# Housing Authority of the City of Englewood
**dba Innovative Housing Concepts**

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# Financial Statements, Management's Discussion and Analysis and Independent Auditors' Reports

## Year Ended December 31, 2024

Haynie & Company

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# INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the City of Englewood
dba Innovative Housing Concepts
3460 S. Sherman Street, Suite #101
Englewood, CO 80113

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Housing Authority of the City of Englewood dba Innovative Housing Concepts (the Authority) as of and for the year ended December 31, 2024, 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, each major fund, and the aggregate remaining fund information of the Authority as of December 31, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

### *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.

### *Auditors' 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 auditors' 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and 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 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.

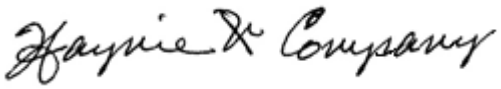
***Supplementary Information***

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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2025, 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.



Salt Lake City, Utah
August 5, 2025

# Housing Authority of the City of Englewood

dba Innovative Housing Concepts
Management's Discussion and Analysis (MD&A)
December 31, 2024 and 2023

As management of the Housing Authority of the City of Englewood, Colorado (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the financial statements.

## Financial Highlights

- The Authority continues to have a stable outlook with Total Net Position (Equity) at year-end of $12,100,385 an increase of $768,947 from $11,331,438 at the end of 2023.
- With a current ratio of 10.30 the Authority demonstrates liquidity. In other words, the Authority can meet its current obligations 10.30 times.
- The number of months expendable funds balance ratio, which shows adequacy of funds or the ability to pay monthly expenses, is 6.23 months.

## Using the Basic Financial Statements

The Financial Statements consist of Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Authority as an entire operating entity.

A fund is a self-balancing set of accounts recording cash and other financial resources. It will include all related liabilities and net position and changes. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or restrictions.

The Statement of Net Position - Proprietary Funds presents information on all the Authority's assets and liabilities. Under GASB 34, the difference between a PHA's assets and liabilities is Net Position. Over time, increases and decreases in Net Position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds shows the reader operating revenues and expenses by individual funds and by the Authority as a total. This is reported on a full-accrual basis where income is reported when earned, and expenses are reported as incurred. This report shows the reader operating profit/loss before grants and transfers to/from other funds.

The Statement of Cash Flows - Proprietary Funds provides our third statement which converts accrual-accounting to cash. This lets the reader know, by fund and by the Authority as a whole, whether the Authority increased or decreased its cash position this year and the sources and/or uses of the cash.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements and can be found immediately after them in the audit report.

## Authority Financial Analysis

| | 2024 | 2023 | Dollar Change | Percent Change |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets | $ 4,525,594 | $ 7,136,440 | $ (2,610,846) | -36.58% |
| Non-current assets | 8,871,208 | 7,183,217 | 1,687,991 | 23.50% |
| Total assets | 13,396,802 | 14,319,657 | (922,855) | -6.44% |
| **Liabilities** | | | | |
| Current liabilities | 439,334 | 2,606,196 | (2,166,862) | -83.14% |
| Non-current liabilities | 857,083 | 382,023 | 475,060 | 124.35% |
| Total liabilities | 1,296,417 | 2,988,219 | (1,691,802) | -56.62% |
| **Net position** | | | | |
| Net investment in capital assets | 7,313,759 | 5,066,237 | 2,247,522 | 44.36% |
| Unrestricted | 4,786,626 | 6,265,201 | (1,478,575) | -23.60% |
| Total net position | 12,100,385 | 11,331,438 | 768,947 | 6.79% |
| **Total liabilities and net position** | $ 13,396,802 | $ 14,319,657 | $ (922,855) | -6.44% |

- The major change in current assets is due to the decrease in cash. Cash was decreased mainly from a pass-through payable that was paid to the State for a low-income housing project due to the developer of $2,050,000.
- The decrease in total liabilities of $1,691,802 was due mainly to funding due the developer from the State for the low-income housing project in the amount of $2,050,000 that was paid in the current year. The Authority was able to acquire a note payable in the current amounting to $836,500 and payoff the lease amounting to $345,615.
- Net Position increased by $768,947 in the current year. Please see the following table for more information.

| | 2024 | 2023 | Dollar Change | Percent Change |
|---|---|---|---|---|
| Operating revenues | $ 9,545,750 | $ 8,483,531 | $ 1,062,219 | 12.52% |
| Operating expenses | 9,220,929 | 8,182,101 | 1,038,828 | 12.70% |
| **Net operating income (loss)** | 324,821 | 301,430 | 23,391 | 7.76% |
| Non-operating revenue (expense) | 109,837 | 518,940 | (409,103) | -78.83% |
| **Net income (loss) before Capital contributions** | 434,658 | 820,370 | (385,712) | -47.02% |
| Capital contributions and transfers | 334,289 | 489,698 | (155,409) | -31.74% |
| Changes in net position | 768,947 | 1,310,068 | (541,121) | -41.30% |
| **Net change, beginning of year** | 11,331,438 | 10,021,370 | 1,310,068 | 13.07% |
| **Net Position, end of year** | $ 12,100,385 | $ 11,331,438 | $ 768,947 | 6.79% |

- The increase in operating revenues of $1,062,219 is due to the increase in grant income of $830,586, increase in rental income of $161,157, other income of $59,022 and management fee of $11,454.
- Operating expenses increased by $1,038,828 because of an increase in HAP expense of $658,353, maintenance and operations expense of $48,680, general and administrative costs of $216,653 and increase in utility costs of $12,333. There were increases in insurance and benefit costs of $31,264 and depreciation expenses of $71,545. The HAP cost increase was due to leasing new vouchers and absorbing Port-In vouchers.
- Non-operating revenue (expense) change of $409,103 is from the decrease in interest income earned of $35,883. Also, a gain from the sale of the Grant Street property of $373,568 was earned in the prior year and no such transaction in the current year.
- Capital Contributions decreased by $155,409 due to the decrease in the Public Housing CFP Grant received in 2024.
- The Housing Authority ended the year with a gain of $768,947.

| | 2024 | 2023 | Dollar Change | Percent Change |
|---|---|---|---|---|
| Total capital assets, not being depreciated | $ 2,867,937 | $ 2,961,573 | $ (93,636) | -3.16% |
| Total capital assets, being depreciated | 16,216,528 | 14,001,923 | 2,214,605 | 15.82% |
| Total accumulated depreciation | (11,770,706) | (11,342,388) | (428,318) | 3.78% |
| **Total capital assets, net** | $ 7,313,759 | $ 5,621,108 | $ 1,692,651 | 30.11% |

As of December 31, 2024, the Authority had $7,313,759 invested in a broad range of capital assets, including sites, buildings, and equipment. This is the net capital asset increase of $1,692,651 from $5,621,108 in 2023. Further information on capital asset activities is provided in Note 5 to the financial statements.

| | 2024 | 2023 | Dollar Change | Percent Change |
|---|---|---|---|---|
| Notes payable - current | $ 17,760 | $ - | $ 17,760 | 0.00% |
| Capital lease - current | - | 209,256 | (209,256) | -100.00% |
| Notes payable - non-current | 809,014 | - | 809,014 | 0.00% |
| Capital lease - non-current | - | 345,615 | (345,615) | -100.00% |
| **Total long-term debt** | $ 826,774 | $ 554,871 | $ 271,903 | 49.00% |

As of December 31, 2024, the Authority had $826,774 outstanding notes payable. In the current year, the Authority was able to acquire a note payable amounting to $836,500 and payoff the full amount of the obligation for the lease. Details of the notes and capital lease payables can be found in Note 6 of the financial statements.

