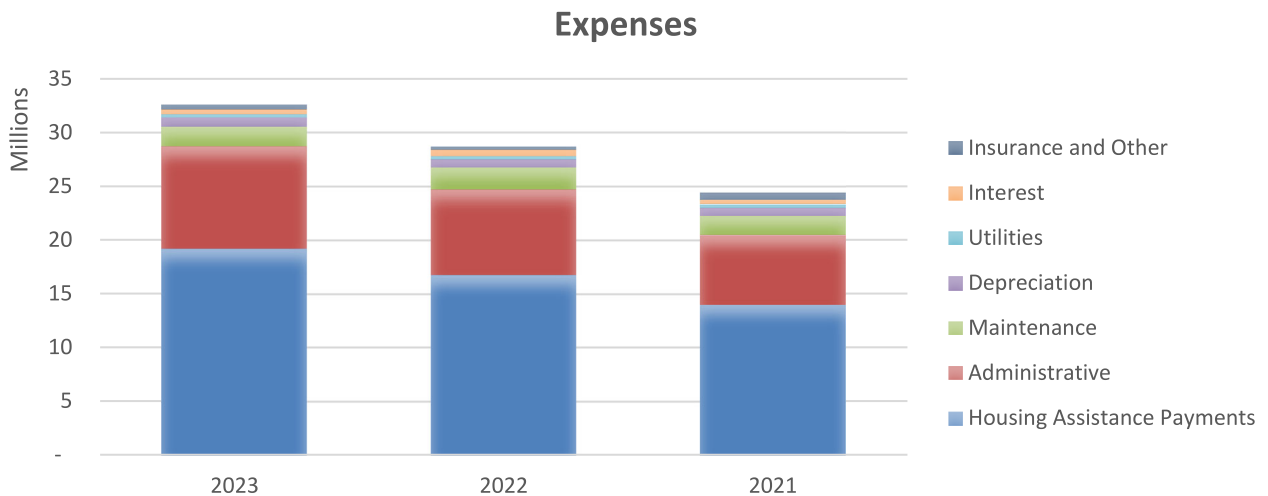
Revenues increased by approximately \$9.9 million (28%) from the year ended December 31, 2022, to the year ended December 31, 2023. The increase is primarily due to the increase in the gain on sale of capital assets of \$6.3 million and an increase in grant income of \$2.6 million.

The following graph compares the revenues for the current and previous years:



Expenses increased by approximately \$3.9 million (14%) from the year ended December 31, 2022, to the year ended December 31, 2023. During the year, housing assistance payments increased by more than \$2.4 million (14%) as compared to the prior year due to increased costs and additional leasing of 5-Year Mainstream vouchers. Administrative expenses also increased by over \$1.5 million (20%) due to increased staffing, particularly in resident services, and annual compensation increases.

The following graph compares the expenses for the current and previous years:



## Departmental Financial Analysis

Housing Catalyst uses departmental accounting to ensure and demonstrate compliance with finance-related legal requirements. Each of the departments has a specific objective and purpose to accomplish. The focus of Housing Catalyst's programs is to provide information on near-term inflows, outflows, and balances of spendable resources. During 2023, Housing Catalyst maintained eight departmental programs as described below:

- 1. Public Housing:** Owns and operates 15 units of housing for rent to low-income families. The program ended 2023 with a net position of \$1,078,623 of which \$698,146 (65%) is invested in capital assets; and \$380,477 is available as operating reserves. The main sources of revenue are rents charged to tenants, HUD annual operating subsidy, and capital grants.
- 2. Management:** Provides administrative and maintenance support for all managed real estate and has outside management contracts with Oak 140 (79 units), Mason Place (60 units), Villages, Ltd. (172 units), Wellington Community Housing (42 units), Village on Elizabeth (48 units), Village on Stanford (82 units), Redtail Ponds PSH (60 units), Village on Plum (95 units), Village on Redwood (72 units), Village on Shields (285 units), Village on Horsetooth (96 units) and Village on Impala (86 units). The net position is \$1,744,702, of which (\$18,326) (>1%) is invested in capital assets. The sources of revenues are cost allocations, administrative fees charged and maintenance fees charged.
- 3. Real Estate Development:** Provides for the development of rental housing and homeownership opportunities. This department presently has a net position in the amount of \$74,034,384, including \$320,745 (>1%) invested in capital assets. Revenues for 2023 included AHF grant income used for Oak 140, accrued interest income on loans to tax credit funded properties and developer and other fees.
- 4. Voucher Programs:** Housing Catalyst managed 1,123 Housing Choice Vouchers (HCV), 174 Veterans Affairs Supportive Housing (VASH) vouchers, 50 Family Unification Program (FUP) vouchers, 16 Foster Youth to Independence (FYI) vouchers, 25 Emergency Housing Vouchers (EHV) and 208 Five Year Mainstream vouchers at year-end 2023.

The U.S. Department of Housing and Urban Development (HUD) is revenue source for the \$19,793,532 of HCV, VASH, FUP and Mainstream voucher grants, which is an increase of \$2,410,542 (14%) as compared to the prior year total of \$17,382,990. The current year Housing Assistance Payment (HAP) expenses of \$18,110,793 increased by \$2,294,879 (15%) as compared to the prior year expenses of \$15,815,914. The current year administrative expenses for the voucher program of \$1,371,925 decreased by \$53,641 (4%) as compared to the prior year's expenses of \$1,425,566.

- 5. HUD Grants:** Provides funding for the salary and benefit expenses of family self-sufficiency staff and funding for services for the residents of Redtail Ponds Permanent Supportive Housing. These are cost reimbursement grants with total current year funding of \$610,591.

**6. Larimer County Housing Authority (Blended Component Unit):** Provides 104 rental vouchers for low-income program participants. The revenue source is HUD cost reimbursement for the vouchers. The Larimer County Housing Authority is reported as a blended component unit of Housing Catalyst.

HUD is the revenue source for the Larimer County Housing Authority voucher grants in the amount of \$1,215,029, which is an increase of \$156,496 (15%) as compared to the prior year total of \$1,058,533. The current year housing assistance payment (HAP) expenses of \$1,114,720 increased by \$134,903 (14%) as compared to the prior year expenses of \$979,817. The current year administrative expenses for the voucher program of \$102,926 increased by \$7,277 (8%) as compared to the prior year expenses of \$95,649.

**7. Villages (Blended Component Unit):** Owns and operates 172 units of housing for rent to low-income families and a leasing office. Villages ended 2023 with a net position of \$30,605,924 of which \$10,066,727 (33%) is invested in capital assets; and \$20,539,197 is unrestricted. The main sources of revenue are rents charged to tenants and grants.

**8. Village on Elizabeth (Blended Component Unit):** Owns and operates 48 units of housing for rent to low-income families and a clubhouse. Village on Elizabeth ended 2023 with a net position of (\$1,619,530) of which (\$1,906,262) (118%) is invested in capital assets; and \$286,732 is unrestricted. The main sources of revenue is rents charged to tenants.

## Capital Assets and Debt Administration

### Capital Assets

As of December 31, 2023, Housing Catalyst's net investment in capital assets was \$12,865,055 (net of accumulated depreciation and capital loans). This investment in capital assets includes land, buildings, improvements, equipment computer software and leased assets.

Capital asset activity during the current fiscal year is as follows:

- Elevator replacement in a Public Housing building in the amount of \$73,106. The elevator replacement is in progress at year-end and is included in construction in progress as of December 31, 2023.
- Roof replacement and solar installation on a Public Housing property in the amount of \$173,565. The roof replacement and solar installation projects are in progress at year-end and are included in construction in progress as of December 31, 2023.
- Flooring and appliance replacements in various Villages properties and Village on Elizabeth in the amount of \$102,152.
- HVAC equipment replacement at a Villages property in the amount of \$6,436.

- Window replacement and unit rehabilitation on various Villages properties in the amount of \$50,984, of which one project is still in progress with a balance of \$17,495 and is included in construction in progress at December 31, 2023.
- Purchase of land and buildings located in Fort Collins (11 units) in the amount of \$3,654,803.
- Purchase of tenant improvements in a new office space located in Fort Collins in the amount of \$231,564.
- Village on Bryan renovation project which will include exterior and interior renovations and improvements to the property of \$2,169,418.
- Sale of 22 Public Housing homes to unrelated third parties with net proceeds of \$4,339,622 and a gain on sale of \$3,463,459.
- Sale of Village on Impala to Village on Impala, LLLP, a new tax credit development with net proceeds of \$6,300,000 and a gain on sale of \$5,629,064.
- Sale of Villages single family homes to unrelated third parties with net proceeds of \$583,464 and a gain on sale of \$493,254.

Additional information on the Authority's capital assets can be found in Note 1 on page 33 and Note 6 on pages 40 through 41 of this report.

### **Long-Term Debt**

As of December 31, 2023, Housing Catalyst had five long-term loans totaling \$21,641,244. The long-term loans are to fund the remodeling costs for the Authority's main offices on Mountain Avenue, to purchase the parking lot on Mason Street, to assist in funding the cost of the construction of the commercial portion of the building at Oak 140, to finance the tenant improvements to office space occupied by Housing Catalyst located at Oak 140 and revenue bonds used to assist in funding the construction of the residential portion of the building at Oak 140. The revenue bonds are offset by notes receivable from Oak 140, LLLP.

Loan activity during the current fiscal year is as follows:

- Principal payments made to FirstBank on the Mountain Office remodel note in the amount of \$58,142.
- Regular principal payments for the Mason Street parking lot loan made to ANB in the amount of \$61,814 with an increase to principal balance from refinancing of \$7,273.
- Regular principal payments for the DDA, LLC / Oak 140 commercial loan made to FirstBank in the amount of \$102,940.

- Regular principal payments for the ANB tenant improvement loan in the amount of \$121,122.
- Regular principal payments for the Village on Elizabeth mortgage loans in the amount of \$22,433 with debt issuance cost amortization of \$1,291.

Additional information on the Authority's debt can be found in Note 7 on pages 41 through 54 of this report.

### **Economic Outlook**

Demand for affordable housing remains strong in the Fort Collins market. The rental market has tightened considerably in recent years and rents continue to increase. According to the City of Fort Collins, average rents increased 26% from 2020 to 2023. This follows years of significant increases with rents jumping 75% between 2005 and 2018. Colorado Housing and Finance Authority data shows vacancy rates averaged 5% in the Fort Collins Metro Area and the development of new rental units is not keeping pace with demand. This is expected to maintain upward pressure on rental rates overall. In anticipation of stable economic conditions and effective management practices, we project consistent rental collections for the upcoming fiscal year, maintaining a collection rate in line with historical averages and supporting our financial stability and service commitments.

Housing Choice Voucher (HCV) program funding utilization is expected to remain close to 100% going forward based on current leasing levels and the large number of individuals on the waiting list. The level of HUD funding available for the HCV program, combined with rising rental rates, resulted in 101% utilization of housing assistance payment (HAP) funding and nearly 92% HCV leased utilization in 2023. The level of funding received by HUD is expected to continue to negatively affect the total number of families served through the HCV programs due to rising rent prices and increased housing demand.

Housing Catalyst continues to prioritize the development and preservation of affordable housing units through acquisitions, new construction and renovations.

Additionally, in early 2022, Housing Catalyst was approved to join HUD's Moving to Work (MTW) program under the Landlord Incentive cohort. The transition to MTW will allow the flexibility of funding received from HUD to be applied to areas most needed and the ability to initiate new programs and strategies within the community. The transition will not directly impact the overall HUD funding received by Housing Catalyst.

**Contact Information**

This financial report is designed to provide the reader with a general overview of Housing Catalyst's finances and to demonstrate Housing Catalyst's financial accountability over its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Tonya Frammolino, Chief Financial Officer  
1715 West Mountain Avenue  
Fort Collins, Colorado 80521  
[housingcatalyst.com](http://housingcatalyst.com)

**Housing Catalyst**  
Statement of Net Position  
December 31, 2023

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 18,857,388	\$ 1,446,437
Restricted cash and cash equivalents	835,855	9,609,547
Accounts receivable		
Grants	74,371	-
Tenants	68,970	298,331
Developer fees, current	1,107,637	-
Other	619,251	29,939
Accrued interest	239,806	-
Notes receivable - current portion	11,281,773	-
Prepaid expenses and other current assets	65,979	66,448
Inventory	103,203	-
<b>Total Current Assets</b>	<u>33,254,233</u>	<u>11,450,702</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Non-depreciable	4,133,653	20,087,870
Depreciable, net	10,498,062	140,422,804
Lease assets, net	16,047	126,369
<b>Total Capital Assets, Net</b>	<u>14,647,762</u>	<u>160,637,043</u>
<b>Other Assets</b>		
Developer fees receivable, long-term	6,360,300	-
Lease receivable - net of current portion	96,852	-
Notes receivable - net of current portion	73,807,818	-
Prepaid long-term lease	1,298,942	-
Other assets, net	-	742,641
Investment in tax credit partnerships	146,448	-
Investment in future developments	296,642	-
<b>Total Other Assets</b>	<u>82,007,002</u>	<u>742,641</u>
<b>Total Noncurrent Assets</b>	<u>96,654,764</u>	<u>161,379,684</u>
<b>Total Assets</b>	<u>129,908,997</u>	<u>172,830,386</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 129,908,997</u>	<u>\$ 172,830,386</u>

**Housing Catalyst**  
Statement of Net Position  
December 31, 2023

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
Current Liabilities		
Accounts payable	\$ 191,322	\$ 1,087,317
Accrued liabilities	137,189	-
Accrued compensation	584,866	-
Accrued interest payable	112,844	339,579
Unearned revenues	110,137	-
Tenant security deposits payable	104,143	393,184
Due to related party	-	-
Money held in escrow	325,496	-
Developer fees payable - current portion	-	1,107,637
Leases payable - current portion	21,070	-
Notes and mortgages payable - current portion	<u>11,571,070</u>	<u>11,900,787</u>
Total Current Liabilities	<u>13,158,137</u>	<u>14,828,504</u>
Long-Term Liabilities		
Bond premium, net of amortization	15,602	96,852
Notes and mortgages payable - net of current portion	10,070,174	118,240,418
Developer fees payable - net of current portion	<u>-</u>	<u>6,360,300</u>
Total Long-Term Liabilities	<u>10,085,776</u>	<u>124,697,570</u>
Total Liabilities	<u>23,243,913</u>	<u>139,526,074</u>
Deferred Inflows of Resources	<u>126,369</u>	<u>-</u>
Net Position		
Net investment in capital assets	12,865,055	30,398,986
Restricted - housing assistance payments	102,641	-
Unrestricted	<u>93,571,019</u>	<u>2,905,326</u>
Total Net Position	<u>106,538,715</u>	<u>33,304,312</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 129,908,997</u>	<u>\$ 172,830,386</u>

**Housing Catalyst**  
Statement of Net Position  
December 31, 2022 (Comparative Totals Only)

	<u>Primary Government (Restated)</u>	<u>Discretely Presented Component Units (Restated)</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 20,446,699	\$ 1,568,579
Restricted cash and cash equivalents	874,137	9,680,708
Accounts receivable		
Grants	238,160	-
Tenants	63,854	221,375
Developer fees, current	2,016,636	-
Other	398,955	109,445
Accrued interest	221,197	-
Lease receivable - current portion	16,462	-
Notes receivable - current portion	102,215	-
Prepaid expenses and other current assets	161,793	103,290
Inventory	76,083	-
<b>Total Current Assets</b>	<u>24,616,191</u>	<u>11,683,397</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Non-depreciable	5,874,190	36,775,778
Depreciable, net	5,222,890	116,741,389
Lease assets, net	41,112	131,429
<b>Total Capital Assets, Net</b>	<u>11,138,192</u>	<u>153,648,596</u>
Developer fees receivable, long-term	6,903,307	-
Lease receivable - net of current portion	118,619	-
Notes receivable - net of current portion	73,038,474	-
Prepaid long-term lease	1,312,333	-
Other assets, net	-	572,821
Investment in tax credit partnerships	147,103	-
Investment in future developments	752,918	-
<b>Total Other Assets</b>	<u>82,272,754</u>	<u>572,821</u>
<b>Total Noncurrent Assets</b>	<u>93,410,946</u>	<u>154,221,417</u>
<b>Total Assets</b>	<u>118,027,137</u>	<u>165,904,814</u>
Deferred Outflows of Resources	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 118,027,137</u>	<u>\$ 165,904,814</u>

**Housing Catalyst**  
Statement of Net Position  
December 31, 2022 (Comparative Totals Only)

	<u>Primary Government (Restated)</u>	<u>Discretely Presented Component Units (Restated)</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 299,278	\$ 2,802,875
Accrued liabilities	540,503	-
Accrued compensation	637,092	-
Accrued interest payable	16,125	318,411
Unearned revenues	144,110	-
Tenant security deposits payable	109,158	342,332
Money held in escrow	281,663	-
Developer fees payable - current portion	-	1,070,114
Leases payable - current portion	29,516	-
Notes and mortgages payable - current portion	377,099	697,758
	<u>2,434,544</u>	<u>5,231,490</u>
<b>Total Current Liabilities</b>	<u>2,434,544</u>	<u>5,231,490</u>
<b>Long-Term Liabilities</b>		
Leases payable - net of current portion	21,070	96,852
Notes and mortgages payable - net of current portion	21,622,032	114,980,780
Developer fees payable	-	6,903,307
	<u>21,643,102</u>	<u>121,980,939</u>
<b>Total Long-Term Liabilities</b>	<u>21,643,102</u>	<u>121,980,939</u>
<b>Total Liabilities</b>	<u>24,077,646</u>	<u>127,212,429</u>
<b>Deferred Inflows of Resources</b>	<u>168,012</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	8,991,341	37,873,206
Restricted - housing assistance payments	160,640	-
Unrestricted	84,629,498	819,179
	<u>93,781,479</u>	<u>38,692,385</u>
<b>Total Net Position</b>	<u>93,781,479</u>	<u>38,692,385</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 118,027,137</u>	<u>\$ 165,904,814</u>

