Housing Catalyst

Fort Collins, Colorado

Annual Comprehensive Financial Report

and Single Audit Report

Year ended December 31, 2025

With Comparative Totals for the Year Ended December 31, 2024

HOUSING CATALYST

Building Community. Inspiring Change.

Housing Catalyst

Fort Collins, Colorado

Annual Comprehensive Financial Report

and Single Audit Report

Year ended December 31, 2025

With Comparative Totals for the Year Ended December 31, 2024

Issued by:

Financial Services Department of Housing Catalyst

Tonya Frammolino, Chief Financial Officer

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Fort Collins, Colorado

Introductory Section:

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart

List of Principal Officials

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June 12, 2026

Lizette Mill
Chairperson
Housing Catalyst Board of Commissioners
1715 W Mountain Ave
Fort Collins, CO 80521

Dear Chairperson Mill, 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, 2025. 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 the 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, 2025, and 2024. 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 presented is accurate in all material aspects; it 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

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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.

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 owns, manages, or was instrumental in the creation of more than 1,800 local residences. In 2025, Housing Catalyst supported more than 1,500 local families through rental assistance programs, administering over $22 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 more than $40 million, and over $230 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 its mission, all Housing Catalyst operations focus on its 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.

Housing Catalyst remained financially resilient throughout 2025 despite continued affordability pressures, elevated operating costs, and ongoing federal funding uncertainty. The agency ended the year with approximately $120.5 million in net position and nearly $25 million in cash and cash equivalents, reflecting strengthened liquidity and disciplined financial management. Financial performance was supported by strong Housing Choice Voucher utilization, strategic property dispositions, special limited partner fee revenue, and continued development activity, including the completion of the expanded Village on Impala community in spring 2025. These efforts further advanced Housing Catalyst's long-term strategy of repositioning and modernizing its affordable housing portfolio while maintaining the financial flexibility necessary to respond to evolving community housing needs and future development opportunities.

Economic Condition and Outlook

The Fort Collins housing market continues to experience significant affordability challenges as housing costs have outpaced wage growth and housing production. Recent findings from the City of Fort Collins Housing Needs Assessment indicate that between 2018 and 2023, average wages increased approximately 27%, while rents increased 45% and home prices increased nearly 70%. Despite some stabilization in rental pricing over the past two years, vacancies in the market remain tight at approximately 5%, reflecting continued pressure on the rental market.

Housing affordability pressures have contributed to increasing housing insecurity across the region. More than 58% of renters and 21% of homeowners in Fort Collins are considered cost burdened, meaning they spend more than 30% of their income on housing costs. The City's Housing Needs Assessment also identified a shortage of approximately 6,300 rental units affordable to households earning less than 50% of Area Median Income (AMI).

Homeownership rates in Fort Collins have continued to decline as escalating home prices place ownership out of reach for many residents. Between 2010 and 2023, the homeownership rate declined from 56% to 52%, with the steepest declines occurring among households earning between $50,000 and $100,000 annually. According to the assessment, even households earning 120% of AMI often cannot afford the typical home price in the region without becoming cost burdened.

Regional housing supply has not kept pace with population, household, and employment growth. From 2010 to 2023, housing units in Fort Collins increased by approximately 25%, while the number of households increased 29% and jobs increased 38%. The assessment estimates that approximately 1,500 additional housing units are currently needed to alleviate overcrowding and stabilize vacancy rates, while more than 7,000 additional housing units will be needed over the next decade to meet projected demand. In addition, if the City of Fort Collins hopes to reach its stated goal of ensuring that 10% of housing stock is affordable by 2040, 282 affordable homes would need to be added every year from 2020-2040. As of the end of 2024, the city was 1,114 units short of meeting this target. These trends continue to reinforce the importance of expanding affordable housing throughout Northern Colorado.

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 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 completed a Section 18 disposition of its remaining public housing units. This strategic portfolio restructuring enhanced operational efficiency, expanded affordability, and introduced a broader range of housing types to better meet community needs.

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 Fort Collins, Colorado. Through 2025, Housing Catalyst had secured the following assignments:

	PAB Authority
City of Fort Collins	$ 95,340,028
Larimer County	49,864,462
Weld County	16,165,035
State of Colorado	55,641,372
Other Counties	15,419,346
Total	$232,430,243

Projects that have utilized or will utilize PAB authority are as follows:

	PAB Authority	Bonds Issued
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	14,272,787	2021
Northfield Commons	14,237,109	2022
Village on Impala	23,000,000	2023
4965 Washington St Project	3,943,512	2025
Chrysalis	3,569,675	2025
Future Projects	47,816,560	-
Total	$232,430,243	

Housing Catalyst continues to strategically expand and preserve affordable housing through development, acquisitions, rehabilitation, and public-private partnerships. The agency leverages a variety of financing tools, including Low Income Housing Tax Credits (LIHTC), Private Activity Bonds (PABs), public grants, and strategic partnerships to support long-term affordable housing initiatives throughout Northern Colorado.

Oak 140, completed in 2023 through a partnership with the Fort Collins Downtown Development Authority, represented Housing Catalyst's first publicly offered bond transaction supported by the agency's AA- credit rating from Standard & Poor's. The mixed-use development includes 79 affordable apartments and commercial space near downtown Fort Collins and demonstrated Housing Catalyst's ability to successfully execute complex public-private financing structures.

In spring 2025, Housing Catalyst completed the redevelopment and expansion of Village on Impala, increasing the site from 24 units to an 86-unit affordable housing community through a combination of rehabilitation and redevelopment activities. The project significantly expanded long-term affordable housing capacity while adding new community amenities and infrastructure improvements.

Building upon this momentum, Housing Catalyst successfully closed financing in early 2026 for Village on Eastbrook, another affordable housing development supported through publicly issued bonds backed by the agency's AA- credit profile. This financing milestone further demonstrates Housing Catalyst's continued access to capital markets and its long-term commitment to expanding affordable housing opportunities within the region.

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, 2025, found no instances of material weakness in internal controls. The results of these audit procedures are documented in the Single Audit Section of this Annual Report.

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, 2024. This was the twelfth 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.

This recognition provides assurance to stakeholders, including funders, investors, and the public that Housing Catalyst maintains the highest standards of financial integrity and reporting.

Acknowledgments

Timely preparation of the Annual Comprehensive Financial Report was made possible by the dedication and hard work of the entire Finance and Accounting team. We extend our sincere appreciation to each team member for their valuable contributions to this effort.

We also gratefully acknowledge the management and staff of Eide Bailly, LLP for their technical expertise and professional support throughout the audit process.

Finally, we thank the members of the Board of Commissioners for their ongoing leadership and support, without which 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

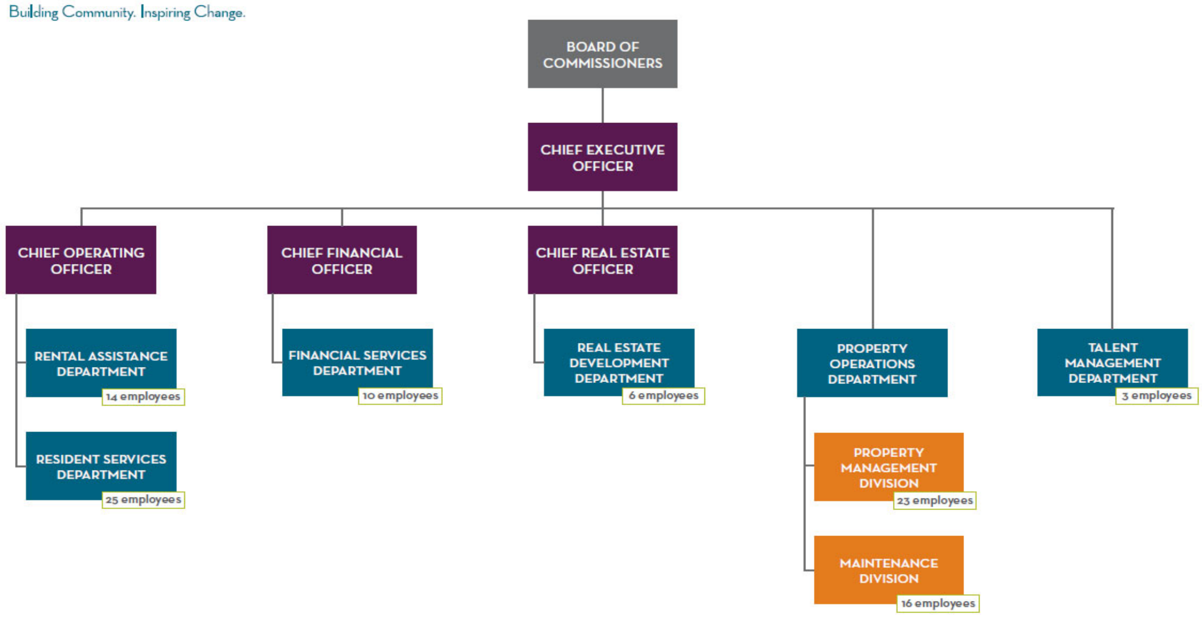
Presented to

Housing Catalyst
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill
Executive Director/CEO


BOARD OF COMMISSIONERS
CHIEF EXECUTIVE OFFICER
CHIEF OPERATING OFFICER
CHIEF FINANCIAL OFFICER
CHIEF REAL ESTATE OFFICER
RENTAL ASSISTANCE DEPARTMENT
14 employees
RESIDENT SERVICES DEPARTMENT
25 employees
FINANCIAL SERVICES DEPARTMENT
10 employees
REAL ESTATE DEVELOPMENT DEPARTMENT
6 employees
PROPERTY OPERATIONS DEPARTMENT
PROPERTY MANAGEMENT DIVISION
23 employees
MAINTENANCE DIVISION
16 employees
TALENT MANAGEMENT DEPARTMENT
3 employees

Board of Commissioners:

Lizette Mill
Chairperson

Anne Nelsen
Vice-Chairperson

Karen Dunbar
Commissioner

Emily Francis
Commissioner

Joseph Penta
Commissioner

Jennifer Wagner
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

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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, 2025, 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, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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*.

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.

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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 2024 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 18, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, 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 12, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Eide Bailly LLP

Fargo, North Dakota
June 12, 2026

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, 2025. 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:** As of December 31, 2025, the assets and deferred outflows of Housing Catalyst exceeded the liabilities and deferred inflows by $120,520,058 (net position), representing an increase of $6,666,329 over the prior year balance. This growth was primarily driven by a $1,431,944 increase in HUD PHA grant revenue due to higher funding levels; $1,581,370 increase in other revenue related to funding received for special limited partner fees from new external partnerships; and a $2,280,379 increase in gain on sale of capital assets from the sale of Villages properties. Of the grant income received in the current year, $67,045 was loaned to Village on Impala, LLLP, a tax credit partnership, to support the construction of low-income housing.

- **Unrestricted and Restricted Net Position:** As of the close of the current fiscal year, Housing Catalyst's programs had an unrestricted net position of $101,218,399 and $139,969 in restricted net position, which represents unspent HUD voucher funding.

- **Cash Balance:** Housing Catalyst's cash balance on December 31, 2025, was $24,945,327, representing an increase of $6,985,952 (38.9%) from December 31, 2024. The increase was primarily driven by sales proceeds received for the sale of capital assets, receipt of special limited partner fees from new external developments, and positive operating cash flow, partially offset by ongoing development and capital investment activity.

- **Revenue and Expenses:** Housing Catalyst received HUD operating funding of $25,143,614, internal service fees, including management, accounting, maintenance, and other earned fees, totaling $5,036,497 and rental income of $3,549,235 for the year. Housing Catalyst paid out $22,217,084 in housing assistance payments and incurred $12,727,580 in other operating expenses, excluding depreciation and amortization of $1,650,162.

- **Developer Fee Income:** Developer fee income for the year totaled $818,176, reflecting fees earned from the development of the Village on Impala project. This represents a decrease of $963,403 (54.1%) over the prior year, which represents the ongoing developer fees recognized for the same project, which was completed during 2025.

- **Gain on Sale of Capital Assets:** Housing Catalyst recognized a total gain of $4,263,646 from the sale of capital assets during the year. This gain was primarily driven by the disposition of several properties within the Villages portfolio. The transactions generated net proceeds of $4,727,980, which will be reinvested into future affordable housing developments, supporting Housing Catalyst's ongoing efforts to expand and modernize its housing portfolio in response to community needs.

Overview of the Basic Financial Statements

This discussion and analysis section 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.

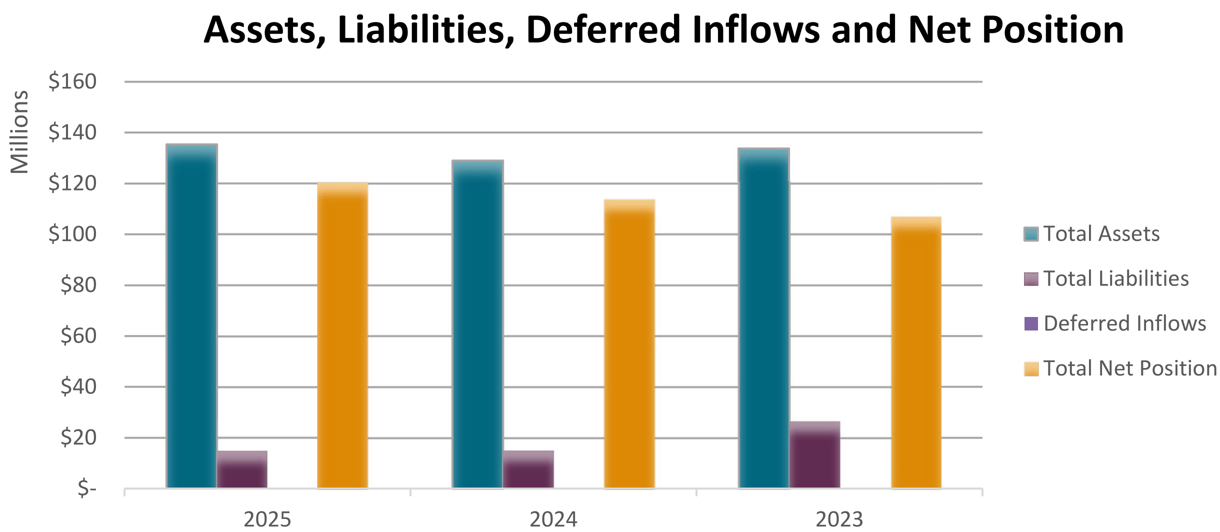
Notes to the Basic Financial Statements provide financial statement disclosures that are an integral part of the basic financial statements. Such disclosures are essential to a comprehensive understanding of the information provided in the basic financial statements.