## The Funds

### Public Housing

Public Housing consists of 110 low-rent dwelling units. Public Housing operations are funded by HUD through an annual Operating Subsidy. HUD Capital Fund Program grants provide additional funding for upgrades and improvements.

The Public Housing program provided 1,274-unit months of occupancy out of the 1,320-unit months available (110 units' times 12 months) a 96.5% occupancy rate.

### Housing Choice Voucher Program

Three types of funding are received from HUD: 1) HAP; for rent and home-ownership subsidies, utility reimbursements and Family Self-Sufficiency (FSS) escrow deposits, 2) Administrative Fees; for program administrative costs. Funding is not fungible either within or outside the Voucher program. The Authority's Voucher Program has 427 Vouchers to administer and holds a contract to administer Vouchers for the City of Sheridan.

Sheridan's Voucher Program was able to utilize 84% or 1,824-unit months of the 2,172-unit months available for its program. An average of 152 vouchers were administered monthly. Monthly Management Fees are received from the City of Sheridan's Voucher Program.

The Authority was able to utilize 82.3% or 4,126-unit months of the 5,124-unit months available for its program. Of the 427 Vouchers available, an average of 351 vouchers were issued monthly to low-income clients in the City of Englewood.

**Simon Center**

Simon Center is a 104-unit apartment building which is operated under HUD's Section 8 New Construction program. The monthly subsidies or HAPs are managed through the Colorado Housing and Finance Authority (CHFA). Simon Center had 94.1% occupancy for 2024, with 1,174-unit months leased out of 1,248 available.

**Office Building**

The authority owns an Office Building with eight units. The Tenants and each Authority program pays a monthly rent to the Office Building.

**Market Rate Rentals**

There are 18 units in total. The housing authority purchased two market-rate developments in 2024, adding 11 additional units to the market rate portfolio. They had a 91.2% occupancy rate in 2024 with 186-unit months leased out of the 204-unit months available.

**Management Fund**

The Management Fund provides general administration for special programs and contracts. The Management Fund receives a management fee from the Sheridan Voucher Program. Recognizing the need for affordable housing, the Management Fund continues to develop affordable units as opportunities are presented.

**The Future of the Housing Authority of the City of Englewood – 2025**

HUD's cash management system will continue to retain housing authority reserves at the Federal level rather than local. Local housing authority reserves could be recaptured. HUD is estimating prorates of 98.72% of eligibility for Public Housing Operating Subsidy and 90% for Housing Choice Voucher earned Administrative Fees.

The Authority continues to explore means to generate additional sources of revenue to cover budget shortfalls of administrative funds.

**Requests for Information**

The financial report is designed to provide a general overview of the Housing Authority of the City of Englewood's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Housing Authority of the City of Englewood
dba Innovative Housing Concepts
C/O 3460 S. Sherman Street, Suite 101
Englewood, CO 80113

# Basic Financial Statements

# Housing Authority of the City of Englewood
dba Innovative Housing Concepts
Statement of Net Position
Proprietary Funds
December 31, 2024

| | Public Housing | Vouchers | Management | Simon Center | Market Rate Rentals | Nonmajor Office Building | TOTAL |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Current assets | | | | | | | |
| Cash and investments | $ 723,457 | $ 119,057 | $ 665,489 | $ 1,858,321 | $ 149,870 | $ 329,237 | $ 3,845,431 |
| Accounts receivable | 39,705 | 331,225 | 159,388 | 112,367 | 16,306 | 10,030 | 669,021 |
| Prepaid expense | 4,743 | 393 | 330 | 4,529 | 834 | 313 | 11,142 |
| Total current assets | 767,905 | 450,675 | 825,207 | 1,975,217 | 167,010 | 339,580 | 4,525,594 |
| Non-current sssets | | | | | | | |
| Notes receivable | - | - | 921,759 | - | - | - | 921,759 |
| Interest receivable | - | - | 635,690 | - | - | - | 635,690 |
| Capital assets, not being depreciated | 478,994 | - | 1,387,000 | 208,409 | 768,124 | 25,410 | 2,867,937 |
| Capital assets, net of accumulated depreciation | 535,692 | - | 157,722 | 642,017 | 3,046,395 | 63,996 | 4,445,822 |
| Total non-current assets | 1,014,686 | - | 3,102,171 | 850,426 | 3,814,519 | 89,406 | 8,871,208 |
| **Total assets** | $ 1,782,591 | $ 450,675 | $ 3,927,378 | $ 2,825,643 | $ 3,981,529 | $ 428,986 | $ 13,396,802 |
| **Liabilities** | | | | | | | |
| Current liabilities | | | | | | | |
| Accounts payable and accrued expenses | $ 91,653 | $ 34,279 | $ 9,524 | $ 21,961 | $ 3,496 | $ 1,940 | $ 162,853 |
| Unearned revenues | 5,434 | - | - | 6,515 | 12,834 | - | 24,783 |
| Accrued interest payable | - | - | - | - | 2,067 | - | 2,067 |
| Tenant security deposits | 35,523 | - | - | 37,317 | 28,275 | - | 101,115 |
| Escrow deposits | - | 126,124 | - | - | - | - | 126,124 |
| Accrued compensated absences | 1,295 | 1,071 | 598 | 1,211 | 217 | 99 | 4,491 |
| Interprogram due to | - | 141 | - | - | - | - | 141 |
| Current portion of long-term debt | - | - | - | - | 17,760 | - | 17,760 |
| Total current liabilities | 133,905 | 161,615 | 10,122 | 67,004 | 64,649 | 2,039 | 439,334 |
| Non-current liabilities | | | | | | | |
| Accrued compensated absences | 13,858 | 11,464 | 6,402 | 12,962 | 2,321 | 1,062 | 48,069 |
| Notes payable | - | - | - | - | 809,014 | - | 809,014 |
| Lease payable | - | - | - | - | - | - | - |
| Total non-current liabilities | 13,858 | 11,464 | 6,402 | 12,962 | 811,335 | 1,062 | 857,083 |
| **Total liabilities** | 147,763 | 173,079 | 16,524 | 79,966 | 875,984 | 3,101 | 1,296,417 |
| **Net position** | | | | | | | |
| Net investment in capital assets | 1,014,686 | - | 1,544,722 | 850,426 | 3,814,519 | 89,406 | 7,313,759 |
| Unrestricted | 620,142 | 277,596 | 2,366,132 | 1,895,251 | (708,974) | 336,479 | 4,786,626 |
| **Total net position** | 1,634,828 | 277,596 | 3,910,854 | 2,745,677 | 3,105,545 | 425,885 | 12,100,385 |
| **Total liabilities and net position** | $ 1,782,591 | $ 450,675 | $ 3,927,378 | $ 2,825,643 | $ 3,981,529 | $ 428,986 | $ 13,396,802 |

