



October 24, 2025

To Whom It May Concern:

Please find attached the independent audit report for Partners in Housing, Inc. for the fiscal year ended June 30, 2025.


For purposes of clarity, we would like to emphasize PIH ended FY24/25 with an adjusted net operating income over expense of \$79,977. **The loss of \$261,430 shown on page 2 Statement of Activities reflects non-cash entries including in-kind rent expense, LLC gain and depreciation.** The In-kind entry is a rental expense for the fiscal year of \$160,386 for use of property as part of the previous five year pledge. A detailed breakdown of the adjustments to PIH’s net operating income is as follows:

\$ (261,430)	Total Change in Net Assets, Audit Page 4
\$ 160,386	In-Kind expense of rent for the fiscal year, Note 4 page 11
\$ (8,586)	LLC equity gain, Note 6 Page 12
\$ 189,607	Depreciation, Audit Note 5 on Page 12
=====	
\$ 79,977	Adjusted Net Operating Income over Expense (not listed in audit report)

The pledge receivable for use of property is explained in Note 4 (Page 11) – Partners in Housing rents office space and transitional housing from the Myron Stratton Home at a discounted rate of \$1 per year, and this note explains the accounting for the transaction.

Partners in Housing would like to reiterate we are in a sound financial position and the loss shown in the ending balance for FY24/25 was strictly related to in-kind rent expense, LLC equity changes, and depreciation. Please contact me at (719) 325-5831 if there are any questions that may arise from the review of this audit report.

Respectfully,


Mary Stegner
Executive Director

OUR MISSION. Partners in Housing guides families in housing crisis from insecurity to stability, self-reliance and prosperity.



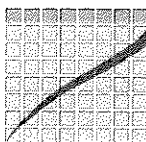
Partners in Housing

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Partners in Housing, Inc. and Affiliate
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Partners in Housing, Inc. (a Colorado nonprofit organization) and Affiliate, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the 2025 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the Organization 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 opinion.

Prior Period Financial Statements

The consolidated financial statements of the Organization as of June 30, 2024 were audited by other auditors, whose report dated January 21, 2025 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with US GAAS, we:

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

BiggsKofford, P.C.

Colorado Springs, Colorado

October 16, 2025

PARTNERS IN HOUSING
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Cash and equivalents	\$ 91,158	\$ 240,911
Accounts receivable	26,233	8,150
Grants receivable	101,545	164,587
Notes receivable	22,950	22,950
Pledge receivable for use of property, net	314,995	475,381
Prepaid expenses and other assets	11,964	2,381
Property and equipment, net	2,331,834	2,242,854
Investment in collaborative entities	952,181	943,595
Restricted cash - tenants' security deposits	29,985	30,848
Total assets	\$ 3,882,845	\$ 4,131,657
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 152,349	\$ 135,258
Notes payable - serviceable	68,747	72,357
Notes payable - forgivable and non-serviceable	1,218,760	1,218,760
Conditional grant	118,500	118,500
Tenants' security deposits	29,985	30,848
Total liabilities	1,588,341	1,575,723
Net assets:		
Without donor restrictions:		
Operating	807,382	988,138
Equity in property and equipment, net	1,044,327	951,737
Total net assets without donor restrictions	1,851,709	1,939,875
With donor restrictions	442,795	616,059
Total net assets	2,294,504	2,555,934
Total liabilities and net assets	\$ 3,882,845	\$ 4,131,657

The accompanying notes and independent auditor's report
should be read with these financial statements.

PARTNERS IN HOUSING
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions and grants	\$ 1,697,728	\$ 127,800	\$ 1,825,528	\$ 1,489,341	\$ 189,850	\$ 1,679,191
Contributed nonfinancial assets	465,948	-	465,948	406,368	-	406,368
Program service fees	411,195	-	411,195	435,210	-	435,210
Gain on investments in collaborative entities	28,585	-	28,585	795,602	-	795,602
Other revenue	34,601	-	34,601	38,379	-	38,379
Total support and revenue	2,638,057	127,800	2,765,857	3,164,900	189,850	3,354,750
Net assets released from restrictions	301,064	(301,064)	-	294,103	(294,103)	-
EXPENSES						
Program services:						
Transitional Housing	966,137	-	966,137	931,074	-	931,074
Affordable Housing	456,909	-	456,909	433,728	-	433,728
Client Services	1,211,923	-	1,211,923	1,188,833	-	1,188,833
Total program services	2,634,969	-	2,634,969	2,553,635	-	2,553,635
Supporting activities:						
General and administrative	174,720	-	174,720	139,429	-	139,429
Fundraising	217,598	-	217,598	205,426	-	205,426
Total expenses	3,027,287	-	3,027,287	2,898,490	-	2,898,490
Change in net assets	(88,166)	(173,264)	(261,430)	560,513	(104,253)	456,260
Net assets, beginning of year	1,939,875	616,059	2,555,934	1,379,362	720,312	2,099,674
Net assets, end of year	\$ 1,851,709	\$ 442,795	\$ 2,294,504	\$ 1,939,875	\$ 616,059	\$ 2,555,934