Financial Analysis

Statements of Net Position:

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

	2025	2024	2023
Current assets, unrestricted	$ 26,334	$ 18,208	$ 30,456
Other current assets, restricted	1,402	1,356	1,398
Capital assets, net	23,898	25,434	21,236
Non-current assets	83,831	84,055	80,690
Total Assets	**$ 135,464**	**$ 129,053**	**$ 133,780**
Current liabilities	$ 2,981	$ 1,814	$ 12,825
Current liabilities payable from restricted assets	609	559	575
Long-term liabilities	11,238	12,705	13,203
Total Liabilities	14,828	15,078	26,603
Deferred Inflows	116	121	126
Net Investment in Capital Assets	19,162	20,454	16,316
Restricted Net Position	140	65	103
Unrestricted Net Position	101,218	93,335	90,632
Total Net Position	120,520	113,854	107,051
Total Liabilities, Deferred Inflows & Net Position	**$ 135,464**	**$ 129,053**	**$ 133,780**



Unrestricted current assets are comprised of cash, receivables, prepaid items and inventories. As of December 31, 2025, the balance increased by nearly $8.1 million (44.3%) compared to the prior year. This increase is primarily driven by proceeds received from the sale of capital assets and the receipt of special limited partner fees.

Restricted current assets consist of cash restricted for tenant security deposits, family self-sufficiency program escrow balances, flex fund escrow balances and other unspent grant funds. As of the year-end, the balance increased by approximately $46 thousand (3.4%) compared to the prior year, primarily due to an increase in unspent grant funds related to a Larimer County grant of $74 thousand.

Capital assets include land, buildings, building improvements, furniture and equipment and are reported net of accumulated depreciation. The net book value of capital assets decreased by approximately $1.5 million (6.3%), primarily due to the sale of Villages properties. While several fully or nearly fully depreciated Villages properties were sold during the year, their disposition had a minimal impact on net capital assets due to their low remaining book value.

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 $224 thousand due to an increase in notes receivable of approximately $1.5 million and a decrease in long-term developer fees receivable of approximately $1.5 million.

Current liabilities consist of accounts payable, accrued liabilities, accrued compensation, accrued interest, unearned revenue, and the current portion of leases and notes payable. The total balance increased by more than $1.1 million (64.3%) compared to the prior year, primarily due to an increase in the current portion of notes payable of nearly $840 thousand due to the loan balloon payment due during 2026 for Village on Elizabeth.

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 increased by approximately $50 thousand (10%) as compared to the prior year. The overall increase was primarily driven by an increase in unspent grant funds of $81 thousand, partially offset by a reduction in security deposits of approximately $12 thousand.

Long-term liabilities consist of leases and notes' payable. As of the year-end, the balance decreased by approximately $1.5 million (11.5%) compared to the prior year, primarily due to the reclassification of the balloon debt payment due for Village on Elizabeth and regular debt and lease payments made throughout the year.

Deferred inflows consist of the balance of lease income expected to be received from the Village on Plum land leases. The balance decreased by approximately $5 thousand (4.2%) compared to the prior year, primarily due to the recognition of lease income associated with the current year's lease expense.

Net position represents Housing Catalyst's residual equity after deducting all liabilities from total assets. It is reported in three components:

- **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:** Consists of resources that are subject to external restrictions on their use, such as grant requirements or contractual obligations.
- **Unrestricted net position:** Represents all other resources available for use at the discretion of Housing Catalyst, in accordance with applicable laws and sound financial practices.

The total net position of Housing Catalyst increased by approximately $6.6 million (5.8%) from December 31, 2024, to December 31, 2025.

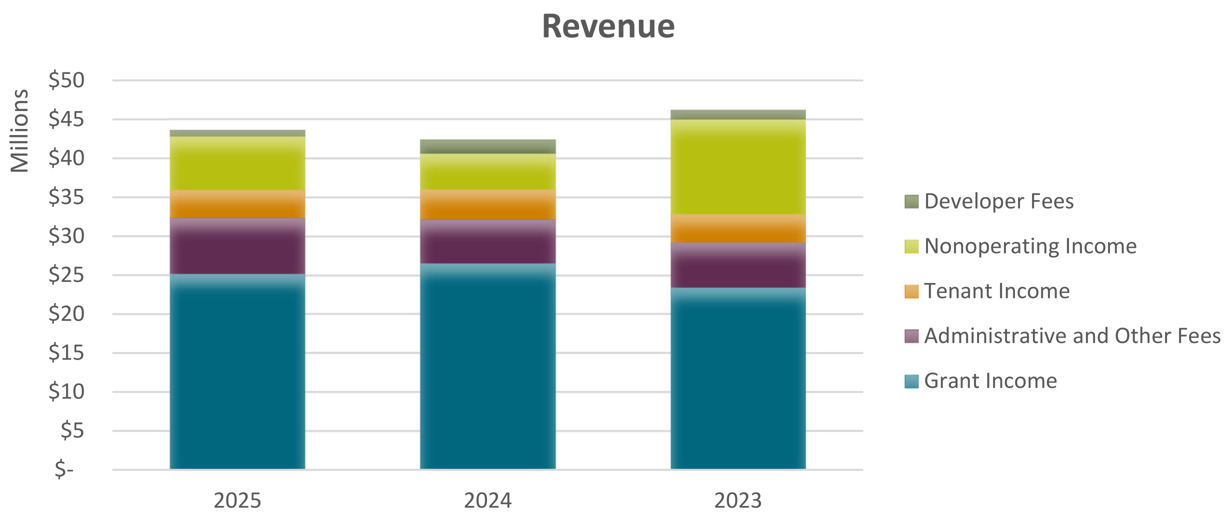
Housing Catalyst's current ratio reflects the relationship between current assets and current liabilities and is a measure of Housing Catalyst's ability to pay short-term obligations. On December 31, 2025, and 2024, Housing Catalyst's current ratios were 7.73:1 and 8.25:1, respectively.

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):

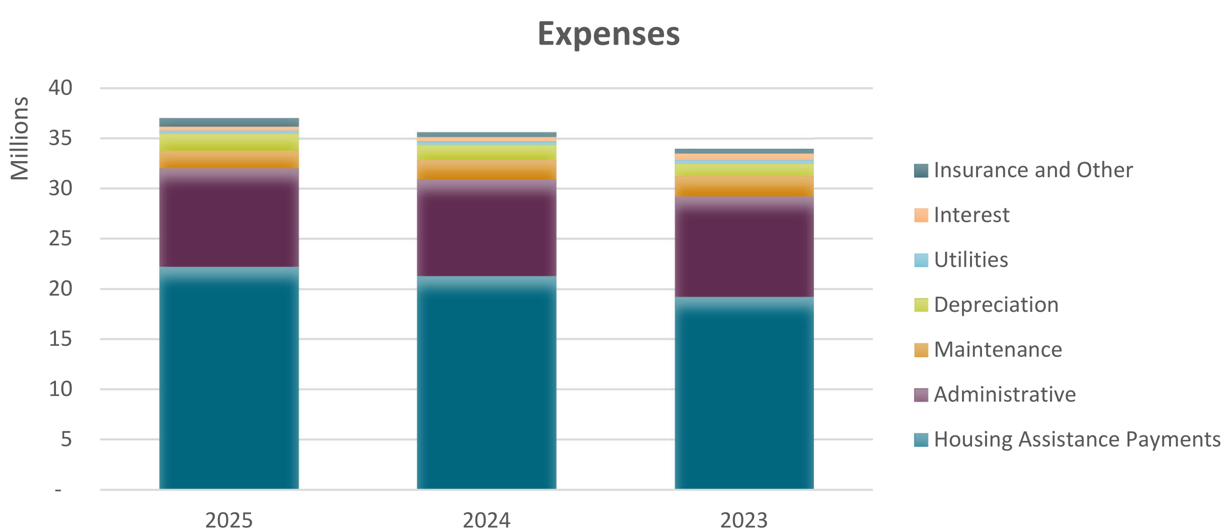
	2025	2024	2023
Revenues:			
Grant income	$ 25,255	$ 26,555	$ 23,453
Administrative fees	5,036	5,059	5,063
Tenant income	3,549	3,815	3,614
Interest income	2,574	2,631	2,495
Developer fees	818	1,782	1,264
Gain on sale of capital assets	4,264	1,983	3,264
Other	2,169	587	745
Total Revenue	43,665	42,412	46,220
Expenses			
Housing assistance payments	22,217	21,300	19,226
Administrative	9,807	9,625	10,018
Maintenance	1,794	1,977	2,031
Depreciation and amortization	1,650	1,492	1,251
Utilities	295	318	345
Insurance	315	363	294
Interest expense and financing costs	404	439	656
Other	517	95	158
Total Expenses	36,999	35,609	33,979
Change in Net Position	6,666	6,803	12,241
Net Position - Beginning of Year	113,854	107,051	94,810
Net Position - End of Year	$ 120,520	$ 113,854	$ 107,051

Revenues increased by approximately $1.2 million (2.9%) from the year ended December 31, 2024, to the year ended December 31, 2025. This increase was primarily driven by the increases in gain on sale of capital assets of $2.2 million and other revenues of $2.1 million, partially offset by decreases in grant revenue of $1.3 million and developer fees of $1 million. The decrease in grant revenue was primarily due to the decrease in pass-through funding grants received during the year. The following graph compares the revenues for the current and previous years:



Expenses increased by approximately $1.4 million (3.9%) from the year ended December 31, 2024, to the year ended December 31, 2025. The most significant drivers were a $916,671 (4.3%) increase in housing assistance payments due to higher rental payment standards, increased HUD funding levels, and continued strong voucher utilization, along with a $422 thousand (388.7%) increase in other expenses related primarily to costs associated with a discontinued development project.

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 and program requirements and to provide transparency into the agency's distinct operational functions. Each department is established with a specific purpose, and financial reporting is organized to reflect the operational and financial activities of each major program and business function. In 2025, Housing Catalyst operated nine departmental programs, as outlined below:

1. **Public Housing:** As of 2024, all units of public housing have been disposed of under HUD's Rental Assistance Demonstration and Section 18 Demolition and Disposition programs. The program ended in 2025 with a net position of ($11,582) of which $2,310 is invested in capital assets.

2. **Management:** Provides administrative and maintenance support for approximately 1,185 affordable housing units owned or affiliated with Housing Catalyst, as well as select third-party managed properties throughout Northern Colorado. The net position is $4,324,075, of which $36,545 (<1%) is invested in capital assets. The sources of revenue are cost allocations, administrative fees charged and maintenance fees charged.

3. **Real Estate Development:** Focused on the creation and preservation of affordable housing through new construction, acquisitions, and renovation of affordable rental housing. This department presently has a net position in the amount of $76,702,486, including $4,123,539 (5%) invested in capital assets. Revenues for 2025 included accrued interest income on loans to tax credit funded properties and developer and other fees.

4. **Voucher Programs:** Housing Catalyst managed 1,138 Housing Choice Vouchers (HCV), 209 Veterans Affairs Supportive Housing (VASH) vouchers, 50 Family Unification Program (FUP) vouchers, 22 Foster Youth to Independence (FYI) vouchers, 22 Emergency Housing Vouchers (EHV), and 208 Five Year Mainstream vouchers at year-end 2025.

   The U.S. Department of Housing and Urban Development (HUD) is the revenue source for the $22,665,145 of HCV, VASH, FUP and Mainstream voucher grants, which is an increase of $912,201 (4.2%) as compared to the prior year total of $21,752,944. The current year housing assistance payment (HAP) expenses of $21,027,517 increased by $924,384 (4.6%) as compared to the prior year expenses of $20,103,133. The current year administrative expenses for the voucher program of $1,756,869 increased by $10,368 (<1%) as compared to the prior year's expenses of $1,746,501.

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 $821,258.

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 included within Housing Catalyst's reporting entity as a blended component unit.

HUD is the revenue source for the Larimer County Housing Authority voucher grants in the amount of $1,336,984, which is an increase of $4,078 (<1%) as compared to the prior year total of $1,332,906. The current year housing assistance payment (HAP) expenses of $1,189,567 decreased by $7,713 (<1%) as compared to the prior year expenses of $1,197,280. The current year administrative expenses for the voucher program of $93,319 decreased by $32,190 (26%) as compared to the prior year expenses of $125,509.

7. **Villages (Blended Component Unit):** Owns and operates 153 units of housing for rent to low-income families and a leasing office. Villages ended 2025 with a net position of $41,442,392 of which $12,271,339 (30%) is invested in capital assets; and $29,171,053 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 2025 with a net position of ($2,217,572) of which ($2,392,054) is invested in capital assets; and $174,482 is unrestricted. The main source of revenue is rents charged to tenants.