# Housing Authority of the City of Englewood

dba Innovative Housing Concepts

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2024

| | Public Housing | Vouchers | Management | Simon Center | Market Rate Rentals | Nonmajor Office Building | TOTAL |
|---|---|---|---|---|---|---|---|
| **Operating revenues** | | | | | | | |
| Rental | $ 515,265 | $ - | $ - | $ 458,084 | $ 299,521 | $ 111,216 | $ 1,384,086 |
| Grants | 300,525 | 5,716,579 | 345,149 | 1,330,476 | - | - | 7,692,729 |
| Management fees | - | - | 169,610 | - | - | - | 169,610 |
| Other | 25,638 | 137,462 | 44,722 | 75,275 | 4,226 | 12,002 | 299,325 |
| **Total operating revenues** | 841,428 | 5,854,041 | 559,481 | 1,863,835 | 303,747 | 123,218 | 9,545,750 |
| **Operating expenses** | | | | | | | |
| Housing assistance payments | - | 5,443,200 | - | - | - | - | 5,443,200 |
| General and administrative | 297,761 | 386,978 | 572,412 | 359,298 | 60,093 | 19,621 | 1,696,163 |
| Utilities | 127,062 | - | - | 96,209 | 18,146 | 16,036 | 257,453 |
| Maintenance and operations | 457,794 | 870 | 7,642 | 428,742 | 47,698 | 37,193 | 979,939 |
| Insurance and benefits | 161,687 | 76,758 | 57,823 | 135,748 | 18,444 | 9,674 | 460,134 |
| Depreciation | 72,026 | - | - | 146,404 | 155,470 | 10,140 | 384,040 |
| **Total operating expenses** | 1,116,330 | 5,907,806 | 637,877 | 1,166,401 | 299,851 | 92,664 | 9,220,929 |
| **Net operating income (loss)** | (274,902) | (53,765) | (78,396) | 697,434 | 3,896 | 30,554 | 324,821 |
| **Non-operating revenues (expenses)** | | | | | | | |
| Interest income | 28,779 | 500 | 72,338 | 44,246 | 3,889 | 9,205 | 158,957 |
| Interest expense | (10,143) | - | - | (18,422) | (20,555) | - | (49,120) |
| Gain on disposal of capital assets | - | - | - | - | - | - | - |
| **Total non-operating revenues (expenses)** | 18,636 | 500 | 72,338 | 25,824 | (16,666) | 9,205 | 109,837 |
| **Net income (loss) before capital contributions and transfers** | (256,266) | (53,265) | (6,058) | 723,258 | (12,770) | 39,759 | 434,658 |
| **Capital contributions and transfers** | | | | | | | |
| Grants | 324,259 | - | - | - | - | 10,030 | 334,289 |
| Transfers in | - | 118,006 | - | - | 788,246 | - | 906,252 |
| Transfers out | - | - | (562,000) | (118,006) | (226,246) | - | (906,252) |
| **Changes in net position** | 67,993 | 64,741 | (568,058) | 605,252 | 549,230 | 49,789 | 768,947 |
| **Net position, beginning of year** | 1,566,835 | 212,855 | 4,478,912 | 2,140,425 | 2,556,315 | 376,096 | 11,331,438 |
| **Net position, end of year** | $ 1,634,828 | $ 277,596 | $ 3,910,854 | $ 2,745,677 | $ 3,105,545 | $ 425,885 | $ 12,100,385 |

# Housing Authority of the City of Englewood

dba Innovative Housing Concepts

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2024

| | Public Housing | Vouchers | Management | Simon Center | Market Rate Rentals | Nonmajor Office Building | TOTAL |
|---|---|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | | | |
| Cash received from tenants | $ 556,012 | $ - | $ - | $ 357,227 | $ 307,969 | $ 101,186 | $ 1,322,394 |
| Cash received from grants | 300,525 | 5,448,302 | 346,334 | 1,330,476 | - | - | 7,425,637 |
| Cash received from others | 25,638 | 137,603 | 214,332 | 75,275 | 4,226 | 12,002 | 469,076 |
| Housing assistance payments | - | (5,443,200) | - | - | - | - | (5,443,200) |
| Cash payments to employees | (294,299) | (385,105) | (575,613) | (356,815) | (58,801) | (19,348) | (1,689,981) |
| Cash payments to suppliers | (732,762) | (50,123) | (2,100,632) | (675,951) | (83,240) | (63,586) | (3,706,294) |
| **Net cash from operating activities** | (144,886) | (292,523) | (2,115,579) | 730,212 | 170,154 | 30,254 | (1,622,368) |
| **Cash flows from non-capital financing activities** | | | | | | | |
| Payments from other funds | - | 118,006 | - | - | 788,246 | - | 906,252 |
| Payments to other funds | - | - | (562,000) | (118,006) | (226,246) | - | (906,252) |
| **Net cash from non-capital financing activities** | - | 118,006 | (562,000) | (118,006) | 562,000 | - | - |
| **Cash flows from capital financing activities** | | | | | | | |
| Cash received from capital grants | 324,259 | - | - | - | - | 10,030 | 334,289 |
| Acquisition of loan | - | - | - | - | 826,774 | - | 826,774 |
| Debt principal payments | (197,046) | - | - | (357,825) | - | - | (554,871) |
| Debt interest payments | (10,593) | - | - | (19,241) | (18,488) | - | (48,322) |
| **Net cash from capital financing activities** | 116,620 | - | - | (377,066) | 808,286 | 10,030 | 557,870 |
| **Cash flows from investing activities** | | | | | | | |
| Net of (Purchases)/ Sale of capital assets | (167,247) | - | 155,914 | (21,758) | (2,043,600) | - | (2,076,691) |
| Payment of notes receivables | - | - | 29,678 | 21,125 | - | - | 50,803 |
| Interest payments received | 28,779 | 500 | 26,195 | 44,246 | 3,889 | 9,205 | 112,814 |
| **Net cash from investing activities** | (138,468) | 500 | 211,787 | 43,613 | (2,039,711) | 9,205 | (1,913,074) |
| **Net change in cash and cash equivalents** | (166,734) | (174,017) | (2,465,792) | 278,753 | (499,271) | 49,489 | (2,977,572) |
| **Cash and cash equivalents, beginning of year** | 890,191 | 293,074 | 3,131,281 | 1,579,568 | 649,141 | 279,748 | 6,823,003 |
| **Cash and cash equivalents, end of year** | $ 723,457 | $ 119,057 | $ 665,489 | $ 1,858,321 | $ 149,870 | $ 329,237 | $ 3,845,431 |