## Housing Catalyst

### Statement of Revenues, Expenses and Changes in Net Position Year Ended December 31, 2023

	Primary Government	Discretely Presented Component Units
Operating Revenues		
HUD PHA grants	\$ 21,965,131	\$ -
Other grants	1,487,401	-
Rental income	2,802,734	10,443,902
Administration fees	5,063,471	-
Developer fees	1,264,246	-
Other	703,404	521,642
Total Operating Revenues	33,286,387	10,965,544
Operating Expenses		
Housing assistance payments	19,225,513	-
Administrative salaries and benefits	7,660,106	1,209,513
Maintenance salaries and benefits	963,352	-
Other administrative	1,821,288	3,288,997
Ordinary maintenance	850,020	2,488,492
Depreciation and amortization	891,434	7,387,214
Utilities	296,692	661,656
Insurance	264,830	519,903
Payments in lieu of taxes	1,542	-
Other	170,107	-
Total Operating Expenses	32,144,884	15,555,775
Operating Income (Loss)	1,141,503	(4,590,231)
Non-Operating Revenues (Expenses)		
Interest income	2,474,947	165,838
Interest expense	(440,704)	(3,453,040)
Other financing costs	(4,287)	-
Gain (loss) on sale of capital assets	9,585,777	(12,170)
Total Non-Operating Revenues (Expenses), net	11,615,733	(3,299,372)
Income (Loss) Before Contributions and Distributions	12,757,236	(7,889,603)
Capital Contributions	-	2,501,530
Change in Net Position	12,757,236	(5,388,073)
Net Position, Beginning of the Year (As Restated)	93,781,479	38,692,385
Net Position, End of the Year	\$ 106,538,715	\$ 33,304,312

## Housing Catalyst

### Statement of Revenues, Expenses and Changes in Net Position Year Ended December 31, 2022 (Comparative Totals Only)

	Primary Government (Restated)	Discretely Presented Component Units (Restated)
Operating Revenues		
HUD PHA grants	\$ 19,361,986	\$ -
Other grants	1,493,076	-
Rental income	2,802,699	9,243,209
Administration fees	3,075,367	-
Developer fees	3,024,465	-
Other	631,572	326,191
Total Operating Revenues	30,389,165	9,569,400
Operating Expenses		
Housing assistance payments	16,795,731	-
Administrative salaries and benefits	6,042,827	1,560,096
Maintenance salaries and benefits	1,052,946	-
Other administrative	1,877,996	2,122,416
Ordinary maintenance	998,608	1,935,590
Depreciation and amortization	744,340	6,384,978
Utilities	310,147	587,534
Insurance	220,095	411,391
Payments in lieu of taxes	9,288	-
Other	85,022	-
Total Operating Expenses	28,137,000	13,002,005
Operating Income (Loss)	2,252,165	(3,432,605)
Non-Operating Revenues (Expenses)		
Interest income	1,898,904	13,034
Interest expense	(550,494)	(3,073,090)
Other financing costs	(1,766)	-
Gain (loss) on disposal of capital assets	3,264,220	(17,619)
Total Non-Operating Revenues (Expenses), net	4,610,864	(3,077,675)
Income (Loss) Before Contributions and Distributions	6,863,029	(6,510,280)
HUD Capital Contributions	218,316	-
Capital Contributions	-	7,798,609
Change in Net Position	7,081,345	1,288,329
Net Position, Beginning of the Year	86,700,134	37,404,056
Net Position, End of the Year	\$ 93,781,479	\$ 38,692,385

**Housing Catalyst**  
Statement of Cash Flows  
Year Ended December 31, 2023

	Primary Government
Operating Activities	
HUD PHA grants	\$ 22,128,920
Other grants	1,543,527
Receipts from tenants	2,702,504
Administration fees	5,063,471
Other income	480,349
Developer fee income	2,716,252
Housing assistance payments	(19,181,680)
Payments to employees	(8,675,684)
Payments to suppliers	(3,310,516)
<b>Net Cash from Operating Activities</b>	<b>3,467,143</b>
Capital and Related Financing Activities	
Proceeds from long-term debt	7,273
Principal payments on long-term debt	(365,160)
Principal payments on leases payable	(13,914)
Proceeds from sale of capital assets	11,223,086
Interest paid on leases payable and long-term debt	(343,985)
Acquisition of capital assets	(6,462,028)
<b>Net Cash from Capital and Related Financing Activities</b>	<b>4,045,272</b>
Investing Activities	
Receipts on notes receivable	102,215
Note receivable advance to related party	(10,566,000)
Interest income	971,221
Investments in future developments	352,556
<b>Net Cash used for Investing Activities</b>	<b>(9,140,008)</b>
<b>Net Change in Cash and Cash Equivalents and Restricted Cash</b>	<b>(1,627,593)</b>
Cash and Cash Equivalents and Restricted Cash, Beginning of the Year, As Restated	21,320,836
<b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 19,693,243</b>

**Housing Catalyst**  
Statement of Cash Flows  
Year Ended December 31, 2023

	Primary Government
Reconciliation of Cash and Cash Equivalents and Restricted Cash	
Cash	\$ 18,857,388
Restricted Cash	835,855
Total Cash and Cash Equivalents and Restricted Cash	\$ 19,693,243
Reconciliation of Change in Net Position to Net Cash	
From Operating Activities	
Operating Income	\$ 1,141,503
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation and amortization	891,434
Other financing costs paid	(4,287)
Decrease in investment in tax credit partnerships	655
Increase in deferred inflows of resources	(41,643)
Changes in assets and liabilities	
(Increase) decrease in assets:	
Receivables	1,428,612
Inventory	(27,120)
Prepaid expenses	109,205
Increase (decrease) in liabilities:	
Accounts payable	63,670
Tenant security deposits payable	(5,015)
Money held in escrow	43,833
Accrued compensation	(52,226)
Accrued liabilities	(47,505)
Unearned revenue	(33,973)
Net Cash from Operating Activities	\$ 3,467,143
Schedule of Noncash Investing Activities:	
Increase in notes receivable from accrued interest	\$ 1,485,117
Increase in accounts payable from capital assets	\$ 34,896

**Housing Catalyst**  
Statement of Cash Flows  
Year Ended December 31, 2022 (Comparative Totals Only)

	<u>Primary Government (Restated)</u>
Operating Activities	
HUD PHA grants	\$ 19,520,510
Other grants	1,645,898
Receipts from tenants	2,245,988
Administration fees	3,075,367
Other income	633,571
Developer fee income	1,544,008
Housing assistance payments	(16,725,879)
Payments to employees	(7,072,897)
Payments to suppliers	<u>(3,653,876)</u>
Net Cash from Operating Activities	<u>1,212,690</u>
Capital and Related Financing Activities	
Proceeds from long-term debt	670,000
Principal payments on long-term debt	(214,723)
Principal payments on leases payable	(34,564)
HUD capital contributions	218,316
Proceeds from sale of capital assets	4,265,305
Interest paid on leases payable and long-term debt	(552,199)
Acquisition of capital assets	<u>(1,238,195)</u>
Net Cash from Capital and Related Financing Activities	<u>3,113,940</u>
Investing Activities	
Receipts on notes receivable	127,736
Note receivable advance to related party	(1,412,578)
Interest income	656,887
Investments in future developments	<u>(642,148)</u>
Net Cash used for Investing Activities	<u>(1,270,103)</u>
Net Change in Cash and Cash Equivalents and Restricted Cash	3,056,527
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	<u>18,264,309</u>
Cash and Cash Equivalents and Restricted Cash, End of Year	<u><u>\$ 21,320,836</u></u>

## Housing Catalyst

### Statement of Cash Flows

Year Ended December 31, 2022 (Comparative Totals Only)

	Primary Government (Restated)
Reconciliation of Cash and Cash Equivalents and Restricted Cash	
Cash	\$ 20,446,699
Restricted Cash	<u>874,137</u>
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 21,320,836</u>
Reconciliation of Change in Net Position to Net Cash	
From Operating Activities	
Operating Income	\$ 2,252,165
Adjustments to reconcile operating income	
to net cash from operating activities	
Depreciation and amortization	742,575
Other financing costs paid	(1,766)
Decrease in investment in tax credit partnerships	632
Decrease in deferred inflows of resources	115,170
Changes in assets and liabilities	
(Increase) decrease in assets:	
Receivables	(1,760,938)
Inventory	(5,670)
Prepaid expenses	(112,397)
Increase (decrease) in liabilities:	
Accounts payable	7,364
Tenant security deposits payable	(9,888)
Money held in escrow	69,852
Accrued compensation	22,876
Accrued liabilities	(38,486)
Unearned revenue	<u>(68,799)</u>
Net Cash from Operating Activities	<u>\$ 1,212,690</u>
Schedule of Noncash Investing Activities:	
Increase in notes receivable from accrued interest	<u>\$ 1,451,660</u>
Increase in accounts payable from capital assets	<u>\$ 206,522</u>
Increase in accrued liabilities from capital assets	<u>\$ 252,089</u>

**Housing Catalyst**  
Combining Statement of Net Position - Discretely Presented Component Units  
December 31, 2023

	Mason Place	Oak 140	Redtail Ponds PSH	Village on Horsetooth	Village on Impala	Village on Plum	Village on Redwood	Village on Shields	Village on Stanford	Total
<b>Assets</b>										
Current Assets										
Cash	\$ 162,303	\$ 294,648	\$ 110,988	\$ 217,702	\$ 4,568	\$ 311,060	\$ 209,927	\$ 50,551	\$ 84,690	\$ 1,446,437
Restricted cash	1,066,197	160,163	797,880	491,844	3,095,611	801,244	541,461	2,092,438	562,709	9,609,547
Accounts receivable										
Tenants	33,002	14,966	19,282	38,231	2,578	27,331	15,802	132,406	14,733	298,331
Other	-	3,173	879	1,098	-	-	6,894	17,895	-	29,939
Prepaid expenses	6,035	39,543	1,511	1,396	9,993	1,372	1,101	3,562	1,935	66,448
<b>Total Current Assets</b>	<b>1,267,537</b>	<b>512,493</b>	<b>930,540</b>	<b>750,271</b>	<b>3,112,750</b>	<b>1,141,007</b>	<b>775,185</b>	<b>2,296,852</b>	<b>664,067</b>	<b>11,450,702</b>
Capital Assets										
Non-depreciable	3,013,850	153,708	862,000	1,113,963	9,314,026	543,454	230,000	3,858,432	998,437	20,087,870
Depreciable, net	12,623,285	25,108,634	7,043,535	19,351,909	4,135,833	9,392,132	13,629,460	44,880,542	4,257,474	140,422,804
Leased capital assets, net	-	-	-	-	-	126,369	-	-	-	126,369
<b>Total Capital Assets, Net</b>	<b>15,637,135</b>	<b>25,262,342</b>	<b>7,905,535</b>	<b>20,465,872</b>	<b>13,449,859</b>	<b>10,061,955</b>	<b>13,859,460</b>	<b>48,738,974</b>	<b>5,255,911</b>	<b>160,637,043</b>
Other Assets	131,379	228,213	25,087	72,879	-	26,338	41,427	215,245	2,073	742,641
<b>Total Noncurrent Assets</b>	<b>15,768,514</b>	<b>25,490,555</b>	<b>7,930,622</b>	<b>20,538,751</b>	<b>13,449,859</b>	<b>10,088,293</b>	<b>13,900,887</b>	<b>48,954,219</b>	<b>5,257,984</b>	<b>161,379,684</b>
<b>Total Assets</b>	<b>\$ 17,036,051</b>	<b>\$ 26,003,048</b>	<b>\$ 8,861,162</b>	<b>\$ 21,289,022</b>	<b>\$ 16,562,609</b>	<b>\$ 11,229,300</b>	<b>\$ 14,676,072</b>	<b>\$ 51,251,071</b>	<b>\$ 5,922,051</b>	<b>\$ 172,830,386</b>
<b>Liabilities and Net Position</b>										
Current Liabilities										
Accounts payable	\$ 185,109	\$ 42,788	\$ 98,646	\$ 35,517	\$ 432,879	\$ 34,892	\$ 136,409	\$ 93,979	\$ 27,098	\$ 1,087,317
Accrued interest payable	3,624	149,534	5,983	30,095	-	57,094	12,676	68,984	11,589	339,579
Tenant security deposits payable	12,000	35,750	12,000	51,016	10,627	52,624	43,236	136,410	39,521	393,184
Due to related party	-	-	-	-	-	-	-	-	-	-
Developer fee payable	-	-	-	-	-	-	-	-	-	-
- current portion	-	994,380	-	-	-	-	10,268	102,989	-	1,107,637
Notes and mortgages payable	29,641	11,175,000	55,864	168,262	-	148,236	52,411	251,360	20,013	11,900,787
- current portion	230,374	12,397,452	172,493	284,890	443,506	292,846	255,000	653,722	98,221	14,828,504
<b>Total Current Liabilities</b>	<b>230,374</b>	<b>12,397,452</b>	<b>172,493</b>	<b>284,890</b>	<b>443,506</b>	<b>292,846</b>	<b>255,000</b>	<b>653,722</b>	<b>98,221</b>	<b>14,828,504</b>

**Housing Catalyst**  
Combining Statement of Net Position - Discretely Presented Component Units  
December 31, 2023

	Mason Place	Oak 140	Redtail Ponds PSH	Village on Horsetooth	Village on Impala	Village on Plum	Village on Redwood	Village on Shields	Village on Stanford	Total
<b>Long-Term Liabilities</b>										
Leases payable - long-term	-	-	-	-	-	96,852	-	-	-	96,852
Notes and mortgages payable - net of current portion	6,856,012	13,585,416	4,663,613	13,494,397	14,071,828	10,240,981	10,239,194	39,920,742	5,168,235	118,240,418
Developer fee payable - net of current portion	620,743	591,918	-	405,321	461,641	284,643	199,393	3,796,641	-	6,360,300
<b>Total Long-Term Liabilities</b>	<u>7,476,755</u>	<u>14,177,334</u>	<u>4,663,613</u>	<u>13,899,718</u>	<u>14,533,469</u>	<u>10,622,476</u>	<u>10,438,587</u>	<u>43,717,383</u>	<u>5,168,235</u>	<u>124,697,570</u>
<b>Total Liabilities</b>	<u>7,707,129</u>	<u>26,574,786</u>	<u>4,836,106</u>	<u>14,184,608</u>	<u>14,976,975</u>	<u>10,915,322</u>	<u>10,693,587</u>	<u>44,371,105</u>	<u>5,266,456</u>	<u>139,526,074</u>
<b>Net Position (Deficit)</b>										
Net investment in capital assets	8,751,482	501,926	3,186,058	6,803,213	(621,969)	(424,114)	3,567,855	8,566,872	67,663	30,398,986
Unrestricted	577,440	(1,073,664)	838,998	301,201	2,207,603	738,092	414,630	(1,686,906)	587,932	2,905,326
<b>Total Net Position (Deficit)</b>	<u>9,328,922</u>	<u>(571,738)</u>	<u>4,025,056</u>	<u>7,104,414</u>	<u>1,585,634</u>	<u>313,978</u>	<u>3,982,485</u>	<u>6,879,966</u>	<u>655,595</u>	<u>33,304,312</u>
<b>Total Liabilities and Net Position (Deficit)</b>	<u>\$ 17,036,051</u>	<u>\$ 26,003,048</u>	<u>\$ 8,861,162</u>	<u>\$ 21,289,022</u>	<u>\$ 16,562,609</u>	<u>\$ 11,229,300</u>	<u>\$ 14,676,072</u>	<u>\$ 51,251,071</u>	<u>\$ 5,922,051</u>	<u>\$ 172,830,386</u>

## Housing Catalyst

Combining Statement of Revenues, Expenses and Changes in Net Position - Discretely Presented Component Units  
Year Ended December 31, 2023