9. **Village on Stanford (Blended Component Unit):** Owns and operates 82 units of housing for rent to low-income families and a clubhouse. Village on Stanford ended 2025 with a net position of ($64,957) of which ($398,578) is invested in capital assets; and $333,621 is unrestricted. The main source of revenue is rents charged to tenants.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2025, Housing Catalyst's net investment in capital assets was $19,161,690 net of accumulated depreciation and related debt. Capital assets include land, buildings, improvements, equipment, computer software, and leased assets.

Capital asset activity during 2025 primarily included:

- Rehabilitation and replacement activities at various Villages properties, Village on Elizabeth, and Village on Stanford, including flooring, appliances, boilers, site improvements, sewer infrastructure, and fire-related rehabilitation work.

- Technology and equipment purchases supporting ongoing administrative and operational functions.

- Sales of selected Villages properties to unrelated third parties, generating net proceeds of $4,503,318 and gains on sale totaling $4,187,806 as part of Housing Catalyst’s broader portfolio repositioning strategy.

- Insurance recoveries and related rehabilitation activity associated with fire damage at Village on Stanford, resulting in net proceeds of $233,784 and gains on involuntary conversion of $161,739.

- Disposals of replaced flooring, appliances and other items with net loss of $85,898.

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, 2025, Housing Catalyst had outstanding long-term debt totaling $12,606,821. The debt portfolio includes financing associated with administrative office facilities, parking infrastructure, commercial and tenant improvement space at Oak 140, revenue bonds supporting affordable housing development activities, and mortgage financing associated with Village on Elizabeth and Village on Stanford.

During 2025, Housing Catalyst continued to reduce outstanding debt through scheduled principal payments totaling approximately $606 thousand across its various loan obligations. The agency also continued repayment activity associated with the Oak 140 revenue bonds, which are substantially supported by corresponding notes receivable from Oak 140, LLLP.

Housing Catalyst continues to manage its debt portfolio conservatively to support long-term financial stability and affordable housing development capacity.

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, with recent housing data highlighting continued affordability challenges across the region. The 2026 Larimer County Regional Housing Needs Assessment (HNA) prepared for the City of Fort Collins found that average rent increased approximately 30% between 2018 and 2023, while home prices increased nearly 70% during the same period. Although rental rate growth has slowed in the past two years, vacancy rates remain tight at approximately 5%, indicating continued pressure on the rental market. The report also identified a current shortage of approximately 1,500 housing units, with more than 7,000 additional housing units needed over the next decade to meet projected population and workforce growth.

The affordability gap continues to affect a significant portion of the community. According to the assessment, approximately 58% of renters and 21% of homeowners in Fort Collins are considered cost burdened, meaning they spend more than 30% of their income on housing-related expenses. The report further identified a shortage of approximately 6,300 rental units affordable to households earning less than 50% of Area Median Income (AMI). Even households earning 120% of AMI face difficulty purchasing a typical home in the market, underscoring the growing disconnect between wages and housing costs.

Assuming relatively stable local economic conditions and continued effective management practices, Housing Catalyst projects stable rental collections in the upcoming fiscal year. Collection rates are expected to align with historical averages, supporting Housing Catalyst's financial stability and ongoing service commitments.

Housing Choice Voucher (HCV) program funding utilization is expected to remain near 100%, driven by strong leasing activity and the high number of individuals on the waiting list. In 2025, rising rental costs and strong leasing activity resulted in housing assistance payments (HAP) expenses exceeding baseline funding levels, with approximately 108% HAP funding utilization and nearly 95% leased utilization. However, unless federal funding increases proportionately with rising rents, the total number of families served through the HCV program may become increasingly constrained.

Regional labor market constraints, including rising wages and increased competition for skilled professionals, continue to influence the cost structure of both development and operational activities. While wage growth in the Fort Collins market increased approximately 27% between 2018 and 2023, housing costs significantly outpaced wage growth during the same period, contributing to regional workforce housing challenges. Housing Catalyst remains attentive to broader labor market dynamics that could impact staffing costs, project timelines, and contractor availability. Ongoing workforce planning and strategic hiring efforts help ensure that the organization remains well-positioned to support both current operations and future growth.

Housing Catalyst continues to prioritize the development and preservation of affordable housing units through new construction, acquisitions, and the renovation of existing properties. The agency remains committed to maintaining a strong development pipeline, cultivating new opportunities, and leveraging public and private partnerships to expand housing options in Northern Colorado. This proactive approach positions Housing Catalyst to respond to emerging community needs and to contribute meaningfully to the region's long-term housing goals.

Subsequent to the year-end, Housing Catalyst completed financing for the Village on Eastbrook affordable housing development project, including the issuance of approximately $30.3 million of publicly offered revenue bonds supported by the agency's AA- credit rating from Standard & Poor's. The project represents a continued expansion of Housing Catalyst's affordable housing portfolio and reflects the agency's ongoing ability to leverage public and private financing partnerships to address regional housing needs.

Continued volatility in interest rates and construction costs may affect the timing and financial structure of future projects. Housing Catalyst continues to monitor financing conditions closely and remains committed to structuring developments in a manner that preserves long-term affordability and financial sustainability.

In addition to development-related challenges, inflationary pressures on insurance, utilities, maintenance, and other operating expenses continue to impact portfolio-wide operating costs. The agency actively monitors these trends and adjusts financial planning and reserve strategies accordingly.

Ongoing federal budget negotiations and broader economic uncertainty continue to present potential risks to HUD funding levels. Housing Catalyst remains actively engaged in monitoring these developments and adapting financial plans as needed to protect both program stability and long-term financial health.

As part of its long-term organizational strategy, Housing Catalyst continues to engage in strategic planning focused on financial resiliency, mission alignment, and adaptability within a rapidly evolving housing environment. This includes scenario planning, risk analysis, and continued investment in tools and systems that support informed decision-making and long-range forecasting.

In early 2022, Housing Catalyst was approved to participate in HUD’s Moving to Work (MTW) program under the Landlord Incentives cohort. This designation provides enhanced flexibility in the use of HUD funding, enabling Housing Catalyst to respond more effectively to local housing needs and to implement innovative programs and strategies. While MTW participation does not increase the total amount of HUD funding received, it does provide greater local flexibility in how those resources are administered and deployed.

Contact Information

This financial report is designed to provide readers with a general overview of Housing Catalyst's finances and to demonstrate Housing Catalyst's accountability for the stewardship of public resources. Questions regarding any of the information presented in this report, or requests for additional financial details, should be directed to:

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Chief Financial Officer
Housing Catalyst
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Fort Collins, CO 80521
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Housing Catalyst

Statement of Net Position
December 31, 2025

	Primary Government	Discretely Presented Component Units
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	$ 23,542,980	$ 2,690,796
Restricted cash and cash equivalents	1,402,347	6,876,847
Accounts receivable		
Grants	130,526	-
Tenants, net of allowance	35,725	143,419
Developer fees, current	807,851	-
Other	1,039,142	1,042,045
Accrued interest	127,896	-
Notes receivable - current portion	430,224	-
Prepaid expenses and other current assets	84,163	5,994
Inventory	135,077	-
Total Current Assets	27,735,931	10,759,101
Noncurrent Assets		
Capital Assets		
Non-depreciable	6,727,243	11,980,877
Depreciable, net	15,793,695	158,335,648
Lease assets, net	1,376,792	116,249
Total Capital Assets, Net	23,897,730	170,432,774
Other Assets		
Developer fees receivable, long-term	6,424,822	-
Lease receivable	96,852	-
Notes receivable - net of current portion	76,601,026	-
Other assets, net	-	796,694
Investment in tax credit partnerships	144,958	-
Investment in future developments	563,361	-
Total Other Assets	83,831,019	796,694
Total Noncurrent Assets	107,728,749	171,229,468
Total Assets	135,464,680	181,988,569
Deferred Outflows of Resources	-	-
Total Assets and Deferred Outflows of Resources	$ 135,464,680	$ 181,988,569

See Notes to Financial Statements

	Primary Government	Discretely Presented Component Units
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	$ 219,566	$ 1,883,996
Accrued liabilities	300,455	-
Accrued payroll	258,559	-
Accrued compensated absences	631,661	-
Accrued interest payable	103,461	253,052
Unearned revenues	128,115	-
Tenant security deposits payable	126,666	396,755
Money held in escrow	354,038	-
Developer fees payable - current portion	-	807,851
Leases payable - current portion	22,612	-
Notes and mortgages payable - current portion	1,445,318	1,016,258
Total Current Liabilities	3,590,451	4,357,912
Long-Term Liabilities		
Leases payable, net of current portion	76,419	96,852
Notes and mortgages payable - net of current portion	11,161,503	125,996,292
Developer fees payable - net of current portion	-	6,424,823
Total Long-Term Liabilities	11,237,922	132,517,967
Total Liabilities	14,828,373	136,875,879
Deferred Inflows of Resources	116,249	-
Net Position		
Net investment in capital assets	19,161,690	43,323,372
Restricted - housing assistance payments	139,969	-
Unrestricted	101,218,399	1,789,318
Total Net Position	120,520,058	45,112,690
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 135,464,680	$ 181,988,569

See Notes to Financial Statements

	Primary Government	Discretely Presented Component Units
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	$ 16,602,682	$ 1,733,745
Restricted cash and cash equivalents	1,356,693	12,189,424
Accounts receivable		
Grants	58,516	-
Tenants	77,069	182,150
Developer fees, current	240,559	-
Other	449,710	57,077
Accrued interest	326,124	-
Notes receivable - current portion	276,619	-
Prepaid expenses and other current assets	78,963	6,346
Inventory	97,432	-
Total Current Assets	19,564,367	14,168,742
Noncurrent Assets		
Capital Assets		
Non-depreciable	6,983,614	42,536,146
Depreciable, net	17,034,862	129,788,684
Lease assets, net	1,415,248	121,308
Total Capital Assets, Net	25,433,724	172,446,138
Developer fees receivable, long-term	7,893,531	-
Lease receivable - net of current portion	96,852	-
Notes receivable - net of current portion	75,297,461	-
Other assets, net	-	702,371
Investment in tax credit partnerships	146,448	-
Investment in future developments	620,924	-
Total Other Assets	84,055,216	702,371
Total Noncurrent Assets	109,488,940	173,148,509
Total Assets	129,053,307	187,317,251
Deferred Outflows of Resources	-	-
Total Assets and Deferred Outflows of Resources	$ 129,053,307	$ 187,317,251

See Notes to Financial Statements

	Primary Government	Discretely Presented Component Units
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	$ 242,463	$ 2,935,167
Accrued liabilities	105,142	-
Accrued payroll	218,201	-
Accrued compensated absences	602,907	-
Accrued interest payable	23,080	478,410
Unearned revenues	46,994	-
Tenant security deposits payable	138,636	354,191
Money held in escrow	373,451	-
Developer fees payable - current portion	-	240,559
Leases payable - current portion	19,791	-
Notes and mortgages payable - current portion	602,595	15,099,768
Total Current Liabilities	2,373,260	19,108,095
Long-Term Liabilities		
Leases payable - net of current portion	99,031	96,852
Notes and mortgages payable - net of current portion	12,605,978	122,219,092
Developer fees payable	-	7,893,531
Total Long-Term Liabilities	12,705,009	130,209,475
Total Liabilities	15,078,269	149,317,570
Deferred Inflows of Resources	121,309	-
Net Position		
Net investment in capital assets	20,453,352	35,030,426
Restricted - housing assistance payments	65,211	-
Unrestricted	93,335,166	2,969,255
Total Net Position	113,853,729	37,999,681
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 129,053,307	$ 187,317,251

See Notes to Financial Statements

Housing Catalyst
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2025

	Primary Government	Discretely Presented Component Units
Operating Revenues		
HUD PHA grants	$ 25,143,614	$ -
Other grants	110,983	-
Rental income	3,549,235	12,405,122
Administration fees	5,036,497	-
Developer fees	818,176	-
Other	2,168,628	1,107,057
Total Operating Revenues	36,827,133	13,512,179
Operating Expenses		
Housing assistance payments	22,217,084	-
Administrative salaries and benefits	8,242,659	1,250,519
Maintenance salaries and benefits	1,037,653	-
Other administrative	1,564,132	4,323,904
Ordinary maintenance	756,552	2,701,945
Depreciation and amortization	1,650,162	8,366,524
Utilities	294,759	709,969
Insurance	315,250	716,484
Other	516,575	-
Total Operating Expenses	36,594,826	18,069,345
Operating Income (Loss)	232,307	(4,557,166)
Non-Operating Revenues (Expenses)		
Interest income	2,574,132	106,878
Interest expense	(403,756)	(4,450,326)
Gain (loss) on sale of capital assets	4,263,646	281,943
Total Non-Operating Revenues (Expenses), net	6,434,022	(4,061,505)
Income (Loss) Before Contributions and Distributions	6,666,329	(8,618,671)
Capital Contributions	-	15,731,680
Change in Net Position	6,666,329	7,113,009
Net Position, Beginning of the Year	113,853,729	37,999,681
Net Position, End of the Year	$ 120,520,058	$ 45,112,690

See Notes to Financial Statements

Housing Catalyst

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2024 (Comparative Totals Only)