# Housing Authority of the City of Englewood

dba Innovative Housing Concepts

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2024

| | Public Housing | Vouchers | Management | Simon Center | Market Rate Rentals | Nonmajor Office Building | TOTAL |
|---|---|---|---|---|---|---|---|
| **Reconciliation of net operating income (loss) to net cash from operating activities** | | | | | | | |
| Net operating income (loss) | $ (274,902) | $ (53,765) | $ (78,396) | $ 697,434 | $ 3,896 | $ 30,554 | $ 324,821 |
| Adjustments to reconcile net operating income (loss) to net cash provided from operating activities | | | | | | | |
| Depreciation | 72,026 | - | - | 146,404 | 155,470 | 10,140 | 384,040 |
| Changes in assets and liabilities | | | | | | | |
| Accounts receivable | 37,878 | (300,580) | 1,185 | (96,525) | (15,337) | (10,030) | (383,409) |
| Prepaid expenses | (343) | 125 | 17,810 | (320) | (554) | (35) | 16,683 |
| Accounts payable and accrued expenses | 14,124 | 27,380 | (2,052,977) | (14,932) | 1,602 | (648) | (2,025,451) |
| Unearned revenues | 3,511 | (2,610) | - | (5,459) | 11,960 | - | 7,402 |
| Tenant security deposits | (642) | - | - | 1,127 | 11,825 | - | 12,310 |
| Escrow deposits | - | 34,913 | - | - | - | - | 34,913 |
| Accrued compensated absences | 3,462 | 1,873 | (3,201) | 2,483 | 1,292 | 273 | 6,182 |
| Interprogram due to | - | 141 | - | - | - | - | 141 |
| Total adjustments | 130,016 | (238,758) | (2,037,183) | 32,778 | 166,258 | (300) | (1,947,189) |
| **Net cash from operating activities** | $ (144,886) | $ (292,523) | $ (2,115,579) | $ 730,212 | $ 170,154 | $ 30,254 | $ (1,622,368) |

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of the City of Englewood dba Innovative Housing Concepts (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

### Reporting Entity

The financial reporting entity consists of the Authority, organizations for which the Authority is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Authority. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Authority. Legally separate organizations for which the Authority is financially accountable are considered part of the reporting entity. Financial accountability exists if the Authority appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the Authority. Based on the application of this criteria, the Authority does not include additional organizations within its reporting entity.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority uses funds to report its financial position and activities. Fund accounting is designed to segregate transactions related to certain functions or activities. All of the Authority's funds are classified as enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where fees are charged to external users for goods or services.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the Authority's practice to use restricted resources first, then unrestricted resources as they are needed.

Major individual funds are reported as separate columns in the financial statements. The Authority reports the following major proprietary funds:

The *Public Housing Fund* accounts for the financial activities of Orchard Place, a 100-unit housing complex for individuals who are seniors, handicapped or disabled, and five family duplex housing units.

The *Vouchers Fund* accounts for the financial activities of the Authority's Section 8 Housing Choice Voucher program. The program has been allocated 427 vouchers by the U.S. Department of Housing and Urban Development (HUD).

The *Management Fund* accounts for the general administration and operations of the Authority and the acquisition and development of new units.

The *Simon Center Fund* accounts for the financial activities of the Simon Center Apartments, a 104-unit housing complex for individuals who are seniors, handicapped or disabled.

The *Market Rate Rentals Fund* was established to account for the financial activities of eight market-rate rental units.

**Assets, Liabilities and Net Position**

*Cash Equivalents* - Cash equivalents are defined as short-term investments with an original maturity of three months or less.

*Accounts Receivable* - Accounts receivable are expended as bad debts at the time they are determined to be uncollectible and are approved by the Board of Commissioners. Management has established an allowance for doubtful accounts for amounts that may not be collectible in the future.

*Prepaid Expenses* - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

*Capital Assets* - Property and equipment are recorded at cost or at estimated cost where no historical records exist. Contributed assets are valued at the acquisition value on the date received. The Authority capitalizes all assets with a cost of $5,000 or greater and a useful life of more than one year.

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

| | |
|---|---|
| Land Improvements | 5 – 20 years |
| Building and Improvements | 5 – 25 years |
| Equipment | 3 – 10 years |

*Unearned Revenues* - Unearned revenues arise when resources are received by the Authority before it has a legal claim to them, including when cash is received before the eligibility requirements imposed by the grantor have been met, or when rent is received in advance.

*Escrow Deposits* - The Authority holds deposits in escrow for participants of the family self- sufficiency program. The deposits are returned to the participants upon the satisfaction of all program requirements.

*Compensated Absences* - Authority employees are allowed to accumulate unused vacation. Employees are limited in the amount of vacation leave they are allowed to accrue, up to a maximum of 160 hours. Upon termination of employment from the Authority, an employee will be compensated for all accrued vacation leave at their current pay rate. These compensated absences are recognized as a liability in the financial statements when earned.

*Long-term obligations* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities.

*Net Position* - Net position is restricted when constraints placed on the use of resources are externally imposed.

**Revenues and Expenditures/Expenses**

*Revenues and expenses* - Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting. Proprietary funds distinguish operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with the principal ongoing operation. The Authority does not consider grant receipts as operating revenue.

**Use of Estimates**

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

**Risk Management**

The Authority 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. The Authority carries commercial insurance for these risks of loss.

**Subsequent Events**

Subsequent events were evaluated by management through August 5, 2025, which is the date the financial statements were available to be issued. No material subsequent events required to be disclosed were noted by management.

**Comparative Information**

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for 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, 2024, from which the summarized information was derived. Prior year amounts have been reclassed to conform with the current year presentation.

## NOTE 2 – CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2024, follows:

| | |
|---|---|
| Petty cash | $ 270 |
| Cash deposits | 2,194,161 |
| Investments | 1,651,000 |
| Total | $ 3,845,431 |

Cash is reported in the financial statements as follows:

| | |
|---|---|
| Cash and investments | $ 3,382,511 |
| Restricted cash and investments | 462,920 |
| Total | $ 3,845,431 |

## Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to 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 PDPA allows the financial institution 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the Authority had bank deposits of $3,845,431 collateralized with securities held by the financial institutions' agents but not in the Authority's name.

