Boulder Housing Partners

Financial Report
with Supplemental Information
December 31, 2018

Contents

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Independent Auditor's Report

To the Board of Commissioners
Boulder Housing Partners

Report on the Financial Statements

We have audited the accompanying financial statements of the primary government business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Boulder, Colorado, a Colorado Housing Authority d/b/a Boulder Housing Partners (BHP or the "Authority") as of and for the years ended December 31, 2018 and 2017 and the related notes to the financial statements, which collectively comprise Boulder Housing Partners' basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The discretely presented component units were not audited under *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary government business-type activities and the aggregate discretely presented component units of Boulder Housing Partners as of December 31, 2018 and 2017 and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14, during the year ended December 31, 2018, the Authority adopted the new accounting guidance of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which establishes accounting and financial reporting standards for postemployment benefits other than pensions provided to employees of governmental employers through postemployment benefit plans. Our opinion is not modified with respect to this matter.

To the Board of Commissioners
Boulder Housing Partners

Other Matters

Report on Summarized Comparative Information

We have previously audited the financial statements of the discretely presented component units as of and for the year ended December 31, 2017, and we expressed an unmodified audit opinion on those financial statements in our report dated May, 31, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability and net OPEB liability, and the schedule of contributions, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boulder Housing Partners' basic financial statements. The financial data schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial data schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2019 on our consideration of Boulder Housing Partners' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boulder Housing Partners' internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 4, 2019

As management of the Housing Authority of the City of Boulder, Colorado. d/b/a Boulder Housing Partners (BHP or the “Authority”), we offer readers of the BHP financial statements this narrative overview and analysis of the financial activities of BHP for the fiscal year ended December 31, 2018.

Management’s discussion and analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of BHP’s financial activity and position, and to identify financial trends and concerns. We encourage readers to consider the information presented here in conjunction with BHP’s financial statements to obtain a full understanding of its financial position. This management’s discussion and analysis is presented in accordance with the requirements of Governmental Accounting Standards Board Statement No. 34 (GASB No. 34).

Overview of the Financial Statements

The annual financial report consists of four parts:

- Management’s discussion and analysis
- Financial statements
- Supplemental financial data schedules
- Schedule of expenditures of federal awards

BHP follows accounting principles generally accepted in the United States of America (GAAP) reporting; accordingly, the financial statements are presented under the full accrual basis of accounting. These statements are designed to be corporate like in that all business type activities are consolidated into one agency wide total. While detailed sub-fund information is not presented in the audited statements, separate accounts are maintained for each program to control and manage money for particular purposes. The supplemental information section of the financial statements includes the financial data schedules which provide net position by program and revenues, expenses, and changes in net position by program. The program funds maintained by BHP are required by the Department of Housing and Urban Development (HUD).

In accordance with Governmental Accounting Standards Board Statement of Governmental Accounting Standards Statement No. 63, the financial statements include a statement of net position (similar to a balance sheet) which reports all financial and capital resources of BHP. Assets and liabilities are presented in order of liquidity. Assets are classified as “current” (convertible to cash within one year), “noncurrent,” “capital assets” and “financing costs”. Liabilities are classified as “current” (payable within one year) and “noncurrent” (payable with maturity beyond one year). Deferred outflow of resources represents the consumption of net assets that is applicable to a future reporting period. Deferred inflow of resources represents an acquisition of net assets that is applicable to a future reporting period.

The focus of the statement of net position is designed to represent the available assets, net of liabilities, for the entire organization. Net position is reported in three broad categories as applicable:

Net Investment in Capital Assets - This component consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position - This component of net position consists of assets restricted when constraints are placed on use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position - Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

The financial statements also include a statement of activities (similar to an income statement). This statement includes operating revenues (tenant revenue, operating grants, management and developer fee income, and other income), operating expenses (housing assistance payments, administrative costs, utilities, maintenance, depreciation, and other tenant and general expenses), and non-operating revenue and expenses (gain or loss on the sale of assets, interest income and interest expense, and capital grant contributions).

The focus of the statement of revenues, expenses, and changes in net position is the change in net position for the year, which is similar to net income or net loss.

A statement of cash flows is included, which discloses net cash provided by or used in operating activities, investing activities, and from capital and related financing activities. This statement also includes a reconciliation of the change in net position to net cash from operating activities.

Finally, the financial statements also include the notes to financial statements which provide additional information that is essential to a full understanding of the data provided in the Authority-wide statements.
To fully understand the activities and financial statements of Boulder Housing Partners, the following is a brief description of BHP's significant programs and services which are provided to residents within the city of Boulder.

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Moving to Work

BHP was awarded the designation of a Moving to Work (MTW) agency by HUD effective January 1, 2012. MTW agencies, of which there are currently 39 in the country, are accepted into the program on the strength of their long-range plan of how to use deregulation to further three federal goals: increase efficiency/reduce cost; increase housing choices; and leverage customers' ability to achieve self- sufficiency. MTW agencies write an annual plan in which they are invited to request a waiver of rules in the Code of Federal Regulations that impede their ability to pursue their MTW plan.

The following programs are included in this designation:

- **Public Housing** - Under the public housing program, BHP rents units it owns to low-income households. This program operates under an annual contributions contract with HUD. HUD provides an operating subsidy is provided by HUD to enable BHP to provide the housing at a rent that is based upon 30 percent of adjusted gross income of the tenant. BHP had 49 public housing units under contract at the end of calendar year 2018.

- **Capital Fund Program** - Under this program, BHP receives funding from HUD for physical improvements to its units within the public housing program. The program operates under an annual contributions contract with HUD.

- **MTW Housing Choice Voucher Program** - Pursuant to the Moving to Work contract with HUD, BHP receives funding to subsidize the rent of low-income families in the private market and earns an administrative fee to cover the program's operating costs. As of December 31, 2018, BHP received funding for 756 Housing Choice vouchers in the MTW program.

Other Programs:

Housing Choice Voucher Programs - In addition to the 756 MTW Housing Choice vouchers mentioned above, BHP receives funding through an annual contributions contract with HUD to subsidize the rent of additional low-income families in the private market and earns an administrative fee to cover the program's operating costs. As of December 31, 2018, BHP received funding for 181 Housing Choice vouchers, 135 Rental Assistance demonstration ("RAD") vouchers and 78 Mainstream vouchers through this version of the Housing Choice voucher and the Mainstream voucher programs.

Permanent Supportive Housing Program - BHP receives funding from HUD's Continuum of Care Program which provides rental assistance and supportive services for 22 chronically homeless households.

BHP administers the rental assistance dollars and the Boulder Shelter for the Homeless provides the case management for the supportive services. Participants in the program can lease a unit anywhere in Boulder County. This program is known internally as the Housing First Scattered Site. This program began in 2007. BHP also provides 31 units of permanently supportive housing for the residents at Lee Hill, which is a tax credit property. The rental assistance is provided using BHP’s project-based vouchers and supportive services are funded through HUD’s Continuum of Care Program. Supportive services are managed by case managers through Boulder Shelter for the Homeless. This program began in 2014.

BHP has an additional 10 units of permanent supportive housing at the Holiday Neighborhood. Holiday is a tax credit property. The rental assistance is provided using BHP’s project-based vouchers and supportive services are funded through HUD’s Continuum of Care Program. In this case, supportive services are managed by case managers through Mental Health Partners. This program began in 2004.

In January 2018, BHP signed an agreement with the City of Boulder, which provides $200,000 each year for three consecutive years to house 8 – 12 chronically homeless households. This program works just like the Housing First Scattered Site Program in that BHP administers the rental assistance and the Boulder Shelter for the Homeless provides the case management supportive services. This program was brought about based on the success of the Housing First Scattered Site and a desire by the City of Boulder to help find a solution to the homeless situation in Boulder.

Project-based Section 8 - Under multifamily contracts with HUD, BHP receives funding for two project-based housing facilities, Canyon Pointe and Glen Willow, to provide subsidized rent for 116 low-income households.

Owned Permanently Affordable Housing - BHP owns 312 units in 17 properties that are permanently affordable under covenants with the City of Boulder.

Market Rate Housing - BHP has a total of 283 market rate units. At one property, The Flats at 101 Canyon and Cornell house, BHP has 6 units with no restriction on rents. BHP also has six properties at which some units have no restrictions on the rents.

- Bridgewalk, with a total of 123 units, has 111 units with no restriction on rents and 12 units that are included in the Owned Permanently Affordable Housing count above;
- Foothills Community, with a total of 74 units, has 22 units with no restriction on rents and 52 units that are included in the Owned Permanently Affordable Housing count above;
- Tantra Lakes, with a total of 185 units, has 110 units with no restrictions on rents and 75 units that are included in the Owned Permanently Affordable Housing count above;
- Cedar and Casey, with a total of 19 units, currently have 9 units with no restrictions on rents and are targeting 10 units as affordable at unit turns;
- Twenty37 Walnut, with a total of 26 units, currently has 25 units with no restrictions on rents and is targeting 10 units as affordable by the end of 2019 and 100% affordable by the end of 2020.

Market rate units provide valuable cash flow to pay for organization overhead and smooth the effects of uncertain HUD funding for the Public Housing portfolio and Housing Choice administrative fees.

Partnerships in Low-income Tax Credit Housing – **As of December 31, 2018,** BHP or its affiliate is the general partner in nine tax credit partnerships with a total of 616 units; Boulder Communities, LLLP, Broadway East Community, LLLP, Broadway West Community, LLLP, High Mar Community, LLLP, Holiday Community, LLLP, Lee Hill Community, LLLP, Palo Park Community, LLLP, Red Oak Park, LLLP and WestView Community, LLLP. Palo Park Community, LLLP completed construction in April 2018 and it’s 35 units were fully occupied as of May 2018.

In November 2018, BHP became a special limited partner, in the Ciclo, LLLP partnership. The general partner and developer, Boulder Junction DevCo Ciclo, LLC, began construction of 38 units January 2019. Completion is scheduled for early 2020. Once this property is occupied and achieves normal operational benchmarks, BHP as special limited partner will purchase the current general partner's interest and become the general partner for the remaining term of the tax credit partnership. Until that time, BHP has limited authority of the development and initial lease up activities and does not meet GASB 61 requirements to include as a Discretely Presented Component Units.

Major Programs for 2018 Audit

For the current period ended December 31, 2018, two programs have been deemed by our auditors, Plante & Moran, PLLC, to be major programs.

- The Moving to Work program, which includes the MTW Housing Choice Voucher Program, the Low Income Public Housing Operating Subsidy, and the Capital Fund Program;
- The Project Based Contract voucher program, which includes 116 rental units subsidized by vouchers at our Canyon Pointe and Glen Willow properties.

Financial Highlights

During the years ended December 31, 2018 and 2017, respectively:

- In 2018, BHP acquired 26 units at Twenty37 Walnut for $7,644,820. This acquisition was financed with BHP's Line of Credit. The LOC was partially paid in 2018 from MTW reserves of $2,314,275, MTW Capital Funds of $300,000 and from BHP unrestricted reserves of $1,500,000. The remaining balance of the Line of Credit as of December 31, 2018 is $3,327,766.
  At 2018 year end, 25 of the property's 26 units were designated market rate. As current residents move out, units will be transitioned to affordable, with a target of 10 units by the end of 2019. The remaining 16 units are expected to transition to permanently affordable in 2020 under a covenant with the City of Boulder after receiving $2,600,00 grant funds (anticipated December 2019).

- In 2017, BHP acquired 185 units at Tantra Lake for $45,819,172. At closing, additional deposits of $1,900,000 were made into replacement reserve accounts for capital improvements. 75 of the units have been designated as permanently affordable under a covenant with the City of Boulder, while the remaining 110 are rented at market rate.
  Financing for this acquisition included a first mortgage loan in the amount of $29,705,000, grant revenue from the City of Boulder $7,350,000 and BHP equity of from a refinance of Bridgewalk. The refinance of Bridgewalk resulted in a new loan of $23,460,000.