	Primary Government	Discretely Presented Component Units
Operating Revenues		
HUD PHA grants	$ 23,711,670	$ -
Other grants	2,843,410	-
Rental income	3,814,977	10,829,530
Administration fees	5,059,257	-
Developer fees	1,781,579	-
Other	587,258	806,405
Total Operating Revenues	37,798,151	11,635,935
Operating Expenses		
Housing assistance payments	21,300,413	-
Administrative salaries and benefits	7,994,089	1,115,587
Maintenance salaries and benefits	1,163,546	-
Other administrative	1,630,299	3,766,572
Ordinary maintenance	812,957	2,546,726
Depreciation and amortization	1,492,089	6,976,529
Utilities	318,278	706,555
Insurance	363,015	651,959
Payments in lieu of taxes	191	-
Other	95,044	-
Total Operating Expenses	35,169,921	15,763,928
Operating Income (Loss)	2,628,230	(4,127,993)
Non-Operating Revenues (Expenses)		
Interest income	2,631,146	138,423
Interest expense	(438,620)	(3,304,371)
Other financing costs	(500)	-
Gain (loss) on disposal of capital assets	1,983,267	(69,196)
Total Non-Operating Revenues (Expenses), net	4,175,293	(3,235,144)
Income (Loss) Before Contributions and Distributions	6,803,523	(7,363,137)
Capital Contributions	-	12,714,101
Change in Net Position	6,803,523	5,350,964
Net Position, Beginning of the Year	107,050,206	32,648,717
Net Position, End of the Year	$ 113,853,729	$ 37,999,681

See Notes to Financial Statements

Housing Catalyst
Statement of Cash Flows
Year Ended December 31, 2025

	Primary Government
Operating Activities	
HUD PHA grants	$ 25,071,604
Other grants	110,983
Receipts from tenants	3,659,730
Administration fees	5,036,497
Other income	1,575,626
Developer fee income	1,719,593
Housing assistance payments	(22,236,497)
Payments to employees	(9,211,200)
Payments to suppliers	(2,982,824)
Net Cash from Operating Activities	2,743,512
Capital and Related Financing Activities	
Principal payments on long-term debt	(600,746)
Principal payments on leases payable	(19,791)
Proceeds from sale of capital assets	4,727,980
Interest paid on leases payable and long-term debt	(324,381)
Acquisition of capital assets	(578,502)
Net Cash from Capital and Related Financing Activities	3,204,560
Investing Activities	
Receipts on notes receivable	276,620
Note receivable advance to related party	(67,045)
Interest income	1,105,615
Investments in future developments	(277,310)
Net Cash from Investing Activities	1,037,880
Net Change in Cash and Cash Equivalents and Restricted Cash	6,985,952
Cash and Cash Equivalents and Restricted Cash, Beginning of the Year	17,959,375
Cash and Cash Equivalents and Restricted Cash, End of Year	$ 24,945,327

See Notes to Financial Statements

Housing Catalyst
Statement of Cash Flows
Year Ended December 31, 2025

	Primary Government
Reconciliation of Cash and Cash Equivalents and Restricted Cash	
Cash and Cash Equivalents	$ 23,542,980
Restricted Cash and Cash Equivalents	1,402,347
Total Cash and Cash Equivalents and Restricted Cash	$ 24,945,327
Reconciliation of Change in Net Position to Net Cash	
From Operating Activities	
Operating Income	$ 232,307
Adjustments to reconcile operating income	
to net cash from operating activities	
Depreciation and amortization	1,650,162
Increase in deferred inflows of resources	(5,060)
Write off of investment in future developments	334,873
Changes in assets and liabilities	
(Increase) decrease in assets:	
Receivables	281,319
Inventory	(37,645)
Prepaid expenses	(5,200)
Increase (decrease) in liabilities:	
Accounts payable	(22,897)
Tenant security deposits payable	(11,970)
Money held in escrow	(19,413)
Accrued payroll	40,358
Accrued compensation	28,754
Accrued liabilities	195,313
Unearned revenue	81,121
Net Cash from Operating Activities	$ 2,743,512
Schedule of Noncash Investing Activities:	
Increase in notes receivable from accrued interest	$ 1,666,745

See Notes to Financial Statements

	Primary Government
Operating Activities	
HUD PHA grants	$ 23,727,525
Other grants	2,843,410
Receipts from tenants	3,753,440
Administration fees	5,059,257
Other income	751,739
Developer fee income	1,115,426
Housing assistance payments	(21,252,458)
Payments to employees	(9,065,497)
Payments to suppliers	(3,246,956)
Net Cash from Operating Activities	3,685,886
Capital and Related Financing Activities	
Principal payments on long-term debt	(11,584,487)
Principal payments on leases payable	(27,572)
Proceeds from sale of capital assets	2,075,268
Interest paid on leases payable and long-term debt	(540,980)
Acquisition of capital assets	(5,435,192)
Net Cash used for Capital and Related Financing Activities	(15,512,963)
Investing Activities	
Receipts on notes receivable	11,281,773
Note receivable advance to related party	(2,203,402)
Interest income	930,941
Investments in future developments	(563,502)
Net Cash from Investing Activities	9,445,810
Net Change in Cash and Cash Equivalents and Restricted Cash	(2,381,267)
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	20,340,642
Cash and Cash Equivalents and Restricted Cash, End of Year	$ 17,959,375

	Primary Government
Reconciliation of Cash and Cash Equivalents and Restricted Cash	
Cash and Cash Equivalents	$ 16,602,682
Restricted Cash and Cash Equivalents	1,356,693
Total Cash and Cash Equivalents and Restricted Cash	$ 17,959,375
Reconciliation of Change in Net Position to Net Cash	
From Operating Activities	
Operating Income	$ 2,628,230
Adjustments to reconcile operating income	
to net cash from operating activities	
Depreciation and amortization	1,492,089
Other financing costs paid	(500)
Decrease in deferred inflows of resources	(5,060)
Changes in assets and liabilities	
(Increase) decrease in assets:	
Receivables	(474,123)
Inventory	5,771
Prepaid expenses	(24,439)
Increase (decrease) in liabilities:	
Accounts payable	24,043
Tenant security deposits payable	(5,028)
Money held in escrow	47,955
Accrued compensation	92,138
Accrued liabilities	(32,047)
Unearned revenue	(63,143)
Net Cash from Operating Activities	$ 3,685,886
Schedule of Noncash Investing Activities:	
Increase in notes receivable from accrued interest	$ 1,613,887
Increase in accounts payable from capital assets	$ 125,324

See Notes to Financial Statements

	Mason Place	Oak 140	Redtail Ponds PSH	Village on Horsetooth	Village on Impala	Village on Plum	Village on Redwood	Village on Shields	Total
Assets									
Current Assets									
Cash	$ 6,108	$ 407,130	$ 174,917	$ 382,530	$ 791,700	$ 605,147	$ 169,141	$ 154,123	$ 2,690,796
Restricted cash	919,859	570,632	736,590	420,538	896,633	747,043	470,039	2,115,513	6,876,847
Accounts receivable, net									
Tenants	6,566	5,683	14,311	10,663	27,112	25,908	5,270	47,906	143,419
Other	96,092	19,715	717,981	5,482	39,882	32,188	-	130,705	1,042,045
Prepaid expenses	5,966	-	-	-	-	-	-	28	5,994
Total Current Assets	1,034,591	1,003,160	1,643,799	819,213	1,755,327	1,410,286	644,450	2,448,275	10,759,101
Capital Assets									
Non-depreciable	3,013,850	153,708	862,000	1,113,963	2,200,000	543,454	233,145	3,860,757	11,980,877
Depreciable, net	11,397,441	22,758,988	6,654,642	17,598,334	38,409,537	8,309,342	12,342,754	40,864,610	158,335,648
Leased capital assets, net	-	-	-	-	-	116,249	-	-	116,249
Total Capital Assets, Net	14,411,291	22,912,696	7,516,642	18,712,297	40,609,537	8,969,045	12,575,899	44,725,367	170,432,774
Other Assets	109,483	227,211	16,951	56,684	169,385	18,498	31,070	167,412	796,694
Total Noncurrent Assets	14,520,774	23,139,907	7,533,593	18,768,981	40,778,922	8,987,543	12,606,969	44,892,779	171,229,468
Total Assets	$ 15,555,365	$ 24,143,067	$ 9,177,392	$ 19,588,194	$ 42,534,249	$ 10,397,829	$ 13,251,419	$ 47,341,054	$ 181,988,569
Liabilities and Net Position									
Current Liabilities									
Accounts payable	$ 181,325	$ 24,433	$ 1,038,082	$ 52,998	$ 273,082	$ 58,973	$ 172,329	$ 82,774	$ 1,883,996
Accrued interest payable	3,772	85,231	5,627	28,352	17,943	26,706	18,493	66,928	253,052
Tenant security deposits payable	12,000	36,650	12,000	50,843	47,934	53,474	43,436	140,418	396,755
Developer fee payable - current portion	-	-	-	125,336	417,326	118,428	84,913	61,848	807,851

See Notes to Financial Statements

	Mason Place	Oak 140	Redtail Ponds PSH	Village on Horsetooth	Village on Impala	Village on Plum	Village on Redwood	Village on Shields	Total
Notes and mortgages mortgages payable - current portion	32,662	165,000	60,208	179,935	85,188	159,861	56,825	276,579	1,016,258
Total Current Liabilities	229,759	311,314	1,115,917	437,464	841,473	417,442	375,996	628,547	4,357,912
Long-Term Liabilities									
Leases payable - long-term	-	-	-	-	-	96,852	-	-	96,852
Notes and mortgages payable - net of current portion	7,021,848	13,488,005	4,703,957	13,448,863	25,907,487	10,247,777	10,672,238	40,506,117	125,996,292
Developer fee payable - net of current portion	620,743	470,872	-	251,398	1,129,548	-	114,480	3,837,782	6,424,823
Total Long-Term Liabilities	7,642,591	13,958,877	4,703,957	13,700,261	27,037,035	10,344,629	10,786,718	44,343,899	132,517,967
Total Liabilities	7,872,350	14,270,191	5,819,874	14,137,725	27,878,508	10,762,071	11,162,714	44,972,446	136,875,879
Net Position (Deficit)									
Net investment in capital assets	7,356,781	9,259,691	2,752,477	5,083,499	14,616,862	(1,535,445)	1,846,836	3,942,671	43,323,372
Unrestricted	326,234	613,185	605,041	366,970	38,879	1,171,203	241,869	(1,574,063)	1,789,318
Total Net Position (Deficit)	7,683,015	9,872,876	3,357,518	5,450,469	14,655,741	(364,242)	2,088,705	2,368,608	45,112,690
Total Liabilities and Net Position (Deficit)	$ 15,555,365	$ 24,143,067	$ 9,177,392	$ 19,588,194	$ 42,534,249	$ 10,397,829	$ 13,251,419	$ 47,341,054	$ 181,988,569

See Notes to Financial Statements

	Mason Place	Oak 140	Redtail Ponds PSH	Village on Horsetooth	Village on Impala	Village on Plum	Village on Redwood	Village on Shields	Total
Operating Revenues									
Rental income	$ 1,115,665	$ 1,094,641	$ 1,018,453	$ 1,528,937	$ 1,232,601	$ 1,603,539	$ 946,819	$ 3,864,467	$ 12,405,122
Other	224,126	52,859	435,463	31,513	28,686	33,496	27,388	273,526	1,107,057
Total Operating Revenues	1,339,791	1,147,500	1,453,916	1,560,450	1,261,287	1,637,035	974,207	4,137,993	13,512,179
Operating Expenses									
Administrative salaries and benefits	120,318	122,743	139,383	139,383	107,606	138,226	87,820	395,040	1,250,519
Other administrative	776,780	327,986	775,336	443,729	333,678	336,266	313,907	1,016,222	4,323,904
Regular and extraordinary maintenance	301,481	213,881	241,438	299,483	209,479	334,549	262,135	839,499	2,701,945
Depreciation and amortization	641,181	1,204,317	462,511	942,371	1,454,585	617,507	738,061	2,305,991	8,366,524
Utilities	74,010	65,874	79,718	75,379	71,354	87,521	78,166	177,947	709,969
Insurance	54,952	74,333	51,174	82,116	83,799	91,558	64,635	213,917	716,484
Total Operating Expenses	1,968,722	2,009,134	1,749,560	1,982,461	2,260,501	1,605,627	1,544,724	4,948,616	18,069,345
Operating Income (Loss)	(628,931)	(861,634)	(295,644)	(422,011)	(999,214)	31,408	(570,517)	(810,623)	(4,557,166)
Non-Operating Revenues (Expenses)									
Interest income	12,574	18,347	751	6,621	816	16,635	5,886	45,248	106,878
Interest expense	(209,791)	(283,140)	(147,702)	(374,958)	(1,313,039)	(367,007)	(377,608)	(1,377,081)	(4,450,326)
Gain (loss) on disposal of capital assets	(1,419)	(10,522)	291,187	-	(5,988)	(12,453)	(14,780)	35,918	281,943
Total Non-Operating Revenues (Expenses)	(198,636)	(275,315)	144,236	(368,337)	(1,318,211)	(362,825)	(386,502)	(1,295,915)	(4,061,505)
Loss Before Contributions and Distributions	(827,567)	(1,136,949)	(151,408)	(790,348)	(2,317,425)	(331,417)	(957,019)	(2,106,538)	(8,618,671)
Capital Contributions, net	-	-	-	-	15,731,680	-	-	-	15,731,680
Change in Net Position (Deficit)	(827,567)	(1,136,949)	(151,408)	(790,348)	13,414,255	(331,417)	(957,019)	(2,106,538)	7,113,009
Net Position (Deficit), Beginning of the Year	8,510,582	11,009,825	3,508,926	6,240,817	1,241,486	(32,825)	3,045,724	4,475,146	37,999,681
Net Position (Deficit), End of the Year	$ 7,683,015	$ 9,872,876	$ 3,357,518	$ 5,450,469	$ 14,655,741	$ (364,242)	$ 2,088,705	$ 2,368,608	$ 45,112,690

See Notes to Financial Statements

Note 1 - Nature of Operations and Significant Accounting Policies

General

Housing Catalyst, formally known as Fort Collins Housing Authority, 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 administers 1,177 Housing Choice Vouchers (HCV), 209 Veterans Affairs Supportive Housing (VASH) vouchers, 50 Family Unification Program (FUP) vouchers, 22 Foster Youth to Independence (FYI) vouchers, 22 Emergency Housing (EHV) vouchers and 273 Five Year Mainstream vouchers.