	Mason Place	Oak 140	Redtail Ponds PSH	Village on Horseshoath	Village on Impala	Village on Plum	Village on Redwood	Village on Shields	Village on Stanford	Total
<b>Operating Revenues</b>										
Rental income	\$ 883,220	\$ 807,768	\$ 931,917	\$ 1,214,095	\$ 124,724	\$ 1,293,095	\$ 816,214	\$ 3,562,193	\$ 810,676	\$ 10,443,902
Other	19,134	18,793	29,351	62,530	2,966	89,550	60,994	197,076	41,248	521,642
<b>Total Operating Revenues</b>	<b>902,354</b>	<b>826,561</b>	<b>961,268</b>	<b>1,276,625</b>	<b>127,690</b>	<b>1,382,645</b>	<b>877,208</b>	<b>3,759,269</b>	<b>851,924</b>	<b>10,965,544</b>
<b>Operating Expenses</b>										
Administrative salaries and benefits	69,450	142,556	69,450	41,670	37,619	161,124	63,314	409,683	214,647	1,209,513
Other administrative	367,008	250,079	376,507	395,180	58,632	382,182	273,655	1,007,805	177,949	3,288,997
Regular and extraordinary maintenance	286,356	151,172	196,554	271,114	31,837	297,437	265,007	771,799	217,216	2,488,492
Depreciation and amortization	639,875	1,203,768	442,447	1,016,163	64,167	588,561	720,237	2,365,372	346,624	7,387,214
Utilities	80,525	62,629	84,670	76,620	13,805	88,373	53,168	153,242	48,624	661,656
Insurance	42,620	72,262	45,957	60,818	8,513	59,782	47,967	152,458	29,526	519,903
<b>Total Operating Expenses</b>	<b>1,485,834</b>	<b>1,882,466</b>	<b>1,215,585</b>	<b>1,861,565</b>	<b>214,573</b>	<b>1,577,459</b>	<b>1,423,348</b>	<b>4,860,359</b>	<b>1,034,586</b>	<b>15,555,775</b>
<b>Operating Income (Loss)</b>	<b>(583,480)</b>	<b>(1,055,905)</b>	<b>(254,317)</b>	<b>(584,940)</b>	<b>(86,883)</b>	<b>(194,814)</b>	<b>(546,140)</b>	<b>(1,101,090)</b>	<b>(182,662)</b>	<b>(4,590,231)</b>
<b>Non-Operating Revenues (Expenses)</b>										
Interest income	13,970	51,910	1,172	7,202	79	18,110	11,608	41,949	19,838	165,838
Interest expense	(204,245)	(314,063)	(151,899)	(381,630)	(63,762)	(385,591)	(363,252)	(1,377,472)	(211,126)	(3,453,040)
Loss on disposal of capital assets	(3,008)	-	-	(3,140)	-	(2,617)	(3,405)	-	-	(12,170)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(193,283)</b>	<b>(262,153)</b>	<b>(150,727)</b>	<b>(377,568)</b>	<b>(63,683)</b>	<b>(370,098)</b>	<b>(355,049)</b>	<b>(1,335,523)</b>	<b>(191,288)</b>	<b>(3,299,372)</b>
<b>Loss Before Contributions and Distributions</b>	<b>(776,763)</b>	<b>(1,318,058)</b>	<b>(405,044)</b>	<b>(962,508)</b>	<b>(150,566)</b>	<b>(564,912)</b>	<b>(901,189)</b>	<b>(2,436,613)</b>	<b>(373,950)</b>	<b>(7,889,603)</b>
Capital Contributions	-	765,330	-	-	1,736,200	-	-	-	-	2,501,530
Priority Distributions	-	-	-	-	-	-	-	-	-	-
Change in Net Position (Deficit)	(776,763)	(552,728)	(405,044)	(962,508)	1,585,634	(564,912)	(901,189)	(2,436,613)	(373,950)	(5,388,073)
Net Position (Deficit), Beginning of the Year	10,105,685	(19,010)	4,430,100	8,066,922	-	878,890	4,883,674	9,316,579	1,029,545	38,692,385
<b>Net Position (Deficit), End of the Year</b>	<b>\$ 9,328,922</b>	<b>\$ (571,738)</b>	<b>\$ 4,025,056</b>	<b>\$ 7,104,414</b>	<b>\$ 1,585,634</b>	<b>\$ 313,978</b>	<b>\$ 3,982,485</b>	<b>\$ 6,879,966</b>	<b>\$ 655,595</b>	<b>\$ 33,304,312</b>

See Notes to Financial Statements

## **Note 1 - Nature of Operations and Significant Accounting Policies**

### **General**

Housing Catalyst, formally known as Fort Collins Housing Authority (Housing Catalyst) is a corporate body created in May 1971 and uses available federal, state, and local resources to serve the residents of Fort Collins, Colorado by upgrading and maintaining the existing housing stock, encouraging the construction of new housing affordable to low and moderate income households, and providing low and moderate income families and senior households with decent, safe, and affordable rental housing opportunities. Housing Catalyst owns and operates 15 units of family housing and administers 1,162 Housing Choice Vouchers (HCV), 174 Veterans Affairs Supportive Housing (VASH) vouchers, 50 Family Unification Program (FUP) vouchers, 16 Foster Youth to Independence (FYI) vouchers, 25 Emergency Housing (EHV) vouchers and 273 Five Year Mainstream vouchers.

Housing Catalyst is governed by a seven-member Board of Commissioners.

### **Reporting Entity**

Housing Catalyst's financial statements include the accounts of all Housing Catalyst operations. The criteria for including organizations as component units within the reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board's (GASB) Codification of Government Accounting and Financial Reporting Standards, include whether:

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

### **Blended Component Units**

Included within the financial reporting entity of Housing Catalyst as a blended component unit is the Larimer County Housing Authority (LCHA). The purpose of LCHA is to provide safe and sanitary accommodations to the low and moderate-income residents of the County of Larimer. Over the past several years, Housing Catalyst has maintained a contractual relationship with LCHA for the administration of its housing activities. However, in January 1997, the Larimer County Board of Supervisors assigned all interests in LCHA to Housing Catalyst, as LCHA was deemed immaterial with respect to the overall functions of the County. Thus, despite being a legally separate entity and receiving funds directly from the Department of Housing and Urban Development, LCHA has been accounted for as a blended component unit of Housing Catalyst as the members of Housing Catalyst's Board also acts as the governing body of LCHA and LCHA's operations are fully the responsibility of the management of Housing Catalyst. Accordingly, the balances and transactions of this component unit are reported within the proprietary funds of Housing Catalyst.

During the year ended December 31, 2021, the members of the board of commissioners of Housing Catalyst were also appointed to the board of directors of Villages, Ltd (Villages). The change in board structure resulted in Villages being subject to oversight and control by Housing Catalyst. Villages, formerly known as Fort Collins Housing Corporation, is a not-for-profit organization organized in 1980 to provide housing for the elderly and low-income families of Fort Collins, Colorado. Substantially all of Villages revenue is currently derived from rental operations and grants. In total, Villages owns and manages 172 residential units and a leasing and management office. As a legally separate entity, Villages, Ltd. has been reported as a blended component unit starting with the year ended December 31, 2021.

During the year ended December 31, 2023, the limited partner interest in Village on Elizabeth, LLLP (VOE) was transferred to Villages. The change in ownership resulted in VOE being subject to oversight and control by Housing Catalyst. VOE was formed January 22, 2007, as a limited liability limited partnership for the purpose of owning and operating a 48-unit multifamily housing project in Fort Collins, Colorado for residents with low or moderate income. Substantially all of VOE's revenue is currently derived from rental operations. As a legally separate entity, VOE has been reported as a blended component unit starting with the year ended December 31, 2023. VOE was previously reported as a discretely presented component unit.

Also included within the financial reporting entity of Housing Catalyst as blended component units are Village on Elizabeth, LLC, Village on Stanford, LLC, Redtail Ponds Permanent Supportive Housing, LLC, Redtail Ponds Permanent Supportive Housing Development, LLC, Village on Plum, LLC, Village on Plum Development, LLC, Village on Redwood, LLC, Village on Redwood Development, LLC, Village on Horsetooth, LLC, Village on Horsetooth Development, LLC, Village on Shields, LLC, Village on Shields Development, LLC, Mason Place, LLC, Mason Place Development, LLC, Oak 140, LLC, Village on Impala, LLC, Housing Catalyst Swallow Road, LLC, Housing Catalyst Development Services, LLC and Housing Catalyst, LLC, which are single-member LLC's. Separate financial statements for the component units are not issued.

Village on Elizabeth, LLC is the general partner in Village on Elizabeth, LLLP, Village on Stanford, LLC is the general partner in Village on Stanford, LLLP, Redtail Ponds Permanent Supportive Housing, LLC is the general partner in Redtail Ponds Permanent Supportive Housing, LLLP, Village on Plum, LLC is the general partner in Village on Plum, LLLP, Village on Redwood, LLC is the general partner in Village on Redwood, LLLP, Village on Horsetooth, LLC is the general partner of Village on Horsetooth, LLLP, Village on Shields, LLC is the general partner of Village on Shields, LLLP, Mason Place, LLC is the general partner of Mason Place, LLLP, Oak 140, LLC is the general partner of Oak 140, LLLP and Village on Impala, LLC is the general partner of Village on Impala, LLLP which are discretely presented component units and are described below.

Redtail Ponds Permanent Supportive Housing Development, LLC was formed to be the developer in Permanent Supportive Housing, LLC, Village on Plum Development, LLC was formed to be the developer in Village on Plum, LLLP, Village on Redwood Development, LLC was formed to be the developer in Village on Redwood, LLLP, Village on Horsetooth Development, LLC was formed to be the developer in Village on Horsetooth, LLLP, Village on Shields Development, LLC was formed to be the developer in Village on Shields, LLLP and Mason Place Development, LLC was formed to be the developer for Mason Place, LLLP. Housing Catalyst Swallow Road, LLC was formed to be the special limited partner for Swallow Road Apartments, LLLP, an 84 unit low income housing tax credit project. Housing Catalyst Development Services, LLC was formed to provide development services to various housing projects. Housing Catalyst, LLC was formed to be an entity that will be used, as needed, to participate as the partner in future development projects for Housing Catalyst when desired to facilitate project financing. Housing Catalyst, LLC is the administrative general partner in Provincetowne Green LLLP, an 85 unit low income housing tax credit project.

Discretely Presented Component Units

The component unit columns in the combining financial statements include the financial data of Housing Catalyst's nine discretely presented component units. These units are reported in separate columns to emphasize that they are legally separate from Housing Catalyst.

Village on Stanford, LLLP (VOS) – the general partner of this partnership, Village on Stanford, LLC, is wholly owned by Housing Catalyst. Village on Stanford, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Redtail Ponds Permanent Supportive Housing, LLLP (Redtail Ponds PSH) – the general partner of this partnership, Redtail Ponds Permanent Supportive Housing, LLC, is wholly owned by Housing Catalyst. Redtail Ponds Permanent Supportive Housing, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Village on Plum, LLLP (VOP) – the general partner of this partnership, Village on Plum, LLC, is wholly owned by Housing Catalyst. Village on Plum, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Village on Redwood, LLLP (VOR) – the general partner of this partnership, Village on Redwood, LLC, is wholly owned by Housing Catalyst. Village on Redwood, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Village on Horsetooth, LLLP (VOH) – the general partner of this partnership, Village on Horsetooth, LLC, is wholly owned by Housing Catalyst. Village on Horsetooth, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Village on Shields, LLLP (VOSH) – the general partner of this partnership, Village on Shields, LLC, is wholly owned by Housing Catalyst. Village on Shields, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Mason Place, LLLP (Mason Place) – the general partner of this partnership, Mason Place, LLC, is wholly owned by Housing Catalyst. Mason Place, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Oak 140, LLLP (Oak 140) – the general partner of this partnership, Oak 140, LLC, is wholly owned by Housing Catalyst. Oak 140, LLC has an ownership percentage of 0.009%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

Village on Impala, LLLP (VOI) – the general partner of this partnership, Village on Impala, LLC, is wholly owned by Housing Catalyst. Village on Impala, LLC has an ownership percentage of 0.01%. As the general partner, Housing Catalyst has the day to day management responsibilities of the partnership.

The financial statements of the discretely presented component units are presented in Housing Catalyst's basic financial statements. Complete financial statements of the individual component units can be obtained from the Chief Financial Officer, Housing Catalyst, 1715 W. Mountain Ave., Fort Collins, CO 80521.

### **Basis of Accounting**

The accounts of Housing Catalyst are organized on the basis of programs, each of which is considered a separate accounting entity. The operations of each program are accounted for with a separate set of self-balancing accounts that comprise its assets and deferred outflows, liabilities and deferred inflows, net position, revenues, and expenses. Housing Catalyst classifies its programs as proprietary.

Housing Catalyst accounts for its operations in one fund type, the enterprise fund. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred. All assets, deferred outflows, liabilities and deferred inflows associated with the operations of Housing Catalyst are included on the statement of net position. All significant interfund transactions have been eliminated.

### **Cash and Cash Equivalents**

Housing Catalyst's cash deposits can only be invested in HUD approved investments: direct obligations of the Federal Government backed by the full faith and credit of the United States, obligations of government agencies, securities of government sponsored agencies, demand and savings deposits, time deposits, repurchase agreements, and other securities approved by HUD.

For the purpose of the statement of cash flows, Housing Catalyst considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certificates of deposit are also considered to be cash equivalents due to their highly liquid nature and insignificant risk of change in value due to changes in interest rates. Housing Catalyst uses certificates of deposit as part of the entities cash management.

### **Accounts and Notes Receivable**

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

### **Inventory**

Inventories are valued at cost using the first-in/first-out method.

## Capital Assets

Land, buildings and improvements, and equipment are recorded at cost, including indirect development costs. Housing Catalyst uses a capitalization threshold of \$5,000. Donated capital assets are valued at their acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	15 - 30 Years
Furniture and Equipment	3 - 15 Years

Housing Catalyst reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized during 2023.

## Investment in Tax Credit Partnerships and Future Developments

Investments in tax credit partnerships are accounted for under the equity method. Investments are stated at cost, plus (minus) Housing Catalyst's equity in net earnings (losses) since acquisition, less any distributions received.

Investments in future developments represents costs incurred by Housing Catalyst for future developments and are recorded at cost until a project is established.

## Operating Revenues and Expenses

Housing Catalyst considers all revenues and expenses (including HUD intergovernmental revenues and expenses) as operating items with the exception of interest expense, interest revenue, other financing costs and gain/loss on disposal of capital assets which are considered non-operating for financial reporting

## Fraud Recovery

HUD requires Housing Catalyst to account for monies recovered from tenants who committed fraud or misrepresentation in the application process for rent calculations and now owe additional rent for prior periods or retroactive rent as fraud recovery. The monies recovered are shared by HUD and the local authority.

### **Developer Fee Revenue Recognition**

Housing Catalyst earns development fees based on agreements with certain partnerships for the development of affordable housing. Developer fees are generally recognized under the percentage-of-completion method and in accordance with the corresponding development agreement.

### **Restricted and Unrestricted Resources**

Housing Catalyst applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

### **Accumulated Unpaid Vacation Leave**

Accumulated unpaid vacation leave is accrued in the period incurred. Employees are permitted to accumulate and carry over a total of 220 hours. Upon separation or termination from the Housing Catalyst, an employee will not be paid time in excess of 220 hours.

### **Unearned Revenues**

As of December 31, 2023, unearned revenue consisted of \$12,379 of prepaid rent from tenants, \$34,692 of unspent EHV service fee grant funds, \$56,127 of unspent Larimer County Behavioral Services grant funds and \$6,939 of unspent Kaiser Foundation financial health initiative grant funds. The Larimer County Behavior Services grant must be spent by September 30, 2024 on specific costs related to Mason Place Permanent Supportive Housing. All unspent funds must be returned to the grantors.

### **Components of Net Position**

Components of net position include the following:

- *Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.
- *Restricted Net Position* – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the basic statement of net position that are subject to restraints on their use by HUD.
- *Unrestricted Net Position* – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the basic statement of net position that are not subject to restraints on their use.

### **Budgetary**

Housing Catalyst's annual budgets are the annual contracts, which are with, and approved by, HUD. No budget to actual statements are presented in this report, as housing authorities are not legally required to adopt a budget under the Local Government Budget Law of Colorado.

**Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

**Comparative Totals**

The financial statements and related footnotes include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**Adoption of Accounting Standards**

As of January 1, 2023, Housing Catalyst adopted GASB Statement 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the accounting change necessitated by the change in reporting entity as of January 1, 2023. The additional disclosures required by this standard are included in Note 1.

**Change in Reporting Entity**

As stated above, during the year ended December 31, 2023, the limited partner interest in Village on Elizabeth, LLLP (VOE) was transferred to Villages. The change in ownership resulted in VOE being subject to oversight and control by Housing Catalyst. As a legally separate entity, VOE has been reported as a blended component unit starting with the year ended December 31, 2023, and all prior periods presented have been adjusted to include VOE as a blended component unit. Initial balances from VOE there were transferred as of December 31, 2022 are as follows:

Current Assets	\$ 308,489
Capital Assets	<u>2,776,703</u>
Total Assets	<u><u>\$ 3,085,192</u></u>
Current Liabilities	\$ 61,422
Long-Term Liabilities	<u>4,388,904</u>
Total Liabilities	4,450,326
Net Position	<u>(1,365,134)</u>
Total Liabilities and Net Position	<u><u>\$ 3,085,192</u></u>

The adjustment to beginning net position due to the change in reporting entity is as follows:

	<u>Primary Government as 01/01/2023</u>
Net Position, Beginning of the Year, as Previously Reported	\$ 95,146,613
Adjustment for change in reporting entity	<u>(1,365,134)</u>
Net Position, Beginning of the Year, as Restated	<u><u>\$ 93,781,479</u></u>

## Note 2 - Deposits and Investments

### Primary Government

#### Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at or equal to 102% of the uninsured deposits. The general depository agreement required by annual contract with HUD has additional collateral requirements, which Housing Catalyst met in 2023.

#### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, Housing Catalyst's deposits may not be returned to it. As of December 31, 2023, Housing Catalyst's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with PDPA.

At December 31, 2023, Housing Catalyst's carrying amount of deposits was \$19,692,293 and the bank balance was \$19,950,899. Of the bank balances, \$843,776 was covered by Federal Depository Insurance. Of the remaining balances for 2023, \$19,107,123 was collateralized with securities held by a pledging financial institution's agent in the government's name.

For the primary government, cash and cash equivalents consist of the following at December 31, 2023:

Cash and cash equivalents - unrestricted	\$ 18,857,388
Cash and cash equivalents - restricted	<u>835,855</u>
Total cash and cash equivalents	19,693,243
Less: cash on hand	<u>(950)</u>
Total deposits	<u><u>\$ 19,692,293</u></u>

**Investments**

Housing Catalyst’s investment policy allows for investments to be solely in securities approved by HUD. Authorized investment instruments are as follows:

- Obligations of the United States and certain U.S. government agency securities
- Insured Money Market Deposit Accounts
- Municipal Depository Fund
- Super NOW Accounts
- Certificates of Deposit
- Repurchase Agreements
- Sweep Accounts
- Separate Trading of Registered Interest and Principal of Securities (STRIPS)
- Mutual Funds that meet HUD criteria

Housing Catalyst’s deposit and investment policy specifies that all investments are to be adequately collateralized if deposits and investments exceed federal insurance limits. The policy does not formally address credit risk, interest rate risk, or foreign currency risk associated with investments.