- In 2017, BHP acquired 15 units from Vistoso Community, LLLP at the exit of the limited partner and the dissolution of the tax credit partnership. The 15 units covenanted at 40% AMI were valued at $892,182 and financed with a permanent loan in the amount of $600,000. The transaction included a forgiveness of debt between BHP and Vistoso, LLLP and resulted in a net gain of $64,229 for BHP.

- In 2017, BHP acquired 19 units at two sites in Boulder referred to as Cedar/Casey for $6,203,017. This acquisition was financed with a draw on the BHP Line of Credit. The LOC was partially paid in 2017 from MTW reserves of $1,124,731, from a City of Boulder Grant for $800,000 and from BHP unrestricted reserves of $1,100,000. The remaining balance of the Line of Credit of $3,178,287 at December 31, 2017 has been fully paid in 2018 from a loan on the property for $2,420,239, additional MTW funds of $535,912 and Boulder County Worthy Cause grant funds of $700,000. These sources resulted in excess funds of $477,864 which were deposited into a replacement reserve for capital improvements. Seven of the nineteen units have been designated as permanently affordable under a covenant from the City of Boulder. During 2018, Boulder Housing partners received $550,000, and the City has committed to additional grant funds of $550,000 in 2019 to repay the BHP reserves. As these funds are received, the covenant will be modified to increase the number of affordable units to 100% by the end of 2019.

- In 2017, BHP received a 59.8% interest with a value of $3,141,453 from the City of Boulder in a site that consists of land and a church which will be leased to the congregation for a period of up to 10 years. The site is jointly owned by BHP and a local retirement community. BHP recorded the value of its share of the site as an asset and local grant income.

- A loan of $12,025,000 of restricted cash was funded to Boulder Communities, LLLP in 2017. The source of this cash was a payment received from the sale of public housing assets to Boulder Communities, LLLP.
- Total assets increased by $ 3,634,900 (2%) in 2018 primarily as the result of the addition of one property; Twenty37 Walnut.
- Total assets increased by $56,088,530 (46.2%) in 2017 primarily as a result of the addition of four properties; Tantra Lake, Vistoso, Cedar/Casey and the church site.
- Total Liabilities increased by $869,111 (1.2%) in 2018 primarily the result of the new $2,449,358 mortgage for Cedar Casey property. This was offset by $1,311,961 normal reductions in mortgage payables. In addition, net pension liability decreased by $201,946.
- Total Liabilities increased by $45,530,331 (100.8%) in 2017 primarily as a result of the cash out refinance at Bridgewalk and new loans related to the acquisition of Tantra Lake and Vistoso. The Bridgewalk loan increased by $10,611,533, the new Tantra Lake loan amounted to $29,705,000 and the new Vistoso loan amounted to $600,000. BHP used an available balance on our Line of Credit of $3,178,286 which was used to acquire Cedar/Casey, during 2018 this has been paid in full. In addition, net pension liability increased by $1,835,776.
- As of December 31, 2018 and 2017, the current ratio (current assets over current liabilities) is 3.38 and 1.30, respectively. The 2017 ratio is lower than normal due to (1) the $3,178,286 of short term debt used to temporarily finance the acquisition of Cedar/Casey (which was paid in full in 2018), and (2) the entire mortgage balance of $3,539,328 for Canyon Pointe which matures in December 2018 is classified as short term at December 31, 2017. In December 2018, this loan was paid in full using available LOC funds . The 2017 ratio adjusted for these one-time current liabilities was 3.5. The 2017 ratio also includes $454,701 of current permanent debt related to the new loan for Tantra Lake.
- The portfolio-wide debt coverage ratio as of December 31, 2018, and 2017 is 1.61 and 1.32 respectively. Our loans require a minimum debt service coverage ratio of 1.15.

  - The workforce properties as a group are 1.54 and 1.34 as of December 31, 2018, and 2017 respectively. This increase is primarily the result of lower operating costs for Tantra due to renovation project costs being capitalized normally would be included as an operating cost.

  - The project-based properties as a group are 2.47 and 1.48 as of December 31, 2018, and 2017 respectively. This significant increase is primarily the result of increased project based contract subsidy income at Canyon Pointe and Glen Willow.
- Operating revenue in 2018 increased by $2,690,638, primarily as a result of an increase of $1,011,277 in one-time developer fee income compared to 2017. In addition, tenant revenues increased by $1,671,470 due to (1) the full year of operations of 219 units at Tantra Lake, Vistoso and Cedar/Casey, (2) partial year operations of 26 units at Twenty37 Walnut and (3) increased Project Based contract subsidy at Canyon Pointe and Glen Willow.
- Operating revenue in 2017 decreased by $3,436,771, primarily as a result of a decrease in one-time developer fee income of $6,678,109compared to 2016. This was offset by an increase in tenant revenues from the additional 219 units at Tantra Lake, Vistoso and Cedar/Casey.
- Operating Expenses in 2018 increased by $1,846,944 primarily related to (1) the full year of operations of 219 units at Tantra Lake, Vistoso and Cedar/Casey, (2) partial year operations for 26 units at Twenty37 Walnut and (3) Pension expense increased $679,400 compared to 2017.
- Operating Expenses in 2017 increased by $3,074,172 primarily as a result of the additional 219 units at Tantra Lake, Vistoso and Cedar/Casey.
- Capital grant income in 2018 consisted of (1) $1,425,000 of local funds related to prior year acquisition of an existing apartment building (2) $1,267,800 of Move to Work federal funds received for the

acquisition of an existing apartment building, and (3) $10,000 of local funds toward the installation of a solar array on our main office building at 4800 Broadway.

- Capital grant income in 2017 consisted of (1) $7,350,000 from the City of Boulder for the acquisition of Tantra Lake, (2) $3,141,453 from the City of Boulder for the acquisition of a future development site, (3) $1,209,659 from the City of Boulder and $400,000 of Worthy Cause funds from Boulder County which were subsequently loaned to the Palo Park Community, LLLP, and (4) $800,000 from the City of Boulder for the acquisition of Cedar/Casey.
- In 2018, BHP extended its existing line of credit through May 2020. In addition, we revised the properties collateralized to increase the available line to $9,592,000. Draws on the line must be repaid the later of one year from the date of advance or upon maturity date. Interest is due on any outstanding balance at a rate of 3.45 percent. If the line is not used, there is a quarterly fee equal to .125 percent per annum.

Condensed Comparative Financial Information

The following table reflects a summary of the statement of net position at December 31, 2018 compared to the prior two years:

Summary Statement of Net Position

Assets:	**2018**	**2017**	**2016**
Current assets	$ 10,866,721	$ 13,012,341	$ 25,464,185
Noncurrent assets	$ 65,690,601	$ 64,413,094	$ 49,972,176
Capital Assets (net of depreciation)	$ 102,097,505	$ 96,708,081	$ 43,217,668
Total Assets	$ 178,654,827	$ 174,133,516	$ 118,654,029
Deferred Outflows	$ 2,411,259	$ 3,297,670	$ 2,688,624
Total Assets and Deferred Outflows	$ 181,066,086	$ 177,431,186	$ 121,342,653
Liabilities			
Current liabilities	$ 3,210,544	$ 9,947,920	$ 2,201,383
Long-term liabilities	$ 88,368,801	$ 80,762,314	$ 42,978,517
Total liabilities	$ 91,579,345	$ 90,710,234	$ 45,179,900
Deferred Inflows	$ 2,449,928	$ 445,081	$ 939,738
Total Liabilities and Deferred Inflows	$ 94,029,273	$ 91,155,315	$ 46,119,638
Net Position			
Unrestricted	$ 64,692,275	$ 67,442,522	$ 55,022,183
Net Investment in Capital Assets	$ 21,832,500	$ 18,410,957	$ 6,827,209
Restricted	$ 512,038	$ 422,392	$ 13,373,623
Total net position	$ 87,036,813	$ 86,275,871	$ 75,223,015
Total liabilities and net position	$ 181,066,086	$ 177,431,186	$ 121,342,653

For more detailed information, see the statement of net position.

Major Factors Affecting the Statement of Net Position

The decrease in current assets at December 31, 2018 is primarily the result of the use of $2,546,475 of unrestricted cash to acquire the Twenty37 Walnut property. This was offset by an increase of $205,519 in Replacement Reserves cash, and by an increase of $325,795 in the current portion of Notes Receivable from related parties.

The decrease in current assets at December 31, 2017 is primarily the result of a long-term loan of $12,025,000 from restricted cash that was made to Boulder Communities, LLLP. The source of this cash was a payment on a note receivable from Boulder Communities, LLLP that was due on September 30, 2016 from the sale of public housing assets. An additional $1,000,000 of cash was in a restricted escrow account at December 31, 2016 pending the closing on Tantra Lake. Those funds were used as part of the acquisition cost.

The increase in noncurrent assets at December 31, 2018 is primarily the result of the increase in accrued interest on outstanding cash flow notes from related parties of $1,254,379. This was offset by the use of $778,296 in restricted cash for the planned renovations at the Tantra property.

The increase in noncurrent assets at December 31, 2017 relates to (1) the additional $12,025,000 loan of restricted funds to Boulder Communities, LLLP, (2) a loan of City of Boulder and Boulder County grant funds to Palo Park Community, LLLP in the amount of $1,937,580 and (3) $1,290,763 of newly restricted funds for capital improvements at Tantra Lake.

The increase in capital assets at December 31, 2018 is primarily the result of the $7,644,820 addition of Twenty37 Walnut property.

The increase in capital assets at December 31, 2017 is primarily the result of addition of Tantra Lake, Vistoso, Cedar/Casey and a future development site.

Deferred outflows decreased by $886,411 (27%) at December 31, 2018 and increased by $609,046 (23%) at December 31, 2017, primarily the result of changes in unfunded pension and Other Post Employment Benefits (OPEB) determined by Colorado’s state defined benefit pension plan (PERA).

Current liabilities decreased $6,722,939 at December 31, 2018. This was primarily the result of (1) The payoff of the $3,178,286 outstanding LOC used to acquire Cedar Casey in 2017 and (2) the payoff of the $3,392,929 Canyon Pointe balloon mortgage payment. We utilized our Line of Credit (LOC) for this balloon payment since this property will be sold to a tax credit mid 2019.

The increase in current liabilities at December 31, 2017 is primarily the result of (1) $3,178,286 outstanding on a short-term line of credit that was used for the acquisition of Cedar/Casey, (2) the classification of the Canyon Pointe loan balance of $3,539,328 as short term (due to a maturity date in December 2018). and (3) $454,700 from the current portion of a long-term loan on Tantra Lake.

The $7,592,050 increase in long term liabilities at December 31, 2018 relates to (1) the acquisition of Twenty37 Walnut with outstanding LOC of $3,327,766 , (2) use of $3,392,929 LOC to payoff short term maturity on Canyon Pointe mortgage. The LOC maturity terms were revised end of 2018, changing the classification of outstanding balances from current to long term liability, (3) permanent tax- exempt financing of Cedar Casey of $2,375,858 and (4) all offset by normal amortization of existing mortgage payables.

The increase in long term liabilities at December 31, 2017 is primarily the result of an increase in debt from a cash out refinance of Bridgewalk which was used as equity to acquire Tantra Lake, a new loan for Tantra Lake, a new loan for Vistoso and the increase in net pension liability recorded in accordance with GASB 68. This was offset by a normal amortization of mortgages payable.

Deferred inflows of $2,449,929 at December 31, 2018 are primarily the result of a significant increase in the PERA Pension requirements and new PERA Other Post Employment Benefits (OPEB) reporting. Deferred inflows of $445,081 at December 31, 2017 are primarily the result of $231,579 of increased PERA Pension requirements and $213,502 of City of Boulder funds held for the construction of certain infrastructure at Palo Park on behalf of Habitat for Humanity. Habitat will be developing 9 units at the site and is sharing in the cost for the infrastructure development.