Housing Catalyst is governed by a six-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

<u>Blended Component Units</u>

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.

During the year ended December 31, 2024, the limited partner interest in Village on Stanford, LLLP (VOS) was transferred to Villages. The change in ownership resulted in VOS being subject to oversight and control by Housing Catalyst. VOS was formed January 15, 2009, as a limited liability limited partnership for the purpose of owning and operating a 82-unit multifamily housing project in Fort Collins, Colorado for residents with low or moderate income. Substantially all of VOS's revenue is currently derived from rental operations. As a legally separate entity, VOS has been reported as a blended component unit starting with the year ended December 31, 2024. VOS 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 eight discretely presented component units. These units are reported in separate columns to emphasize that they are legally separate from Housing Catalyst.

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 entity's cash management.

Accounts and Notes Receivable

Effective January 1, 2025, the Housing Catalyst changed its method of accounting for uncollectible accounts receivable from the direct write-off method to the allowance method. Management considers the allowance method to be a more reliable estimate of expected losses because it considers historical collection experience, current circumstances and other relevant economic factors affecting collectability. This change in accounting principle has been applied prospectively because the effect of retroactive application was not practical and would not result in a materially different result. The adoption of the allowance method resulted in the recognition of an initial allowance of $14,301 for the year ended December 31, 2025.

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 $1,500. 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	10 - 27.5 Years
Furniture and Equipment	3 - 7 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 2025.

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.

Compensated Absences

Accumulated unpaid vacation and sick leave is accrued when earned and more likely than not to be used. Employees are permitted to accumulate and carry over a total of 220 hours of vacation time and 48 hours of sick time. Upon separation or termination from the Housing Catalyst, an employee will not be paid time in excess of 220 hours for vacation and no payment is made for accumulated sick time. As of December 31, 2025, the balance of compensated absences was $631,661. During the year ended December 31, 2025, the balance increased by $28,754.

	Balance January 1	Increases	Decreases	Balance December 31
Compensated Absences	$ 602,907	$ 830,771	$ (802,017)	$ 631,661

Unearned Revenues

As of December 31, 2025, unearned revenue consisted of $20,206 of prepaid rent from tenants, $23,790 of unspent EHV service fee grant funds, $560 of unspent Kaiser Foundation financial health initiative grant funds, $74,546 of unspent Larimer County Behavior Health grant funds and $9,013 of unspent FNBO Impact grant funds .

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, 2024, from which the summarized information was derived.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassification has no impact on net income (loss) or net position.

Implementation of GASB Statement No. 102

As of January 1, 2025, the Authority adopted GASB Statements No. 102, Certain Risk Disclosures, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. The adoption of this standard did not have a significant impact on the Authority.

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 fair 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 2025.

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, 2025, 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, 2025, Housing Catalyst’s carrying amount of deposits was $24,944,377 and the bank balance was $25,453,920. Of the bank balances, $1,125,078 was covered by Federal Depository Insurance. Of the remaining balances for 2025, $24,328,842 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, 2025:

Cash and cash equivalents - unrestricted	$ 23,542,980
Cash and cash equivalents - restricted	1,402,347
Total cash and cash equivalents	24,945,327
Less: cash on hand	(950)
Total deposits	$ 24,944,377

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, 2025, the carrying amount of the discretely presented component units deposited with financial institutions was $9,567,257 and the bank balance was $9,571,940. 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, 2025, the discretely presented component units has approximately $6,702,400 in excess of FDIC-insured limits

For the discretely presented component units, cash and cash equivalents consist of the following at December 31, 2025:

Cash and cash equivalents - unrestricted	$ 2,690,796
Cash and cash equivalents - restricted	6,876,847
Total cash and cash equivalents	9,567,643
Less: cash on hand	(386)
Total deposits	$ 9,567,257

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, 2025, 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, 2025 consist of the following:

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.	$	3,036,627
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.		5,645,542
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.		6,818,005
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.		5,412,460
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.		23,787,195
Mason Place, LLLP - Notes receivable with stated interest rates ranging from 1.00% to 5.00% 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.		3,923,695

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.	14,044,587
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.	116,138
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.	13,509,127
Other notes receivable	20,710
Total notes receivable	77,031,250
Less current portion	(430,224)
Notes receivable - net of current portion	$ 76,601,026

Note 6 - Capital Assets

Changes in capital assets for the primary government during the year ended December 31, 2025 were as follows:

	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
Non-Depreciable				
Land	$ 6,959,577	$ -	$ (241,516)	$ 6,718,061
Construction in progress	24,037	-	(14,855)	9,182
	6,983,614	-	(256,371)	6,727,243
Depreciable/Amortizable				
Buildings and improvements	33,637,995	368,432	(1,325,631)	32,680,796
Furniture and equipment	1,845,942	224,926	(103,855)	1,967,013
Lease assets - office space	1,325,724	-	-	1,325,724
Lease assets - vehicles	125,324	-	-	125,324
Total depreciable capital assets	36,934,985	593,358	(1,429,486)	36,098,857
Less: Accumulated Depreciation				
Buildings and improvements	(17,324,333)	(1,421,123)	1,140,271	(17,605,185)
Furniture and equipment	(1,124,742)	(190,583)	66,396	(1,248,929)
Less: Accumulated Amortization				
Lease assets - office space	(26,783)	(13,391)	-	(40,174)
Lease assets - vehicles	(9,017)	(25,065)	-	(34,082)
Total accumulated depreciation and amortization	(18,484,875)	(1,650,162)	1,206,667	(18,928,370)
Net Depreciable Capital Assets	18,450,110	(1,056,804)	(222,819)	17,170,487
Total Capital Assets	$ 25,433,724	$ (1,056,804)	$ (479,190)	$ 23,897,730

Changes in capital assets for the discretely presented component units during the year ended December 31, 2025 were as follows:

	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
Non-Depreciable				
Land	$ 11,875,408	$ 100,000	$ -	$ 11,975,408
Construction in progress	30,660,738	5,291,786	(35,947,055)	5,469
	42,536,146	5,391,786	(35,947,055)	11,980,877
Depreciable/Amortizable				
Buildings and improvements	155,887,315	33,221,070	(731,578)	188,376,807
Land improvements	9,446,805	2,972,768	(61,995)	12,357,578
Furniture and equipment	8,476,790	1,181,900	(365,693)	9,292,997
Total depreciable capital assets	173,810,910	37,375,738	(1,159,266)	210,027,382
Less: Accumulated Depreciation				
Buildings and improvements	(35,000,975)	(6,657,871)	232,520	(41,426,326)
Land improvements	(4,468,095)	(791,343)	32,976	(5,226,462)
Furniture and equipment	(4,553,156)	(837,307)	351,517	(5,038,946)
Total accumulated depreciation	(44,022,226)	(8,286,521)	617,013	(51,691,734)
Net Depreciable Capital Assets	129,788,684	29,089,217	(542,253)	158,335,648
Lease Assets	121,309	-	(5,060)	116,249
Total Capital Assets	$ 172,446,139	$ 34,481,003	$ (36,494,368)	$ 170,432,774

Note 7 - Long-Term Debt

During the year ended December 31, 2025, the following changes occurred in long-term debt:

Primary Government

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes Payable	$ 13,207,567	$ -	$ (600,746)	$ 12,606,821	$ 1,445,318

Notes payable as of December 31, 2025, consisted of the following:

Primary Government

Mountain Office Remodel - 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.	$ 118,321
Development Office Tenant Improvements - 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.	279,526
Oak 140 Commercial - DDA - 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.	115,973
Mason Place - 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.	197,075
Oak 140 - 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).	7,940,000
Bond premium, net of amortization	13,589
	7,953,589
Blended Component Unit - Village on Elizabeth - 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.	841,337
Blended Component Unit - Village on Stanford - Mortgage notes due to First Bank with stated interest rate of 7.85% per annum, due in monthly principal installments of $12,889 with a maturity date of December 2028 and secured by substantially all assets of the partnership and an assignment of rents.	1,661,935

Blended Component Unit - Village on Stanford - 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
Blended Component Unit - Village on Stanford - 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
Blended Component Unit - Village on Stanford - 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 - Primary Government	$ 12,606,821

The estimated debt requirements to maturity for the notes payable, excluding the revenue bonds, for the year ending December 31, 2025 are as follows:

	Principal	Interest	Total
2026	$ 1,276,462	$ 162,557	$ 1,439,019
2027	313,091	113,417	426,508
2028	1,624,614	102,942	1,727,556
2029	989,065	-	989,065
2030	-	-	-
2031-2035	-	-	-
2036-2040	450,000	-	450,000
Total	$ 4,653,232	$ 378,916	$ 5,032,148

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. Payments received equaled the principal and interest due on the bonds in 2025.

The tax-exempt term bonds mature on 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), July 1, 2032 ($180,000), July 1, 2033 ($180,000), July 1, 2034 ($185,000), July 1, 2035 ($190,000), July 1, 2036 ($200,000), July 1, 2037 ($200,000), July 1, 2038 ($205,000) and July 1, 2039 ($5,585,000) 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. Future debt service requirements are as follows for the Oak 140 revenue bonds:

	Principal	Interest	Total
2026	$ 165,000	$ 169,642	$ 334,642
2027	165,000	167,890	332,890
2028	170,000	165,794	335,794
2029	170,000	163,351	333,351
2030	170,000	160,590	330,590
2031-2035	910,000	748,077	1,658,077
2036-2039	6,190,000	460,736	6,650,736
Bond premium, net	13,589	-	13,589
Total	$ 7,953,589	$ 2,036,080	$ 9,989,669

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, net of unamortized debt issuance costs of $150,330.	$ 1,930,815
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.	3,923,695
Mortgage note payable due to Column Financial 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.	1,200,000
Total notes payable - Mason Place	$ 7,054,510

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, net of unamortized debt issuance costs of $391,582.	$	7,548,418
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.		6,104,587
Total notes payable - Oak 140	$	13,653,005

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, net of unamortized debt issuance costs of $73,229.	$	1,727,538
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.		1,878,183
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.		1,158,444
Total notes payable - Redtail Ponds PSH	$	4,764,165

Village on Horsetooth

Mortgage note payable due to ANB 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, net of unamortized debt issuance costs of $139,280.	$	6,216,338

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.	5,412,460
Total notes payable - Village on Horsetooth	$ 13,628,798

Village on Impala

Mortgage note payable due to ANB with a stated and effective interest rate of 5.10% per annum due in monthly installments of principal and interest of $44,975 starting January 2026 and a maturity date of January 2042 and secured by a mortgage on substantially all assets and an assignment of rent, net of unamortized debt issuance costs of $348,729.	$ 8,451,271
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.	7,332,740
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.	6,176,387
Mortgage note payable due to the City of Fort Collins 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 July 2063 and secured by a mortgage on substantially all assets and an assignment of rent.	829,553
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 from cash flow or proceeds of capital transactions beginning in July 2027 with a maturity date of July 2046 and secured by a mortgage on substantially all assets and an assignment of rent.	3,202,724
Total notes payable - Village on Impala	$ 25,992,675

Village on Plum

Mortgage note payable due to First Bank 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, net of unamortized debt issuance costs of $132,699.	$	4,762,096
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.		5,645,542
Total notes payable - Village on Plum	$	10,407,638

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, net of unamortized debt issuance costs of $141,472.	$	2,022,902
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.		1,906,269
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, net of unamortized debt issuance		6,799,892
Total notes payable - Village on Redwood	$	10,729,063

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, net of unamortized debt issuance costs of $374,032.	$	16,392,836

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.	602,665
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.	23,198,222
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.	588,973
Total notes payable - Village on Shields	$ 40,782,696

The estimated debt requirements to maturity for the year ending December 31, 2025 are as follows:

Mason Place

	Principal	Interest	Total
2026	$ 32,662	$ 198,208	$ 230,870
2027	34,132	196,738	230,870
2028	35,418	195,452	230,870
2029	37,263	193,607	230,870
2030	38,940	191,930	230,870
2031-2035	222,353	931,998	1,154,351
2036-2040	1,530,047	662,076	2,192,123
2041-2045	-	535,395	535,395
2046-2050	2,114,737	535,395	2,650,132
2051-2055	-	411,265	411,265
2056-2060	3,008,958	430,704	3,439,662
Total	$ 7,054,510	$ 4,482,768	$ 11,537,278

Oak 140

	Principal	Interest	Total
2026	$ 165,000	$ 263,508	$ 428,508
2027	165,000	261,756	426,756
2028	170,000	259,660	429,660
2029	170,000	257,217	427,217
2030	170,000	254,456	424,456
2031-2035	910,000	1,217,407	2,127,407
2036-2040	5,798,418	930,067	6,728,485
2041-2045	-	469,330	469,330
2046-2050	-	469,330	469,330
2051-2055	6,104,587	281,598	6,386,185
Total	$ 13,653,005	$ 4,664,329	$ 18,317,334

Redtail Ponds PSH

	Principal	Interest	Total
2026	$ 60,208	$ 142,069	$ 202,277
2027	62,505	139,772	202,277
2028	64,889	137,388	202,277
2029	67,365	134,912	202,277
2030	69,935	132,342	202,277
2031-2035	391,791	619,592	1,011,383
2036-2040	472,452	538,931	1,011,383
2041-2045	3,533,117	372,393	3,905,510
2046-2050	41,903	331	42,234
Total	$ 4,764,165	$ 2,217,730	$ 6,981,895