**Discretely Presented Component Units**

At December 31, 2023, the carrying amount of the discretely presented component units deposited with financial institutions was \$11,055,598 and the bank balance was \$11,086,857. The bank deposits are held with financial institutions and are guaranteed by the FDIC up to \$250,000 per depositor, per bank, for each account ownership category. As of December 31, 2023, the discretely presented component units has approximately \$7,593,800 in excess of FDIC-insured limits

For the discretely presented component units, cash and cash equivalents consist of the following at December 31, 2023:

Cash and cash equivalents - unrestricted	\$ 1,446,437
Cash and cash equivalents - restricted	<u>9,609,547</u>
Total cash and cash equivalents	11,055,984
Less: cash on hand	<u>(386)</u>
Total deposits	<u><u>\$ 11,055,598</u></u>

**Note 3 - Restricted Cash**

**Primary Government**

Restricted cash consists of cash and cash equivalents balances restricted for use in the Housing Choice Voucher program, held in escrow in order to comply with HUD requirements for the family self-sufficiency program, held for tenant security deposits and other restricted grants.

**Discretely Presented Component Units**

Restricted cash consists of cash and cash equivalents balances restricted for tenant security deposits, funding of operating deficits, repairs or improvements to the buildings which extend their useful lives, annual insurance payments, supportive services payments and bond proceeds available for construction expenditures.

**Note 4 - Lease Receivable (Primary Government)**

Villages is leasing land under a non-cancelable long-term operating lease with annual payments of \$5,060 with a maturity date of October 3013. The lease was prepaid for the first 15 years of the lease. During the year ended December 31, 2023, Villages recognized revenue of \$5,060. Income over the next five years is expected to be \$5,060 for each year.

**Note 5 - Notes Receivable (Primary Government)**

Notes receivable as of December 31, 2023 consist of the following:

Village on Stanford, LLLP - Note receivable with a stated interest rate of 3.57% per annum, yearly payments to the extent of available cash flow with the entire balance due December 2038 and collateralized by a deed of trust, security agreement, financing statement and assignment of rents and revenues.	\$ 2,051,028
Redtail Ponds Permanent Supportive Housing, LLLP - Notes receivable with stated interest rates ranging from 2.50% to 4.00% per annum, yearly payments to the extent of available cash flow with the entire balance due January 2045 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	2,885,285
Village on Plum, LLLP - Notes receivable with stated interest rates of 3.50% per annum, yearly payments to the extent of available cash flow with the entire balance due October 2044 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	5,361,077
Village on Redwood, LLLP - Notes receivable with a stated interest rate of 4.00% per annum, yearly payments to the extent of available cash flow with the entire balance due April 2056 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	6,302,965
Village on Horsetooth, LLLP - Note receivable with a stated interest rate of 2.68% per annum, yearly payments to the extent of available cash flow with the entire balance due August 2057 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	5,133,154
Village on Shields, LLLP - Notes receivable with stated interest rates ranging from 2.00% to 2.60% per annum, yearly payments to the extent of available cash flow with the entire balance due April 2059 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	22,740,755

Mason Place, LLLP - Notes receivable with stated interest rates ranging from 1.00% to 5.60% per annum, yearly payments to the extent of available cash flow with maturity dates ranging from December 2050 to December 2060 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	3,713,576
Oak 140 - Notes receivable with stated interest rates ranging from 0.875% to 2.25% per annum, yearly payments to be made in accordance with the loan agreements and to the extent of available cash flow with maturity dates ranging from July 2039 to January 2054 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	25,198,067
Legacy-Fort Collins Partners, LP - Note receivable with a stated interest rate of 2.50% per annum, yearly payments to the extent of available cash flow, a maturity date of December 2032 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	717,164
Fort Collins DDA - Notes receivable with a stated interest rate of 4.50% per annum, yearly principal and interest payments of \$121,869, with a maturity dates of July 2026 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	334,530
Village on Impala, LLLP - Notes receivable with stated interest rates ranging from 1.00% to 3.98% per annum, yearly payments to the extent of available cash flow with the entire balance due July 2063 and collateralized by a deed of trust and an agreement of restrictive covenants on the property.	10,631,283
Other notes receivable	<u>20,707</u>
Total notes receivable	85,089,591
Less current portion	<u>(11,281,773)</u>
Notes receivable - net of current portion	<u><u>\$ 73,807,818</u></u>

**Note 6 - Capital Assets**

Changes in capital assets for the primary government during the year ended December 31, 2023 were as follows:

	Balance 01/01/23	Additions	Deletions	Balance 12/31/23
<b>Non-Depreciable</b>				
Land	\$ 4,331,934	\$ 696,300	\$ (1,203,564)	\$ 3,824,670
Construction in progress	1,542,256	2,540,433	(3,773,706)	308,983
	<u>5,874,190</u>	<u>3,236,733</u>	<u>(4,977,270)</u>	<u>4,133,653</u>
<b>Depreciable/Amortizable</b>				
Buildings and improvements	19,090,995	6,460,423	(3,313,266)	22,238,152
Furniture and equipment	1,780,171	414,861	(12,963)	2,182,069
Lease assets	174,647	-	-	174,647
	<u>21,045,813</u>	<u>6,875,284</u>	<u>(3,326,229)</u>	<u>24,594,868</u>
<b>Less: Accumulated Depreciation</b>				
Buildings and improvements	(14,002,969)	(801,023)	2,879,522	(11,924,470)
Furniture and equipment	(1,645,308)	(65,346)	12,964	(1,697,690)
<b>Less: Accumulated Amortization</b>				
Lease assets	<u>(133,534)</u>	<u>(25,065)</u>	<u>-</u>	<u>(158,599)</u>
<b>Total accumulated depreciation and amortization</b>	<u>(15,781,811)</u>	<u>(891,434)</u>	<u>2,892,486</u>	<u>(13,780,759)</u>
<b>Net Depreciable Capital Assets</b>	<u>5,264,002</u>	<u>5,983,850</u>	<u>(433,743)</u>	<u>10,814,109</u>
<b>Total Capital Assets</b>	<u>\$ 11,138,192</u>	<u>\$ 9,220,583</u>	<u>\$ (5,411,013)</u>	<u>\$ 14,947,762</u>

Changes in capital assets for the discretely presented component units during the year ended December 31, 2023 were as follows:

	Balance 01/01/23	Additions	Deletions	Balance 12/31/23
<b>Non-Depreciable</b>				
Land	\$ 10,620,136	\$ 2,253,709	\$ -	\$ 12,873,845
Construction in progress	26,155,642	8,180,103	(27,121,720)	7,214,025
	<u>36,775,778</u>	<u>10,433,812</u>	<u>(27,121,720)</u>	<u>20,087,870</u>
<b>Depreciable/Amortizable</b>				
Buildings and improvements	137,979,638	26,554,549	-	164,534,187
Land improvements	9,237,597	204,613	(11,271)	9,430,939
Furniture and equipment	4,774,882	4,256,132	(379,878)	8,651,136
Total depreciable capital assets	<u>151,992,117</u>	<u>31,015,294</u>	<u>(391,149)</u>	<u>182,616,262</u>
<b>Less: Accumulated Depreciation</b>				
Buildings and improvements	(28,048,973)	(5,869,728)	-	(33,918,701)
Land improvements	(3,286,975)	(628,103)	5,248	(3,909,830)
Furniture and equipment	(3,914,781)	(811,229)	361,083	(4,364,927)
Total accumulated depreciation	<u>(35,250,729)</u>	<u>(7,309,060)</u>	<u>366,331</u>	<u>(42,193,458)</u>
Net Depreciable Capital Assets	<u>116,741,388</u>	<u>23,706,234</u>	<u>(24,818)</u>	<u>140,422,804</u>
Lease Assets	<u>131,429</u>	<u>-</u>	<u>(5,060)</u>	<u>126,369</u>
Total Capital Assets	<u>\$ 153,648,595</u>	<u>\$ 34,140,046</u>	<u>\$ (27,151,598)</u>	<u>\$ 160,637,043</u>

**Note 7 - Long-Term Debt**

During the year ended December 31, 2023, the following changes occurred in long-term debt:

**Primary Government**

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes Payable	<u>\$ 21,999,131</u>	<u>\$ 8,564</u>	<u>\$ (366,451)</u>	<u>\$ 21,641,244</u>	<u>\$ 11,571,070</u>

**Discretely Presented Component Units**

*Mason Place*

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes Payable	<u>\$ 6,805,151</u>	<u>\$ 108,614</u>	<u>\$ (28,112)</u>	<u>\$ 6,885,653</u>	<u>\$ 29,641</u>

**Housing Catalyst**  
Notes to Financial Statements  
December 31, 2023

*Oak 140*

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Notes Payable	<u>\$ 25,046,390</u>	<u>\$ 151,676</u>	<u>\$ (437,650)</u>	<u>\$ 24,760,416</u>	<u>\$ 11,175,000</u>

*Redtail Ponds PSH*

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Notes Payable	<u>\$ 4,694,119</u>	<u>\$ 79,169</u>	<u>\$ (53,811)</u>	<u>\$ 4,719,477</u>	<u>\$ 55,864</u>

*Village on Horsetooth*

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Notes Payable	<u>\$ 13,677,515</u>	<u>\$ 145,596</u>	<u>\$ (160,452)</u>	<u>\$ 13,662,659</u>	<u>\$ 168,262</u>

*Village on Impala*

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Notes Payable	<u>\$ -</u>	<u>\$ 14,071,828</u>	<u>\$ -</u>	<u>\$ 14,071,828</u>	<u>\$ -</u>

*Village on Plum*

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Notes Payable	<u>\$ 10,372,356</u>	<u>\$ 157,349</u>	<u>\$ (140,488)</u>	<u>\$ 10,389,217</u>	<u>\$ 148,236</u>

*Village on Redwood*

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Notes Payable	<u>\$ 10,083,973</u>	<u>\$ 257,045</u>	<u>\$ (49,413)</u>	<u>\$ 10,291,605</u>	<u>\$ 52,411</u>

*Village on Shields*

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Notes Payable	<u>\$ 39,867,366</u>	<u>\$ 544,363</u>	<u>\$ (239,627)</u>	<u>\$ 40,172,102</u>	<u>\$ 251,360</u>

*Village on Stanford*

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes Payable	\$ 5,131,668	\$ 74,016	\$ (17,436)	\$ 5,188,248	\$ 20,013

Notes payable as of December 31, 2023, consisted of the following:

**Primary Government**

<b>Mountain Office Remodel</b> - Note payable due to First Bank with a stated interest rate of 3.00% per annum, due in monthly principal and interest installments of \$5,534 with a maturity date of October 2027 and secured by a deed of trust and all deposit accounts held by First Bank Holding Company.	\$ 240,020
<b>Development Office Tenant Improvements</b> - Note payable due to ANB Bank with a stated interest rate of 5.50% per annum, due in monthly principal and interest installments of \$12,822 with a maturity date of October 2027 and secured by a deed of trust and all deposit accounts held by ANB Bank.	540,561
<b>Oak 140 Commercial - DDA</b> - Notes payable due to First Bank with a stated interest rate of 4.00% per annum, due in annual principal and interest installments of \$120,679 with a maturity date of August 2026 and secured by a deed of trust.	334,503
<b>Mason Place</b> - Note payable due to ANB Bank with a stated interest rate of 5.75% per annum, due in monthly principal and interest installments of \$8,086 with a maturity date of February 2028 and secured by a deed of trust and all deposit accounts held by ANB Bank. This note was refinanced in February 2023 with the terms listed. The note previously had a maturity date of January 2023.	358,186
<b>Oak 140</b> - Revenue bonds payable due to UMB with stated interest rates ranging from 0.875% to 2.25% per annum, yearly payments to be made in accordance with the loan agreements and to the extent of available cash flow with maturity dates ranging from July 2039 to January 2054 and collateralized by a deed of trust and an agreement of restrictive covenants on the property (see additional disclosures below).	19,280,000
<b>Blended Component Unit - Village on Elizabeth</b> - Mortgage notes due to Colorado Housing and Finance Authority with stated interest rates ranging from 3.0% to 7.2% per annum, due in monthly principal installments of \$6,742 with maturity dates of June 2026 and secured by substantially all assets of the partnership and an assignment of rents.	887,974
Total notes payable - Primary Government	<u>\$ 21,641,244</u>

**Revenue Bonds:**

During the year ended December 31, 2021, Housing Catalyst issued \$14,270,000 in Series 2021A tax-exempt revenue bonds and \$5,010,000 in Series 2021B federally taxable revenue bonds. The bonds are secured by deeds of trust on the Oak 140, LLLP property, a discretely presented component unit. The bonds were issued to finance the construction of a 79-unit affordable housing project. Housing Catalyst entered into a promissory note with Oak 140, of which the payments from the property are expected to be the primary source of repayment. Revenues of Housing Catalyst would be used only if those payments are not sufficient to cover the required payments. No Housing Catalyst revenues have been used for any required payments to date.

The tax-exempt term bonds mature on July 1, 2024 (\$6,165,000), July 1, 2025 (\$165,000), July 1, 2026 (\$165,000), July 1, 2027 (\$165,000), July 1, 2028 (\$170,000), July 1, 2029 (\$170,000), July 1, 2030 (\$170,000), July 1, 2031 (\$175,000) and July 1, 2039 (\$6,925,000) and carry interest rates of 1.25%, 0.875%, 1.00%, 1.125%, 1.375%, 1.50%, 1.75%, 1.875% and 2.25%, respectively. The taxable term bonds matures on July 1, 2024 and carries an interest rate of 1.00%.

Future debt service requirements are as follows for the Oak 140 revenue bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,175,000	\$ 235,841	\$ 11,410,841
2025	165,000	171,188	336,188
2026	165,000	169,642	334,642
2027	165,000	167,890	332,890
2028	170,000	165,794	335,794
2029-2033	875,000	784,950	1,659,950
2034-2038	980,000	685,624	1,665,624
2039-2043	5,585,000	63,180	5,648,180
Total	<u>\$ 19,280,000</u>	<u>\$ 2,444,109</u>	<u>\$ 21,724,109</u>

The estimated debt requirements to maturity for the remaining notes payable for the year ending December 31, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 396,070	\$ 122,813	\$ 518,883
2025	415,713	103,170	518,883
2026	1,248,163	55,736	1,303,899
2027	285,236	8,528	293,764
2028	16,062	119	16,181
2029-2033	-	-	-
2034-2038	-	-	-
2039-2043	-	-	-
Total	<u>\$ 2,361,244</u>	<u>\$ 290,366</u>	<u>\$ 2,651,610</u>

**Discretely Presented Component Units**

*Mason Place*

Mortgage note payable to ANB with a stated interest rate of 4.35% per annum and an effective interest rate of 4.89% per annum secured by real property with a maturity date of September 2037. The note converted to permanent financing in January 2022 with a principal balance of \$2,200,000 and due in monthly principal and interest installments of \$10,315.	\$ 2,142,340
Unamortized debt issuance costs, based on an effective interest rate of 4.89%	<u>(170,263)</u>
	<u>1,972,077</u>
Mortgage notes payable due to Housing Catalyst with stated and effective interest rates ranging from 1.00% to 5.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with maturity dates ranging from December 2050 to December 2060 and secured by a mortgage on substantially all assets and an assignment of rent.	3,713,576
Mortgage note payable with a stated and effective interest rate of 0.00% per annum, due in annual with the principal balance due on the maturity date of September 2059 and secured by real property.	<u>1,200,000</u>
Total notes payable - Mason Place	<u><u>\$ 6,885,653</u></u>

*Oak 140*

Mortgage note payable to Housing Catalyst from the issuance of Series 2021A Multi Family Bond proceeds, secured by real property with average interest rates ranging from 0.875% to 2.25% per annum and maturity dates ranging from July 2025 through July 2039 with loan payments being equal to the sum of the annual principal and semi-annual interest payments on the bonds.	\$ 8,105,000
Unamortized debt issuance costs, based on an effective interest rate of 2.39%	<u>(437,651)</u>
	<u>7,667,349</u>
Construction bridge notes payable to Housing Catalyst from the issuance of Series 2021A Multi Family Bond proceeds, secured by real property with interest rates ranging from 1.00% to 1.25% per annum and a maturity of July 2024 with an optional early maturity date of January 2024. The construction notes were paid in full in January 2024.	11,175,000
Mortgage notes payable due to Housing Catalyst with stated and effective interest rates ranging from 1.50% to 2.08% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of January 2054 and secured by a mortgage on substantially all assets and an assignment of rent.	<u>5,918,067</u>
Total notes payable - Oak 140	<u><u>\$ 24,760,416</u></u>

*Redtail Ponds PSH*

Mortgage note payable to US Bank with a stated interest rate of 3.75% per annum and an effective interest rate of 3.92%, due in monthly principal and interest installments of \$10,559 with a maturity date of April 2046 and secured by a mortgage on substantially all assets and an assignment of rent.	\$ 1,914,625
Unamortized debt issuance costs, based on an effective interest rate of approximately 3.92%	<u>(80,433)</u>
	1,834,192
Mortgage notes payable due to Housing Catalyst with stated and effective interest rates ranging from 2.50% to 4.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of January 2045 and secured by a deed of trust and an Agreement of Restrictive Covenants Affecting Real Property.	1,790,928
Mortgage note payable due to Villages, LTD with a stated and effective interest rate of 4.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of January 2045 and secured by a mortgage on substantially all assets and an assignment of rent.	<u>1,094,357</u>
Total notes payable - Redtail Ponds PSH	<u><u>\$ 4,719,477</u></u>

*Village on Horsetooth*

Mortgage note payable with a stated and effective interest rate of 3.24% per annum, due in monthly installments of principal and interest of \$31,933 starting January 2020 with a maturity date of December 2037 and secured by a mortgage on substantially all assets and an assignment of rent.	\$ 6,692,137
Unamortized debt issuance costs, based on an effective interest rate of approximately 3.45%	<u>(162,632)</u>
	6,529,505
Mortgage note payable due to the State of Colorado with a stated and effective interest rate of 0.00% per annum, due in annual installments of principal and interest from available cash flows of \$52,632 beginning in June 2020 with a maturity date of August 2057 and secured by real property.	2,000,000
Mortgage note payable due to Housing Catalyst with a stated and effective interest rate of 2.68% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of August 2057 and secured by a mortgage on substantially all assets and an assignment of rent.	<u>5,133,154</u>
Total notes payable - Village on Horsetooth	<u><u>\$ 13,662,659</u></u>