Operating Activities

BHP receives its operating revenues to support its operating expenditures from rental charges, federal government subsidies, and grants. BHP receives funding from HUD and the City of Boulder (the "City") for certain capital improvement expenditures. The following table summarizes and compares the changes related to BHP's operating and capital transactions between fiscal years 2018, 2017, and 2016:

Summary Statement of Activities

	2018	2017	Variance	2016	Variance
Revenues					
Revenue - Tenant	$ 10,236,408	$ 8,904,382	$ 1,332,026	$ 6,031,680	$ 2,872,702
Grant Income	$ 12,050,853	$ 11,942,509	$ 108,344	$ 11,609,882	$ 332,627
Management and Developer Fees	$ 2,044,785	$ 984,783	$ 1,060,002	$ 7,662,893	$ (6,678,110)
Other Income	$ 1,055,185	$ 864,920	$ 190,265	$ 828,913	$ 36,007
Total	$ 25,387,231	$ 22,696,594	$ 2,690,637	$ 26,133,367	$ (3,436,774)
Expenses					
Salaries and benefits	$ 8,287,113	$ 7,348,110	$ 939,003	$ 6,090,485	$ 1,257,625
Utilities	$ 644,108	$ 563,670	$ 80,437	$ 448,138	$ 115,532
Maintenance	$ 1,557,506	$ 1,544,494	$ 13,012	$ 1,052,231	$ 492,264
General	$ 2,302,568	$ 1,677,861	$ 624,707	$ 1,297,374	$ 380,488
Housing assistance payments	$ 9,220,513	$ 9,635,999	$ (415,486)	$ 9,549,492	$ 86,507
Depreciation and Amortization	$ 4,264,875	$ 3,659,605	$ 605,270	$ 2,917,844	$ 741,760
Total	$ 26,276,683	$ 24,429,739	$ 1,846,944	$ 21,355,564	$ 3,074,175
Operating Income	$ (889,452)	$ (1,733,145)	$ 843,693	$ 4,777,803	$ (6,510,948)
Other Income (Expense)					
Nonoperating Income (Expense)	$ (1,181,224)	$ (1,225,214)	$ 43,989	$ 598,748	$ (1,823,961)
Capital Grants	$ 3,468,621	$ 14,011,216	$ (10,542,595)	$ 1,841,956	$ 12,169,260
Change in Net Position	$ 1,397,945	$ 11,052,857	$ (9,654,912)	$ 7,218,507	$ 3,834,350

For more detailed information, see the statement of activities.

Major Factors Affecting the Statement of Activities

Tenant revenue increased in 2018 by $1,332,026, primarily the result of (1) a full year of operations for 219 units acquired in 2017, (2) the acquisition of 26 units mid 2018 and (3) an increase in subsidy at 2 properties mid 2018.

Tenant revenue increased in 2017 by $2,872,702 primarily as a result of income from the 219 new units brought on line during the year and increased rent and reduced concessions at our market rate units.

Operating grant income remained relatively neutral in 2018 reflecting less than a 1% increase of $108,344.

Operating grant income increased in 2017 by $332,628, primarily the result of an increase in HUD voucher funding. This was partially offset by a reduction in public housing operating subsidy.

Management and developer fees increased $1,060,002 in 2018, primarily the result of recognition for the remaining developer fee of $1,331,290 at construction completion of Palo Park Communities, LLLP. In 2018 management and developer fees consisted of (1) property management and resident service fees charged to the tax credit partnerships and (2) developer fees from Palo Park Communities, LLLP and a nominal $50,000 from Ciclo, LLLP.

Management and developer fees decreased by $6,678,109 in 2017, primarily the result of the one-time recognition of the remaining developer fee of $7,021,014 for Boulder Communities, LLLP in 2016. The

2017 management and developer fees consisted of (1) property management and resident services fees charged to the tax credit partnerships and (2) a developer fee of $320,013 from Palo Park Community, LLLP received at the financial closing.

Administrative salaries and benefits increased by $939,003 (13%) in 2018, primarily the result of (1) a $679,400 increase to pension and OPEB benefits resulting from GASB 68 and the new 2018 implementation of GASB 75, and (2) budgeted increases in salaries and benefits

Administrative salaries and benefits increased by $1,257,625 (21%) in 2017, primarily the result of (1) a $694,394 adjustment to pension benefits resulting from GASB 68, and (2) budgeted increases in salaries and benefits

Utilities, maintenance and general costs increased by $80,437, $13,014 and $633,673 respectively, in 2018 reflecting a full year of 219 units acquired in 2017. The significant renovation at Tantra capitalized costs that would typically be included in maintenance expense.

Utilities, maintenance and general costs increased by $115,532, $492,260 and $380,489 respectively, in 2017, reflecting the partial year for the additional 219 units acquired in 2017.

Housing assistance payments decreased by $415,486 in 2018, primarily the result of a reduction of qualified voucher holders at the biennial certification process and increased nominally by $86,507 in 2017. There is a long lead time involved in taking a voucher recipient from award to lease.

Depreciation expense increased by $605,270 in 2018 reflecting a full year of expense for 216 units acquired in 2017 and the acquisition mid 2018 of 26 units.

Depreciation expense increased by $741,760 in 2017 reflecting the partial year for the additional 219 units acquired in 2017.

Non-Operating income remained neutral in 2018 . Income increased as a result of lower financing charges and increased interest income due to higher interest rates, but was offset by full year interest expense on mortgages that supported mid-year 2017 acquisitions.

Non-Operating income decreased by $1,823,966 in 2017 to a net expense of $1,225,218. This reflects increased interest expense of $1,085,461 and financing charges of $458,892 from the refinanced loan at Bridgewalk and the new loans for Tantra and Vistoso, and a smaller gain on sale of assets from 2016 by $484,930.

Capital grant income in 2018 consisted of (1) $1,250,000 of City of Boulder funds for Cedar Casey, (2) $1,267,800 of MTW and $865,000 Capital Funds received for the acquisition of Twenty37 Walnut and (3) $75,000 of City of Boulder funds for predevelopment costs for 30Pearl.

Capital grant income in 2017 consisted of (1) $7,350,000 from the City of Boulder for the acquisition of Tantra Lake, (2) $3,141,453 from the City of Boulder for the acquisition of a future development site, (3) $1,209,659 from the City of Boulder and $400,000 of Worthy Cause funds from Boulder County which were subsequently loaned to the Palo Park Community, LLLP, (4) $800,000 from the City of Boulder and (5) $984,866 of Federal MTW funds used for the acquisition of Cedar/Casey.

Capital Asset and Debt Administration

BHP's capital assets presented below include land, buildings and improvements, and equipment, net of depreciation, loan fees, net of amortization, and construction in progress at December 31, 2018, 2017, and 2016.

Capital Assets

	December 31, 2018	December 31, 2017	Change In Capital Assets	December 31, 2016	Change In Capital Assets
Land	$ 39,703,087	$ 38,556,847	$ 1,146,239	$ 17,184,115	$ 21,372,732
Buildings	$ 98,037,790	$ 90,673,355	$ 7,364,435	$ 54,809,341	$ 35,864,014
Equipment	$ 944,016	$ 830,693	$ 113,324	$ 554,270	$ 276,423
Accum Depreciation	$ (38,107,179)	$ (33,860,821)	$ (4,246,359)	$ (30,255,381)	$ (3,605,439)
Subtotal	$100,577,714	$ 96,200,074	$ 4,377,640	$ 42,292,344	$ 53,907,730
Construction in Progres	$ 1,519,791	$ 508,007	$ 1,011,784	$ 925,324	$ (417,318)
Total Capital Assets	$102,097,505	$ 96,708,081	$ 5,389,423	$ 43,217,669	$ 53,490,412

During 2018, net capital assets increased by $5,389,424. The net increase consisted of (1) an increase in land and building of $1,146,239 and $6,498,580 respectively, related to the acquisition of Twenty37 Walnut, a 26 unit apartment building, (2) $778,296 for renovation work at Tantra, (3) $103,015 of building improvements at BHP's office including vehicles, and (4) $1,011,785 of predevelopment costs primarily related to construction in progress for Canyon Pointe, Glen Willow, Canopy at Red Oak and 30 Pearl. This was offset by $4,264,875 of depreciation expense.

During 2017, net capital assets increased by $53,490,413. The net increase was the result of (1) an increase in land and building of $21,372,734 and $35,864,014 respectively, related to the acquisition of 185 units at Tantra Lake, 15 units at Vistoso, 19 units at Cedar/Casey and a future development site that consists of land and a church currently under lease to the congregation. This was offset by $3,659,605 of depreciation expense.

BHP debt, consisting of loans, bonds, and notes, totaled $80,566,191, $79,391,455 and $36,390,458, (including the current portion) at December 31, 2018, 2017, and 2016, respectively. In 2018 BHP acquired $2,449,368 of new debt from a note payable secured by Cedar Casey.

In 2017, BHP acquired $29,705,000 of new debt from a note payable secured by Tantra Lake, $600,000 from a note payable secured by Vistoso, and an increase in debt of $10,611,533 from $23,460,000 note payable secured by Bridgewalk.

Economic Factors

Significant economic factors affecting BHP are as follows:

Moving to Work

BHP was awarded the designation of a Moving to Work (MTW) agency by HUD effective January 1, 2012. MTW agencies, of which there are 39 in the country, are accepted into the program on the strength of their long-range plan of how to use deregulation to further three federal goals: increase efficiency/reduce cost; increase housing choices; and leverage customers' ability to achieve self- sufficiency. MTW agencies write an annual plan in which they are invited to request a waiver of rules in the Code of Federal Regulations that impede their ability to pursue their MTW plan. MTW designation is a much-sought-after tool in a PHA tool box. In the context of this discussion, the flexibility provided by HUD to change the way we manage our funds and administer our programs will help ease the strain of the current, and anticipated, reductions in federal support for affordable housing programs.

MTW agencies operate under a contract with HUD. BHP's contract was extended in May 2016 through 2028.

MTW designation is one of a long list of strategic initiatives BHP has pursued to minimize the impact of declining appropriations from HUD. BHP's diverse portfolio, with an increasing portfolio of market-rate units, allows us a source of internal subsidy that becomes increasingly important. We have intentionally been minimizing the percentage of underfunded HUD units compared to less restrictive units. We are increasing, on the other hand, our investment in the Housing Choice Voucher program. That program carries an economic risk that we find tolerable to manage.

Federal Funding

The domestic agenda of the current administration continues to bring its challenges. For 2018, the inflation factor for BHP was 14.5%, which is the highest it has ever been and resulted in an 18% increase in overall Budget Authority for the Housing Choice Voucher Program from 2017 amounts. While this is a significant increase, due to the timing of Congressional Budget Approval, BHP received this information in May 2018. At this mid-year timing, it was difficult to fully disburse this increase of the Budget Authority by calendar year end on Housing Assistance Payments. With MTW flexibility, BHP was able to direct $1,267,800 of the increased Federal funds to acquire affordable housing units. Looking ahead to 2019, the inflation factor is 2.172%. Due to HUD calculations and part of our funding being determined by actual spending, this results in a decrease in Budget Authority of 0.41% for 2019 (or less than $43,000). During 2018 BHP received an award of 28 additional Mainstream Vouchers with funding beginning in November 2018. The Mainstream voucher funding is a separate funding stream from the Housing Choice Voucher Program

Economy

The economy for rental housing in Boulder continues to operate at very low vacancy rates, although we continue to see softening in 2019 for market rate housing. This market provides several advantages to BHP. Low vacancy minimizes turn time. Market rents continue to move further away from our affordable rents, making our affordable rents more and more attractive. And the higher market rents support our market portfolio, particularly our units at Tantra, Bridgewalk, 101 Canyon and Twenty37 where we try to secure mid-to-top of the market rents. At the same time, the exceptionally low vacancy rates can create difficulty for our HCV customers in finding a place to live.