The accompanying notes and independent auditor's report
should be read with these financial statements.

PARTNERS IN HOUSING
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services				Supporting Activities		Total
	Transitional Housing	Affordable Housing	Client Services	Total Program Services	General and Administrative	Fundraising	
Operating expenses:							
Salaries and wages	\$ 189,855	\$ 138,197	\$ 591,687	\$ 919,739	\$ 65,471	\$ 119,894	\$ 1,105,104
Employee benefits	71,659	40,745	151,932	264,336	17,998	18,898	301,232
Payroll taxes	11,500	9,600	45,800	66,900	9,004	9,000	84,904
Total personnel expenses	273,014	188,542	789,419	1,250,975	92,473	147,792	1,491,240
Contributions, gifts, and awards	31,500	-	-	31,500	-	-	31,500
Conferences, conventions, and meetings	1,248	258	5,166	6,672	2,981	3,087	12,740
Direct client services	-	-	42,393	42,393	-	-	42,393
Depreciation	122,867	65,818	-	188,685	922	-	189,607
Information technology	4,797	1,314	10,763	16,874	1,973	12,946	31,793
Insurance	39,999	21,200	20,080	81,279	1,620	2,400	85,299
Interest	500	2,208	-	2,708	11	-	2,719
Occupancy	202,436	42,324	30,473	275,233	14,232	5,300	294,765
Office	5,842	2,620	21,690	30,152	9,533	16,106	55,791
Professional fees	50,417	33,879	26,869	111,165	23,495	-	134,660
Travel	6,942	15,859	3,500	26,301	1,160	984	28,445
Total operating expenses	739,562	374,022	950,353	2,063,937	148,400	188,615	2,400,952
Contributed nonfinancial assets:							
Donated goods and services	-	-	91,856	91,856	-	-	91,856
Donated rent	103,070	-	53,798	156,868	18,320	12,826	188,014
Volunteer services	79,689	68,403	95,916	244,008	-	12,157	256,165
Donated interest expense	31,816	14,484	-	46,300	-	-	46,300
Donated Diocesan computer support	12,000	-	20,000	32,000	8,000	4,000	44,000
Total contributed nonfinancial assets	226,575	82,887	261,570	571,032	26,320	28,983	626,335
Total expenses	\$ 966,137	\$ 456,909	\$ 1,211,923	\$ 2,634,969	\$ 174,720	\$ 217,598	\$ 3,027,287
Percentage of total expenses	31.91%	15.09%	40.03%	87.04%	5.77%	7.19%	100.00%

The accompanying notes and independent auditor's report should be read with these financial statements.