Village on Horsetooth

	Principal	Interest	Total
2026	$ 179,935	$ 344,526	$ 524,461
2027	238,484	338,609	577,093
2028	244,054	333,039	577,093
2029	250,891	326,202	577,093
2030	257,411	319,682	577,093
2031-2035	1,392,091	1,493,374	2,885,465
2036-2040	4,390,320	974,617	5,364,937
2041-2045	263,160	706,340	969,500
2046-2050	263,160	706,340	969,500
2051-2055	263,160	706,340	969,500
2056-2060	5,886,132	376,715	6,262,847
Total	$ 13,628,798	$ 6,625,784	$ 20,254,582

Village on Impala

	Principal	Interest	Total
2026	$ 85,188	$ 760,973	$ 846,161
2027	96,809	794,781	891,590
2028	100,669	790,921	891,590
2029	107,266	784,324	891,590
2030	112,946	778,644	891,590
2031-2035	659,628	3,798,322	4,457,950
2036-2040	852,772	3,605,178	4,457,950
2041-2045	6,435,993	2,107,270	8,543,263
2046-2050	3,202,724	1,596,108	4,798,832
2051-2055	-	1,580,985	1,580,985
2056-2060	-	1,580,985	1,580,985
2061-2065	14,338,680	816,842	
Total	$ 25,992,675	$ 18,995,333	$ 29,832,486

Village on Plum

	Principal	Interest	Total
2026	$ 159,861	$ 327,687	$ 487,548
2027	166,126	321,422	487,548
2028	172,636	314,912	487,548
2029	179,401	308,147	487,548
2030	186,431	301,117	487,548
2031-2035	3,897,641	1,228,763	5,126,404
2036-2040	-	710,190	710,190
2041-2045	5,645,542	544,479	6,190,021
Total	$ 10,407,638	$ 4,056,717	$ 14,464,355

Village on Redwood

	Principal	Interest	Total
2026	$ 56,825	$ 354,377	$ 411,202
2027	108,201	351,880	460,081
2028	110,560	349,521	460,081
2029	113,519	346,562	460,081
2030	116,360	343,721	460,081
2031-2035	628,739	1,671,664	2,300,403
2036-2040	1,573,004	1,321,889	2,894,893
2041-2045	244,395	1,311,155	1,555,550
2046-2050	244,395	1,311,155	1,555,550
2051-2055	244,395	1,311,155	1,555,550
2056-2060	7,288,670	87,410	7,376,080
Total	$ 10,729,063	$ 8,760,489	$ 19,489,552

Village on Shields

	Principal	Interest	Total
2026	$ 276,579	$ 1,331,636	$ 1,608,215
2027	300,796	1,318,154	1,618,950
2028	315,109	1,303,841	1,618,950
2029	330,118	1,288,833	1,618,951
2030	345,858	1,273,092	1,618,950
2031-2035	1,993,252	6,101,192	8,094,444
2036-2040	12,990,018	3,191,252	16,181,270
2041-2045	62,234	2,663,749	2,725,983
2046-2050	65,408	2,660,574	2,725,982
2051-2055	68,745	2,657,238	2,725,983
2056-2060	24,034,579	2,299,439	26,334,018
Total	$ 40,782,696	$ 26,089,000	$ 66,871,696

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, 2025, the following changes occurred in leases payable:

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Leases	$ 118,822	$ -	$ (19,791)	$ 99,031	$ 22,612

The lease payment requirements to maturity as of December 31, 2025 are as follows:

	Principal	Interest	Total
2026	$ 22,612	$ 11,915	$ 34,527
2027	25,835	8,691	34,526
2028	29,516	5,009	34,525
2029	21,068	1,040	22,108
Total	$ 99,031	$ 26,655	$ 125,686

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, 2025 was $5,060 and there were no cash payments made during the year. As of December 31, 2025, the prepaid balance was $19,397 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, 2025, restricted net position consisted of $139,969 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 $20,140,613 for the year ended December 31, 2025. Additional funding for the year ended December 31, 2025 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, 2025 totaled $24,042 for all programs.

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, 2025, Housing Catalyst earned $114,036 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, 2025, Housing Catalyst earned $16,883 for this fee. As of December 31, 2025, the total accrued balance for this fee is $49,188 and it is included in accounts receivable. During the year ended December 31, 2025, Housing Catalyst was also reimbursed for tenant services salaries and benefits of $219,396, of which $171,016 is included in accounts receivable.

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, 2025, Housing Catalyst earned $148,134 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, 2025, Housing Catalyst earned $114,884 for these fees. Housing Catalyst also received a grant from HUD to provide supportive services to Redtail. During the year ended December 31, 2025, Housing Catalyst provided supportive services of $412,927 to the residents of Redtail.

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, 2025, Housing Catalyst earned $267,227 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, 2025, Housing Catalyst earned $172,353 for these fees. 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, 2025, Housing Catalyst earned $21,218 for this fee. As of December 31, 2025, the total accrued balance for this fee is $61,818 and the balance is included in accounts receivable. During the year ended December 31, 2025, Housing Catalyst loaned funds to Impala to fund the payment of reimbursable escrow accounts and as of December 31, 2025, Housing Catalyst was owed $184,355 for these payments and that balance is included in accounts receivable.

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, 2025, Housing Catalyst earned $184,196 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, 2025, Housing Catalyst earned $163,899 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, 2025, Housing Catalyst earned $19,001 for this fee. As of December 31, 2025, the total accrued balance for this fee is $146,137 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, 2025, Housing Catalyst earned $449,754 for these 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 and Shields. During the year ended December 31, 2025, Housing Catalyst received approximately $215,300 from Mason Place, $243,800 from Oak 140, $319,700 from Redtail, $324,000 from Horsetooth, $228,000 from Impala, $349,900 from Plum, $232,500 from Redwood and $942,000 from Shields for these expenses. As of December 31, 2025, Housing Catalyst was owed $14,234 from Mason Place, $624 from Oak 140, $54,085 from Redtail, $2,042 from Horsetooth, $1,700 from Impala, $6,117 from Plum, $2,928 from Redwood and $7,745 from Shields for these fees and expenses and those balances are included in accounts receivable.

Developer Fees

As of December 31, 2025, Housing Catalyst was owed $620,743, $376,733, $1,546,874, $118,428, $199,393, $3,899,630 and $470,872 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 $125,336 from Horsetooth, $417,326 from Impala, $118,428 from Plum, $84,913 from Redwood and $61,848 from Shields during 2026. The remaining balances of $620,743, $251,397, $1,129,548, $114,480, $3,837,782 and $470,872, respectively, will be paid to Housing Catalyst from future available cash flows of the projects. In addition, Housing Catalyst was owed accrued interest of $10,862, $16,068 and $12,872 from Horsetooth, Plum and Redwood, respectively, as of December 31, 2025.

During the year ended December 31, 2025, Housing Catalyst earned developer fees of $818,176 from Impala.

Notes Receivable

As of December 31, 2025, Housing Catalyst was owed $3,923,695 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, 2025, was $107,079.

As of December 31, 2025, Housing Catalyst was owed $14,044,587 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 $85,231 from Oak 140. Interest income from Oak 140 for the year ended December 31, 2025, was $260,106.

As of December 31, 2025, Housing Catalyst and Villages were owed $3,036,627 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, 2025, was $75,776.

As of December 31, 2025, Housing Catalyst was owed $5,412,460 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, 2025, was $141,268.

As of December 31, 2025, Housing Catalyst and Villages was owed $13,509,127 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, 2025, was $309,890.

As of December 31, 2025, Villages was owed $5,645,542 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, 2025, was $142,038.

As of December 31, 2025, Housing Catalyst was owed $6,818,005 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, 2025, was $262,231.

As of December 31, 2025, Housing Catalyst and Villages was owed $23,787,195 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, 2024, was $528,496.

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 $144,958 as of December 31, 2025.

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, Mission Square, 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, 2025, 2024 and 2023, the total employer cost of the plan totaled $735,411, $722,127 and $693,501, 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, 2026 and July 19, 2026, respectively, and interest on the line of credit is variable based on the Wall Street Journal Prime Rate with a minimum rates of 6.50% per annum. The funds from the lines are designated for the temporary financing of Housing Development projects. During the year ended December 31, 2025, there were no draws or repayments made on the lines. As of December 31, 2025, 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, 2025, the outstanding balance of the debt was $9,591,494.

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, 2024, the outstanding balance of the debt was $8,800,000.

Note 17 - CDBG and HOME Grants

Villages received CDBG and HOME grant funds from the City of Fort Collins (City) for the payment of development costs for the Plum Place rehabilitation and the Village on Impala projects. The grants were 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, 2025, Villages had total CDBG grant income of $67,045.

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 April of 2026, Housing Catalyst entered into a new partnership as the general partner of Village on Eastbrook, LLLP. As part of the closing, Housing Catalyst also sold land located in Fort Collins, Colorado to the partnership for total proceeds of $2,200,000, with cash proceeds received of $68,000 and a note receivable of $2,132,000.

In May of 2026, Housing Catalyst sold land located in Fort Collins, Colorado to an unrelated entity for total proceeds of $650,000. The proceeds were used to pay off related debt due to ANB Bank in the amount of $168,339.

* * * * * * * * * *

	Public Housing	Housing Choice Vouchers	Mainstream Vouchers	Emergency Housing Vouchers	Blended Component Units	Real Estate Development
Assets and Deferred Outflows						
Cash and cash equivalents	$ 329,659	$ 634,539	$ 157,985	$ 23,913	$ 12,902,955	$ 5,288,827
Restricted cash and cash equivalents	-	297,202	48,424	23,790	944,605	-
Accounts receivable						
Grants	-	27,069	-	-	-	-
Tenants, net of allowance	-	-	-	-	35,725	-
Developer fees, current	-	-	-	-	-	807,851
Other	-	42,528	3,277	-	196,042	762,649
Accrued interest	-	-	-	-	18,016	39,802
Notes receivable - current	-	-	-	-	149,087	-
Prepaid expenses	-	-	-	-	-	7,157
Inventory	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total current assets	329,659	1,001,338	209,686	47,703	14,246,430	6,906,286
Non-depreciable capital assets	-	-	-	-	3,831,472	2,856,271
Depreciable capital assets, net	2,310	-	-	-	15,731,974	558,070
Leased capital assets, net	-	-	-	-	-	1,285,550
Developer fees receivable, long-term	-	-	-	-	-	6,424,822
Lease receivable, net	-	-	-	-	96,852	-
Notes receivable, net	-	-	-	-	15,393,525	58,858,612
Investment in tax credit partnerships	-	-	-	-	-	144,958
Investment in future developments	-	-	-	-	-	563,361
Total Assets	331,969	1,001,338	209,686	47,703	49,300,253	77,597,930
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows	$ 331,969	$ 1,001,338	$ 209,686	$ 47,703	$ 49,300,253	$ 77,597,930
Liabilities, Deferred Inflows and Net Position						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ 80	$ 150,659	$ 16,883
Accrued liabilities	343,551	34,804	5,390	16	367,996	199,592
Accrued payroll	-	-	-	-	-	18,000
Accrued compensated absences	-	-	-	-	-	51,153
Accrued interest payable	-	-	-	-	13,528	20,404
Unearned revenues	-	-	-	23,790	20,206	-
Due to other funds	-	-	-	-	-	13,060
Tenant security deposits	-	-	-	-	126,666	-
Money held in escrow	-	298,623	48,424	-	2,374	-
Leases payable - current	-	-	-	-	-	-
Notes and mortgages payable - current	-	-	-	-	870,930	229,733
Total current liabilities	343,551	333,427	53,814	23,886	1,552,359	548,825
Leases payable, net	-	-	-	-	-	-
Notes and mortgages payable, net	-	-	-	-	8,397,768	346,619
Total Liabilities	343,551	333,427	53,814	23,886	9,950,127	895,444
Deferred Inflows of Resources	-	-	-	-	116,249	-
Net Position						
Net investment in capital assets	2,310	-	-	-	10,294,748	4,123,539
Restricted - housing assistance payments	-	-	20,107	433	74,014	-
Unrestricted	(13,892)	667,911	135,765	23,384	28,865,115	72,578,947
Total Net Position	(11,582)	667,911	155,872	23,817	39,233,877	76,702,486
Total Liabilities, Deferred Inflows and Net Position	$ 331,969	$ 1,001,338	$ 209,686	$ 47,703	$ 49,300,253	$ 77,597,930

See accompanying Report of Independent Auditors

Management	HUD Grants	Single Room Occupancy	COCC	Subtotal	Elimination of Intercompany Activity	Total
$ 4,159,687	$ -	$ 45,415	$ -	$ 23,542,980	$ -	$ 23,542,980
88,326	-	-	-	1,402,347	-	1,402,347
-	103,457	-	-	130,526	-	130,526
-	-	-	-	35,725	-	35,725
-	-	-	-	807,851	-	807,851
883,764	-	-	-	1,888,260	(849,118)	1,039,142
88,045	-	-	-	145,863	(17,967)	127,896
281,137	-	-	-	430,224	-	430,224
77,006	-	-	-	84,163	-	84,163
135,077	-	-	-	135,077	-	135,077
116,517	-	-	-	116,517	(116,517)	-
5,829,559	103,457	45,415	-	28,719,533	(983,602)	27,735,931
39,500	-	-	-	6,727,243	-	6,727,243
123,154	-	-	-	16,415,508	(621,813)	15,793,695
91,242	-	-	-	1,376,792	-	1,376,792
-	-	-	-	6,424,822	-	6,424,822
-	-	-	-	96,852	-	96,852
7,775,000	-	-	-	82,027,137	(5,426,111)	76,601,026
-	-	-	-	144,958	-	144,958
-	-	-	-	563,361	-	563,361
13,858,455	103,457	45,415	-	142,496,206	(7,031,526)	135,464,680
-	-	-	-	-	-	-
$ 13,858,455	$ 103,457	$ 45,415	$ -	$ 142,496,206	$ (7,031,526)	$ 135,464,680
$ 69,930	$ -	$ -	$ -	$ 237,552	$ (17,986)	$ 219,566
180,238	-	-	-	1,131,587	(831,132)	300,455
240,559	-	-	-	258,559	-	258,559
580,508				631,661	-	631,661
87,496	-	-	-	121,428	(17,967)	103,461
84,119	-	-	-	128,115	-	128,115
-	103,457	-	-	116,517	(116,517)	-
-	-	-	-	126,666	-	126,666
4,617	-	-	-	354,038	-	354,038
22,612	-	-	-	22,612	-	22,612
344,655	-	-	-	1,445,318	-	1,445,318
1,614,734	103,457	-	-	4,574,053	(983,602)	3,590,451
76,419	-	-	-	76,419	-	76,419
7,843,227	-	-	-	16,587,614	(5,426,111)	11,161,503
9,534,380	103,457	-	-	21,238,086	(6,409,713)	14,828,373
-	-	-	-	116,249	-	116,249
36,545	-	-	-	14,457,142	4,704,548	19,161,690
-	-	45,415	-	139,969	-	139,969
4,287,530	-	-	-	106,544,760	(5,326,361)	101,218,399
4,324,075	-	45,415	-	121,141,871	(621,813)	120,520,058
$ 13,858,455	$ 103,457	$ 45,415	$ -	$ 142,496,206	$ (7,031,526)	$ 135,464,680