Current Projects

- BHP is the special limited partner in Ciclo, LLLP. The general partner and developer is building 28 affordable units. The construction is expected to be complete by February 2020.
- Predevelopment planning is ongoing for an expansion of our Red Oak Park project. This will include tax credit and private activity bond financing for approximately 41 new units on land we currently own. That tax credit partnership is scheduled to close June 2019.
- Predevelopment planning is ongoing for a project that will include the sale of two existing BHP properties comprising approximately 116 units into a tax credit partnership and bring significant funds for a major renovation of each building similar to what we were able to accomplish with Project Renovate in 2015. That tax credit partnership is schedule to close June 2019.
- Predevelopment planning is also ongoing whereby BHP is the master developer for the City of Boulder for a market/ affordable housing and retail construction project. 120 units of affordable housing is planned and the City will sell additional land parcels designated for market rate and commercial space to private developers. A tax credit partnership will be formed for the affordable units, with BHP as the general partner. This tax credit partnership is scheduled to close November 2019.
- In June of 2019 BHP will close on 31 units with the existing 92 unit existing Trout Farms market rate housing. This project will be financed with equity created by the sale of BHP owned Canyon Pointe /

Glen Willow properties, City grant funds and tax exempt debt financing. 100% of the units will transition to permanently affordable.

- A single family market rate home owned by BHP is currently offered for sale. The sale of Cornell house will provide reserves to enable funding for future affordable housing. The anticipated proceeds is approximately $1,000,000.
- The Broadway East property will exit tax credit ownership in 2019 and become fully owned by BHP continuing as permanently affordable housing. All 44 units are supported by Housing Choice vouchers. BHP continues to look for opportunities to acquire existing units rather than focusing solely on new construction. This allows us to add units quickly yet requires a large amount of equity funding and speed of execution which prohibits us from using tax credit financing. These opportunities will require significant support from the City of Boulder.
- BHP is leading a national effort to increase the ability for housing programs and housing policy to positively affect the achievement and opportunity gaps for low income households. This initiative, *Bringing School Home*, is based on two decades of experience BHP and its partner, the “I Have a Dream Foundation”, have in hosting an extended year and extended day classroom of BHP children at our public housing properties. The startling results from this program in which 92% of BHP’s public housing children living in public housing are graduating from high school and 86% of them are continuing to post-secondary education, is attracting national attention and giving rise to much inquiry about how housing organizations nationwide can best come to the table and be a partner in creating better outcomes for children. BHP is currently engaged in finding expanded funding in order to offer Bringing School Home to all of its 500+ children.

Contacting BHP’s Financial Management

The financial report is designed to provide a general overview of BHP’s finances and to demonstrate BHP’s accountability for the appropriations and grants that it receives. If you have any questions about this report or need additional financial information, contact Boulder Housing Partners, Finance Department, 4800 N. Broadway, Boulder, CO 80304.

Statement of Net Position

December 31, 2018 and 2017

	2018		2017	
	Primary Government (BHP)	Total Discrete Component Units	Primary Government (BHP)	Total Discrete Component Units
Assets				
Current assets:				
Cash and cash equivalents - Unrestricted (Notes 3 and 15)	$ 7,826,688	$ 1,620,505	$ 9,695,348	$ 1,123,545
Receivables:				
Grant receivable	177,997	-	190,054	-
Interest receivable - Related party (Note 4)	118,294	-	119,372	-
Tenant and fraud recovery receivables	79,540	34,426	85,265	33,432
Related party (Note 4)	339,179	30,790	201,991	49,761
Notes receivable - Related party (Note 4)	806,332	-	614,972	-
Cash and cash equivalents - Restricted (Notes 3 and 15)	692,989	3,671,676	1,394,566	3,307,542
Tenant security deposits - Restricted (Notes 3 and 15)	487,951	313,872	460,604	300,070
Inventory	1,595	-	3,741	-
Prepaid expenses	336,156	297,351	246,428	212,901
Total current assets	10,866,721	5,968,620	13,012,341	5,027,251
Noncurrent assets:				
Cash and cash equivalents - Restricted (Notes 3 and 15)	184,619	-	170,884	-
Investment in partnerships (Note 6)	408,150	-	398,754	-
Interest receivable - Related party notes (Note 4)	5,036,044	-	3,573,740	-
Notes receivable - Related party (Note 4)	60,061,788	-	60,269,716	-
Capital assets:				
Nondepreciable (Notes 5 and 15)	41,222,878	14,793,054	39,064,854	21,613,611
Net of depreciation (Notes 5 and 15)	60,874,627	117,444,440	57,643,227	111,142,478
Other assets	-	-	-	75,000
Total noncurrent assets	167,788,106	132,237,494	161,121,175	132,831,089
Total assets	178,654,827	138,206,114	174,133,516	137,858,340
Deferred Outflows of Resources				
Excess consideration provided in acquisition	264,355	-	275,072	-
Pensions (Note 8)	2,053,294	-	3,022,598	-
OPEB (Note 9)	93,610	-	-	-
Total deferred outflows of resources	2,411,259	-	3,297,670	-

See notes to financial statements.

Statement of Net Position (Continued)

December 31, 2018 and 2017

	2018		2017	
	Primary Government (BHP)	Total Discrete Component Units	Primary Government (BHP)	Total Discrete Component Units
Liabilities				
Current liabilities:				
Accounts payable	$ 723,182	$ 192,895	$ 762,922	$ 497,458
Related party payable	-	101,784	-	100,880
Security deposit liability	492,068	316,613	461,295	300,562
Accrued liabilities and other:				
Miscellaneous agency accounts	76,845	-	61,145	-
Accrued pilot	22,435	-	22,683	-
Accrued interest	20,028	10,476	39,446	56,121
Other current liabilities	103,827	104,816	163,312	77,141
Notes payable - Current portion (Notes 7 and 15)	1,296,976	1,591,303	7,930,674	1,182,461
Unearned revenue	27,662	14,278	25,012	17,643
Accrued wages/payroll taxes payable	203,229	13,398	252,633	11,459
Accrued compensated absences	244,292	11,428	228,798	12,398
Total current liabilities	3,210,544	2,356,991	9,947,920	2,256,123
Noncurrent liabilities:				
Notes payable - Net of current portion (Notes 7 and 15)	79,269,215	90,732,960	71,460,782	91,846,540
Net OPEB liability (Note 9)	742,344	-	-	-
Accrued interest	-	5,159,903	-	3,699,312
Net pension liability (Note 8)	8,357,242	-	9,301,532	-
Total noncurrent liabilities	88,368,801	95,892,863	80,762,314	95,545,852
Total liabilities	91,579,345	98,249,854	90,710,234	97,801,975
Deferred Inflows of Resources				
Grant revenue	223,946	-	213,502	-
Pensions (Note 8)	2,212,746	-	231,579	-
OPEB (Note 9)	13,236	-	-	-
Total deferred inflows of resources	2,449,928	-	445,081	-
Net Position				
Net investment in capital assets	21,832,500	39,913,231	18,410,957	39,727,088
Restricted:				
Restricted for HAP equity	54,561	3,671,676	25,412	3,307,542
Restricted for required reserves and escrow deposits	457,477	-	396,980	-
Unrestricted	64,692,275	(3,628,647)	67,442,522	(2,978,265)
Total net position	**$ 87,036,813**	**$ 39,956,260**	**$ 86,275,871**	**$ 40,056,365**

See notes to financial statements.

Statement of Activities

Years Ended December 31, 2018 and 2017

	2018		2017	
	Primary Government (BHP)	Total Discrete Component Units	Primary Government (BHP)	Total Discrete Component Units
Operating Revenue				
Revenue - Tenant	$ 10,236,408	$ 7,020,043	$ 8,904,382	$ 6,597,072
HUD PHA operating grants	11,677,999	-	11,645,640	-
Other federal grants	204,524	-	284,636	-
State and local grants	168,330	-	12,232	-
Management and fee income	713,495	-	664,770	-
Developer fee income	1,331,290	-	320,013	-
Other income	1,055,185	41,105	864,920	22,209
Total operating revenue	25,387,231	7,061,148	22,696,593	6,619,281
Operating Expenses				
Housing assistance payments	9,220,513	-	9,635,999	-
Administrative salaries and benefits	8,287,113	645,529	7,348,110	634,825
Administrative operating	1,211,988	742,798	810,796	699,895
Tenant services	391,123	280,453	301,022	272,541
Utilities	644,108	764,779	563,670	683,654
Protective services	52,023	-	38,139	-
Maintenance	1,557,506	1,362,655	1,544,494	1,376,670
Insurance premiums	474,722	290,474	389,928	246,086
Other general expense	172,712	-	137,976	-
Depreciation and amortization	4,264,875	5,499,989	3,659,605	5,229,613
Total operating expenses	26,276,683	9,586,677	24,429,739	9,143,284
Operating Loss	(889,452)	(2,525,529)	(1,733,146)	(2,524,003)
Nonoperating Income (Expense)				
Gain on sale of assets	11,278	-	54,353	-
Interest income	1,629,573	7,289	1,517,031	1,756
Interest expense (Note 7)	(2,776,081)	(2,840,900)	(2,330,624)	(3,150,994)
Other	(45,994)	(75,000)	(465,974)	-
Total nonoperating expense	(1,181,224)	(2,908,611)	(1,225,214)	(3,149,238)
Loss - Before contributions	(2,070,676)	(5,434,140)	(2,958,360)	(5,673,241)
Capital Contributions and Distributions				
Partner contributions	-	5,340,591	-	24,972,023
State and local capital grants and donations	1,335,213	-	12,966,519	-
Partner distributions	-	(6,556)	-	(6,421)
Total capital contributions and distributions	1,335,213	5,334,035	12,966,519	24,965,602
Capital Grants - Federal	2,133,408	-	1,044,697	-
Change in Net Position	1,397,945	(100,105)	11,052,856	19,292,361
Net Position - Beginning of year, as restated for the year ended December 31, 2018 (Note 14)	85,638,868	40,056,365	75,223,015	20,764,004
Net Position - End of year	**$ 87,036,813**	**$ 39,956,260**	**$ 86,275,871**	**$ 40,056,365**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2018 and 2017

	Primary Government (BHP)	
	2018	2017
Cash Flows from Operating Activities		
Cash received from HUD operating subsidies and grants	$ 11,355,301	$ 11,952,712
Cash received from tenants	10,949,742	8,865,837
Other receipts	3,849,198	5,470,218
Cash payments for housing assistance	(9,219,713)	(9,635,999)
Cash payments for administrative expenses	(8,371,185)	(6,769,769)
Cash payments for other operating expenses	(3,444,395)	(2,584,162)
Net cash provided by operating activities	5,118,948	7,298,837
Cash Flows Provided by Investing Activities - Interest income	168,347	221,023
Cash Flows from Capital and Related Financing Activities		
Capital grants received	3,468,621	14,011,216
Proceeds from capital debt	5,872,273	55,701,871
Purchase of property and equipment	(9,654,299)	(57,150,018)
Repayment of notes payable	(4,743,532)	(13,166,848)
Payments from notes receivable	324,177	109,348
Issuance of notes receivable	(307,609)	(14,005,800)
Proceeds from sale of capital assets	-	54,353
Interest expense	(2,776,081)	(2,330,624)
Net cash used in capital and related financing activities	(7,816,450)	(16,776,502)
Net Decrease in Cash and Cash Equivalents	(2,529,155)	(9,256,642)
Cash and Cash Equivalents - Beginning of year	11,721,402	20,978,044
Cash and Cash Equivalents - End of year	**$ 9,192,247**	**$ 11,721,402**
Cash and Cash Equivalents Reconciliation		
Cash and investments	$ 7,826,688	$ 9,695,348
Restricted cash - Security deposits, current and noncurrent	1,365,559	2,026,054
Total cash and cash equivalents	**$ 9,192,247**	**$ 11,721,402**

See notes to financial statements.