PARTNERS IN HOUSING
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Activities		Total
	Transitional Housing	Affordable Housing	Client Services	Total Program Services	General and Administrative	Fundraising	
Operating expenses							
Salaries and wages	\$ 157,298	\$ 159,503	\$ 544,459	\$ 861,260	\$ 59,650	\$ 109,341	\$ 1,030,251
Employee benefits	73,488	45,601	134,470	253,559	15,987	18,026	287,572
Payroll taxes	12,682	12,860	43,897	69,439	4,809	8,816	83,064
Total personnel expenses	243,468	217,964	722,826	1,184,258	80,446	136,183	1,400,887
Contributions, gifts, and awards	30,000	-	-	30,000	-	-	30,000
Direct client services	1,989	5,755	51,556	59,300	30	-	59,330
Depreciation	98,695	95,820	-	194,515	922	-	195,437
Information technology	13,489	2,300	15,401	31,190	1,715	11,874	44,779
Insurance	37,359	15,686	11,041	64,086	1,613	1,086	66,785
Interest	500	2,229	39	2,768	-	-	2,768
Occupancy	271,188	80,799	37,919	389,906	17,593	6,100	413,599
Office	4,578	1,090	17,232	22,900	11,517	20,206	54,623
Professional fees	8,577	4,783	36,722	50,082	7,129	-	57,211
Travel	1,701	4,087	4,030	9,818	1,145	1,633	12,596
Total operating expenses	711,544	430,513	896,766	2,038,823	122,110	177,082	2,338,015
Contributed nonfinancial assets:							
Donated goods and services	-	-	104,430	104,430	-	-	104,430
Donated rent	103,070	-	53,520	156,590	11,319	12,826	180,735
Volunteer services	74,013	3,215	99,633	176,861	-	7,518	184,379
Donated interest expense	31,816	-	14,484	46,300	-	-	46,300
Donated Diocesan computer support	10,631	-	20,000	30,631	6,000	8,000	44,631
Total contributed nonfinancial assets	219,530	3,215	292,067	514,812	17,319	28,344	560,475
Total expenses	\$ 931,074	\$ 433,728	\$ 1,188,833	\$ 2,553,635	\$ 139,429	\$ 205,426	\$ 2,898,490
Percentage of total expenses	32.12%	14.96%	41.02%	88.10%	4.81%	7.09%	100.00%

The accompanying notes and independent auditor's report
should be read with these financial statements.

PARTNERS IN HOUSING
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2025</u>	<u>2024</u>
Change in net assets	\$ (261,430)	\$ 456,260
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	189,607	195,437
Gain on investments in collaborative entities	(28,585)	(773,620)
(Increase) decrease in operating assets:		
Grants receivable	63,042	-
Accounts receivable	(18,083)	(2,998)
Pledge receivable for use of property, net	160,386	154,107
Prepaid expenses and other assets	(9,583)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	17,091	29,575
Tenants' security deposits	(863)	(1,362)
Net cash flows from operating activities	<u>111,582</u>	<u>57,399</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Distributions received from collaborative entities	19,999	52,843
Contributions to collaborative entities	-	(4,825)
Purchases of property and equipment	<u>(278,587)</u>	<u>(117,120)</u>
Net cash flows from investing activities	<u>(258,588)</u>	<u>(69,102)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal payments on notes payable - serviceable	<u>(3,610)</u>	<u>(3,587)</u>
Net cash flows from financing activities	<u>(3,610)</u>	<u>(3,587)</u>
Net change in cash and equivalents	(150,616)	(15,290)
Cash and equivalents, beginning of year	<u>271,759</u>	<u>287,049</u>
Cash and equivalents, end of year	<u>\$ 121,143</u>	<u>\$ 271,759</u>
Cash and equivalents	\$ 91,158	\$ 240,911
Restricted cash - tenants' security deposits	<u>29,985</u>	<u>30,848</u>
Total cash and equivalents	<u>\$ 121,143</u>	<u>\$ 271,759</u>

The accompanying notes and independent auditor's report should be read with these financial statements.

PARTNERS IN HOUSING
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid for interest expense	<u>\$ 2,707</u>	<u>\$ 2,229</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

1. ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

Partners in Housing, Inc. ("PIH") was established in 1991 as a 501(c)(3) to provide homeless families with children living in the Pikes Peak region the opportunity to achieve self-sufficiency through a supportive services and transitional housing program. This program provides one year of transitional housing, case management, life skills training, and budget counseling to help homeless households get back on their feet. Workshops for money management, self-esteem, nutrition, and other life skills are also available. In addition, Partners in Housing, Inc. provides affordable rental housing to non-program low and very low-income families and individuals.

Partners in Housing, LLC was formed in 2016 for the purpose of holding certain buildings and building improvements.

Principles of consolidation

The consolidated financial statements include the operations of Partners in Housing, Inc. and Partners in Housing, LLC. Material transactions and balances between these entities have been eliminated. Unless otherwise noted, these consolidated entities are hereinafter referred to as the "Organization."

Basis of accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the financial statements, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

See independent auditor's report.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Accounts receivable and allowance for credit losses

Accounts receivable are unsecured and reported at the amount management expects to collect. The Organization maintains an allowance for credit losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial conditions of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

Management considers accounts receivable to be fully collectable as of June 30, 2025 and 2024. Accordingly, no allowance for credit losses has been recorded.