## Investments

The Authority has an investment policy which follows State statutes and the investment guidelines set forth in the HUD Financial Management Handbook. The policy specifies investment instruments meeting defined rating, maturity, custodial, and concentration risk criteria in which the Authority may invest, which include the following.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

*Interest Rate Risk* - State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes allow investments with specified ratings provided by nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount the Authority may invest in a single issuer of investment securities, except for corporate securities.

*Local Government Investment Pool* - At December 31, 2024, the Authority had $1,651,000 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds.

Colotrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables and payables. This investment is valued using the Net Asset Value per share (or its equivalent) of the investments.

Colotrust is an investment vehicle established by state statute for local entities in Colorado to pool surplus funds for investment purposes and registered with the State Securities Commissioner. The pools operate similarly to money market funds and each share is equal in value to $1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The custodian's internal records identify the investments owned by the participating governments. Investments of the pools consist of US Treasury bills, notes, and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by US Treasury securities or US Instrumentalities. Colotrust is rated AAAm by Standard and Poor's. Information regarding Colotrust's financial statements is available at their website www.colotrust.com.

## NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2024, consisted of the following:

| | Tenants | HUD | Other | Total |
|---|---|---|---|---|
| Public Housing | $ 15,009 | $ 24,696 | $ - | $ 39,705 |
| Vouchers | 29,199 | 302,026 | - | 331,225 |
| Management | - | 6,904 | 152,484 | 159,388 |
| Simon Center | 84,081 | 2,972 | 25,314 | 112,367 |
| Market Rate Rental | 16,306 | - | - | 16,306 |
| Nonmajor Office Building | - | - | 10,030 | 10,030 |
| Total capital assets, net | $ 144,595 | $ 336,598 | $ 187,828 | $ 669,021 |

## NOTE 4 – NOTES RECEIVABLE

Notes receivable at December 31, 2024, consisted of the following:

| | |
|---|---|
| **Management fund** | |
| $300,000 promissory note from Terraces on Pennsylvania Senior Residences, LLLP, due December 2029, bearing compound interest at 4.88% per annum. Payments shall be made only from cash flow. | $ 252,891 |
| $355,623 promissory note from Terraces on Pennsylvania Senior Residences, LLLP, due December 2029, bearing compound interest at 1.00% per annum. Payments shall be made only from cash flow. | 353,530 |
| $342,923 promissory note from Terraces on Pennsylvania Senior Residences, LLLP, due October 2027, bearing interest at 5.00% per annum. Payments shall be made only from cash flow. | 315,338 |
| | $ 921,759 |

## NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is summarized below:

| | Balance 12/31/2023 | Additions | Transfers/ Deletions | Balance 12/31/2024 |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,260,937 | $ 220,000 | $ 1,387,000 | $ 2,867,937 |
| Construction in progress | 1,700,636 | 18,364 | (1,719,000) | - |
| Total capital assets, not being depreciated | 2,961,573 | 238,364 | (332,000) | 2,867,937 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,299,266 | - | 202,000 | 1,501,266 |
| Building and improvements | 12,319,056 | 2,004,847 | - | 14,323,903 |
| Equipment | 383,601 | 7,758 | - | 391,359 |
| Total capital assets, being depreciated | 14,001,923 | 2,012,605 | 202,000 | 16,216,528 |
| Less accumulated depreciation | | | | |
| Land improvements | (1,238,617) | (56,248) | - | (1,294,865) |
| Building and improvements | (9,748,920) | (364,086) | - | (10,113,006) |
| Equipment | (354,851) | (7,984) | - | (362,835) |
| Total accumulated depreciation | (11,342,388) | (428,318) | - | (11,770,706) |
| Total capital assets, being depreciated, net | 2,659,535 | 1,584,287 | 202,000 | 4,445,822 |
| Total capital assets, net | $ 5,621,108 | $ 1,822,651 | $ (130,000) | $ 7,313,759 |

## NOTE 6 – LONG-TERM DEBT

A summary of changes in long-term debt for the year ended December 31, 2024, is presented below:

| | Balance 12/31/2023 | Additions | Payments | Balance 12/31/2024 | Due within one year |
|---|---|---|---|---|---|
| Compensated absences | $ 46,378 | $ 25,240 | $ (19,058) | $ 52,560 | $ 4,491 |
| Notes payable | - | 836,500 | (9,726) | 826,774 | 17,760 |
| Capital lease | 554,871 | - | (554,871) | - | - |
| Total | $ 601,249 | $ 861,740 | $ (583,655) | $ 879,334 | $ 22,251 |

Interest cost incurred and expensed during the year ended December 31, 2024, was $49,120.

***Notes Payable***

On March 5, 2024, the Authority entered into a loan agreement amounting to $836,500 with the Impact Development Fund for the acquisition of the Lincoln Street property. The loan bears interest at a fixed rate of 3.00% per annum and matures on March 5, 2029. Monthly payments of principal and interest in the amount of $3,527 are due over the term of the loan. The proceeds from this loan were used exclusively to finance the purchase of the Lincoln Street property.

***Capital Lease***

On October 15, 2010, the Authority entered into a $2,000,000 lease-purchase agreement with Saulsbury Hill Financial, LLC, to finance energy savings improvements at Orchard Place and Simon Center Apartments. Interest accrues on the outstanding balance of the lease at 5.49% per annum. Principal and interest payments are due quarterly beginning on September 15, 2011, with final payment due in June 2026. The lease is paid from Public Housing and Simon Center Funds resources. In the current year, the Authority has opted to fully settle this obligation.

Note payable 5-year maturity payment, are as follows:

| | |
|---|---|
| 2025 | $ 17,760 |
| 2026 | 18,301 |
| 2027 | 18,857 |
| 2028 | 19,431 |
| 2029 | 752,425 |
| Total | $ 826,774 |
| Current portion | $ 17,760 |
| Non-current portion | $ 809,014 |

## NOTE 7 – RETIREMENT COMMITMENTS

The Authority participates in employer-sponsored money-purchase 401(a) retirement plan on behalf of all employees. Plan investments are managed by MissionSquare. The contribution requirements are established and may be amended by the Board of Commissioners. Employees are required to participate in the Plan on the date of employment and must contribute 2.5% of their eligible salary. The Authority contributes 5% of the eligible salary. Employees are fully vested in the Authority's contributions after five years. During the year ended December 31, 2024, the Authority contributed $41,213 to the plan.

## NOTE 8 – COMMITMENTS AND CONTINGENCIES

***TABOR Amendment***

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. However, management believes the Authority is exempt from the provisions of the Amendment.