Years Ended December 31, 2018 and 2017

	Primary Government (BHP)	
	2018	2017
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (889,452)	$ (1,733,146)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	4,264,875	3,659,605
Bad debts	97,780	56,552
Deferred outflow/inflow	2,254,255	(609,046)
(Loss) gain on investment in partnerships	(9,396)	359
Forgiveness of note receivable and accrued interest	-	431,192
Gain on sale of assets	11,278	-
Changes in assets and liabilities that (used) provided cash and cash equivalents:		
Receivables	(217,186)	3,535,622
Inventory	2,146	1,294
Prepaid expenses and other assets	(89,728)	(78,275)
Accounts payable and other accrued expenses	(336,397)	1,911,394
Security and other trust deposits	30,773	123,286
Total adjustments	6,008,400	9,031,983
Net cash and cash equivalents provided by operating activities	**$ 5,118,948**	**$ 7,298,837**
Significant Noncash Transactions - Forgiveness of note receivable and accrued interest	$ -	$ 431,192

Combining Balance Sheet for Discretely Presented Component Units

Year Ended December 31, 2018
(with comparative totals for 2017)

	Broadway East	Broadway West	Holiday Community	High Mar Community	Lee Hill Community	Red Oak Park	WestView Community	Palo Parkway	Boulder Communities	2018	2017
Assets											
Cash and investments	$ 37,519	$ 92,895	$ 169,122	$ 59,084	$ 261,405	$ 205,462	$ 75,450	$ 84,965	$ 634,603	$ 1,620,505	$ 1,123,545
Receivables	1,645	161	718	23,228	585	4,348	2,749	191	31,591	65,216	83,193
Tenant security deposits - Restricted	35,531	23,382	41,860	22,879	-	52,908	24,151	17,530	95,631	313,872	300,070
Prepaid expenses	32,260	12,518	14,731	51,389	18,410	23,280	14,074	42,407	88,282	297,351	212,901
Cash and cash equivalents - Restricted	289,658	182,467	295,572	316,885	224,456	379,649	232,588	158,766	1,591,635	3,671,676	3,307,542
Capital assets:											
Nondepreciable	-	105,838	817,533	-	894,813	-	470,000	173,721	12,331,149	14,793,054	21,613,611
Net of depreciation	4,492,728	4,650,922	3,146,016	9,915,502	5,245,708	8,635,062	4,354,230	11,500,484	65,503,788	117,444,440	111,142,478
Other assets	-	-	-	-	-	-	-	-	-	-	75,000
Total assets	4,889,341	5,068,183	4,485,552	10,388,967	6,645,377	9,300,709	5,173,242	11,978,064	80,276,679	138,206,114	137,858,340
Liabilities											
Accounts payable	7,433	7,342	10,924	16,346	14,644	19,634	16,102	11,273	89,197	192,895	497,458
Security deposit liability	36,030	24,255	42,755	22,378	-	52,905	25,147	17,528	95,615	316,613	300,562
Related party payable	7,487	3,401	6,520	9,393	10,441	9,661	5,048	5,834	43,999	101,784	100,880
Notes payable - Net of current portion	4,481,728	3,277,398	2,080,596	7,205,809	3,716,818	3,303,367	4,160,238	5,596,509	56,910,497	90,732,960	91,846,540
Accrued liabilities and other	-	1,650	-	12,314	71,558	10,454	662	11,486	7,168	115,292	133,262
Notes payable - Current portion	55,000	70,555	129,670	133,708	57,365	56,089	94,076	255,420	739,420	1,591,303	1,182,461
Unearned revenue	1,071	2,013	3,444	1,061	819	1,224	525	1,139	2,982	14,278	17,643
Accrued wages/payroll taxes payable	961	568	1,071	1,289	677	1,289	743	704	6,096	13,398	11,459
Accrued compensated absences	1,897	1,018	2,120	496	327	2,539	310	-	2,721	11,428	12,398
Noncurrent liabilities - Due in more than one year	161,832	-	887,070	508,325	139,093	43,955	127,343	94,809	3,197,476	5,159,903	3,699,312
Total liabilities	4,753,439	3,388,200	3,164,170	7,911,119	4,011,742	3,501,117	4,430,194	5,994,702	61,095,171	98,249,854	97,801,975
Net Position											
Net investment in capital assets	(43,999)	1,408,808	1,753,284	2,575,986	2,366,336	5,275,605	569,916	5,822,276	20,185,019	39,913,231	39,727,088
Restricted	289,658	182,467	295,572	316,884	224,457	379,649	232,588	158,766	1,591,635	3,671,676	3,307,542
Unrestricted	(109,757)	88,708	(727,474)	(415,022)	42,842	144,338	(59,456)	2,320	(2,595,146)	(3,628,647)	(2,978,265)
Total net position	**$ 135,902**	**$ 1,679,983**	**$ 1,321,382**	**$ 2,477,848**	**$ 2,633,635**	**$ 5,799,592**	**$ 743,048**	**$ 5,983,362**	**$19,181,508**	**$ 39,956,260**	**$ 40,056,365**

See notes to financial statements.

Combining Statement of Activities for Discretely Presented Component Units

Year Ended December 31, 2018
(with comparative totals for 2017)

	Broadway East	Broadway West	Holiday Community	High Mar Community	Lee Hill Community	Red Oak Park	WestView Community	Palo Parkway	Boulder Communities	2018	2017
Operating Revenue											
Revenue - Tenant	$ 503,867	$ 294,019	$ 527,838	$ 677,343	$ 424,415	$ 677,628	$ 424,735	$ 266,872	$ 3,223,326	$ 7,020,043	$ 6,597,072
Other income	106	69	90	8,192	19,444	104	73	1,546	11,481	41,105	22,209
Total operating revenue	503,973	294,088	527,928	685,535	443,859	677,732	424,808	268,418	3,234,807	7,061,148	6,619,281
Operating Expenses											
Administrative salaries and benefits	53,235	39,037	45,785	45,043	88,514	47,159	31,457	65,342	229,957	645,529	634,825
Administrative operating	43,479	31,718	149,817	52,108	106,123	51,242	24,298	38,642	245,371	742,798	699,895
Tenant services	22,523	-	-	56,081	749	22,649	-	8,566	169,885	280,453	272,541
Utilities	61,381	34,567	8,221	76,649	46,815	85,648	33,853	29,741	387,904	764,779	683,654
Maintenance	112,375	51,104	54,406	121,121	141,387	141,729	82,577	37,336	620,620	1,362,655	1,376,670
Insurance premiums	19,849	15,812	19,373	33,483	24,216	30,988	17,822	20,336	108,595	290,474	246,086
Depreciation and amortization	319,295	258,696	258,676	468,956	259,298	450,511	204,885	270,858	3,008,814	5,499,989	5,229,613
Total operating expenses	632,137	430,934	536,278	853,441	667,102	829,926	394,892	470,821	4,771,146	9,586,677	9,143,284
Operating (Loss) Income	(128,164)	(136,846)	(8,350)	(167,906)	(223,243)	(152,194)	29,916	(202,403)	(1,536,339)	(2,525,529)	(2,524,003)
Nonoperating Income (Expense)											
Interest income	198	1,018	1,777	175	1,425	345	1,563	142	646	7,289	1,756
Other	-	-	-	(10,000)	(65,000)	-	-	-	-	(75,000)	-
Interest expense	(129,769)	(45,055)	(194,799)	(166,477)	(22,796)	(251,595)	(164,061)	(135,377)	(1,730,971)	(2,840,900)	(3,150,994)
Total nonoperating expense	(129,571)	(44,037)	(193,022)	(176,302)	(86,371)	(251,250)	(162,498)	(135,235)	(1,730,325)	(2,908,611)	(3,149,238)
Capital Contributions and Distributions											
Partner contributions	-	-	-	-	-	-	-	5,340,591	-	5,340,591	24,972,023
Partner distributions	-	-	(6,556)	-	-	-	-	-	-	(6,556)	(6,421)
Total capital contributions and distributions	-	-	(6,556)	-	-	-	-	5,340,591	-	5,334,035	24,965,602
Change in Net Position	(257,735)	(180,883)	(207,928)	(344,208)	(309,614)	(403,444)	(132,582)	5,002,953	(3,266,664)	(100,105)	19,292,361
Net Position - Beginning of year	393,637	1,860,866	1,529,310	2,822,056	2,943,249	6,203,036	875,630	980,409	22,448,172	40,056,365	20,764,004
Net Position - End of year	**$ 135,902**	**$ 1,679,983**	**$ 1,321,382**	**$ 2,477,848**	**$ 2,633,635**	**$ 5,799,592**	**$ 743,048**	**$ 5,983,362**	**$19,181,508**	**$ 39,956,260**	**$ 40,056,365**

See notes to financial statements.

Note 1 - Nature of Business

Organization and Reporting Entity

Boulder Housing Partners (BHP or the "Authority") was created under the laws of the State of Colorado in 1966 as the Housing Authority of the City of Boulder, Colorado to provide safe and adequate housing for low-income program participants. The Authority owns and provides subsidy and operating support for housing units located throughout the Boulder area. BHP's assets, liabilities, net position, and changes in net position are included in its primary government fund and include all AMPs, COCC, business activities, and programs of the Authority. The Authority receives and administers funds from the U.S. Department of Housing and Urban Development (HUD). The Authority is responsible for the administration of Section 8 and low-income federal programs, as well as other federal, state, and local programs. An annual contributions contract (ACC) was signed by BHP and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the ACC and all applicable provisions of the United States Housing Act of 1937 (42 U.S.C. 1437 Section 1.1).

The nucleus of the financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, is the primary government. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluation of how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the appointment of a voting majority plus the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity.

Blended Component Units

Some component units, despite being legally separate, are so integrated with the primary government that they are, in substance, part of the primary government. The Authority includes the following component units, which are controlled by BHP and for which it is financially accountable:

The Authority has included as blended component units in business activities the operations of Woodland Communities, LLC; Red Oak Park, LLC; 1175 Lee Hill, LLC; BHP Ventures, LLC; High Mar Ventures, LLC; WestView Ventures, LLC; Foothills Community, LLC; Vistoso, LLC; Palo Ventures, LLC; Boulder Communities, LLC; 2037 Walnut, LLC; and 3390 Valmont Ventures, LLC.

Woodland Communities, LLC was established in accordance with the plan of conversion of Boulder Woodlands, LP effective July 6, 2009. This wholly owned LLC of the Authority owns and operates an affordable housing property.

Red Oak Park, LLC is a wholly owned LLC of the Authority. Red Oak Park, LLC is the general partner of Red Oak Park, LLLP, a tax credit partnership.

1175 Lee Hill, LLC is a wholly owned LLC of the Authority. 1175 Lee Hill, LLC is the general partner of Lee Hill Community, LLLP, a tax credit partnership.

High Mar Ventures, LLC is a wholly owned LLC of the Authority. High Mar Ventures, LLC is the general partner of High Mar Community, LLLP, a tax credit partnership.

WestView Ventures, LLC is a wholly owned LLC of the Authority. WestView Ventures, LLC is the general partner of WestView Community, LLLP, a tax credit partnership.

Foothills Community, LLC is a wholly owned subsidiary of the Authority.

Vistoso, LLC is a wholly owned subsidiary of the Authority.

BHP Ventures, LLC is a wholly owned subsidiary of the Authority.

2037 Walnut, LLC is a wholly owned subsidiary of the Authority.

Note 1 - Nature of Business (Continued)

Palo Ventures, LLC is a wholly owned subsidiary of the Authority. Palo Ventures, LLC is the general partner of Palo Park Community, LLLP, a tax credit partnership.

Boulder Communities, LLC is a wholly owned subsidiary of the Authority. Boulder Communities, LLC is the general partner of Boulder Communities, LLLP, a tax credit partnership.