Grants receivable

Grants receivable consist of amounts receivable on unconditional grants. Grants receivable are stated at the amount the Organization expects to collect. Management considers contributions receivable to be fully collectable as of June 30, 2025 and 2024. Accordingly, no allowance has been recorded.

Property and equipment

Acquisitions of property and equipment with an original cost of \$1,000 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated using the straight-line method over estimated useful lives, ranging from three to 30 years.

Net assets

The financial statements present information regarding the financial position and statements of activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions consist of resources available for use in operations, those resources invested in property and equipment, and resources restricted by the board of directors as to future use. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

See independent auditor's report.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Contributions and grants

In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions, if applicable. Contribution revenue is recognized when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organization. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed nonfinancial assets

Contributed nonfinancial assets are recorded at the respective fair values of the goods or services received at the date of donation. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by US GAAP.

Program service fees

PIH recognizes program service fee revenue during the period in which the related services are provided to residents. The performance obligation of providing access to housing is recognized over time as the services are provided.

Functional expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. These expenses require allocation on a reasonable basis that is consistently applied. Any costs that could be directly assigned to a specific function are allocated to that function. The expenses that are allocated include personnel expenses, depreciation, and insurance, which are allocated based on an estimate of time and effort spent.

See independent auditor's report.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Income taxes

PIH is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code"). The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC Topic 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for PIH.

Partners in Housing, LLC is being operated in a manner consistent with treatment as a disregarded entity for federal and state income tax purposes, whereby activities of Partners in Housing, LLC are reported directly by PIH. As such, the assets, liabilities, and income are exempt from income taxes and are reported on the PIH informational return.

Reclassifications

Certain prior year balances and amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets or change in net assets.

Subsequent events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued.

See independent auditor's report.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following as of June 30.:

	2025	2024
Financial assets at year end:		
Cash and equivalents	\$ 91,158	\$ 240,911
Accounts receivable	26,233	8,150
Grants receivable	101,545	164,587
 Total financial assets at year end	 218,936	 413,648
 Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor restrictions	(45,000)	(48,678)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 173,936	 \$ 364,970

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

3. NOTE RECEIVABLE

PIH has a note receivable from a not-for-profit organization pursuant to which the counterparty will pay PIH the outstanding balance of \$22,950 upon qualifying transfer of specific real property. The note has no other ultimate expiration and is non-interest bearing.

4. PLEDGE RECEIVABLE FOR USE OF PROPERTY

PIH entered into a five-year lease agreement in 2022 for the use of office and operations facilities for annual rental payments of \$1.00. In 2022, PIH recognized \$774,339 for the free use of facilities for five years as contribution revenue and a pledge receivable at the net present value of the fair market value of the facility in excess of the rental payments using a discount rate of 4%. PIH recognized rent expense of \$160,386 and \$154,107 for the years ended June 30, 2025 and 2024, respectively.

See independent auditor's report.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30,:

	2025	2024
Buildings	\$ 3,290,568	\$ 3,207,768
Building improvements	2,209,252	2,020,965
Furniture and fixtures	92,452	92,452
Vehicles	54,142	46,642
Gross depreciable property and equipment	5,646,414	5,367,827
Land	95,375	95,375
Accumulated depreciation	(3,409,955)	(3,220,348)
Property and equipment, net	\$ 2,331,834	\$ 2,242,854

Depreciation expense related to property and equipment totaled \$189,607 and \$195,437 for the years ended June 30, 2025 and 2024, respectively.

6. INVESTMENT IN COLLABORATIVE ENTITIES

PIH has investments in five collaborative entities which are accounted for under the equity method of accounting. Under the equity method of accounting, investments are recorded at cost and adjusted for the proportionate share of undistributed earnings. Investments in collaborative entities consist of the following as of June 30,:

	2025	2024
GPR Properties, LLC	\$ 845,006	\$ 850,140
GPR Properties II, LLC	104,814	91,795
Colorado House and Resource Center, LLC	2,361	1,660
Total investment in collaborative entities	\$ 952,181	\$ 943,595

GPR Properties, LLC - GPR Properties, LLC was formed in 2000 to own, lease and sell real property to low-income families. PIH has a 33.3% partnership interest in GPR Properties, LLC.