# SUPPLEMENTAL INFORMATION

# Housing Authority of the City of Englewood
dba Innovative Housing Concepts
Financial Data Schedule Statement of Net Position by Program
December 31, 2024

| | | Public Housing | Vouchers | Management | Simon Center | Market Rate Rentals | Nonmajor Office Building | Total |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| **Current assets** | | | | | | | | |
| 111 | Cash and cash equivalents-unrestricted | $ 71,305 | $ 3,507 | $ - | $ 830,269 | $ 113,641 | $ 112,024 | $ 1,130,746 |
| 113 | Cash - other restricted | 624,555 | 115,550 | 834,938 | 1,010,918 | 7,954 | 217,213 | 2,811,128 |
| 114 | Cash - tenant security deposits | 27,597 | - | - | 17,134 | 28,275 | - | 73,006 |
| 100 | Total cash | 723,457 | 119,057 | 834,938 | 1,858,321 | 149,870 | 329,237 | 4,014,880 |
| 121 | Accounts receivable - PHA projects | 15,009 | 3,614 | - | 84,081 | 16,306 | - | 119,010 |
| 122 | Accounts receivable - HUD other projects | 24,696 | 302,026 | 6,904 | 2,972 | - | - | 336,598 |
| 125 | Accounts receivable - other | - | - | 152,484 | 25,314 | - | 10,030 | 187,828 |
| 128 | Fraud recovery | - | 25,585 | - | - | - | - | 25,585 |
| 120 | Total accounts receivable | 39,705 | 331,225 | 159,388 | 112,367 | 16,306 | 10,030 | 669,021 |
| 142 | Prepaid expenses | 4,743 | 393 | 330 | 4,529 | 834 | 313 | 11,142 |
| 150 | Total current assets | 767,905 | 450,675 | 994,656 | 1,975,217 | 167,010 | 339,580 | 4,695,043 |
| **Capital assets** | | | | | | | | |
| 161 | Land | 478,994 | - | 1,387,000 | 208,409 | 768,124 | 25,410 | 2,867,937 |
| 162 | Buildings | 5,754,918 | - | - | 4,660,174 | 3,544,337 | 364,474 | 14,323,903 |
| 163 | Furniture and fixtures dwelling | 5,016 | - | - | 271,436 | - | 114,907 | 391,359 |
| 165 | Leasehold improvements | 1,157,812 | - | 202,000 | 141,454 | - | - | 1,501,266 |
| 166 | Accumulated depreciation | (6,382,054) | - | (44,278) | (4,431,047) | (497,942) | (415,385) | (11,770,706) |
| 160 | Net capital assets | 1,014,686 | - | 1,544,722 | 850,426 | 3,814,519 | 89,406 | 7,313,759 |
| **Other non-current assets** | | | | | | | | |
| 171 | Notes, loans and mortgages receivable-non-current | - | - | 921,759 | - | - | - | 921,759 |
| 174 | Other assets | - | - | 635,690 | - | - | - | 635,690 |
| 180 | Total non-current assets | 1,014,686 | - | 3,102,171 | 850,426 | 3,814,519 | 89,406 | 8,871,208 |
| 290 | Total assets | 1,782,591 | 450,675 | 4,096,827 | 2,825,643 | 3,981,529 | 428,986 | 13,566,251 |

# Housing Authority of the City of Englewood
dba Innovative Housing Concepts
Financial Data Schedule Statement of Net Position by Program
December 31, 2024

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Liabilities and net position** | | | | | | | |
| **Current liabilities** | | | | | | | |
| 311 Bank overdraft | - | - | 169,449 | - | - | - | 169,449 |
| 312 Accounts payable | 53,321 | - | 1,839 | 17,473 | 2,721 | 1,664 | 77,018 |
| 333 Accounts payable - other government | 309 | 31,632 | 232 | 341 | 59 | 21 | 32,594 |
| 321 Accrued wages | 3,758 | 2,647 | 2,820 | 4,147 | 716 | 255 | 14,343 |
| 322 Accrued compensated absences - current portion | 1,295 | 1,071 | 598 | 1,211 | 217 | 99 | 4,491 |
| 325 Accrued interest payable | - | - | - | - | 2,067 | - | 2,067 |
| 341 Tenant security deposits | 35,523 | - | - | 37,317 | 28,275 | - | 101,115 |
| 342 Unearned revenue | 5,434 | - | - | 6,515 | 12,834 | - | 24,783 |
| 343 Current portion - long-term debt - capital project | - | - | - | - | 17,760 | - | 17,760 |
| 345 Other current liabilities | - | 126,124 | - | - | - | - | 126,124 |
| 346 Accrued liabilities - other | 34,265 | - | 4,633 | - | - | - | 38,898 |
| 347 Inter program due to | - | 141 | - | - | - | - | 141 |
| 310 Total current liabilities | 133,905 | 161,615 | 179,571 | 67,004 | 64,649 | 2,039 | 608,783 |
| **Non-current liabilities** | | | | | | | |
| 351 Long-term debt, net of current - capital projects/ mortgage revenue | - | - | - | - | 809,014 | - | 809,014 |
| 354 Accrued compensated absences - noncurrent | 13,858 | 11,464 | 6,402 | 12,962 | 2,321 | 1,062 | 48,069 |
| 350 Total non-current liabilities | 13,858 | 11,464 | 6,402 | 12,962 | 811,335 | 1,062 | 857,083 |
| 300 Total liabilities | 147,763 | 173,079 | 185,973 | 79,966 | 875,984 | 3,101 | 1,465,866 |
| **Net position** | | | | | | | |
| 508.1 Net invested in capital assets | 1,014,686 | - | 1,544,722 | 850,426 | 3,814,519 | 89,406 | 7,313,759 |
| 511.1 Restricted net position | - | - | - | - | - | - | - |
| 512.1 Unrestricted net position | 620,142 | 277,596 | 2,366,132 | 1,895,251 | (708,974) | 336,479 | 4,786,626 |
| 513 Total net position | 1,634,828 | 277,596 | 3,910,854 | 2,745,677 | 3,105,545 | 425,885 | 12,100,385 |
| 600 Total liabilities and net position | $ 1,782,591 | $ 450,675 | $ 4,096,827 | $ 2,825,643 | $ 3,981,529 | $ 428,986 | $ 13,566,251 |