3390 Valmont Ventures, LLC is a wholly owned subsidiary of the Authority. 3390 Valmont Ventures is a special limited partner of the Ciclo, LLLP, a tax credit partnership. Boulder Junction DevCo Ciclo, LLC is the general partner during construction and during initial operations of the property.

A reporting entity is composed of the primary government and component units that are included to ensure that the financial statements are not misleading.

Discretely Presented Component Units

The component unit columns in the combined financial statements include the financial data of the Authority's nine discretely presented component units. The units are reported in separate columns to emphasize that they are legally separate from the Authority. Complete financial reports can be obtained at their administrative offices at 4800 N. Broadway St., Boulder, CO 80304.

Broadway East Community, LLLP

The general partner of this partnership is BHP, which has an ownership percentage of 0.01 percent. As the general partner and property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

Broadway West Community, LLLP

The general partner of this partnership is BHP, which has an ownership percentage of 0.01 percent. As the general partner and property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

High Mar Community, LLLP

The general partner of this partnership, High Mar Ventures, LLC, is wholly owned by BHP. High Mar Ventures, LLC has an ownership percentage of 0.01 percent. As owner of the general partner and as the property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

Holiday Community, LLLP

The general partner of this partnership is BHP, which has an ownership percentage of 0.01 percent. As the general partner and property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

Lee Hill Community, LLLP

The general partner of this partnership, 1175 Lee Hill, LLC, is wholly owned by BHP. 1175 Lee Hill, LLC has an ownership percentage of 0.01 percent. As owner of the general partner and as the property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

Note 1 - Nature of Business (Continued)

Red Oak Park, LLLP

The general partner of this partnership, Red Oak Park, LLC, is wholly owned by BHP. Red Oak Park, LLC has an ownership percentage of 0.01 percent. As owner of the general partner and as the property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

WestView Community, LLLP

The general partner of this partnership, WestView Ventures, LLC, is wholly owned by BHP. WestView Ventures, LLC has an ownership percentage of 0.01 percent. As owner of the general partner and as the property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

Boulder Communities, LLLP

The general partner of this partnership, BCGP, LLC, is wholly owned by BHP. BCGP, LLC has an ownership percentage of 0.01 percent. As owner of the general partner and as the property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

Palo Park Community, LLLP

The general partner of this partnership, Palo Ventures, LLC, is wholly owned by BHP. Palo Ventures, LLC has an ownership percentage of 0.02 percent. As owner of the general partner and as the property manager, BHP has the responsibility of the establishment of the budget and the day-to-day operational responsibility of the partnership. BHP is entitled to the majority of the cash flow from the component units through repayment of debt.

These entities follow all applicable FASB standards. Since they do not follow governmental accounting, for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discrete component unit financial statements in order for them to conform to the presentation of the primary government.

Note 2 - Significant Accounting Policies

Basis of Accounting and Presentation

The basic financial statements of the Authority have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, which provides a comprehensive one-line look at the Authority's financial activities. The Authority reports all of its operations as a single business activity in a single Enterprise Fund. The Enterprise Fund is a proprietary fund, which distinguishes operating revenue and expenses from nonoperating items. The operating revenue of the Authority consists primarily of rental charges to tenants, operating grants from HUD, and other operating revenue that offsets operating expenses. Operating expenses include the cost of administrative, tenant services, utilities, maintenance, protective services, general operations, depreciation, and housing assistance payments.

Note 2 - Significant Accounting Policies (Continued)

As a proprietary fund, revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority's financial activities operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services. For financial reporting purposes, the Authority considers its grants associated with operations as operating revenue because these funds more closely represent revenue generated from operating activities rather than nonoperating activities. Grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity as capital contributions on the accompanying statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an original maturity of three months or less.

Tenant Receivable - Recognition of Bad Debts

Tenant accounts receivable are stated at net rent amounts. Tenant accounts generally are collectible as long as the tenant is occupying the unit; however, the Authority has specifically reserved $24,417 and $20,129 as potentially uncollectible as of December 31, 2018 and 2017, respectively.

Inventories

Inventories and materials are stated at the lower of cost or market, using a first-in, first-out method (FIFO).

Notes Receivable

Notes receivable are stated at net of allowance. Collectibility is evaluated annually based on payments received and cash flow of each individual entity. If amounts are deemed to be uncollectible, the Authority establishes an allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost. Costs in excess of $5,000 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Contributed assets are valued at acquisition value on the date of donation. Property and equipment are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Building and improvements	10-30
Site improvements	10
Furniture and fixtures, equipment, and moving vehicles	5

If an indicator of impairment is identified and the decline in service utility was unexpected and significant, an impairment loss is calculated in consideration of whether the capital asset will continue to be used by the Authority. An impairment loss is generally measured by identifying the historical cost of the service utility of the capital asset that cannot be used due to the impairment event or circumstance.

Impaired capital assets that will no longer be used by the Authority are reported at the lower of carrying value or fair value, or written off entirely. During 2018 and 2017, no impairments were recorded.

The Authority records its respective percentage of assets, liabilities, income, and expenses for tenancy in common agreements.

Work in Progress

Work in progress consists of capital projects in progress funded primarily by capital contributions and debt.

Note 2 - Significant Accounting Policies (Continued)

Restricted Cash

Restricted cash represents amounts held in FSS escrow, Section 8 funds, rehab funds, construction debt proceeds, tenants' escrows, other escrows, and replacement reserves. Restrictions for use in operations and approval are governed by HUD, lender requirements, or other outside parties.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Authority has three items that qualify for reporting in this category. One is the deferred charge on the acquisition of Foothills Community LLC in which it is the difference in the carrying value of property and its acquisition price. The deemed purchase price exceeded the acquisition value of the acquisition, which created a deferred outflow at December 31, 2018 and 2017 of $264,355 and $275,072, respectively. This amount is deferred and amortized over the life of the building of 30 years. The second represents changes in the difference between expected and actual experience and employer contributions to the pension plan subsequent to the measurement date, as discussed in Note 8. The third represents changes in the difference between expected and actual experience and employer contributions to the OPEB plan subsequent to the measurement date, as discussed in Note 9.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category. At December 31, 2018 and 2017, deferred revenue is in the amount of $223,946 and $213,502, respectively. This is deferred and recognized as an inflow of resources in the period that the time requirements have been met. The second represents the changes in expected and actual experience related to the pension plan, as discussed in Note 8. The third represents the changes in expected and actual experience related to the OPEB plan, as discussed in Note 9.

Pensions

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Colorado Public Employees' Retirement Association (PERA) and additions to/deductions from PERA fiduciary net position have been determined on the same basis as they are reported by PERA. PERA uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Other Postemployment Benefit Costs

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Colorado Public Employees' Retirement Association and additions to/deductions from PERA fiduciary net position have been determined on the same basis as they are reported by PERA. PERA uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Note 2 - Significant Accounting Policies (Continued)

Compensated Absences

The Authority allows employees to accumulate earned but unused sick and vacation pay benefits. The Authority accrues all vacation pay as it is earned, and the sick pay is accrued as it is used, plus an additional amount is accrued in the event the sick pay is expected to be paid out. Full-time employees receive annual vacation leave with pay. Part-time employees receive vacation leave on a prorated basis. No more than 35 days may be accumulated at any point in time. Additionally, an employee who has completed 10 years of service may, at his or her option, give up 40 hours of accrued vacation once each year in return for 40 hours of pay at the employee's regular, straight-time hourly rate. BHP's sick leave policy permits the accumulation of 4.31 hours per pay period. Part-time employees receive sick leave on a prorated basis. An employee with six consecutive months without tardiness or absence other than vacation may convert up to 16 hours of sick time, in excess of his or her accumulated 120 sick time hours, at the rate of one-hour sick time to one hour vacation. However, the employee's vacation balance resulting from such conversion may not exceed 35 days. Vacation accrued through the last complete pay period immediately preceding the date of separation from employment shall be paid to the employee who retires or terminates with two weeks' notice. The Authority had a program whereby employees who accumulated sick hours in excess of 640 hours would receive a payout at separation equal to half the hours in excess of the 640 sick hours. This program was terminated in 2014. At the time of transition, the employees who were eligible and had an existing balance were offered an option to receive 85 percent of the amount due as payment in full in January 2014 or wait and receive the full balance at separation. The vast majority elected to receive a reduced payment in January 2014. The remaining balance of $37,960 was paid out in full in 2017.

Unearned Revenue

Unearned revenue consists primarily of prepaid tenant rent payments and prepaid local government grant funding of permanent supportive housing vouchers recognized at year end. Amounts are recognized in the period during which the associated use of premises occurs.

Net Position

Net position is composed of three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The Authority’s positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Authority's policy is to first apply restricted resources. Each component of net position is reported separately on the statement of net position, as follows:

i. *Net Investment in Capital Assets* - This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

ii. *Restricted* - This category equals the restricted cash or receivable of the Authority and consists of net position restricted in its use by (1) external groups, such as grantors, creditors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

iii. *Unrestricted* - This category includes all of the remaining net position that does not meet the definition of the other two categories.

Revenue Recognition

The Authority receives funds from certain federal and other agencies under various grant programs. Receivables are recorded based upon amounts expended for the various programs for which funds have not been received, to the extent grant limits have not been exceeded.

Note 2 - Significant Accounting Policies (Continued)

The Authority leases properties to tenants under various rental arrangements. Payments from tenants are recognized as revenue in the period during which the associated use of premises occurred.

Operating Revenue and Expenses

The Authority's operating revenue includes HUD funding and other amounts received from tenants for rent and other charges for services provided. Operating expenses are costs incurred during the operation of its primary housing activities. Such revenue and expenses are reported when earned or incurred, respectively.

Capital Grants

The Authority records grants received for capital outlay as contributions of capital grants

State and Local Contributions

The Authority records revenue received from state and local governments as state and local capital grants when earned.

Nonoperating Revenue and Expenses

Nonoperating revenue and expenses are derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred, including investment activity.

Use of Estimates

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

Subsequent Events

The financial statements and related disclosures include evaluation of events through and including June 4, 2019, which is the date the financial statements were available to be issued.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2020.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* This statement establishes criteria to improve the information that is disclosed in the notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2019.

Note 2 - Significant Accounting Policies (Continued)

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*. This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted for the year ending December 31, 2019.

Note 3 - Deposits and Investments

The Authority's deposits are included at their carrying values on the statement of net position under the following classifications for the primary government:

	2018	2017
Cash and cash equivalents - Unrestricted (current)	$ 7,826,688	$ 9,695,348
Cash and cash equivalents - Restricted (current)	692,989	1,394,566
Tenant security deposits	487,951	460,604
Cash and cash equivalents - Restricted (noncurrent)	184,619	170,884
Total deposits and investments	$ 9,192,247	$ 11,721,402

The above amounts are classified into the following categories for the primary government:

	2018	2017
Bank deposits (checking accounts and savings accounts)	$ 9,192,247	$ 11,721,202
Petty cash	200	200
Total	$ 9,192,447	$ 11,721,402

Deposits

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 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 least equal to 102 percent of the uninsured deposits. The general depository agreement required by the annual contract with HUD has additional collateral requirements.

Restricted Cash - Primary Government	2018	2017
Security deposits - Restricted (current)	$ 487,951	$ 460,604
HAP equity (current)	48,583	13,007
Funded reserves (current)	554,047	1,381,559
COB PSH Program (current)	90,359	-
FSS escrow (noncurrent)	76,845	61,131
Construction funds (noncurrent)	107,774	109,753
Total restricted	$ 1,365,559	$ 2,026,054

Note 4 - Related Party Transactions

The following is a description of transactions between the Authority and related parties:

Included in current related party accounts receivable are advances made to, or expenses paid by, the Authority on behalf of the related tax credit operating partnerships totaling $339,179 and $201,991 at December 31, 2018 and 2017, respectively. Amounts are due on demand and are noninterest bearing.