*Village on Impala*

Mortgage note payable with a stated and effective interest rate of 5.10% per annum with a maximum principal balance of \$23,000,000, secured by real property. Interest is being accrued during construction and paid from advances on the loan. The loan is expected to convert to permanent financing with a principal balance of \$8,800,000 with a stated interest rate of 5.10% per annum due in monthly installments of \$44,975, including interest and a maturity date of January 2042.	\$ 3,440,545
Mortgage notes payable due to Villages, LTD with stated and effective interest rates of 3.98% per annum, due in annual installments from cash flow or proceeds of capital transactions with maturity dates of July 2063 and secured by a mortgage on substantially all assets and an assignment of rent.	6,161,511
Mortgage note payable due to Housing Catalyst with a stated and effective interest rate of 1.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of July 2063 and secured by a mortgage on substantially all assets and an assignment of rent.	<u>4,469,772</u>
Total notes payable - Village on Impala	<u><u>\$ 14,071,828</u></u>

*Village on Plum*

Mortgage note payable with a stated interest rate of 3.85% per annum and an effective interest rate of 4.17%, due in monthly principal and interest installments of \$28,792 with a maturity date of August 2034 and secured by a mortgage on substantially all assets and an assignment of rent.	\$ 5,191,462
Unamortized debt issuance costs, based on an effective interest rate of approximately 4.17%	<u>(163,322)</u>
	5,028,140
Mortgage notes payable due to Villages, LTD with stated and effective interest rates of 3.50% per annum, due in annual installments from cash flow or proceeds of capital transactions with maturity dates of October 2044 and secured by a mortgage on substantially all assets and an assignment of rent.	<u>5,361,077</u>
Total notes payable - Village on Plum	<u><u>\$ 10,389,217</u></u>

*Village on Redwood*

Mortgage note payable due to the Bank of Colorado with a stated interest rate of 4.25% per annum and an effective interest rate of 4.9%, due in monthly installments of principal and interest of \$12,414 with a maturity date of February 2036 and secured by real property, operating reserve account and assignment of rents of the Partnership.	\$ 2,271,202
Unamortized debt issuance costs, based on an effective interest rate of approximately 4.87%	<u>(169,521)</u>
	2,101,681
Mortgage note payable due to the State of Colorado with a stated and effective interest rate of 0.00% per annum, due in annual installments of principal and interest from available cash flows of \$48,879 beginning in June 2018 with a maturity date of March 2056 and secured by real property.	<u>1,906,269</u>
	<u>4,007,950</u>
Mortgage notes payable due to Housing Catalyst with stated and effective interest rates of 4.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of April 2056 and secured by a mortgage on substantially all assets and an assignment of rent.	6,302,965
Unamortized debt issuance costs, based on an effective interest rate of approximately 4.00%	<u>(19,310)</u>
	<u>6,283,655</u>
Total notes payable - Village on Redwood	<u><u>\$ 10,291,605</u></u>

*Village on Shields*

Mortgage note payable due to the US Bank National Association with a stated interest rate of 4.79% per annum and an effective interest rate of 3.19%, due in monthly installments of principal and interest of \$89,474 with a maturity date of October 2036 and secured by real property, operating reserve account and assignment of rents of the Partnership.	\$ 17,281,897
Unamortized debt issuance costs, based on an effective interest rate of approximately 4.97%	<u>(441,324)</u>
	16,840,573

Mortgage note payable due to the State of Colorado with a stated and effective interest rate of 1.00% per annum, due in annual installments of principal and interest from available cash flows of \$16,701 beginning in May 2019 with a maturity date of May 2059 and secured by real property.	590,774
Mortgage notes payable due to Housing Catalyst with stated and effective interest rates ranging from 2.00% of 2.60% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of April 2059 and secured by a mortgage on substantially all assets and an assignment of rent.	22,174,683
Mortgage notes payable due to Villages, Ltd with a stated and effective interest rate of 2.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with maturity dates of April 2059 and secured by a mortgage on substantially all assets and an assignment of rent.	<u>566,072</u>
Total notes payable - Village on Shields	<u><u>\$ 40,172,102</u></u>

*Village on Stanford*

Mortgage note payable with a stated interest rate of 7.85% per annum and an effective interest rate of 8.14%, due in monthly principal and interest installments of \$12,889 with a maturity date of December 2028 and secured by a mortgage on substantially all assets and an assignment of rent.	\$ 1,714,469
Unamortized debt issuance costs, based on an effective interest rate of approximately 8.14%	<u>(16,314)</u>
	1,698,155
Mortgage notes payable due to Housing Catalyst with stated and effective interest rates of 3.57% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of December 2038 and secured by a mortgage on substantially all assets and an assignment of rent.	1,292,138
Mortgage note payable due to Villages, LTD with a stated and effective interest rate of 3.57% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of December 2038 and secured by a mortgage on substantially all assets and an assignment of rent.	758,890
CDBG mortgage note payable with a stated and effective interest rate of 0.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of December 2038 and secured by a mortgage on substantially all assets and an assignment of rent.	219,534
CDBG mortgage note payable with a stated and effective interest rate of 0.00% per annum, due in annual installments from cash flow or proceeds of capital transactions with a maturity date of December 2038 and secured by a mortgage on substantially all assets and an assignment of rent.	230,466

Tax Credit Assistance Program (TCAP) loan payable from the Colorado Housing and Finance Authority with a stated and effective interest rate of 0.00% per annum, with the principal balance due on the maturity date of February 2029 and secured by a second mortgage on substantially all assets and an assignment of rent.

989,065

Total notes payable - Village on Stanford

\$ 5,188,248

The estimated debt requirements to maturity for the year ending December 31, 2023 are as follows:

*Mason Place*

	Principal	Interest	Total
2024	\$ 29,641	\$ 197,190	\$ 226,831
2025	31,242	195,589	226,831
2026	32,648	194,183	226,831
2027	34,118	192,713	226,831
2028	35,402	191,429	226,831
2029-2033	203,525	930,630	1,134,155
2034-2038	1,775,764	794,601	2,570,365
2039-2043	-	515,200	515,200
2044-2048	-	515,200	515,200
2049-2053	2,073,012	452,839	2,525,851
2054-2058	-	411,265	411,265
2059-2063	2,840,564	164,506	3,005,070
Unamortized Debt Issuance Costs	(170,263)	-	(170,263)
<b>Total</b>	<u><u>\$ 6,885,653</u></u>	<u><u>\$ 4,755,345</u></u>	<u><u>\$ 11,640,998</u></u>

*Oak 140*

	Principal	Interest	Total
2024	\$ 11,175,000	\$ 340,962	\$ 11,515,962
2025	165,000	276,309	441,309
2026	165,000	274,763	439,763
2027	165,000	273,011	438,011
2028	170,000	270,915	440,915
2029-2033	875,000	1,310,555	2,185,555
2034-2038	980,000	1,210,229	2,190,229
2039-2043	5,585,000	588,785	6,173,785
2044-2048	-	525,605	525,605
2049-2053	-	525,605	525,605
2054-2058	5,918,067	7,556	5,925,623
Unamortized Debt Issuance Costs	(437,651)	-	(437,651)
<b>Total</b>	<u><u>\$ 24,760,416</u></u>	<u><u>\$ 5,604,295</u></u>	<u><u>\$ 30,364,711</u></u>

*Redtail Ponds PSH*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 55,864	\$ 146,413	\$ 202,277
2025	57,995	144,282	202,277
2026	60,208	142,069	202,277
2027	62,505	139,772	202,277
2028	64,889	137,388	202,277
2029-2033	363,524	647,859	1,011,383
2034-2038	438,365	573,017	1,011,382
2039-2043	528,615	482,768	1,011,383
2044-2048	3,167,945	94,856	3,262,801
Unamortized Debt Issuance Costs	(80,433)	-	(80,433)
<b>Total</b>	<b><u>\$ 4,719,477</u></b>	<b><u>\$ 2,508,424</u></b>	<b><u>\$ 7,227,901</u></b>

*Village on Horsetooth*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 168,262	\$ 352,817	\$ 521,079
2025	227,034	346,677	573,711
2026	232,769	340,942	573,711
2027	238,693	335,018	573,711
2028	244,270	329,441	573,711
2029-2033	1,322,539	1,546,017	2,868,556
2034-2038	4,995,418	1,249,198	6,244,616
2039-2043	263,160	689,430	952,590
2044-2048	263,160	689,430	952,590
2049-2053	263,160	689,430	952,590
2054-2058	5,606,826	505,582	6,112,408
Unamortized Debt Issuance Costs	(162,632)	-	(162,632)
<b>Total</b>	<b><u>\$ 13,662,659</u></b>	<b><u>\$ 7,073,982</u></b>	<b><u>\$ 20,736,641</u></b>

**Housing Catalyst**  
Notes to Financial Statements  
December 31, 2023

*Village on Impala*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 113,823	\$ 113,823
2025	-	113,823	113,823
2026	-	113,823	113,823
2027	-	113,823	113,823
2028	-	113,823	113,823
2029-2033	-	569,115	569,115
2034-2038	-	569,115	569,115
2039-2043	3,440,545	569,115	4,009,660
2044-2048	-	569,115	569,115
2049-2053	-	569,115	569,115
2054-2058	-	569,115	569,115
2059-2063	10,631,283	455,292	
Total	<u>\$ 14,071,828</u>	<u>\$ 4,439,097</u>	<u>\$ 7,424,350</u>

*Village on Plum*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 148,236	\$ 339,312	\$ 487,548
2025	154,045	333,503	487,548
2026	160,081	327,467	487,548
2027	166,354	321,194	487,548
2028	172,873	314,675	487,548
2029-2033	971,449	1,466,289	2,437,738
2034-2038	3,418,424	796,318	4,214,742
2039-2043	-	710,190	710,190
2044-2048	5,361,077	118,365	5,479,442
Unamortized Debt Issuance Costs	(163,322)	-	(163,322)
Total	<u>\$ 10,389,217</u>	<u>\$ 4,727,313</u>	<u>\$ 15,116,530</u>

**Housing Catalyst**  
Notes to Financial Statements  
December 31, 2023

*Village on Redwood*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,411	\$ 349,369	\$ 401,780
2025	103,312	347,348	450,660
2026	105,705	344,955	450,660
2027	108,202	342,458	450,660
2028	110,561	340,099	450,660
2029-2033	597,062	1,656,231	2,253,293
2034-2038	1,878,256	1,408,916	3,287,172
2039-2043	244,395	1,264,045	1,508,440
2044-2048	244,395	1,264,045	1,508,440
2049-2053	244,395	1,264,045	1,508,440
2054-2058	6,791,742	589,888	7,381,630
Unamortized Debt Issuance Costs	(188,831)	-	(188,831)
<b>Total</b>	<b>\$ 10,291,605</b>	<b>\$ 9,171,399</b>	<b>\$ 19,463,004</b>

*Village on Shields*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 251,360	\$ 1,345,984	\$ 1,597,344
2025	274,461	1,333,676	1,608,137
2026	287,480	1,320,657	1,608,137
2027	301,132	1,307,005	1,608,137
2028	315,448	1,292,689	1,608,137
2029-2033	1,817,593	6,223,091	8,040,684
2034-2038	14,195,749	4,453,178	18,648,927
2039-2043	63,284	2,608,938	2,672,222
2044-2048	66,512	2,605,710	2,672,222
2049-2053	69,905	2,602,318	2,672,223
2054-2058	73,471	2,598,751	2,672,222
2059-2063	22,897,031	174,144	23,071,175
Unamortized Debt Issuance Costs	(441,324)	-	(441,324)
<b>Total</b>	<b>\$ 40,172,102</b>	<b>\$ 27,866,141</b>	<b>\$ 68,038,243</b>

*Village on Stanford*

	Principal	Interest	Total
2024	\$ 20,013	\$ 207,873	\$ 227,886
2025	22,445	205,441	227,886
2026	24,272	203,614	227,886
2027	26,247	201,639	227,886
2028	1,621,492	199,502	1,820,994
2028-2032	-	366,110	366,110
2033-2037	-	366,110	366,110
2038-2042	3,490,093	73,222	3,563,315
Unamortized Debt Issuance Costs	(16,314)	-	(16,314)
Total	<u>\$ 5,188,248</u>	<u>\$ 1,823,511</u>	<u>\$ 7,011,759</u>

**Note 8 - Leases Payable**

**Primary Government**

Housing Catalyst is leasing seven vehicles for the maintenance department. The lease terms are between four and five years and have total monthly payments of \$2,877.

During the year ended December 31, 2023, the following changes occurred in leases payable:

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Leases	<u>\$ 50,586</u>	<u>\$ -</u>	<u>\$ (29,516)</u>	<u>\$ 21,070</u>	<u>\$ 21,070</u>

The lease payment requirements to maturity as of December 31, 2023 are as follows:

	Principal	Interest	Total
2024	\$ 21,070	\$ 1,038	\$ 22,108
Total	<u>\$ 21,070</u>	<u>\$ 1,038</u>	<u>\$ 22,108</u>

During the year ended December 31, 2021, Housing Catalyst purchased land in Fort Collins, Colorado, for \$1,325,724 and subsequently exchanged the land for a long-term prepaid lease in a commercial office building. The office building was completed in early 2023 and the lease term is for 99 years. Total lease expense incurred for the year ended December 31, 2023 was \$13,391. As of December 31, 2023, the prepaid balance was \$1,312,333.

### **Discretely Presented Component Units**

Village on Plum is leasing land under a long-term non-cancelable operating lease. The lease has annual payments of \$5,060, a maturity date of October 3013 and was prepaid for the first 15 years. Total lease costs incurred for the year ended December 31, 2023 was \$5,060 and there were no cash payments made during the year. As of December 31, 2023, the prepaid balance was \$29,517 and that balance is included with the leased capital asset. Lease payments for the remaining 984 years will start in the year ending December 31, 2029.

### **Note 9 - Restricted Net Position**

As of December 31, 2023, restricted net position consisted of \$102,641 in Section 8 HAP received but not yet paid to eligible individuals.

### **Note 10 - Annual Contributions Contract**

Housing Catalyst has an annual contributions contract for Section 8 HAP and adjustments vary based on requirements. The maximum contract was \$19,606,203 for the year ended December 31, 2023. Additional funding for the year ended December 31, 2023 was provided by HUD-Held Section 8 HAP reserves which are available as needed. The balances of HUD-Held Section 8 HAP reserves at December 31, 2023 totaled \$588,771.

### **Note 11 - Related Party Transactions**

#### **Management Fees and Reimbursement of Expenses**

Housing Catalyst is a general partner in Mason Place, LLLP (Mason Place), a 60 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 6% of net rental income and accounting fees totaling 4% of net rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$88,322 for these fees. Additionally, under the partnership agreement, Housing Catalyst is to be paid an annual Partnership Management Fee of \$15,000. The fee increases by 3% on an annual basis, is payable from available cash and accrues to the extent that the fee was not paid during the year. During the year ended December 31, 2023, Housing Catalyst earned \$15,914 for this fee and that balance is included in accounts receivable. During the year ended December 31, 2023, Housing Catalyst was also reimbursed for tenant services salaries and benefits of \$199,930.

Housing Catalyst is a general partner in Oak 140, LLLP (Oak 140), a 79 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 7% of gross rental income and accounting fees totaling 6% of net rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$106,196 for these fees.

Housing Catalyst is also a general partner in Redtail Ponds PSH, LLLP (Redtail), a 60 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 8% of net rental income and accounting fees totaling 3% of net rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$102,511 for these fees.

Housing Catalyst is also a general partner in Village on Horsetooth, LLLP (Horsetooth), a 92 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 8% of net rental income and accounting fees totaling 9% of net rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$206,396 for these fees.

Housing Catalyst is also a general partner in Village on Impala, LLLP (Impala), a 86 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 8% of gross rental income and accounting fees totaling 5.5% of gross rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$13,115 for these fees. As of December 31, 2023, Housing Catalyst was owed \$2,493 for these fees and that balance is included in accounts receivable. Additionally, under the partnership agreement, Housing Catalyst is to be paid an annual Partnership Management Fee of \$20,000. The fee increases by 3% on an annual basis, is payable from available cash and accrues to the extent that the fee was not paid during the year. During the year ended December 31, 2023, Housing Catalyst earned \$20,000 for this fee and that balance is included in accounts receivable. Additionally, during the year ended December 31, 2023, Housing Catalyst was reimbursed \$1,568,617 for pre-development costs and paid \$230,000 for bond issuance fees.

Housing Catalyst is also a general partner in Village on Plum, LLLP (Plum), a 95 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 8% of net rental income and accounting fees totaling 3% of net rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$142,241 for these fees.

Housing Catalyst is also a general partner in Village on Redwood, LLLP (Redwood), a 72 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 8% of net rental income and accounting fees totaling 9% of net rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$138,756 for these fees. Additionally, under the partnership agreement, Housing Catalyst is to be paid an annual Partnership Management Fee of \$15,000. The fee increases by 3% on an annual basis, is payable from available cash and accrues to the extent that the fee was not paid during the year. During the year ended December 31, 2023, Housing Catalyst earned \$17,911 for this fee. As of December 31, 2023, the total accrued balance for this fee is \$108,688 and it is included in accounts receivable.

Housing Catalyst is also a general partner in Village on Shields, LLLP (Shields), a 285 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 8% of rental income and accounting fees totaling 3% of rental income on the project. During the year ended December 31, 2023, Housing Catalyst earned \$392,477 for these fees.