See accompanying Report of Independent Auditors

	Public Housing	Housing Choice Vouchers	Mainstream Vouchers	Emergency Housing Vouchers	Blended Component Units	Real Estate Development
Operating Revenues						
HUD PHA grants	$ 320,227	$ 19,712,035	$ 2,587,148	$ 365,962	$ 1,336,984	$ -
Other grants	-	-	-	-	67,045	-
Rental income	-	-	-	-	3,549,235	-
Administration fees	-	-	-	-	-	-
Developer fees	-	-	-	-	-	818,176
Other	-	37,940	-	-	162,791	2,269,258
Total Operating Revenues	320,227	19,749,975	2,587,148	365,962	5,116,055	3,087,434
Operating Expenses						
Housing assistance payments	-	18,287,970	2,394,610	344,937	1,189,567	-
Administrative salaries and benefits	-	-	-	-	365,724	753,818
Maintenance salaries and benefits	-	-	-	-	-	-
Other administrative	-	1,503,153	229,655	24,061	1,656,088	1,023,734
Regular and extraordinary maintenance	-	-	-	-	894,410	21,147
Depreciation and amortizatior	1,848	-	-	-	1,493,744	63,977
Utilities	-	-	-	-	267,446	7,131
Insurance	-	-	-	-	190,094	10,423
Payments in lieu of taxes	-	-	-	-	-	-
Other	310,392	4,500	1,500	-	184,313	325,870
Total Operating Expenses	312,240	19,795,623	2,625,765	368,998	6,241,386	2,206,100
Operating Income (Loss)	7,987	(45,648)	(38,617)	(3,036)	(1,125,331)	881,334
Non-Operating Revenues (Expenses)						
Interest income	500	23,934	5,456	1,542	896,969	1,560,924
Interest expense	-	-	-	-	(373,152)	(38,186)
Other financing costs	-	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	4,013,646	-
Total Non-Operating Revenues (Expenses)	500	23,934	5,456	1,542	4,537,463	1,522,738
Income (Loss) Before Operating Transfers	8,487	(21,714)	(33,161)	(1,494)	3,412,132	2,404,072
Operating Transfers	-	4,500	1,500	-	-	(111,582)
Change in Net Position	8,487	(17,214)	(31,661)	(1,494)	3,412,132	2,292,490
Net Position-Beginning of Year	(20,069)	685,125	187,533	25,311	35,821,745	74,409,996
Net Position-End of Year	$ (11,582)	$ 667,911	$ 155,872	$ 23,817	$ 39,233,877	$ 76,702,486

See accompanying Report of Independent Auditors

Management	HUD Grants	Single Room Occupancy	COCC	Subtotal	Elimination of Intercompany Activity	Total
$ -	$ 821,258	$ -	$ -	$ 25,143,614	$ -	$ 25,143,614
43,938	-	-	-	110,983	-	110,983
-	-	-	-	3,549,235	-	3,549,235
7,136,695	-	-	5,346,782	12,483,477	(7,446,980)	5,036,497
-	-	-	-	818,176	-	818,176
258,639	-	-	-	2,728,628	(560,000)	2,168,628
7,439,272	821,258	-	5,346,782	44,834,113	(8,006,980)	36,827,133
-	-	-	-	22,217,084	-	22,217,084
2,494,305	717,903	-	4,276,633	8,608,383	(365,724)	8,242,659
1,037,653	-	-	-	1,037,653	-	1,037,653
2,772,409	103,355	-	1,023,096	8,335,551	(6,771,419)	1,564,132
132,857	-	-	-	1,048,414	(291,862)	756,552
85,871	-	-	4,722	1,650,162	-	1,650,162
20,182	-	-	-	294,759	-	294,759
67,404	-	-	65,304	333,225	(17,975)	315,250
-	-	-	-	-	-	-
-	-	-	-	826,575	(310,000)	516,575
6,610,681	821,258	-	5,369,755	44,351,806	(7,756,980)	36,594,826
828,591	-	-	(22,973)	482,307	(250,000)	232,307
289,064	-	44	-	2,778,433	(204,301)	2,574,132
(196,719)	-	-	-	(608,057)	204,301	(403,756)
-	-	-	-	-	-	-
-	-	-	-	4,013,646	250,000	4,263,646
92,345	-	44	-	6,184,022	250,000	6,434,022
920,936	-	44	(22,973)	6,666,329	-	6,666,329
82,609	-	-	22,973	-	-	-
1,003,545	-	44	-	6,666,329	-	6,666,329
3,320,530	-	45,371	-	114,475,542	(621,813)	113,853,729
$ 4,324,075	$ -	$ 45,415	$ -	$ 121,141,871	$ (621,813)	$ 120,520,058

See accompanying Report of Independent Auditors

	Larimer County Housing Authority	Villages, Ltd	Village on Elizabeth, LLLP	Village on Stanford, LLLP	Elimination of Intercompany Activity	Total
Assets						
Current Assets						
Cash and cash equivalents	$ 23,052	$ 12,856,845	$ 6,747	$ 16,311	$ -	$ 12,902,955
Restricted cash and cash equivalents	56,532	67,443	335,889	484,741	-	944,605
Accounts receivable, net						
Grants	-	-	-	-	-	-
Tenants, net of allowance	-	14,072	6,770	14,883	-	35,725
Other	1,162	9,388	-	193,162	(7,670)	196,042
Accrued interest	-	18,016	-	-	-	18,016
Notes receivable - current	-	149,087	-	-	-	149,087
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	80,746	13,114,851	349,406	709,097	(7,670)	14,246,430
Capital Assets						
Non-depreciable	-	2,193,035	640,000	998,437	-	3,831,472
Depreciable, net	-	10,078,304	1,749,600	3,904,070	-	15,731,974
Total Capital Assets, Net	-	12,271,339	2,389,600	4,902,507	-	19,563,446
Lease receivable, net	-	96,852	-	-	-	96,852
Notes receivable, net	-	16,207,566	-	-	(814,041)	15,393,525
Total Noncurrent Assets	-	28,575,757	2,389,600	4,902,507	(814,041)	35,053,823
Deferred Outflow of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows	$ 80,746	$ 41,690,608	$ 2,739,006	$ 5,611,604	$ (821,711)	$ 49,300,253
Liabilities and Net Position						
Current Liabilities						
Accounts payable	$ 1,283	$ 27,547	$ 6,278	$ 115,551	$ -	$ 150,659
Accrued liabilities	3,075	25,887	136,302	210,402	(7,670)	367,996
Accrued interest payable	-	-	4,557	8,971	-	13,528
Unearned revenues	-	11,090	5,935	3,181	-	20,206
Due to other funds	-	-	-	-	-	-
Tenant security deposits payable	-	67,443	21,852	37,371	-	126,666
Money held in escrow	2,374	-	-	-	-	2,374
Notes and mortgages payable - current portion	-	-	841,875	29,055	-	870,930
Total Current Liabilities	6,732	131,967	1,016,799	404,531	(7,670)	1,552,359
Notes and mortgages payable - net	-	-	3,939,779	5,272,030	(814,041)	8,397,768
Total Liabilities	6,732	131,967	4,956,578	5,676,561	(821,711)	9,950,127
Deferred Inflow of Resources	-	116,249	-	-	-	116,249
Net Position						
Net investment in capital assets	-	12,271,339	(2,392,054)	(398,578)	814,041	10,294,748
Restricted - housing assistance payments	74,014	-	-	-	-	74,014
Unrestricted	-	29,171,053	174,482	333,621	(814,041)	28,865,115
Total Net Position	74,014	41,442,392	(2,217,572)	(64,957)	-	39,233,877
Total Liabilities, Deferred Inflow and Net Position	$ 80,746	$ 41,690,608	$ 2,739,006	$ 5,611,604	$ (821,711)	$ 49,300,253

	Larimer County Housing Authority	Villages, Ltd	Village on Elizabeth, LLLP	Village on Stanford, LLLP	Elimination of Intercompany Activity	Total
Operating Revenues						
HUD PHA grants	$ 1,336,984	$ -	$ -	$ -	$ -	$ 1,336,984
Other grants	-	67,045	-	-	-	67,045
Rental income	-	2,084,967	574,101	890,167	-	3,549,235
Other	-	100,948	17,432	48,297	(3,886)	162,791
Total Operating Revenues	1,336,984	2,252,960	591,533	938,464	(3,886)	5,116,055
Operating Expenses						
Housing assistance payments	1,189,567	-	-	-	-	1,189,567
Administrative salaries and benefits	-	184,663	48,649	132,412	-	365,724
Other administrative	93,319	923,972	254,108	388,575	(3,886)	1,656,088
Regular and extraordinary maintenance	-	582,140	111,458	200,812	-	894,410
Depreciation and amortization	-	935,113	191,259	367,372	-	1,493,744
Utilities	-	174,137	36,291	57,018	-	267,446
Insurance	-	111,185	30,085	48,824	-	190,094
Other	-	110,434	16,066	57,813	-	184,313
Total Operating Expenses	1,282,886	3,021,644	687,916	1,252,826	(3,886)	6,241,386
Operating Income (Loss)	54,098	(768,684)	(96,383)	(314,362)	-	(1,125,331)
Non-Operating Revenues (Expenses)						
Interest income	-	905,578	1,794	17,657	(28,060)	896,969
Interest expense	-	-	(208,735)	(192,477)	28,060	(373,152)
Gain on disposal of capital assets	-	3,888,966	(18,372)	143,052	-	4,013,646
Total Non-Operating Revenues (Expenses)	-	4,794,544	(225,313)	(31,768)	-	4,537,463
Change in Net Position	54,098	4,025,860	(321,696)	(346,130)	-	3,412,132
Net Position, Beginning of the Year	19,916	37,416,532	(1,895,876)	281,173	-	35,821,745
Net Position, End of the Year	$ 74,014	$ 41,442,392	$ (2,217,572)	$ (64,957)	$ -	$ 39,233,877

See accompanying Report of Independent Auditors

Housing Catalyst

Fort Collins, Colorado

Statistical Section:

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operation Information

Building Community. Inspiring Change.

This part of Housing Catalyst's ACFR 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.

Contents	**Tables**
Financial Trends *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.*	1 - 2
Revenue Capacity *These schedules contain trend information to help the reader assess Housing Catalyst's most significant revenue sources.*	3 - 4
Debt Capacity *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.*	5 - 6
Demographic and Economic Information *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.*	7 - 10
Operating Information *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.*	11 - 13

Fiscal Year	Net investment in capital assets	Restricted Net Position	Unrestricted Net Position	Total
2016	$ 9,136,494	$ 153,278	$ 25,007,624	$ 34,297,396
2017	10,649,746	94,058	42,131,262	52,875,066
2018	8,269,550	114,697	60,996,224	69,380,471
2019	7,087,317	285,791	67,463,649	74,836,757
2020	7,997,353	823,844	69,621,300	78,442,497
2021	6,607,772	139,150	81,278,984	88,025,906
2022	7,197,183	160,640	87,453,201	94,811,024
2023	16,316,079	102,641	90,631,486	107,050,206
2024	20,453,352	65,211	93,335,166	113,853,729
2025	19,161,690	139,969	101,218	19,402,877

Source: Previous years' audits and current year financial statements

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

	2016	2017	2018	2019
Operating Revenue:				
Intergovernmental revenues	$ 13,165,946	$ 14,490,955	$ 12,611,505	$ 14,546,760
Net tenant revenue	6,581,050	5,744,539	4,202,111	3,988,857
Other revenues	2,077,927	4,100,989	12,358,274	4,621,325
	21,824,923	24,336,483	29,171,890	23,156,942
Operating Expenses:				
Administrative	4,966,229	4,880,011	4,904,917	5,241,194
Utilities	591,564	585,827	419,641	346,771
Ordinary maintenance and operating	2,645,093	2,438,186	1,924,939	2,050,864
General expenses	684,100	716,259	585,884	614,339
Depreciation and amortization	2,071,622	1,820,953	1,286,120	1,237,380
Housing assistance payments	9,175,020	9,337,277	10,367,104	11,223,214
	20,133,628	19,778,513	19,488,605	20,713,762
Operating Income (Loss)	1,691,295	4,557,970	9,683,285	2,443,180
Nonoperating Revenue (Expenses):				
Investment revenue	638,677	726,146	1,228,103	1,468,974
Interest expense	(1,236,647)	(1,035,887)	(633,128)	(587,505)
Other revenue	476,252	13,720,482	6,096,457	1,981,406
Other financing costs	(52,771)	(48,771)	(19,032)	(7,500)
	(174,489)	13,361,970	6,672,400	2,855,375
Income (Loss) before Capital Contribution	1,516,806	17,919,940	16,355,685	5,298,555
Capital grants	8,890	657,730	149,720	157,731
Change in net position	1,525,696	18,577,670	16,505,405	5,456,286
Net Position, Beginning of the Year	32,771,700	34,297,396	52,875,066	69,380,471
Net Position, End of the Year	$ 34,297,396	$ 52,875,066	$ 69,380,471	$ 74,836,757