Notes Receivable

At December 31, 2018 and 2017, the Authority's related party notes receivable consisted of the following:

	2018	2017
The Authority has two notes receivable in the original amount of $717,500, in total, from Holiday Community, LLLP (Holiday), a tax credit project. The notes bear interest annually at 9.0 percent and are due in full with the accrued interest on December 31, 2021. Payments are required when Holiday generates positive cash flow. At December 31, 2018 and 2017, the Authority had $861,061 and $789,879, respectively, of accrued interest receivable. The notes are collateralized by deeds of trust	$ 404,874	$ 438,742
The Authority has a note receivable in the original amount of $1,253,531 from Broadway East Community, LLLP (Broadway East), a tax credit project. The note bears interest at 5.15 percent compounded annually and is required to be repaid when Broadway East generates positive cash flow. At December 31, 2018 and 2017, the Authority had $156,266 and $118,709, respectively, of accrued interest receivable. The note is collateralized by a deed of trust and is due in full with the accrued interest by December 31, 2047	1,253,531	1,253,531
The Authority has two notes receivable in the original amount of $1,498,338 in total from Broadway East. The notes are noninterest bearing and are due in full by December 31, 2047. Payments are required when Broadway East generates positive cash flow. The notes are collateralized by deeds of trust	1,458,378	1,458,378
The Authority has a note receivable in the original amount of $1,802,205 from Broadway West Community, LLLP (Broadway West). The note is noninterest bearing and is due in full by December 31, 2058. Payments are required when Broadway West generates positive cash flow. The note is collateralized by a deed of trust	1,534,699	1,556,057
The Authority has a note receivable in the original amount of $1,100,000 from Red Oak Park, LLLP (Red Oak Park). The note bears interest at 5 percent compounded annually and is due in full with the accrued interest on December 31, 2040. Payments are required when Red Oak Park generates positive cash flow. At December 31, 2018 and 2017, the Authority had $43,955 and $44,346, respectively, of accrued interest receivable. The note is collateralized by a deed of trust	861,876	862,122
The Authority has two notes receivable in the original amount of $1,568,813 in total from WestView Community, LLLP (WestView), a tax credit project. The notes bear interest compounded annually at 1.25 percent and are due in full with accrued interest on December 31, 2042. Payments are required when WestView generates positive cash flow. At December 31, 2018 and 2017, the Authority had $126,061 and $105,137, respectively, of accrued interest receivable. The notes are collateralized by deeds of trust	1,568,813	1,568,813

Note 4 - Related Party Transactions (Continued)

	2018	2017
The Authority has one note receivable in the original amount of $650,000 from WestView Community, LLLP (WestView). The notes bear interest at 1.25 percent compounded annually and are due in full with the accrued interest on October 17, 2025. Payments are required when WestView generates positive cash flow. At December 31, 2018 and 2017, the Authority had $1,281 and $1,706, respectively, of accrued interest receivable. The notes are collateralized by a deed of trust	$ 88,517	$ 127,581
The Authority has two notes receivable in the original amount of $3,177,611, in total, from High Mar Community, LLLP (High Mar), a tax credit project. The notes bear interest annually at 2.5 percent and are due in full with the accrued interest on December 31, 2043. Payments are required when High Mar generates positive cash flow. At December 31, 2018 and 2017, the Authority had $498,198 and $408,545, respectively, of accrued interest receivable. The notes are collateralized by deeds of trust	3,177,611	3,177,611
The Authority has a note receivable in the original amount of $625,000 from Lee Hill Community, LLLP (Lee Hill). The note bears interest at 4.0 percent compounded annually and is due in full with the accrued interest on August 31, 2043. Payments are required when Lee Hill generates positive cash flow. At December 31, 2018 and 2017, the Authority had $136,518 and $115,014, respectively, of accrued interest receivable. The note is collateralized by a deed of trust	625,000	625,000
The Authority has three notes receivable in the original amount of $3,098,150, in total, from Lee Hill Community, LLLP (Lee Hill), a tax credit project. The notes are noninterest bearing and are due in full by August 31, 2043. Payments are required when Lee Hill generates positive cash flow. The notes are collateralized by deeds of trust	3,098,150	3,098,150
During 2015, the Authority entered into three notes receivable in the original amount of $28,800,088 from Boulder Communities, LLLP, a tax credit property. The notes bear interest at 2.64 percent and are due in full on September 30, 2055. Payments are required when Boulder Communities, LLLP generates positive cash flow. At December 31, 2018 and 2017, the Authority had $2,547,251 and $1,740,967, respectively, of accrued interest receivable on the notes. The notes are collateralized by deeds of trust	28,800,088	28,800,088
During 2015, the Authority entered into a note receivable in the original amount of $12,025,000 from Boulder Communities, LLLP, a tax credit property. The note, bearing interest at 2.64 percent, is due on September 30, 2055. The loan amount was funded in 2017. At December 31, 2018 and 2017, the Authority had $616,147 and $291,055, respectively, of accrued interest. The note is collateralized by a deed of trust	12,025,000	12,025,000
During 2017, the Authority entered into a note receivable in the original amount of $400,000 from Palo Park Communities, LLLP, a tax credit property. The note, bearing interest at 2.81 percent, is due on January 31, 2116. At December 31, 2018 and 2017, the Authority had $19,518 and $9,551 of accrued interest, respectively. The note is collateralized by a deed of trust	400,000	400,000

Note 4 - Related Party Transactions (Continued)

	2018	2017
During 2017, the Authority entered into two notes receivable in the original amount of $1,537,580 from Palo Park Communities, LLLP, a tax credit property. The notes, bearing interest at 2.81 percent, are due on December 31, 2057. At December 31, 2018 and 2017, the Authority had $43,206 and $36,715, respectively, of accrued interest. The notes are collateralized by a deed of trust	$ 1,537,580	$ 1,537,580
During 2017 the Authority entered into a note receivable in the original amount of $3,516,709 from Boulder Communities, LLLP (Boulder Communities), a tax credit property. The bears interest at 1 percent compounded annually and is due in full with accrued interest on December 31, 2030. Payments are required Boulder Communities generates positive cash flow. The note began accruing in July 2017. At December 31, 2018 and 2017, the Authority had accrued interest of $34,078 and $19,316, respectively	3,301,267	3,516,709
During 2015, the Authority entered into a note receivable in the original amount of $874,259 from High Mar Community, LLLP (High Mar), a tax credit project. The note bears interest at 2.70 percent compounded annually and is due in full with the accrued interest on February 7, 2026. Payments are required when High Mar generates positive cash flow. At December 31, 2018 and 2017, the Authority had $10,127 and $10,935, respectively, of accrued interest receivable on the notes	360,450	388,293
During 2015, the Authority entered into a note receivable in the original amount of $58,283 from Lee Hill Community, LLLP (Lee Hill), a tax credit project. The note bears interest at 2.47 percent compounded annually and is due in full with the accrued interest on December 31, 2025. Payments are required when Lee Hill generates positive cash flow. At December 31, 2018 and 2017, the Authority had $2,575 and $1,238, respectively, of accrued interest receivable on the notes	51,033	51,033
During 2018, the Authority entered into a note receivable in the original amount of $321,253 from Palo Park Communities, LLLP (Palo Park), a tax credit property. The note bears no interest and is due in full on December 31, 2057	321,253	-
Total	60,868,120	60,884,688
Less current portion	806,332	614,972
Long-term portion	$ 60,061,788	$ 60,269,716

Note 5 - Capital Assets

A summary of property and equipment by class is as follows:

	Balance January 1, 2018	Additions and Transfers In	Reductions and Transfers Out	Balance December 31, 2018
Capital assets not being depreciated:				
Land	$ 38,556,847	$ 1,146,240	$ -	$ 39,703,087
Work in progress	508,007	2,353,498	(1,341,714)	1,519,791
Total nondepreciable assets	39,064,854	3,499,738	(1,341,714)	41,222,878
Capital assets being depreciated:				
Building and improvements	90,673,355	7,365,423	(987)	98,037,791
Furniture and equipment	830,693	131,841	(18,519)	944,015
Total depreciable capital assets	91,504,048	7,497,264	(19,506)	98,981,806
Accumulated depreciation:				
Buildings and improvements	33,464,241	4,104,006	-	37,568,247
Furniture and equipment	396,580	160,869	(18,517)	538,932
Subtotal	33,860,821	4,264,875	(18,517)	38,107,179
Net capital assets being depreciated	57,643,227	3,232,389	(989)	60,874,627
Net business-type activity capital assets	$ 96,708,081	$ 6,732,127	$ (1,342,703)	$ 102,097,505

	Balance January 1, 2017	Additions and Transfers In	Reductions and Transfers Out	Balance December 31, 2017
Capital assets not being depreciated:				
Land	$ 17,184,114	$ 21,372,733	$ -	$ 38,556,847
Work in progress	925,325	1,859,328	(2,276,646)	508,007
Subtotal	18,109,439	23,232,061	(2,276,646)	39,064,854
Capital assets being depreciated:				
Building and improvements	54,809,341	35,864,014	-	90,673,355
Furniture and equipment	554,270	330,588	(54,165)	830,693
Subtotal	55,363,611	36,194,602	(54,165)	91,504,048
Accumulated depreciation:				
Buildings and improvements	29,887,377	3,576,864	-	33,464,241
Furniture and equipment	368,004	82,741	(54,165)	396,580
Subtotal	30,255,381	3,659,605	(54,165)	33,860,821
Net capital assets being depreciated	25,108,230	32,534,997	-	57,643,227
Net capital assets	$ 43,217,669	$ 55,767,058	$ (2,276,646)	$ 96,708,081

Note 5 - Capital Assets (Continued)

Depreciation expense for the years ended December 31, 2018 and 2017 was $4,264,875 and $3,659,605, respectively.

During 2018, the Authority purchased 2037 Walnut Place, an apartment complex from an unrelated third party, for $7,395,000. The Authority received approximately $2,600,000 from HUD for the purchase of 2037 Walnut Place through Moving to Work and Capital Fund Project federal grant money. This is included in capital grants on the statement of activities.

During 2017, the Authority purchased Tantra Lake and Cedar Casey, two apartment complexes from an unrelated third party, for $45,700,000 and $6,225,000, respectively. The Authority received approximately $7,350,000 from the City of Boulder, Colorado for the purchase of Tantra Lake, contingent upon the apartment remaining affordable housing. This is included in state and local capital grants and donations on the statement of activities.

During 2017, the Authority entered into a Tenancy in Common Agreement to receive 59.8 percent interest in Mount Calvary, which is approximately $709,000 of additions to building and $2,498,000 of land and land improvements. The Authority recorded approximately of $3,100,000 in revenue in relation to this agreement. This is included in state and local capital grants and donations on the statement of activities.

Note 6 - Investment in Partnerships - Joint Ventures

The Authority or a subsidy thereof is a 0.01 percent general partner in each of the following operating partnerships (the "Partnerships"), which were formed to acquire, rehabilitate, or construct, own, and operate low-income residential rental housing projects.

The investments are recorded under the equity method as joint ventures. These joint ventures are also discretely presented component units of the Authority. The Authority recognizes contributions, distributions, and net income or loss on its ownership share of the activity of the Partnerships on an annual basis. The total gain and loss recognized by the Authority as part of miscellaneous expense during the years ended December 31, 2018 and 2017 was $9,396 and $359, respectively. The investments in the Partnerships at December 31 were as follows:

	2018	2017
Partnership name:		
Boulder Communities, LLLP	$ (805)	$ (477)
Broadway East Community, LLLP	(129)	(100)
Broadway West Community, LLLP	(101)	(81)
High Mar Community, LLLP	(127)	(66)
Holiday Community, LLLP	399,674	399,695
Lee Hill Community, LLLP	(13)	11
Red Oak Park, LLLP	(306)	(265)
WestView Community, LLLP	(76)	(63)
Palo Park Communities, LLLP	10,033	100
Total	$ 408,150	$ 398,754

Unrelated investor limited partners own the remaining 99.99 percent interest in each of the Partnerships.