GPR Properties II, LLC - GPR Properties II, LLC was formed in August 2009 to purchase property with grant funds to be used as affordable housing. PIH has a 33.3% partnership interest in GPR Properties II, LLC.

See independent auditor's report.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Colorado House and Resource Center, LLC - PIH entered into a partnership agreement in 2003 with Rocky Mountain Community Land Trust ("RMCLT") to create Colorado House and Resource Center, LLC, ("CHRC"), in which PIH has a 50% interest. CHRC purchased property with grant funds to be used as transitional housing and for supportive services to the homeless. In April 2016, the building and building improvements owned by CHRC were transferred to Partners in Housing, LLC and the land was transferred to RMCLT. CHRC had notes payable and a refundable advance associated with the transferred property. The notes payable and refundable advance were transferred to the members equally. Both members recorded the transferred property at \$743,905 and the transferred notes payable and refundable advance at \$185,310. During the year ended June 30, 2017, PIH and RMCLT entered into a note payable with the City of Colorado Springs of up to \$160,000 for rehabilitation costs of CHRC. Both members equally recorded the building improvements that were completed during the year ended June 30, 2018. See Note 7 regarding the notes payable.

Park Meadows Affordable Housing, LLC - Park Meadows Affordable Housing, LLC ('Park Meadows') was formed in 2002 to provide affordable housing to low- and moderate-income residents. PIH has a 49% partnership interest in the entity. When PIH's share of losses in Park Meadows exceeded the carrying value of its investment, the equity method of accounting was suspended, and no additional losses were charged to operations. Suspended losses totaled \$585,352 and \$580,641 for the years ended June 30, 2025 and 2024, respectively.

Bentley Commons MM, LLC - Bentley Commons MM, LLC ('BCMM') was formed in April 2023 to own, develop, and operate the Bentley Commons, LLC affordable housing project (Bentley Commons) in Colorado Springs, Colorado. BCMM has a 0.01% partnership interest in Bentley Commons, and PIH has a 33.3% partnership interest in BCMM. As of June 30, 2025 and 2024, PIH's investment in BCMM is considered trivial to the financial statements and is not reported on the consolidated statements of financial position.

7. DEBT

Line of credit

The Organization has a revolving line of credit with a financial institution allowing the Organization to borrow up to \$300,000. The line of credit bears interest at the Prime Rate plus 0.75% per annum, matures in February 2027, and is unsecured. There was no balance outstanding as of June 30, 2025 and 2024.

See independent auditor's report.

PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Notes payable

Notes payable consist of the following as of June 30,:

	2025	2024
<i>Serviceable:</i>		
Note payable in the amount of \$115,000, requiring monthly payments of principal and interest totaling \$485, bearing interest at 3% per annum, maturing in February 2024 or upon the sale or transfer of property, and secured by real property.	\$ 68,747	\$ 72,357
Notes payable - serviceable	\$ 68,747	\$ 72,357
<i>Forgivable and non-serviceable:</i>		
Thirty-two individual notes with the City of Colorado Springs with principal balances ranging from \$1,839 to \$185,000. The notes bear a 0% interest rate, become due only upon sale or transfer of property, and are secured by real property.	\$ 1,112,510	\$ 1,112,510
Note payable in the amount of \$50,000, requiring an annual interest payment, bearing interest at 1% per annum, maturing in September 2033 or upon the sale or transfer of property, and secured by real property.	50,000	50,000
Two individual notes with El Paso County Colorado Housing Authority for \$16,875 and \$28,125. The notes bear a 0% interest rate, become due between August 2029 and March 2030, and are secured by real property.	45,000	45,000
Note with the City of Colorado Springs, assumed with the transfer of building and improvements from Colorado House and Resource Center, LLC (see Note 6). The note bears a 0% interest rate, becomes due only upon sale or transfer of property, and is secured by real property.	11,250	11,250
Notes payable - forgivable and non-serviceable	\$ 1,218,760	\$ 1,218,760

See independent auditor's report.