Source: Previous years' audits and current year financial statements

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

2020	2021	2022	2023	2024	2025
$ 16,504,807	$ 20,685,292	$ 20,855,062	$ 23,452,532	$ 26,555,080	$ 25,254,597
3,998,690	3,744,497	3,581,889	3,613,410	3,814,977	3,549,235
4,570,085	4,956,118	6,756,494	7,072,369	7,428,094	8,023,301
25,073,582	29,385,907	31,193,445	34,138,311	37,798,151	36,827,133
6,230,664	6,726,651	8,247,637	10,018,094	9,624,388	9,806,791
352,049	338,310	359,185	345,316	318,278	294,759
1,877,835	1,997,570	2,206,035	2,030,588	1,976,503	1,794,205
664,524	660,788	341,089	452,614	458,250	831,825
1,184,893	1,103,758	1,079,417	1,251,449	1,492,089	1,650,162
12,279,216	14,024,566	16,795,731	19,225,513	21,300,413	22,217,084
22,589,181	24,851,643	29,029,094	33,323,574	35,169,921	36,594,826
2,484,401	4,534,264	2,164,351	814,737	2,628,230	232,307
1,458,257	1,579,758	1,900,514	2,424,087	2,631,146	2,574,132
(505,343)	(607,880)	(760,517)	(581,132)	(438,620)	(403,756)
-	3,900,231	3,264,220	9,585,777	1,983,267	4,263,646
(1,000)	(851)	(1,766)	(4,287)	(500)	-
951,914	4,871,258	4,402,451	11,424,445	4,175,293	6,434,022
3,436,315	9,405,522	6,566,802	12,239,182	6,803,523	6,666,329
169,425	177,887	218,316	-	-	-
3,605,740	9,583,409	6,785,118	12,239,182	6,803,523	6,666,329
74,836,757	78,442,497	88,025,906	94,811,024	107,050,206	113,853,729
$ 78,442,497	$ 88,025,906	$ 94,811,024	$ 107,050,206	$ 113,853,729	$ 120,520,058

Fiscal	Net Tenant Rental		Intergovernmental		Other		
Year	Amount	% of Total	Amount	% of Total	Amount	% of Total	Total
2016	$ 6,581,050	30.15%	$ 13,165,946	60.33%	$ 2,077,927	9.52%	$ 21,824,923
2017	5,744,539	23.61%	14,490,955	59.54%	4,100,989	16.85%	24,336,483
2018	4,202,111	14.40%	12,611,505	43.24%	12,358,274	42.36%	29,171,890
2019	3,988,857	17.22%	14,546,760	62.82%	4,621,325	19.96%	23,156,942
2020	3,998,690	15.94%	16,504,807	65.83%	4,570,085	18.23%	25,073,582
2021	3,744,497	12.74%	20,685,292	70.39%	4,956,118	16.87%	29,385,907
2022	3,581,889	11.48%	20,855,062	66.86%	6,756,494	21.66%	31,193,445
2023	3,613,410	10.58%	23,452,532	68.70%	7,072,369	20.72%	34,138,311
2024	3,814,977	10.10%	26,555,080	70.25%	7,428,094	19.65%	37,798,151
2025	3,549,235	9.63%	25,254,597	68.58%	8,023,301	21.79%	36,827,133

Source: Previous years' audits and current year financial statements

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

Fiscal	Intergovernmental		Investment		Other Income		
Year	Amount	% of Total	Amount	% of Total	Amount	% of Total	Total
2016	$ -	0.00%	$ 638,677	57.28%	$ 476,252	42.72%	$ 1,114,929
2017	-	0.00%	726,146	5.03%	13,720,482	94.97%	14,446,628
2018	-	0.00%	1,228,103	16.77%	6,096,457	83.23%	7,324,560
2019	-	0.00%	1,468,974	42.57%	1,981,406	57.43%	3,450,380
2020	-	0.00%	1,458,257	100.00%	-	0.00%	1,458,257
2021	-	0.00%	1,579,758	28.83%	3,900,231	71.17%	5,479,989
2022	-	0.00%	1,900,514	36.80%	3,264,220	63.20%	5,164,734
2023	-	0.00%	2,424,087	20.18%	9,585,777	79.82%	12,009,864
2024	-	0.00%	2,631,146	57.02%	1,983,267	42.98%	4,614,413
2025	-	0.00%	2,574,132	37.65%	4,263,646	62.35%	6,837,778

Source: Previous years' audits and current year financial statements

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

	2016	2017	2018	2019
Revenue	$ 22,472,490	$ 25,720,359	$ 30,549,713	$ 24,783,647
Expenses (excluding depreciation)	(19,351,424)	(19,042,218)	(18,854,645)	(20,071,387)
Revenue Available for debt service	$ 3,121,066	$ 6,678,141	$ 11,695,068	$ 4,712,260
Debt Service Requirements:				
Principal	$ 991,009	$ 2,251,854	$ 452,274	$ 506,660
Interest	1,126,097	1,230,982	548,561	534,980
Total	$ 2,117,106	$ 3,482,836	$ 1,000,835	$ 1,041,640
Debt Service Coverage Ratio	1.47	1.92	11.69	4.52

Source: Previous years' audits and current year financial statements

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

2020	2021	2022	2023	2024	2025
$ 26,701,264	$ 31,143,552	$ 33,312,275	$ 36,562,398	$ 40,429,297	$ 39,401,265
(21,910,631)	(24,356,616)	(28,711,960)	(32,657,544)	(34,116,952)	(35,348,420)
$ 4,790,633	$ 6,786,936	$ 4,600,315	$ 3,904,854	$ 6,312,345	$ 4,052,845
$ 450,561	$ 148,729	$ 243,274	$ 394,577	$ 11,571,069	$ 601,680
394,629	364,810	692,922	714,801	301,598	407,140
$ 845,190	$ 513,539	$ 936,196	$ 1,109,378	$ 11,872,667	$ 1,008,820
5.67	13.22	4.91	3.52	0.53	4.02

Fiscal Year	Current Portion of Long-Term Debt	Long-Term Debt	Total Debt	Capital Assets	Ratio of Total Debt to Capital Assets
2016	$ 2,253,476	$ 31,464,904	$ 33,718,380	$ 42,796,227	78.79%
2017	440,901	11,411,184	11,852,085	22,465,778	52.76%
2018	507,044	14,512,702	15,019,746	23,276,957	64.53%
2019	495,582	11,313,995	11,809,577	18,892,939	62.51%
2020	197,175	10,254,308	10,451,483	18,439,656	56.68%
2021	287,109	29,815,277	30,102,386	16,985,614	177.22%
2022	426,012	26,755,373	27,181,385	16,652,199	163.23%
2023	11,612,153	13,202,983	24,815,136	19,903,673	124.68%
2024	622,386	12,605,978	13,228,364	24,134,783	54.81%
2025	1,467,930	11,161,503	12,629,433	23,897,730	52.85%

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, Village on Elizabeth and Village on Stanford (Blended Component Units) added to prior years for comparability

Fiscal Year	City of Fort Collins Population		Residents of Housing Catalyst	Fort Collins & Larimer County Unemployment Rate
2016	162,919		3,164	2.8%
2017	167,500		2,717	2.2%
2018	171,100		2,847	2.8%
2019	172,653		2,828	2.3%
2020	174,871		2,755	6.1%
2021	172,321		3,188	3.5%
2022	174,445		3,404	2.9%
2023	172,547		2,952	3.3%
2024	175,066		3,121	3.9%
2025	175,066	*	2,774	3.4%

* Population data not updated for 2025 at the time of issuance

Note: Resident data does not include Villages, Village on Elizabeth or Village on Stanford due to insufficient demographic records.

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

	2024 (1)		
	Employees	Rank	Percentage of Total City Employment
Colorado State University	8,850	1	7.4%
University Colorado Hospital Authority	5,900	2	5.0%
Poudre R-1 School District	4,600	3	3.9%
City of Fort Collins	2,550	4	2.1%
Larimer County	2,550	5	2.1%
Woodward	1,350	6	1.1%
Broadcom (Avago)	1,050	7	0.9%
Tolmar Inc	750	8	0.6%
Front Range Community College	750	9	0.6%
Orthopaedic & Spine Center of the Rockies	700	10	0.6%
Total	29,050		24.3%

	2014 (1)		
	Employees	Rank	Percentage of Total City Employment
Colorado State University	6,400	1	8.6%
Poudre R-1 School District	3,800	2	5.1%
Poudre Valley Hospital	2,600	3	3.5%
Hewlett Packard	2,200	4	2.9%
City of Fort Collins	2,000	5	2.7%
Larimer County	1,700	6	2.3%
Center Partners	820	7	1.1%
Agilent Technologies	800	8	1.1%
Anheuser Busch	700	9	0.9%
Advanced Energy Solutions	600	10	0.8%
Total	21,620		28.9%

Source: City of Fort Collins Annual Comprehensive Financial Report, FY 12/31/2024
(1) Current year data is unavailable at the time of the preparation of the Annual Comprehensive Financial Report.

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
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
2024	-	-	1	1
2025	-	-	-	-

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
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
2024	1,005	1,519	596	3,120
2025	901	1,331	542	2,774

Source: Housing Catalyst tenant records.

Note: Does not include Villages, Village on Elizabeth or Village on Stanford due to insufficient demographic records.

Public Housing and Non-HUD Housing Programs

Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
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
2024	1	-	-	-	-	1
2025	-	-	-	-	-	-

Housing Choice Voucher Program

Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
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
2024	1,616	991	279	114	120	3,120
2025	1,535	848	226	140	25	2,774

Source: Housing Catalyst tenant records.

Note: Does not include Villages, Village on Elizabeth or Village on Stanford due to insufficient demographic records.

Fiscal Year	Public Housing	Housing Choice Vouchers	VASH Vouchers	Emergency Housing Vouchers	Five Year Mainstream Vouchers	RAD	TBRA	VOCC	Villages, VOE & VOS	Total
2016	154	916	121	121	64	-	5	285	360	2,026
2017	70	870	115	115	60	69	-	-	360	1,659
2018	70	983	122	122	63	19	-	-	360	1,739
2019	70	969	119	119	99	-	-	-	360	1,736
2020	70	956	133	133	141	-	-	-	359	1,792
2021	70	1,108	143	13	196	-	-	-	315	1,845
2022	48	1,144	142	23	208	-	-	-	315	1,880
2023	15	1,140	155	22	237	-	-	-	302	1,871
2024	-	1,122	167	18	239	-	-	-	310	1,856
2025	-	1,097	181	19	217	-	-	-	283	1,797

Source: Housing Catalyst tenant records.

Name of Development	Address	Number of Units	Year Built
Villages:			
Village on Bryan	100 S Bryan Avenue	27	1988
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 Matuka	1200 Matuka Court	20	1991
Myrtle - SRO	811 E Myrtle Street	16	1950
Village on Stanford	2831 Stanford Road	6	1969
Remington Row	705-715 Remington Street	11	2014
Plum Place	2155 W. Plum Street	15	1980
		153	
Village on Elizabeth:	2209 W Elizabeth Street	48	1970
Village on Stanford:	2631 Stanford Road	82	2009
	Total Units	283	

Source: Housing Catalyst Property Records

Fiscal Year	Administration	Development	Finance	Housing	Maintenance	Total
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
2024	9	7	10	52	14	92
2025	11	6	10	50	14	91

Source: Housing Catalyst employment records.

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

Building Community. Inspiring Change.

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 Housing Catalyst (the Authority) as of and for the year ended December 31, 2025, 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 12, 2026. 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.

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

Eide Bailly LLP

Fargo, North Dakota
June 12, 2026

Independent Auditor's Report on Compliance for the 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 the Major Federal Program

Opinion on the 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 program of the Authority for the year ended December 31, 2025. The Authority's major federal program is 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 the major federal program for the year ended December 31, 2025.

Basis for Opinion on the 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.

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Other Matter – Federal Expenditures Not Included in the Compliance Audit

The Authority's basic financial statements include the operations of the Larimer County Housing Authority, which expended $1,282,886 in Housing Choice and Mainstream Vouchers which is not included in the Authority 's schedule of expenditures of federal awards during the year ended December 31, 2025. Our compliance audit, described in the "Opinion on Each Major Federal Program" does not include the operations of the Larimer County Housing Authority because other auditors were engaged to perform an audit of this program in accordance with the Uniform Guidance.

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 the 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.

Eide Bailly LLP

Fargo, North Dakota
June 12, 2026

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

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

None Reported

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	-	$ 19,107,726
Mainstream Vouchers **	14.879	-	2,587,148
Emergency Housing Vouchers **	14.871	-	367,732
Total Housing Choice Voucher Cluster			22,062,606
Public and Indian Housing	14.850	-	310,392
Family Self-Sufficiency Program	14.896	-	262,769
Public Housing Capital Fund	14.872	-	782
Continuum of Care Program	14.267	-	558,489
Total Direct Awards			23,195,038
Passed through the City of Fort Collins:			
Community Development Block Grants / Entitlement Grants	14.218	330 Impala	67,045
Total Pass-Through Awards			67,045
Total Federal Expenditures			$ 23,262,083

** - 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, 2025. 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 does not draw for indirect administrative expenses and has not elected to use the de minimis cost rate of up to 15 percent.