Housing Catalyst is also a general partner in Village on Stanford, LLLP (Stanford), an 82 unit low income housing tax credit project, and provides management services to the project. Under the management agreement, Housing Catalyst is to be paid management fees totaling 8% of gross rents of the project. During the year ended December 31, 2023, Housing Catalyst received \$68,338 in property management fees.

Housing Catalyst is reimbursed for various office expenses, caretaker payroll and benefits, and other maintenance costs incidental to the operations of Mason Place, Oak 140, Redtail Ponds, Horsetooth, Impala, Plum, Redwood, Shields and Stanford. During the year ended December 31, 2023, Housing Catalyst received approximately \$197,542 from Mason Place, \$280,700 from Oak 140, \$342,300 from Redtail, \$262,800 from Horsetooth, \$69,000 from Impala, \$424,400 from Plum, \$214,100 from Redwood, \$1,190,700 from Shields and \$404,800 from Stanford for these expenses. As of December 31, 2023, Housing Catalyst was owed \$1,770 from Mason Place, \$16,523 from Oak 140, \$81,102 from Redtail, \$13,590 from Horsetooth, \$13,938 from Impala, \$13,495 from Plum, \$5,975 from Redwood, \$23,537 from Shields and \$9,436 from Stanford for these fees and expenses and those balances are included in accounts receivable.

### **Developer Fees**

As of December 31, 2023, Housing Catalyst was owed \$620,743, \$405,321, \$461,641, \$284,643, \$209,661, \$3,899,630 and \$1,586,298 in developer fees from Mason Place, Horsetooth, Impala, Plum, Redwood, Shields and Oak 140, respectively, related to the construction and development of the projects. Of these amounts, the Authority expects to receive \$10,268 from Redwood, \$102,989 from Shields and \$994,380 from Oak 140 during 2024. The remaining balances of \$620,743, \$405,321, \$461,641, \$284,643, \$199,393, \$3,796,641 and \$591,918, respectively, will be paid to Housing Catalyst from future available cash flows of the projects. In addition, Housing Catalyst was owed accrued interest of \$11,679, \$45,811 and \$7,158 from Horsetooth, Plum and Redwood, respectively, as of December 31, 2023.

During the year ended December 31, 2023, Housing Catalyst earned developer fees of \$1,264,246 from VOI.

### **Notes Receivable**

As of December 31, 2023, Housing Catalyst was owed \$3,713,576 on four notes receivable from Mason Place with a stated interest rates ranging from 1.00% per annum to 5.00% per annum (see Note 5). Interest income from Mason Place for the year ended December 31, 2023, was \$98,647.

As of December 31, 2023, Housing Catalyst was owed \$25,198,067 on two notes receivable from Oak 140 with a stated interest rates ranging from 0.875% per annum to 2.25% per annum (see Note 5). In addition, Housing Catalyst was owed accrued interest of \$149,534 from Oak 140. Interest income from Oak 140 for the year ended December 31, 2023, was \$389,745.

As of December 31, 2023, Housing Catalyst and Villages were owed \$2,885,285 on three notes receivable from Redtail with stated interest rates ranging from 2.50% per annum to 4.00% per annum (see Note 5). Interest income from Redtail for the year ended December 31, 2023, was \$75,568.

As of December 31, 2023, Housing Catalyst was owed \$5,133,154 on three notes receivable from Horsetooth with stated interest rates of 2.68% per annum (see Note 5). Interest income from Horsetooth for the year ended December 31, 2023, was \$133,920.

As of December 31, 2023, Housing Catalyst and Villages was owed \$10,631,283 on three notes receivable from Impala with stated interest rates ranging from 1.00% to 3.98% per annum (see Note 5). Interest income from Impala for the year ended December 31, 2023, was \$126,283.

As of December 31, 2023, Villages was owed \$5,361,077 on two notes receivable from Plum with stated interest rates of 3.50% per annum (see Note 5). Interest income from Plum for the year ended December 31, 2023, was \$142,038.

As of December 31, 2023, Housing Catalyst was owed \$6,302,965 on three notes receivable from Redwood with stated interest rates of 4.00% per annum (see Note 5). Interest income from Redwood for the year ended December 31, 2023, was \$242,422.

As of December 31, 2023, Housing Catalyst and Villages was owed \$22,740,755 on six notes receivable from Shields with stated interest rates ranging from 2.00% to 2.60% per annum (see Note 5). Interest income from Shields for the year ended December 31, 2023, was \$504,868.

As of December 31, 2023, Housing Catalyst and Villages were owed \$2,051,028 on three notes receivable from Stanford with stated interest rates of 3.57% per annum (see Note 5). Interest income from Stanford for the year ended December 31, 2023, was \$70,698.

### **Investment in Tax Credit Partnerships**

Housing Catalyst is the managing general partner in Mason Place, Oak 140, Redtail, Horsetooth, Impala, Plum, Redwood, Shields and Stanford with ownership interests generally 0.01% or less. As the general partner, Housing Catalyst has the day to day management responsibilities of each partnership. Housing Catalyst's equity interest in the partnerships above was \$146,448 as of December 31, 2023.

### **Note 12 - Management Services**

As mentioned in Note 11, Housing Catalyst provides management services for Mason Place, LLLP, Oak 140, LLLP, Redtail Ponds PSH, LLLP, Village on Elizabeth, LLLP, Village on Horsetooth, LLLP, Village on Impala, LLLP, Village on Plum, LLLP, Village on Redwood, LLLP, Village on Shields, LLLP and Village on Stanford, LLLP. In addition, Housing Catalyst provides management services for The Villages, Ltd. (Villages), the Wellington Housing Authority (WHA) and Wellington Community Housing (WCH). The Villages, WHA and WCH pay for all direct charges and then reimburse Housing Catalyst through a management fee agreement for the salaries, employee benefits, and other overhead items.

**Note 13 - Risk Management**

Housing Catalyst is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Housing Catalyst carries commercial insurance for the risks of loss, including worker's compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage have been adjusted annually.

**Note 14 - Pension Plan**

Beginning on January 1, 2019, Housing Catalyst provides eligible employees with a 401a deferred compensation retirement plan, a type of defined contribution plan. The plan and the contributions rate are authorized by Housing Catalyst's Board of Commissioners. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Under the plan, eligible employees are required to contribute 4.5% of earnings for 2019 and 6.2% for 2020 and beyond and the employer contributes 10% of each employee's earnings, including overtime and bonuses. Contributions are made to and maintained by the plan administrator, ICMA-RC, which maintains an individual account for each participant. Employees are vested in their account by years of service, 33% (year 1), 66% (year 2), 99% (year 3) and 100% (year 4) and are eligible for plan benefits at retirement, which is defined as reaching age 62 and no longer being employed with Housing Catalyst. For the years ended December 31, 2023, 2022 and 2021, the total employer cost of the plan totaled \$693,501, \$621,260 and \$549,551, respectively.

**Note 15 - Line of Credit**

Housing Catalyst and Villages have unsecured lines of credit with a total available balance of \$2,000,000 and \$1,000,000, respectively, with FirstBank of Northern Colorado. The lines expire on September 23, 2024 and July 19, 2024, respectively, and interest on the line of credit is variable based on the Wall Street Journal Prime Rate with minimum rates of 8.50% and 8.25% per annum, respectively. The funds from the lines are designated for the temporary financing of Housing Development projects. As of December 31, 2023, there was no outstanding balance due on the lines of credit.

**Note 16 - Conduit Debt**

In April of 2022, Housing Catalyst issued private activity bonds in the amount of \$14,237,109 to MHMP 16 Northfield, LLLP, for the construction of Northfield Commons in Fort Collins, Colorado. The debt has a final maturity date of April 23, 2039 and is secured by real estate. Housing Catalyst will not guarantee the debt or have any liability for the debt. Accordingly, the debt will not be reported as a liability in Housing Catalyst's financial statements. MHMP 16 Northfield paid Housing Catalyst an issuance fee for issuing the bonds. As of December 31, 2023, the outstanding balance of the debt was \$9,748,471.

In July of 2023, Housing Catalyst issued private activity bonds in the amount of \$23,000,000 to Village on Impala, LLLP, for the construction of Village on Impala in Fort Collins, Colorado. The debt has a final maturity date of January 20, 2042 and is secured by real estate. Housing Catalyst will not guarantee the debt or have any liability for the debt. Accordingly, the debt will not be reported as a liability in Housing Catalyst's financial statements. Village on Impala, LLLP paid Housing Catalyst an issuance fee for issuing the bonds. As of December 31, 2023, the outstanding balance of the debt was \$3,440,545.

**Note 17 - CDBG and HOME Grants**

Villages received CDBG grant funds from the City of Fort Collins (City) for the payment of development costs for the Village on Bryan (Bryan) rehabilitation project. The Bryan grant was funded directly to Villages and the grant is restricted for a period of time. Villages is to repay the City upon the sale of property that was acquired, constructed or improved with the grant funds through the restricted period. During the year ended December 31, 2023, Villages had total CDBG grant income of \$1,178,197.

**Note 17 - Commitments and Contingencies**

Housing Catalyst receives significant financial assistance from the United States Government in the form of contracts and grants. Entitlement to these resources is generally contingent upon compliance with the terms and conditions of the contract or grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all federal grants and contracts are subject to a financial and compliance audit under federal regulations. Disallowed costs as a result of compliance audits become a liability of Housing Catalyst. Management believes that the potential for a material liability due to future audit disallowance is remote.

**Note 18 - Subsequent Events**

In June of 2024, Housing Catalyst purchased land located in Fort Collins, Colorado. The land will be used for future development and was purchased for \$2,200,000. The property was paid with cash proceeds from the existing line of credit.

\* \* \* \* \*

**Housing Catalyst**  
Combining Schedule of Net Position  
December 31, 2023

	Public Housing	Housing Choice Vouchers	Mainstream Vouchers	Emergency Housing Vouchers	Blended Component Units	State and Local
<b>Assets and Deferred Outflows</b>						
Cash and cash equivalents	\$ 458,845	\$ 697,750	\$ 163,162	\$ 31,104	\$ 6,022,998	\$ 26
Restricted cash and cash equivalents	2,784	358,099	13,795	34,692	360,020	-
Accounts receivable						
Grants	-	8,965	19,249	-	2,027	-
Tenants	1,220	-	-	-	67,750	-
Developer fees, current	-	-	-	-	-	-
Other	-	29,197	-	1,706	12,935	-
Accrued interest	-	-	-	-	26,906	-
Lease receivable - current	-	-	-	-	-	-
Notes receivable - current	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	2,828	-
Inventory	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total current assets	<u>462,849</u>	<u>1,094,011</u>	<u>196,206</u>	<u>67,502</u>	<u>6,495,464</u>	<u>26</u>
Non-depreciable capital assets	602,219	-	-	-	2,831,934	-
Depreciable capital assets, net	95,927	-	-	-	9,855,676	-
Leased capital assets, net	-	-	-	-	-	-
Developer fees receivable, long-term	-	-	-	-	-	-
Lease receivable, net	-	-	-	-	96,852	-
Notes receivable, net	-	-	-	-	14,758,819	-
Prepaid long-term lease	-	-	-	-	-	-
Investment in tax credit partnerships	-	-	-	-	-	-
Investment in future developments	-	-	-	-	-	-
Total Assets	<u>1,160,995</u>	<u>1,094,011</u>	<u>196,206</u>	<u>67,502</u>	<u>34,038,745</u>	<u>26</u>
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>\$ 1,160,995</u>	<u>\$ 1,094,011</u>	<u>\$ 196,206</u>	<u>\$ 67,502</u>	<u>\$ 34,038,745</u>	<u>\$ 26</u>
<b>Liabilities, Deferred Inflows and Net Position</b>						
Liabilities						
Accounts payable	\$ 49,558	\$ -	\$ -	\$ -	\$ 150,057	\$ 26
Accrued liabilities	26,373	4,142	5,692	226	44,806	-
Accrued compensation	3,436	-	-	-	-	-
Accrued interest payable	-	-	-	-	7,973	-
Unearned revenues	221	-	-	34,692	12,158	-
Due to other funds	-	45,066	6,251	368	72,717	-
Tenant security deposits	2,784	-	-	-	101,359	-
Money held in escrow	-	307,578	13,795	-	314	-
Leases payable - current	-	-	-	-	-	-
Notes and mortgages payable - current	-	-	-	-	23,852	-
Total current liabilities	<u>82,372</u>	<u>356,786</u>	<u>25,738</u>	<u>35,286</u>	<u>413,236</u>	<u>26</u>
Bond premium, net	-	-	-	-	-	-
Notes and mortgages payable, net	-	-	-	-	4,503,293	-
Total Liabilities	<u>82,372</u>	<u>356,786</u>	<u>25,738</u>	<u>35,286</u>	<u>4,916,529</u>	<u>26</u>
Deferred Inflows of Resources	-	-	-	-	126,369	-
Net Position						
Net investment in capital assets	663,250	-	-	-	8,160,465	-
Restricted - housing assistance payments	-	50,521	-	6,870	-	-
Unrestricted	<u>415,373</u>	<u>686,704</u>	<u>170,468</u>	<u>25,346</u>	<u>20,835,382</u>	<u>-</u>
Total Net Position	<u>1,078,623</u>	<u>737,225</u>	<u>170,468</u>	<u>32,216</u>	<u>28,995,847</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 1,160,995</u>	<u>\$ 1,094,011</u>	<u>\$ 196,206</u>	<u>\$ 67,502</u>	<u>\$ 34,038,745</u>	<u>\$ 26</u>

**Housing Catalyst**  
Combining Schedule of Net Position  
December 31, 2023

Real Estate Development	Management	HUD Grants	Single Room Occupancy	COCC	Subtotal	Elimination of Intercompany Activity	Total
\$ 9,849,309	\$ 1,588,944	\$ -	\$ 45,250	\$ -	\$ 18,857,388	\$ -	\$ 18,857,388
-	66,465	-	-	-	835,855	-	835,855
-	-	44,130	-	-	74,371	-	74,371
-	-	-	-	-	68,970	-	68,970
1,107,637	-	-	-	-	1,107,637	-	1,107,637
158,969	477,986	-	-	-	680,793	(61,542)	619,251
67,812	157,229	-	-	-	251,947	(12,141)	239,806
-	-	-	-	-	-	-	-
-	11,281,773	-	-	-	11,281,773	-	11,281,773
34,368	28,783	-	-	-	65,979	-	65,979
-	103,203	-	-	-	103,203	-	103,203
15,771	136,021	-	-	-	151,792	(151,792)	-
<u>11,233,866</u>	<u>13,840,404</u>	<u>44,130</u>	<u>45,250</u>	<u>-</u>	<u>33,479,708</u>	<u>(225,475)</u>	<u>33,254,233</u>
660,000	39,500	-	-	-	4,133,653	-	4,133,653
659,241	187,218	-	-	-	10,798,062	(300,000)	10,498,062
-	16,047	-	-	-	16,047	-	16,047
6,360,300	-	-	-	-	6,360,300	-	6,360,300
-	-	-	-	-	96,852	-	96,852
54,455,164	8,332,756	-	-	-	77,546,739	(3,738,921)	73,807,818
1,298,942	-	-	-	-	1,298,942	-	1,298,942
146,448	-	-	-	-	146,448	-	146,448
296,642	-	-	-	-	296,642	-	296,642
<u>75,110,603</u>	<u>22,415,925</u>	<u>44,130</u>	<u>45,250</u>	<u>-</u>	<u>134,173,393</u>	<u>(4,264,396)</u>	<u>129,908,997</u>
-	-	-	-	-	-	-	-
<u>\$ 75,110,603</u>	<u>\$ 22,415,925</u>	<u>\$ 44,130</u>	<u>\$ 45,250</u>	<u>\$ -</u>	<u>\$ 134,173,393</u>	<u>\$ (4,264,396)</u>	<u>\$ 129,908,997</u>
\$ 6,090	\$ 38,486	\$ 6,713	\$ -	\$ -	\$ 250,930	\$ (59,608)	\$ 191,322
4,500	48,319	5,065	-	-	139,123	(1,934)	137,189
54,877	521,591	4,962	-	-	584,866	-	584,866
12,256	104,756	-	-	-	124,985	(12,141)	112,844
-	63,066	-	-	-	110,137	-	110,137
-	-	27,390	-	-	151,792	(151,792)	-
-	-	-	-	-	104,143	-	104,143
-	3,809	-	-	-	325,496	-	325,496
-	21,070	-	-	-	21,070	-	21,070
<u>205,243</u>	<u>11,341,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,571,070</u>	<u>-</u>	<u>11,571,070</u>
282,966	12,143,072	44,130	-	-	13,383,612	(225,475)	13,158,137
-	15,602	-	-	-	15,602	-	15,602
<u>793,253</u>	<u>8,512,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,809,095</u>	<u>(3,738,921)</u>	<u>10,070,174</u>
<u>1,076,219</u>	<u>20,671,223</u>	<u>44,130</u>	<u>-</u>	<u>-</u>	<u>27,208,309</u>	<u>(3,964,396)</u>	<u>23,243,913</u>
-	-	-	-	-	126,369	-	126,369
320,745	(18,326)	-	-	-	9,126,134	3,738,921	12,865,055
-	-	-	45,250	-	102,641	-	102,641
<u>73,713,639</u>	<u>1,763,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,609,940</u>	<u>(4,038,921)</u>	<u>93,571,019</u>
<u>74,034,384</u>	<u>1,744,702</u>	<u>-</u>	<u>45,250</u>	<u>-</u>	<u>106,838,715</u>	<u>(300,000)</u>	<u>106,538,715</u>
<u>\$ 75,110,603</u>	<u>\$ 22,415,925</u>	<u>\$ 44,130</u>	<u>\$ 45,250</u>	<u>\$ -</u>	<u>\$ 134,173,393</u>	<u>\$ (4,264,396)</u>	<u>\$ 129,908,997</u>