PARTNERS IN HOUSING
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Imputed interest expense and a related in-kind contribution is calculated at 4% of the outstanding 0% interest notes. Interest expense for the years ended June 30, 2025 and 2024 was \$46,300 and \$46,300, respectively

Future maturities of long-term debt consist of the following as of June 30, 2025:

Years Ending		
2026	\$	3,811
2027		3,926
2028		4,046
2029		4,169
2030		4,296
Thereafter		48,499
Total notes payable - serviceable		68,747
Total notes payable - forgivable and non-serviceable		1,218,760
Total	\$	1,287,507

8. CONDITIONAL GRANT

In connection with the transfer of property from Colorado House and Resource Center, LLC (see Note 6), a refundable advance associated with the property was also transferred. The refundable advance of \$237,000 is from the State of Colorado Division of Housing and requires the property to be used for affordable housing for 99 years, ending in 2105. If the affordability period is not met, the funds must be returned. PIH and Colorado House and Resource Center, LLC equally split the obligation associated with the grant at the time of transfer in the amount of \$118,500 each.

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PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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9. NET ASSETS

Net assets with donor restrictions consist of the following as of June 30,:

	2025	2024
Subject to expenditure for specified purpose:		
Colorado House and Resource Center	\$ 45,000	\$ 48,678
	45,000	48,678
Subject to the passage of time:		
Grants receivable	82,800	92,000
Pledge receivable for use of property, net	314,995	475,381
	397,795	567,381
Total net assets with donor restrictions	\$ 442,795	\$ 616,059

10. IN-KIND CONTRIBUTIONS

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the consolidated statements of activities and functional expenses included the following:

	2025	2024
Donated goods and services	\$ 91,855	\$ 104,430
Donated rent	27,628	26,628
Volunteer services	256,165	184,379
Donated interest expense	46,300	46,300
Donated Diocesan computer support	44,000	44,631
	\$ 465,948	\$ 406,368

Contributed goods and services, rent, and computer support, are valued using estimated U.S. wholesale prices of identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution.

All gifts-in-kind received during the years ended June 30, 2025 and 2024 were received without donor restrictions.

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PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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11. CONCENTRATIONS

Cash and equivalents

The Organization maintains its cash and equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the year the Organization had deposits in excess of FDIC limits. This risk is managed by maintaining deposits with high-quality financial institutions. The Organization does not anticipate nonperformance by these institutions.

12. RETIREMENT PLAN

The Organization is a member of the Diocese of Colorado Springs' defined benefit pension plan that covers substantially all lay personnel. The Diocese makes annual contributions to the plan and charges assessments to the Organization for reimbursement of costs related to personnel at the Organization. Reimbursement costs for the years ended June 30, 2025, and 2024 were \$59,730 and \$53,444, respectively. The liabilities and costs are determined under aggregate funding and projected unit methods. Those methods are among several projected benefit funding methods which may be used to provide for the systematic accumulation of assets to cover the benefits and expenses paid less any investment return of the plan's assets. The actuarial funding method, along with the other actuarial accumulated vested benefits and net assets available for benefits, are insignificant to the Diocese plan.

13. BENTLEY COMMONS

In 2023, the Organization entered into a strategic partnership and began raising funds for the development of a supportive housing project, Bentley Commons.

In order to meet guarantor obligations for financing the construction of Bentley Commons, the Organization formed a limited liability company, Bentley Commons MM, LLC ("BCMM") with two other entities to ensure guarantor status with respect to the financing and construction of the project. BCMM is owned 33% by the Organization. BCMM then partnered with a tax credit investor and Colorado Springs Housing Authority ("CSHA") to form Bentley Commons, LLC for the purpose of constructing the housing project. BCMM is a 0.01% managing member in the LLC.

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PARTNERS IN HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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BCMM is contingently liable to fund any operating deficits of the project, and as a guarantor on a construction note payable for up to \$34,000,000, which will be converted to a mortgage note payable upon completion of the project owed by Bentley Commons to finance construction of the project, as well as on the tax credit guarantees that support the project financing. Should Bentley Commons default on its debt payments, first recourse on the construction loan would be the housing project, and to the extent any contingent liability exceeds the value of the housing project, BCMM and, indirectly, the Organization, may be obligated to perform under the guarantee primarily by making the required payments, including late fees and penalties. As of June 30, 2025, the outstanding balance on the mortgage note payable was \$22,472,175. The Organization has not accrued any liability related to this amount because management does not expect the Organization to have to make any payments under the guarantee.

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See independent auditor's report.