# Housing Authority of the City of Englewood

dba Innovative Housing Concepts

Financial Data Schedule Statement of Activities by Program

For the Year ended December 31, 2024

| | | Public Housing | Vouchers | Management | Simon Center | Market Rate Rentals | Nonmajor Office Building | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| **Tenant revenue** | | | | | | | | |
| 70300 | Net tenant rental revenue | $ 514,490 | $ - | $ - | $ 458,009 | $ 299,521 | $ - | $ 1,272,020 |
| 70400 | Tenant revenue - other | 775 | - | - | 75 | 493 | - | 1,343 |
| 70500 | Total tenant revenue | 515,265 | - | - | 458,084 | 300,014 | - | 1,273,363 |
| **HUD PHA operating grants** | | | | | | | | |
| 70610 | HUD capital grants | 324,259 | - | - | - | - | - | 324,259 |
| 70710 | Management fee | - | - | 146,495 | - | - | - | 146,495 |
| 70720 | Asset management fee | - | - | 23,115 | - | - | - | 23,115 |
| 70750 | Other fees | - | - | - | - | - | 111,216 | 111,216 |
| 70500 | Total fee revenue | 324,259 | - | 169,610 | - | - | 111,216 | 605,085 |
| **Other revenue** | | | | | | | | |
| 70800 | Other government grants | 300,525 | 5,716,579 | 345,149 | 1,330,476 | - | 10,030 | 7,702,759 |
| 71100 | Investment income - unrestricted | 28,779 | 500 | 72,338 | 44,246 | 3,889 | 9,205 | 158,957 |
| 71400 | Fraud recovery | - | 70,751 | - | - | - | - | 70,751 |
| 71500 | Other revenue | 25,638 | 66,711 | 44,722 | 75,275 | 3,733 | 12,002 | 228,081 |
| 70000 | Total revenue | 1,194,466 | 5,854,541 | 631,819 | 1,908,081 | 307,636 | 142,453 | 10,038,996 |
| **Expenses** | | | | | | | | |
| **Administrative expenses** | | | | | | | | |
| 91100 | Administrative salaries | 160,310 | 242,382 | 235,442 | 217,731 | 24,582 | 11,759 | 892,206 |
| 91200 | Auditing fees | 4,030 | 1,300 | 1,300 | 4,940 | 910 | 520 | 13,000 |
| 91310 | Bookkeeping fees | 5,624 | 6,192 | 1,887 | 6,414 | 1,228 | 623 | 21,968 |
| 91400 | Advertising and marketing | 944 | 225 | 322 | 867 | 26 | 19 | 2,403 |
| 91600 | Office expenses | 32,586 | 12,090 | 11,809 | 34,348 | 5,288 | 3,110 | 99,231 |
| 91700 | Legal expenses | 3,100 | 1,120 | 2,530 | 3,800 | 820 | 400 | 11,770 |
| 91810 | Allocated overhead | 38,862 | 38,187 | 27,974 | 38,796 | 4,609 | 1,331 | 149,759 |
| 91900 | Other | 28,168 | 75,199 | 122,751 | 48,703 | 19,038 | 1,586 | 295,445 |
| 91000 | Total operating-administrative | 273,624 | 376,695 | 404,015 | 355,599 | 56,501 | 19,348 | 1,485,782 |
| **Utilities** | | | | | | | | |
| 93100 | Water | 44,246 | - | - | 34,912 | 11,049 | 2,317 | 92,524 |
| 93200 | Electricity | 67,322 | - | - | 43,195 | 7,097 | 13,719 | 131,333 |
| 93300 | Gas | 15,494 | - | - | 18,102 | - | - | 33,596 |
| 93000 | Total utilities | 127,062 | - | - | 96,209 | 18,146 | 16,036 | 257,453 |

# Housing Authority of the City of Englewood

dba Innovative Housing Concepts

Financial Data Schedule Statement of Activities by Program

For the Year ended December 31, 2024

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Maintenance** | | | | | | | | |
| 94100 | Ordinary maintenance - labor | 193,076 | - | - | 183,044 | 21,467 | 12,296 | 409,883 |
| 94200 | Ordinary maintenance and operations - materials and other | 32,403 | 17 | 3,831 | 71,666 | 3,505 | 982 | 112,404 |
| 94300 | Ordinary maintenance and opertions contracts | 232,315 | 853 | 3,811 | 174,032 | 22,726 | 23,915 | 457,652 |
| 94000 | Total maintenance | 457,794 | 870 | 7,642 | 428,742 | 47,698 | 37,193 | 979,939 |
| **Insurance premiums** | | | | | | | | |
| 96110 | Property insurance | 36,778 | - | - | 34,657 | 5,341 | 2,367 | 79,143 |
| 96120 | Liability insurance | 5,754 | 5,065 | 3,726 | 6,158 | 1,359 | 403 | 22,465 |
| 96130 | Workmen's compensation | 4,001 | 2,948 | 3,300 | 4,650 | 467 | 285 | 15,651 |
| 96140 | All other insurance | 3,274 | - | - | 3,086 | 448 | 211 | 7,019 |
| 96100 | Total insurance premiums | 49,807 | 8,013 | 7,026 | 48,551 | 7,615 | 3,266 | 124,278 |
| **Other general expenses** | | | | | | | | |
| 96200 | Other general expenses | 111,880 | 5,511,945 | 50,797 | 87,197 | 10,829 | 6,408 | 5,779,056 |
| 96210 | Compensated absences | 3,461 | 1,873 | (1,326) | 2,484 | 1,292 | 273 | 8,057 |
| 96400 | Bad debt- tenant rents | 18,201 | 8,410 | - | 1,215 | 2,300 | - | 30,126 |
| 96600 | Bad debt - other | 2,475 | - | - | - | - | - | 2,475 |
| 96000 | Total other general expenses | 136,017 | 5,522,228 | 49,471 | 90,896 | 14,421 | 6,681 | 5,819,714 |
| **Interest expense and amortization cost** | | | | | | | | |
| 96710 | Interest on mortage (or bonds) payable | - | - | - | - | 20,555 | - | 20,555 |
| 96720 | Interest on notes payable (short and long term) | 10,143 | - | - | 18,422 | - | - | 28,565 |
| 96700 | Total interest expense and amortization cost | 10,143 | - | - | 18,422 | 20,555 | - | 49,120 |
| 96900 | Total operating expenses | 1,054,447 | 5,907,806 | 468,154 | 1,038,419 | 164,936 | 82,524 | 8,716,286 |
| 97000 | Excess revenue over operating expenses | 140,019 | (53,265) | 163,665 | 869,662 | 142,700 | 59,929 | 1,322,710 |
| 97300 | Housing assistance payments | - | - | 125,445 | - | - | - | 125,445 |
| 97400 | Deprectiation expense | 72,026 | - | 44,278 | 146,404 | 155,470 | 10,140 | 428,318 |
| 90000 | Total expenses | 67,993 | (53,265) | (6,058) | 723,258 | (12,770) | 49,789 | 768,947 |
| 10010 | Operating transfers in | - | 118,006 | - | - | 788,246 | - | 906,252 |
| 10020 | Operating transfers out | - | - | (562,000) | (118,006) | (226,246) | - | (906,252) |
| 1000 | Net income (loss) | 67,993 | 64,741 | (568,058) | 605,252 | 549,230 | 49,789 | 768,947 |
| 11030 | Beginning equity | 1,566,835 | 212,855 | 4,478,912 | 2,140,425 | 2,556,315 | 376,096 | 11,331,438 |
| | Net position at end of year | $ 1,634,828 | $ 277,596 | $ 3,910,854 | $ 2,745,677 | $ 3,105,545 | $ 425,885 | $ 12,100,385 |

# Federal Financial Assistance

Haynie & Company
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# 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*

To the Board of Commissioners
Housing Authority of the City of Englewood
dba Innovative Housing Concepts
3460 S. Sherman Street, Suite #101
Englewood, CO 80113

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of Housing Authority of the City of Englewood dba Innovative Housing Concepts (the Authority), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 5, 2025.