## Housing Catalyst

Combining Schedule of Revenues, Expenses and Changes in Net Position  
Year Ended December 31, 2023

	Public Housing	Housing Choice Vouchers	Mainstream Vouchers	Emergency Housing Vouchers	Blended Component Units	State and Local
Operating Revenues						
HUD PHA grants	\$ 345,979	\$ 17,058,772	\$ 2,320,314	\$ 414,446	\$ 1,215,029	\$ -
Other grants	-	-	-	-	1,178,197	-
Rental income	49,021	-	-	-	2,753,713	-
Administration fees	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Other	8,513	2,686	-	-	580,256	-
<b>Total Operating Revenues</b>	<b>403,513</b>	<b>17,061,458</b>	<b>2,320,314</b>	<b>414,446</b>	<b>5,727,195</b>	<b>-</b>
Operating Expenses						
Housing assistance payments	-	15,700,444	2,038,091	372,258	1,114,720	-
Administrative salaries and benefits	-	-	-	-	419,338	-
Maintenance salaries and benefits	-	-	-	-	-	-
Other administrative Regular and extraordinary maintenance	120,882	1,187,925	150,586	33,414	1,064,875	-
Depreciation and amortization	118,957	-	-	-	869,332	-
Utilities	22,016	-	-	-	735,206	-
Insurance	33,605	-	-	-	246,031	-
Payments in lieu of taxes	5,778	-	-	-	121,676	-
Other	1,542	-	-	-	-	-
	1,851	-	-	-	326,256	-
<b>Total Operating Expenses</b>	<b>304,631</b>	<b>16,888,369</b>	<b>2,188,677</b>	<b>405,672</b>	<b>4,897,434</b>	<b>-</b>
<b>Operating Income (Loss)</b>	<b>98,882</b>	<b>173,089</b>	<b>131,637</b>	<b>8,774</b>	<b>829,761</b>	<b>-</b>
Non-Operating Revenues (Expenses)						
Interest income	15,004	16,234	4,168	1,610	568,884	71
Interest expense	-	-	-	-	(199,764)	-
Other financing costs	-	-	-	-	-	-
Gain (loss) on disposal of capital assets	(464,442)	-	-	-	6,122,318	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(449,438)</b>	<b>16,234</b>	<b>4,168</b>	<b>1,610</b>	<b>6,491,438</b>	<b>71</b>
<b>Income (Loss) Before Contributions</b>	<b>(350,556)</b>	<b>189,323</b>	<b>135,805</b>	<b>10,384</b>	<b>7,321,199</b>	<b>71</b>
HUD Capital Contributions	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>(350,556)</b>	<b>189,323</b>	<b>135,805</b>	<b>10,384</b>	<b>7,321,199</b>	<b>71</b>
Equity transfers	(876,163)	-	-	-	-	(3,010)
<b>Net Position-Beginning of Year</b>	<b>2,305,342</b>	<b>547,902</b>	<b>34,663</b>	<b>21,832</b>	<b>21,674,648</b>	<b>2,939</b>
<b>Net Position-End of Year</b>	<b>\$ 1,078,623</b>	<b>\$ 737,225</b>	<b>\$ 170,468</b>	<b>\$ 32,216</b>	<b>\$ 28,995,847</b>	<b>\$ -</b>

## Housing Catalyst

Combining Schedule of Revenues, Expenses and Changes in Net Position  
Year Ended December 31, 2023

Real Estate Development	Management	HUD Grants	Single Room Occupancy	COCC	Subtotal	Elimination of Intercompany Activity	Total
\$ -	\$ -	\$ 610,591	\$ -	\$ -	\$ 21,965,131	\$ -	\$ 21,965,131
61,000	248,204	-	-	-	1,487,401	-	1,487,401
-	-	-	-	-	2,802,734	-	2,802,734
-	6,601,415	-	-	4,704,333	11,305,748	(6,242,277)	5,063,471
1,564,246	-	-	-	-	1,564,246	(300,000)	1,264,246
170,332	560,283	-	-	3,776	1,325,846	(622,442)	703,404
<u>1,795,578</u>	<u>7,409,902</u>	<u>610,591</u>	<u>-</u>	<u>4,708,109</u>	<u>40,451,106</u>	<u>(7,164,719)</u>	<u>33,286,387</u>
-	-	-	-	-	19,225,513	-	19,225,513
639,126	2,973,849	521,094	-	3,526,037	8,079,444	(419,338)	7,660,106
-	963,352	-	-	-	963,352	-	963,352
1,129,433	2,517,956	89,497	-	1,036,435	7,331,003	(5,509,715)	1,821,288
30,055	106,004	-	-	38,896	1,163,244	(313,224)	850,020
50,586	83,626	-	-	-	891,434	-	891,434
5,663	576	-	-	10,817	296,692	-	296,692
10,892	30,565	-	-	95,919	264,830	-	264,830
-	-	-	-	-	1,542	-	1,542
-	-	-	-	-	328,107	(158,000)	170,107
<u>1,865,755</u>	<u>6,675,928</u>	<u>610,591</u>	<u>-</u>	<u>4,708,104</u>	<u>38,545,161</u>	<u>(6,400,277)</u>	<u>32,144,884</u>
<u>(70,177)</u>	<u>733,974</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>1,905,945</u>	<u>(764,442)</u>	<u>1,141,503</u>
1,657,006	356,434	-	137	-	2,619,548	(144,601)	2,474,947
(59,858)	(325,678)	-	-	(5)	(585,305)	144,601	(440,704)
(4,287)	-	-	-	-	(4,287)	-	(4,287)
<u>3,463,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,121,335</u>	<u>464,442</u>	<u>9,585,777</u>
<u>5,056,320</u>	<u>30,756</u>	<u>-</u>	<u>137</u>	<u>(5)</u>	<u>11,151,291</u>	<u>464,442</u>	<u>11,615,733</u>
4,986,143	764,730	-	137	-	13,057,236	(300,000)	12,757,236
-	-	-	-	-	-	-	-
4,986,143	764,730	-	137	-	13,057,236	(300,000)	12,757,236
856,163	23,010	-	-	-	-	-	-
<u>68,192,078</u>	<u>956,962</u>	<u>-</u>	<u>45,113</u>	<u>-</u>	<u>93,781,479</u>	<u>-</u>	<u>93,781,479</u>
<u>\$ 74,034,384</u>	<u>\$ 1,744,702</u>	<u>\$ -</u>	<u>\$ 45,250</u>	<u>\$ -</u>	<u>\$ 106,838,715</u>	<u>\$ (300,000)</u>	<u>\$ 106,538,715</u>

## Housing Catalyst

Combining Schedule of Net Position - Blended Component Units  
December 31, 2023

	Larimer County Housing Authority	Villages, Ltd	Village on Elizabeth, LLLP	Total
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 8,454	\$ 5,968,432	\$ 46,112	\$ 6,022,998
Restricted cash and cash equivalents	314	79,846	279,860	360,020
Accounts receivable				
Grants	2,027	-	-	2,027
Tenants	-	61,046	6,704	67,750
Other	1,934	10,662	339	12,935
Accrued interest	-	26,906	-	26,906
Prepaid expenses	-	2,186	642	2,828
<b>Total Current Assets</b>	<b>12,729</b>	<b>6,149,078</b>	<b>333,657</b>	<b>6,495,464</b>
Capital Assets				
Non-depreciable	-	2,191,934	640,000	2,831,934
Depreciable, net	-	7,874,793	1,980,883	9,855,676
<b>Total Capital Assets, Net</b>	<b>-</b>	<b>10,066,727</b>	<b>2,620,883</b>	<b>12,687,610</b>
Lease receivable, net	-	96,852	-	96,852
Notes receivable, net	-	14,758,819	-	14,758,819
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>24,922,398</b>	<b>2,620,883</b>	<b>27,543,281</b>
Deferred Outflow of Resources	-	-	-	-
<b>Total Assets and Deferred Outflows</b>	<b>\$ 12,729</b>	<b>\$ 31,071,476</b>	<b>\$ 2,954,540</b>	<b>\$ 34,038,745</b>
<b>Liabilities and Net Position</b>				
Current Liabilities				
Accounts payable	\$ 832	\$ 138,477	\$ 10,748	\$ 150,057
Accrued liabilities	2,130	38,985	3,691	44,806
Accrued interest payable	-	-	7,973	7,973
Unearned revenues	-	9,158	3,000	12,158
Due to other funds	-	72,717	-	72,717
Tenant security deposits payable	-	79,846	21,513	101,359
Money held in escrow	314	-	-	314
Notes and mortgages payable - current portion	-	-	23,852	23,852
<b>Total Current Liabilities</b>	<b>3,276</b>	<b>339,183</b>	<b>70,777</b>	<b>413,236</b>
Notes and mortgages payable - net	-	-	4,503,293	4,503,293
<b>Total Liabilities</b>	<b>3,276</b>	<b>339,183</b>	<b>4,574,070</b>	<b>4,916,529</b>
Deferred Inflow of Resources	-	126,369	-	126,369
Net Position				
Net investment in capital assets	-	10,066,727	(1,906,262)	8,160,465
Restricted - housing assistance payments	-	-	-	-
Unrestricted	9,453	20,539,197	286,732	20,835,382
<b>Total Net Position</b>	<b>9,453</b>	<b>30,605,924</b>	<b>(1,619,530)</b>	<b>28,995,847</b>
<b>Total Liabilities, Deferred Inflow and Net Position</b>	<b>\$ 12,729</b>	<b>\$ 31,071,476</b>	<b>\$ 2,954,540</b>	<b>\$ 34,038,745</b>

## Housing Catalyst

Combining Schedule of Revenues, Expenses and Changes in Net Position - Blended Component Units  
Year Ended December 31, 2023

	Larimer County Housing Authority	Villages, Ltd	Village on Elizabeth, LLLP	Total
Operating Revenues				
HUD PHA grants	\$ 1,215,029	\$ -	\$ -	\$ 1,215,029
Other grants	-	1,178,197	-	1,178,197
Rental income	-	2,210,005	543,708	2,753,713
Other	2,048	567,654	10,554	580,256
Total Operating Revenues	<u>1,217,077</u>	<u>3,955,856</u>	<u>554,262</u>	<u>5,727,195</u>
Operating Expenses				
Housing assistance payments	1,114,720	-	-	1,114,720
Administrative salaries and benefits	-	363,803	55,535	419,338
Other administrative	102,926	767,347	194,602	1,064,875
Regular and extraordinary maintenance	-	753,019	116,313	869,332
Depreciation and amortization	-	560,531	174,675	735,206
Utilities	-	207,839	38,192	246,031
Insurance	-	93,692	27,984	121,676
Other	-	322,782	3,474	326,256
Total Operating Expenses	<u>1,217,646</u>	<u>3,069,013</u>	<u>610,775</u>	<u>4,897,434</u>
Operating Income (Loss)	<u>(569)</u>	<u>886,843</u>	<u>(56,513)</u>	<u>829,761</u>
Non-Operating Revenues (Expenses)				
Interest income	-	567,003	1,881	568,884
Interest expense	-	-	(199,764)	(199,764)
Gain on disposal of capital assets	-	6,122,318	-	6,122,318
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>6,689,321</u>	<u>(197,883)</u>	<u>6,491,438</u>
Change in Net Position	(569)	7,576,164	(254,396)	7,321,199
Net Position, Beginning of the Year	<u>10,022</u>	<u>23,029,760</u>	<u>(1,365,134)</u>	<u>21,674,648</u>
Net Position, End of the Year	<u>\$ 9,453</u>	<u>\$ 30,605,924</u>	<u>\$ (1,619,530)</u>	<u>\$ 28,995,847</u>

# Housing Catalyst

Fort Collins, Colorado

## ***Statistical Section:***

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operation Information



This part of Housing Catalyst's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about Housing Catalyst's overall financial health.

<b>Contents</b>	<b>Tables</b>
<p><b>Financial Trends</b></p> <p><i>These schedules contain trend information to help the reader understand how Housing Catalyst's financial performance and well-being have changed over the past 10 years.</i></p>	<p>1 - 2</p>
<p><b>Revenue Capacity</b></p> <p><i>These schedules contain trend information to help the reader assess Housing Catalyst's most significant revenue sources.</i></p>	<p>3 - 4</p>
<p><b>Debt Capacity</b></p> <p><i>These schedules contain trend information to help the reader assess the affordability of Housing Catalyst's current levels of outstanding debt and ability to issue additional debt in the future.</i></p>	<p>5 - 6</p>
<p><b>Demographic and Economic Information</b></p> <p><i>These schedules contain trend information of the demographic and economic indicators to help the reader understand the environment within which Housing Catalyst's financial activities take place.</i></p>	<p>7 - 10</p>
<p><b>Operating Information</b></p> <p><i>These schedules contain data to help the reader understand how the information in Housing Catalyst's financial report relates to the services Housing Catalyst provides and the activities it performs.</i></p>	<p>11 - 13</p>

## Housing Catalyst

Table 1 - Net Position - Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Net investment in capital assets</u>	<u>Restricted Net Position</u>	<u>Unrestricted Net Position</u>	<u>Total</u>
2014	\$ 7,630,544	\$ 165,676	\$ 19,418,386	\$ 27,214,606
2015	7,692,275	166,313	22,007,150	29,865,738
2016	7,095,810	153,278	24,454,429	31,703,517
2017	8,923,308	94,058	41,557,997	50,575,363
2018	6,824,486	114,697	60,366,939	67,306,122
2019	5,877,057	285,791	66,874,959	73,037,807
2020	7,010,034	823,844	69,009,141	76,843,019
2021	5,921,700	139,150	80,639,284	86,700,134
2022	8,991,341	160,640	84,629,498	93,781,479
2023	12,865,055	102,641	93,571,019	106,538,715

Source: Previous years' audits and current year financial statements

Note: Villages and Village on Elizabeth (Blended Component Units) added to prior years for comparability

## Housing Catalyst

Table 2 - Changes in Net Position - Last Ten Fiscal Years  
(Unaudited)

	2014	2015	2016	2017
<i>Operating Revenue:</i>				
Intergovernmental revenues	\$ 10,684,674	\$ 11,595,136	\$ 13,165,946	\$ 14,490,955
Net tenant revenue	6,973,484	5,884,825	5,929,623	5,095,756
Other revenues	1,879,877	4,024,346	2,052,047	4,075,154
	<u>19,538,035</u>	<u>21,504,307</u>	<u>21,147,616</u>	<u>23,661,865</u>
<i>Operating Expenses:</i>				
Administrative	4,237,820	4,565,003	4,770,188	4,688,236
Utilities	652,804	534,762	547,406	540,487
Ordinary maintenance and operating	2,490,957	2,295,366	2,491,283	2,274,888
General expenses	374,377	620,433	655,056	687,062
Depreciation and amortization	1,988,224	1,645,901	1,726,345	1,500,946
Housing assistance payments	8,319,806	8,722,655	9,175,020	9,337,277
	<u>18,063,988</u>	<u>18,384,120</u>	<u>19,365,298</u>	<u>19,028,896</u>
<i>Operating Income (Loss)</i>	1,474,047	3,120,187	1,782,318	4,632,969
<i>Nonoperating Revenue (Expenses):</i>				
Investment revenue	280,826	434,139	638,324	725,771
Interest expense	(1,226,944)	(1,017,563)	(1,015,234)	(816,335)
Other revenue	3,423,994	(4,582)	476,252	13,720,482
Other financing costs	(541)	-	(52,771)	(48,771)
	<u>2,477,335</u>	<u>(588,006)</u>	<u>46,571</u>	<u>13,581,147</u>
<i>Income (Loss) before Capital Contribution</i>	3,951,382	2,532,181	1,828,889	18,214,116
Capital grants	258,051	118,951	8,890	657,730
Change in net position	4,209,433	2,651,132	1,837,779	18,871,846
<i>Net Position, Beginning of the Year</i>	<u>23,005,173</u>	<u>27,214,606</u>	<u>29,865,738</u>	<u>31,703,517</u>
<i>Net Position, End of the Year</i>	<u>\$ 27,214,606</u>	<u>\$ 29,865,738</u>	<u>\$ 31,703,517</u>	<u>\$ 50,575,363</u>

Source: Previous years' audits and current year financial statements

Note: Villages and Village on Elizabeth (Blended Component Units) added to prior years for comparability

## Housing Catalyst

Table 2 - Changes in Net Position - Last Ten Fiscal Years  
(Unaudited)

2018	2019	2020	2021	2022	2023
\$ 12,611,505	\$ 14,546,760	\$ 16,504,807	\$ 20,685,292	\$ 20,855,062	\$ 23,452,532
3,530,645	3,272,441	3,265,051	2,993,467	2,802,699	2,802,734
12,337,385	4,598,166	4,556,139	4,938,105	6,731,404	7,031,121
<u>28,479,535</u>	<u>22,417,367</u>	<u>24,325,997</u>	<u>28,616,864</u>	<u>30,389,165</u>	<u>33,286,387</u>
4,712,286	5,035,037	6,021,464	6,451,666	7,920,823	9,481,394
375,376	304,636	313,194	298,478	310,147	296,692
1,812,756	1,846,722	1,745,771	1,838,511	2,051,554	1,813,372
556,393	589,692	639,752	635,264	314,405	436,479
963,906	912,587	856,687	772,637	744,340	891,434
10,367,104	11,223,214	12,279,216	14,024,566	16,795,731	19,225,513
<u>18,787,821</u>	<u>19,911,888</u>	<u>21,856,084</u>	<u>24,021,122</u>	<u>28,137,000</u>	<u>32,144,884</u>
9,691,714	2,505,479	2,469,913	4,595,742	2,252,165	1,141,503
1,226,151	1,466,483	1,457,802	1,579,673	1,898,904	2,474,947
(414,251)	(371,914)	(290,928)	(395,567)	(550,494)	(440,704)
6,096,457	1,981,406	-	3,900,231	3,264,220	9,585,777
(19,032)	(7,500)	(1,000)	(851)	(1,766)	(4,287)
<u>6,889,325</u>	<u>3,068,475</u>	<u>1,165,874</u>	<u>5,083,486</u>	<u>4,610,864</u>	<u>11,615,733</u>
16,581,039	5,573,954	3,635,787	9,679,228	6,863,029	12,757,236
149,720	157,731	169,425	177,887	218,316	-
16,730,759	5,731,685	3,805,212	9,857,115	7,081,345	12,757,236
50,575,363	67,306,122	73,037,807	76,843,019	86,700,134	93,781,479
<u>\$ 67,306,122</u>	<u>\$ 73,037,807</u>	<u>\$ 76,843,019</u>	<u>\$ 86,700,134</u>	<u>\$ 93,781,479</u>	<u>\$ 106,538,715</u>

**Housing Catalyst**Table 3 - Operating Revenues by Source - Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Net Tenant Rental		Intergovernmental		Other		Total
	Amount	% of Total	Amount	% of Total	Amount	% of Total	
2014	\$ 6,973,484	35.69%	\$ 10,684,674	54.69%	\$ 1,879,877	9.62%	\$ 19,538,035
2015	5,884,825	27.37%	11,595,136	53.92%	4,024,346	18.71%	21,504,307
2016	5,929,623	28.04%	13,165,946	62.26%	2,052,047	9.70%	21,147,616
2017	5,095,756	21.54%	14,490,955	61.24%	4,075,154	17.22%	23,661,865
2018	3,530,645	12.40%	12,611,505	44.29%	12,337,385	43.32%	28,479,535
2019	3,272,441	14.60%	14,546,760	64.89%	4,598,166	20.52%	22,417,367
2020	3,265,051	13.42%	16,504,807	67.85%	4,556,139	18.73%	24,325,997
2021	2,993,467	10.46%	20,685,292	72.28%	4,938,105	17.26%	28,616,864
2022	2,802,699	9.22%	20,855,062	68.63%	6,731,404	22.15%	30,389,165
2023	2,802,734	8.42%	23,452,532	70.46%	7,031,121	21.12%	33,286,387

Source: Previous years' audits and current year financial statements

Note: Villages and Village on Elizabeth (Blended Component Units) added to prior years for comparability

## Housing Catalyst

Table 4 - Non-Operating Revenues by Source - Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Intergovernmental		Investment		Other Income		Total
	Amount	% of Total	Amount	% of Total	Amount	% of Total	
2014	\$ -	0.00%	\$ 280,826	7.58%	\$ 3,423,994	92.42%	\$ 3,704,820
2015	-	0.00%	434,139	101.07%	(4,582)	-1.07%	429,557
2016	-	0.00%	638,324	57.27%	476,252	42.73%	1,114,576
2017	-	0.00%	725,771	5.02%	13,720,482	94.98%	14,446,253
2018	-	0.00%	1,226,151	16.74%	6,096,457	83.26%	7,322,608
2019	-	0.00%	1,466,483	42.53%	1,981,406	57.47%	3,447,889
2020	-	0.00%	1,457,802	100.00%	-	0.00%	1,457,802
2021	-	0.00%	1,579,673	28.83%	3,900,231	71.17%	5,479,904
2022	-	0.00%	1,898,904	36.78%	3,264,220	63.22%	5,163,124
2023	-	0.00%	2,474,947	20.52%	9,585,777	79.48%	12,060,724

Source: Previous years' audits and current year financial statements

Note: Villages and Village on Elizabeth (Blended Component Units) added to prior years for comparability

**Housing Catalyst**Table 5 - Debt Service Coverage - Last Ten Fiscal Years  
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue	\$ 20,076,912	\$ 22,057,397	\$ 21,794,830	\$ 25,045,366
Expenses (excluding depreciation)	<u>(17,303,249)</u>	<u>(17,755,782)</u>	<u>(18,706,958)</u>	<u>(18,393,056)</u>
Revenue Available for debt service	<u>\$ 2,773,663</u>	<u>\$ 4,301,615</u>	<u>\$ 3,087,872</u>	<u>\$ 6,652,310</u>
Debt Service Requirements:				
Principal	\$ 546,328	\$ 475,144	\$ 981,344	\$ 2,240,970
Interest	<u>1,106,753</u>	<u>889,034</u>	<u>981,098</u>	<u>943,397</u>
Total	<u>\$ 1,653,081</u>	<u>\$ 1,364,178</u>	<u>\$ 1,962,442</u>	<u>\$ 3,184,367</u>
Debt Service Coverage Ratio	1.68	3.15	1.57	2.09

Source: Previous years' audits and current year financial statements

Note: Villages and Village on Elizabeth (Blended Component Units) added to prior years for comparability

## Housing Catalyst

Table 5 - Debt Service Coverage - Last Ten Fiscal Years  
(Unaudited)

2018	2019	2020	2021	2022	2023
\$ 29,855,406 (18,257,198)	\$ 24,041,581 (19,378,715)	\$ 25,953,224 (21,291,325)	\$ 30,374,424 (23,644,903)	\$ 32,506,385 (27,944,920)	\$ 35,761,334 (31,698,441)
\$ 11,598,208	\$ 4,662,866	\$ 4,661,899	\$ 6,729,521	\$ 4,561,465	\$ 4,062,893
\$ 429,513 261,994	\$ 493,905 393,071	\$ 437,163 253,363	\$ 133,815 225,061	\$ 227,128 554,404	\$ 377,098 577,616
\$ 691,507	\$ 886,976	\$ 690,526	\$ 358,876	\$ 781,532	\$ 954,714
16.77	5.26	6.75	18.75	5.84	4.26

## Housing Catalyst

Table 6 -Ratio of Debt to Capital Assets - Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Current Portion of Long-Term Debt</u>	<u>Long-Term Debt</u>	<u>Total Debt</u>	<u>Capital Assets</u>	<u>Ratio of Total Debt to Capital Assets</u>
2014	\$ 475,144	\$ 29,589,726	\$ 30,064,870	\$ 37,594,753	79.97%
2015	2,806,932	27,401,877	30,208,809	37,211,697	81.18%
2016	2,240,970	26,233,140	28,474,110	35,511,273	80.18%
2017	429,512	6,181,798	6,611,310	15,498,565	42.66%
2018	493,905	9,292,726	9,786,631	16,598,778	58.96%
2019	467,193	6,183,670	6,650,863	12,523,965	53.11%
2020	167,190	5,151,004	5,318,194	12,319,048	43.17%
2021	242,247	24,754,458	24,996,705	11,193,861	223.31%
2022	406,615	21,643,102	22,049,717	11,138,192	197.96%
2023	11,592,140	10,085,776	21,677,916	14,947,762	145.02%

Source: Previous years' audits and current year financial statements

Note: Total debt amount includes short-term portion of debt and leases due within one year

Note: Villages and Village on Elizabeth (Blended Component Units) added to prior years for comparability

## Housing Catalyst

Table 7 - Service Area Demographics / Statistics - Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>City of Fort Collins Population</u>	<u>Residents of Housing Catalyst</u>	<u>Fort Collins &amp; Larimer County Unemployment Rate</u>
2014	151,330	3,433	4.3%
2015	155,400	3,286	3.3%
2016	160,935	3,164	2.8%
2017	161,000	2,717	2.2%
2018	167,500	2,847	2.8%
2019	171,100	2,828	2.3%
2020	172,653	2,755	6.1%
2021	174,871	3,188	3.5%
2022	174,445	3,404	2.9%
2023	174,445 *	2,952	2.8%

\* Population data not updated for 2023 at the time of issuance

Note: 2023 unemployment rate is based on the Fort Collins / Loveland regional area. This table includes all Housing Catalyst housing programs. Resident data does not include Villages or Village on Elizabeth due to insufficient demographic records.

Source: City of Fort Collins, Bureau of Labor Statistics and Housing Catalyst tenant records.

## Housing Catalyst

Table 8 - Principal Employers for the City of Fort Collins  
(Unaudited)

	2022 (1)		
	Employees	Rank	Percentage of Total City Employment
Colorado State University	8,100	1	7.7%
UC Health: Poudre Valley Hospital	6,400	2	6.1%
Poudre R-1 School District	4,500	3	4.3%
City of Fort Collins	2,000	4	1.9%
Larimer County	2,000	5	1.9%
Woodward	1,300	6	1.2%
Broadcom (Avago)	1,100	7	1.0%
Department of Agriculture	1,000	8	1.0%
Otter Products, LLC	900	9	0.9%
Dillon Companies Inc (King Soopers)	750	10	0.7%
<b>Total</b>	<b>28,050</b>		<b>26.7%</b>
	2012 (1)		
	Employees	Rank	Percentage of Total City Employment
Colorado State University	6,753	1	7.8%
Poudre R-1 School District	3,957	2	4.6%
UC Health: Poudre Valley Hospital	3,100	3	3.6%
City of Fort Collins	2,000	4	2.3%
Larimer County	1,910	4	2.2%
Woodward	1,302	6	1.5%
Center Partners	1,112	7	1.3%
Hewlett Packard	927	8	1.1%
Employment Solutions Personnel Serv.	713	9	0.8%
Otter Products, LLC	468	10	0.5%
<b>Total</b>	<b>22,242</b>		<b>25.7%</b>

Source: City of Fort Collins Annual Comprehensive Financial Report, FY 12/31/2022

(1) Current year data is unavailable at the time of the preparation of the Annual Comprehensive Financial Report.

## Housing Catalyst

Table 9 - Resident Demographics / Population Statistics - Last Ten Fiscal Years  
(Unaudited)

Public Housing and Non-HUD Housing Programs				
Fiscal Year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (ages 62+)	Total number of residents
2014	337	626	63	1,026
2015	265	543	68	876
2016	261	449	64	774
2017	81	89	17	187
2018	80	87	20	187
2019	73	89	20	182
2020	66	92	17	175
2021	56	84	19	159
2022	53	77	18	148
2023	5	11	10	26

Housing Choice Voucher Program				
Fiscal Year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (ages 62+)	Total number of residents
2014	995	1,137	275	2,407
2015	975	1,145	290	2,410
2016	917	1,154	319	2,390
2017	987	1,222	321	2,530
2018	996	1,251	413	2,660
2019	951	1,255	440	2,646
2020	859	1,244	477	2,580
2021	1,033	1,488	508	3,029
2022	1,100	1,580	576	3,256
2023	908	1,432	586	2,926

Source: Housing Catalyst tenant records.

Note: Does not include Villages due to insufficient demographic records.

## Housing Catalyst

Table 10 - Resident Demographics / Ethnicity Statistics - Last Ten Fiscal Years  
(Unaudited)

Public Housing and Non-HUD Housing Programs						
Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
2014	650	330	16	18	12	1,026
2015	565	232	43	20	16	876
2016	511	217	25	13	8	774
2017	96	75	6	6	4	187
2018	90	81	8	8	-	187
2019	85	81	9	7	-	182
2020	79	81	8	7	-	175
2021	68	78	7	6	-	159
2022	58	71	4	5	10	148
2023	10	16	-	-	-	26

Housing Choice Voucher Program						
Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
2014	1,724	515	96	48	24	2,407
2015	1,712	530	96	48	24	2,410
2016	1,720	502	96	48	24	2,390
2017	1,770	557	101	51	51	2,530
2018	1,534	856	186	75	9	2,660
2019	1,556	819	155	58	58	2,646
2020	1,453	834	160	74	59	2,580
2021	1,594	1,003	242	104	86	3,029
2022	1,795	959	275	122	105	3,256
2023	1,576	951	201	95	103	2,926

Source: Housing Catalyst tenant records.

Note: Does not include Villages due to insufficient demographic records.

**Housing Catalyst**

Table 11 - Number of Housing Catalyst Dwelling Units - Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Public Housing	Housing Choice Vouchers	VASH Vouchers	Emergency Housing Vouchers	Five Year Mainstream Vouchers	RAD	SRO	TBRA	VOCC	Villages & VOE	Total
2014	154	853	89	89	63	-	27	6	285	373	1,939
2015	154	901	112	112	63	-	27	10	285	278	1,942
2016	154	916	121	121	64	-	-	5	285	278	1,944
2017	70	870	115	115	60	69	-	-	-	278	1,577
2018	70	983	122	122	63	19	-	-	-	278	1,657
2019	70	969	119	119	99	-	-	-	-	278	1,654
2020	70	956	133	133	141	-	-	-	-	277	1,710
2021	70	1,108	143	13	196	-	-	-	-	233	1,763
2022	48	1,144	142	23	208	-	-	-	-	233	1,798
2023	15	1,140	155	22	237	-	-	-	-	220	1,789

Source: Housing Catalyst tenant records.

## Housing Catalyst

Table 12 - Property Characteristics and Unit Composition - Last Ten Fiscal Years  
(Unaudited)

Name of Development	Address	Number of Units	Year Built
Public Housing:			
Plum - 2155	2155 W. Plum Street	15	1980
	Total Public Housing Units	15	
Villages:			
Village on Bryan	100 S Bryan Avenue	27	1988
Village on Castlerock	1204 Castlerock Drive	4	1961
Village on Cherry	1321 Cherry Street	4	1980
Village on Cowen	615 Cowan Street	19	1971
First - SRO	300 1st Street	13	1981
Village on Leisure	2700 Leisure Drive	26	1971
Village on Maple	1216 Maple Street	4	1994
Village on Matuka	1200 Matuka Court	20	1991
Village on Mountain	366 E Mountain Avenue	5	1905
Myrtle - SRO	811 E Myrtle Street	16	1950
Village on Stanford	2831 Stanford Road	6	1969
Duplexes	813 Cherry Street	10	1960
Single Family Home - Cherry	817 Cherry Street	1	1905
Single Family Home - 327 Howes	327 N Howes Street	1	1934
Single Family Home - 331 Howes	331 N Howes Street	1	1900
Single Family Home - Maple	1218 Maple Street	1	1993
Single Family Home - 1711 Remington	1711 Remington Street	1	1957
Single Family Home - 1713 Remington	1713 Remington Street	1	1957
Single Family Home - Stuart	124 E Stuart Street	1	1939
Remington Row	705-715 Remington Street	11	2014
		172	
Village on Elizabeth:	2209 W Elizabeth Street	48	1970
	Total Units	235	

Source: Housing Catalyst Property Records

## Housing Catalyst

Table 13 - Number of Housing Catalyst Staff - Last Ten Fiscal Years  
(Unaudited)

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<u>Fiscal Year</u>	<u>Administration</u>	<u>Development</u>	<u>Finance</u>	<u>Housing</u>	<u>Maintenance</u>	<u>Total</u>
2014	7	6	6	23	15	57
2015	8	6	7	24	16	61
2016	8	6	7	27	15	63
2017	8	6	6	27	16	63
2018	8	4	6	28	14	60
2019	9	4	7	36	16	72
2020	6	7	10	45	17	85
2021	10	8	8	48	16	90
2022	8	6	9	52	16	91
2023	8	7	9	53	14	91

Source: Housing Catalyst employment records.



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

To the Board of Commissioners  
Housing Catalyst  
Fort Collins, Colorado

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 (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Catalyst (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated June 28, 2024. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Authority 's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota  
June 28, 2024



## **Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Commissioners  
Housing Catalyst  
Fort Collins, Colorado

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Housing Catalyst’s (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the major federal programs of the Authority for the year ended December 31, 2023. The Authority’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## Report on Internal Control over Compliance

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

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

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



Fargo, North Dakota  
June 28, 2024

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	No

**Identification of major programs:**

Name of Federal Program	Federal Financial Assistance Listing
Housing Voucher Cluster:	
Section 8 Housing Choice Vouchers	14.871
Mainstream Vouchers	14.879
Community Development Block Grants/ Entitlement Grants	14.218
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

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**Section II – Financial Statement Findings**

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**None Reported**

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**Section III – Federal Award Findings and Questioned Costs**

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**None Reported**

# Housing Catalyst

Fort Collins, Colorado

## ***Single Audit Section:***

Independent Auditors' Reports

Schedule of Findings and Questioned Costs

Schedule of Prior Year Audit Findings

Schedule of Expenditures of Federal Awards



## Housing Catalyst

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2023

Federal Agency / Pass-Through Grantor Program Title	Federal Financial Assistance Listing / Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
United States Department of Housing and Urban Development:			
Housing Choice Voucher Cluster			
Section 8 Housing Choice Vouchers **	14.871	-	\$ 16,832,508
Mainstream Vouchers **	14.879	-	2,188,677
Emergency Housing Vouchers **	14.871	-	<u>405,672</u>
Total Housing Choice Voucher Cluster			19,426,857
Public and Indian Housing			
Family Self-Sufficiency Program	14.850	-	345,979
Continuum of Care Program	14.896	-	242,734
	14.267	-	<u>367,857</u>
Total Direct Awards			<u>20,383,427</u>
Passed through the City of Fort Collins:			
Community Development Block Grants / Entitlement Grants	14.218	114 S Bryan	<u>1,178,197</u>
Total Pass-Through Awards			<u>1,178,197</u>
Blended Component Unit (Larimer County Housing Authority)			
United States Department of Housing and Urban Development:			
Housing Choice Voucher Cluster ***			
Section 8 Housing Choice Vouchers	14.871	-	508,506
Mainstream Vouchers	14.879	-	<u>709,140</u>
Total Housing Choice Voucher Cluster			<u>1,217,646</u>
Total Federal Expenditures			<u><u>\$ 22,779,270</u></u>

\*\* - Denotes a Major Program

\*\*\* - Denotes operations tested as part of the Larimer County Housing Authority Single Audit and was not included in the Major Program determination of Housing Catalyst

## **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Housing Catalyst under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Housing Catalyst, it is not intended to and does not present the financial position, changes in net position or cash flows of Housing Catalyst.

## **Note 2 - Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## **Note 3 - Indirect Cost Rate**

Housing Catalyst has not elected to use the 10-percent de minimis indirect cost rate.