**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.

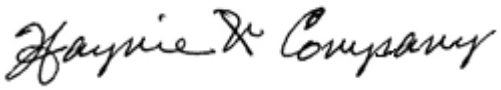
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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.



Salt Lake City, Utah
August 5, 2025

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

To the Board of Commissioners
Housing Authority of the City of Englewood
dba Innovative Housing Concepts
3460 S. Sherman Street, Suite #101
Englewood, CO 80113

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

We have audited Housing Authority of the City of Englewood dba Innovative Housing Concepts (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

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

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

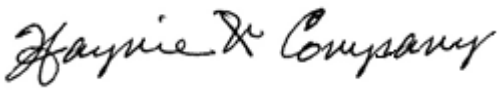
***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditors' 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 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 purposes.



Salt Lake City, Utah
August 5, 2025

# Housing Authority of the City of Englewood
dba Innovative Housing Concepts
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

| Federal Assistance Programs<br>Agency/Program Grant Title | Federal Assistance Listing Number | Federal Expenditures |
|---|---|---|
| *U.S. Department of Housing & Urban Development (HUD)* | | |
| Section 8 Housing Vouching Cluster | | |
| Section 8 New Construction and Substantial Rehabilitation | 14.182 | $ 991,978 |
| ROSS Grant | 14.870 | 57,886 |
| Public and Indian Housing | 14.850 | 300,525 |
| Housing Voucher Cluster | | |
| Section 8 Housing Choice Vouchers | 14.871 | 5,735,118 |
| Family Self-Sufficiency Program | 14.896 | 68,220 |
| Public Housing Capital Fund | 14.872 | 324,258 |
| **Total Expenditures of Federal Awards** | | $ 7,477,985 |

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

**Scope of Presentation**
The accompanying schedule presents the expenditures incurred (and related awards received) by Housing Authority of the City of Englewood dba Innovative Housing Concepts (Authority) that are reimbursable under federal programs of federal agencies providing financial assistance and state awards. For the purposes of this schedule, only the portion of program expenditures reimbursable with such federal or state funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal or state reimbursement authorized or the portion of the program expenditures that were funded with local or other nonfederal funds are excluded from the accompanying schedule.

**Basis of Accounting**
The expenditures included in the accompanying schedule were reported on an accrual basis of accounting. Expenditures are recognized in the accounting period in which the related liability is incurred. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

**Indirect Cost Rate**
The Authority has elected not to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.

# Housing Authority of the City of Englewood
dba Innovative Housing Concepts
Status of Findings and Questioned Costs
For the Year Ended December 31, 2024

*Financial Statements*

| | | |
|---|---|---|
| Type of auditors' report issued: | Unmodified | |
| Internal control over financial reporting: | | |
| • Material weakness(es) identified? | _____ Yes | X No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | X None reported |
| Noncompliance material to financial statements noted? | _____ Yes | X No |

*Federal Awards*

| | | |
|---|---|---|
| Type of auditors' report issued on compliance for major programs: | Unmodified | |
| Internal control over major programs: | | |
| • Material weakness(es) identified? | _____ Yes | X No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | X None reported |
| Any audit findings disclosed that are required to be reported in accordance with OMB Compliance Supplement? | _____ Yes | X No |

Identification of major programs

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| 14.871 | Section 8 Housing Vouching Cluster |
| 14.182 | Section 8 New Construction and Substantial Rehabilitation |

| | | |
|---|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $ 750,000 | |
| Auditee qualified as low risk auditee? | X Yes | _____ No |

# Housing Authority of the City of Englewood
dba Innovative Housing Concepts
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

There were no findings to report for the year ended December 31, 2024.

# Housing Authority of the City of Englewood
dba Innovative Housing Concepts
Schedule of Findings and Questioned Costs - Prior Year
For the Year Ended December 31, 2023

There were no findings to report for the year ended December 31, 2023.

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# INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Housing Authority of the City of Englewood
dba Innovative Housing Concepts
3460 S. Sherman Street, Suite #101
Englewood, CO 80113

We have performed the procedure enumerated in the second paragraph, which was agreed to by Housing Authority of the City of Englewood dba Innovative Housing Concepts (the Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package. The sufficiency of the procedure is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedure enumerated below either for the purpose of which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

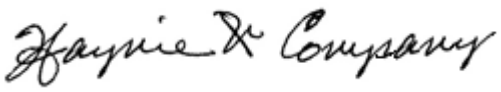
This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

We were engaged to perform an audit in accordance with 2 CFR 200 Subpart F, Audits Requirements, for the Authority as of and for the year ended December 31, 2024, and have issued our reports thereon dated August 5, 2025. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of the audit. Further, our opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated August 5, 2025, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package required by Uniform Guidance, which includes the auditors' report, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH REAC.

This report was intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties

| Procedure | UFRS Rule Information | Hard Copy Document(s) | Findings |
|---|---|---|---|
| 1 | Balance Sheet and Revenue Expense (data line items 111 to 13901) | Financial Data Schedule, all CFDAs, if applicable | Agrees |
| 2 | Footnotes (data element G5000-010) | Footnotes to audited basic financial statements | Agrees |
| 3 | Type of opinion on FDS (data element G3100-040) | Auditor's Supplemental report on FDS | Agrees |
| 4 | Audit findings narrative (data element G5200-010) | Schedule of findings and Questioned Costs | Agrees |
| 5 | General information (data element series G2000, G2100, G2200,G9000, G9100) | OMB Data Collection Form | Agrees |
| 6 | Financial statement report information (data element G3000-010 to G3000-050) | Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form | Agrees |
| 7 | Federal program report information (data element G4000-020 to G4000-040) | Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form | Agrees |
| 8 | Type of Compliance Requirement (G4200-020 & G4000-030) | OMB Data Collection Form | Agrees |
| 9 | Basic financial statements and auditor reports required to be submitted electronically | Basic Financial Statements (inclusive of auditor reports) | Agrees |



Salt Lake City, Utah
August 5, 2025