Note 7 - Long-term Debt

Long-term debt activity for the years ended December 31, 2018 and 2017 can be summarized as follows:

2018	Interest Rate Ranges	Principal Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Original Loan Amount
Note payable - Affordable Housing FHLB loan program	0%	09/25/27	$ 58,340	$ -	$ (58,340)	$ -	$ -	$ 163,334
Mortgage payable - Canyon Pointe	3.25%	12/01/18	3,539,328	-	(3,539,328)	-	-	5,200,000
Mortgage payable - Canyon Pointe	1.00%	07/31/45	1,166,547	-	-	1,166,547	-	1,252,059
Mortgage payable - Arapahoe East, Dakota Ridge, Sanitas Place, and Twin Pines	3.50%	04/01/21	2,981,076	-	(116,831)	2,864,245	123,323	4,500,000
Mortgage payable - Walnut	3.25%	02/01/28	-	2,449,358	(34,367)	2,414,991	39,132	2,449,358
Mortgage payable - Foothills	3.25%	09/01/28	6,369,172	-	(158,740)	6,210,432	165,231	7,000,000
Mortgage payable - Hayden Place, Woodlands, Whittier, and 101 Canyon	3.85%	07/01/27	5,193,198	-	(127,440)	5,065,758	136,970	5,815,000
Mortgage payable - Hayden Place 2	4.20%	07/01/27	587,401	-	(10,582)	576,819	11,178	600,000
Note payable to the City of Boulder, Colorado	0%	01/17/20	3,000,000	-	-	3,000,000	-	3,000,000
Mortgage payable - Bridgewalk	3.86%	04/01/32	23,283,195	-	(314,371)	22,968,824	341,076	23,460,000
Mortgage payable - Tantra lake	3.42%	04/01/27	29,434,912	-	(449,119)	28,985,793	470,523	29,705,000
Mortgage payable - Vistoso	4.79%	12/01/47	600,000	-	(7,913)	592,087	9,543	600,000
Line of credit	2.00%	8/29/20	3,178,287	6,720,695	(3,178,287)	6,720,695	-	8,112,000
Total long-term debt			$ 79,391,456	$ 9,170,053	$ (7,995,318)	$ 80,566,191	$ 1,296,976	$ 91,856,751

2017	Interest Rate	Principal Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Original Loan Amount
Note payable - Affordable Housing FHLB loan program	0%	09/25/27	$ 64,173	$ -	$ (5,833)	$ 58,340	$ -	$ 163,334
Mortgage payable - Canyon Pointe	3.25%	12/01/18	3,703,576	-	(164,248)	3,539,328	3,539,328	5,200,000
Mortgage payable - Canyon Pointe	1.00%	07/31/45	1,166,547	-	-	1,166,547	-	1,252,059
Mortgage payable - Arapahoe East, Dakota Ridge, Sanitas Place, and Twin Pines	3.50%	04/01/21	3,094,378	-	(113,302)	2,981,076	119,088	4,500,000
Mortgage payable - Bridgewalk	4.25%	07/27/26	12,923,449	-	(12,923,449)	-	-	14,000,000
Mortgage payable - Foothills	3.25%	09/01/28	6,523,857	-	(154,685)	6,369,172	159,882	7,000,000
Mortgage payable - Hayden Place, Woodlands, Whittier, and 101 Canyon	3.85%	07/01/27	5,316,807	-	(123,609)	5,193,198	131,805	5,815,000
Mortgage payable - Hayden Place 2	4.20%	07/01/27	597,672	-	(10,271)	587,401	10,719	600,000
Note payable - City of Boulder, Colorado	0%	07/17/20	3,000,000	-	-	3,000,000	-	3,000,000
Mortgage payable - Bridgewalk	3.86%	04/01/32	-	23,460,000	(176,805)	23,283,195	328,549	23,460,000
Mortgage payable - Tantra lake	3.42%	04/01/27	-	29,705,000	(270,088)	29,434,912	454,700	29,705,000
Mortgage payable - Vistoso	4.79%	12/01/47	-	600,000	-	600,000	8,316	600,000
Line of credit	2.00%	08/29/18	-	6,303,018	(3,124,731)	3,178,287	3,178,287	8,112,000
Total long-term debt			$ 36,390,459	$ 60,068,018	$ (17,067,021)	$ 79,391,456	$ 7,930,674	$ 103,407,393

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Principal	Interest	Total
2019	$ 1,296,976	$ 2,525,815	$ 3,822,791
2020	1,337,688	2,485,103	3,822,791
2021	3,874,917	2,369,852	6,244,769
2022	1,308,030	2,293,475	3,601,505
2023	1,356,352	2,245,154	3,601,506
2024-2028	41,147,440	8,737,742	49,885,182
2029-2033	18,970,412	2,460,224	21,430,636
2034-2047	1,553,681	304,205	1,857,886
Total	$ 70,845,496	$ 23,421,570	$ 94,267,066

The future minimum principal payments do not include the line of credit for $6,720,695. The maturity of the line of credit was extended to 18 months by May 31, 2020. The full balance is expected to be paid off in full prior to the maturity date.

Future minimum principal payments also do not include $3,000,000 of debt to the City of Boulder, Colorado (the "City") under the Affordable Housing Fund note described above. The note becomes due and payable only in the event a development strategy is not approved or the term extended by the City by July 17, 2020 or in the event of bankruptcy or dissolution of the Authority.

During 2018, $58,340 debt under the Affordable Housing FHLB loan program was forgiven for the full remaining balance.

Interest expense for the years ended December 31, 2018 and 2017 was $2,776,081 and $2,330,624, respectively.

Tax-exempt Bond Issuance

BHP has issued tax-exempt revenue bonds to provide debt financing for five legally separate entities. Upon bond issuance, all financial activity is assumed by the paying agent, and BHP is not obligated for the repayment of these bonds. As conduit, no obligation for financing, the bonds are not reflected in the Authority’s financial statements. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source. The entities and the original issue amounts are as follows: Thistle Housing ($3,740,000); Broadway East Community, LLLP (a related party) ($3,750,000); WestView Community, LLLP (a related party) ($3,167,000); High Mar Community, LLLP (a related party) ($7,206,000); Boulder Communities, LLLP (a related party) ($14,000,000); and Palo Park Communities, LLLP (a related party) ($6,900,000). The total amount outstanding on the bonds at December 31, 2018 and 2017 is approximately $27,000,000 and $28,000,000, respectively.

Note 8 - Pension Plan

Plan Description

The Authority participates in the Local Government Division Trust Fund (the "LGDTF"), a cost-sharing, multiple-employer defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (PERA). The LGDTF provides retirement and disability, postretirement annual increases, and death benefits for members or their beneficiaries. All employees of the Authority are members of the LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the Authority to establish benefit provisions to the state legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplemental information for the LGDTF.

PERA issues a publicly available annual financial report that includes financial statements and required supplemental information for the HCTF. These reports may be obtained online at www.copera.org; by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, CO 80203; or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Management of the plan is vested in the pension board, which consists of seven members - three elected by plan members, three appointed by the Authority, and the Authority's treasurer, who serves as an ex officio member.

Contributions

The Authority is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Authority are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 percent and for the Authority is 13.7 percent of covered salary. A portion of the Authority’s contribution (1.02 percent of covered salary) is allocated to the Health Care Trust Fund. The Authority is also required to pay an amortization equalization disbursement (AED) equal to 2.20 percent of the total payroll for calendar years 2018 and 2017. Additionally, the Authority is required to pay a supplemental amortization equalization disbursement (SAED) equal to 1.50 percent of the total payroll for calendar years 2018 and 2017. For the years ended December 31, 2018 and 2017, the Authority’s employer contributions to the LGDTF were equal to its required contributions of $612,464 and $645,238, respectively.

Net Pension Liability

At December 31, 2018 and 2017, the Authority reported a liability of $8,357,242 and $9,301,532, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017 for the year ended December 31, 2018 and as of December 31, 2016 for the year ended December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 for the year ended December 31, 2018 and as of December 31, 2015 for the year ended December 31, 2017, which used updated procedures to roll forward the estimated liability to December 31, 2017 and 2016, respectively. The Authority's proportion of the net pension liability was based on the Authority's contributions as a percentage of total employer contributions during the measurement period. At December 31, 2017 and 2016, the Authority's proportion was 0.7498694074 and 0.6888283740 percent, respectively.

Note 8 - Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2018 and 2017, the Authority recognized pension expense of $2,006,182 and $1,351,849, respectively.

At December 31, 2018 and 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,440,830	$ -	$ 2,377,360	$ -
Net difference between projected and actual investment	-	2,212,746	-	231,579
Employer contributions to the plan subsequent to the measurement date	612,464	-	645,238	-
Total	$ 2,053,294	$ 2,212,746	$ 3,022,598	$ 231,579

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the table below. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date $612,464, which will impact net pension liability in fiscal year 2019, rather than pension expense:

Years Ending December 31	Amount
2019	$ (745,827)
2020	(745,827)
2021	143,407
2022	288,166
2023	288,166
Total	$ (771,915)

Actuarial Assumptions

The total pension liability as of December 31, 2017 and 2016 is based on results of an actuarial valuation date of December 31, 2016 and 2015, respectively, and rolled forward and was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year and females set back two years. The actuarial assumptions were the following as of December 31, 2016 and 2015:

- Inflation - December 31, 2016: 2.40 percent. December 31, 2015: 2.80 percent.
- Salary increases - 3.50-10.45 percent. Average, including inflation
- Investment rate of return - 7.25 percent. Net of pension plan investment expense, including inflation

Note 8 - Pension Plan (Continued)

The actuarial assumptions used in the December 31, 2016 and 2015 valuation were based on the results of an actuarial experience study for the period from January 1, 2008 through December 31, 2011, adopted by PERA's board on November 13, 2012, and an economic assumption study, adopted by PERA's board on November 15, 2013 and January 17, 2014.

Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2017 and 2016 was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of November 18, 2016 for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
U.S. equity - Large cap	21.00 %	4.30 %
U.S. equity - Small cap	7.00	4.80
Non-U.S. equity - Developed	19.00	5.20
Non-U.S. equity - Emerging	6.00	5.40
Core-fixed income	19.00	1.20
High yield	1.00	4.30
Non-U.S. fixed income - Developed	2.00	0.60
Emerging market debt	-	3.90
Core real estate	9.00	4.90
Opportunity fund	6.00	3.80
Private equity	9.00	6.60
Cash	1.00	0.20

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.25 percent, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate for both December 31, 2018 and 2017:

	1 Percent Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percent Increase (8.25%)
Net pension liability - December 31, 2018	$ 13,297,682	$ 8,357,242	$ 4,224,059

Note 8 - Pension Plan (Continued)

	1 Percent Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percent Increase (8.25%)
Net pension liability - December 31, 2017	$ 13,714,676	$ 9,301,527	$ 5,646,957

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately issued PERA financial report.

Note 9 - Other Postemployment Benefit Plan

Plan Description

The Authority participates in the Health Care Trust Fund (the "HCTF"), a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Colorado Public Employees' Retirement Association (PERA). The HCTF provides a healthcare premium subsidy to eligible participating PERA benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assign the authority to establish the HCTF benefit provision to the state legislature.

PERA issues a publicly available annual financial report that includes financial statements and required supplemental information for the HCTF. These reports may be obtained online at www.copera.org; by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, CO 80203; or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Contributions

The Authority is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Authority are established under Title 24, Article 51, Part 4 of the CRS, as amended. Contributions to the plan from the Authority were $48,251 for the year ended December 31, 2018.

Net OPEB Liability

Beginning this year, the Authority has adopted GASB Statement No. 75, which requires the measurement of OPEB expense as it is earned, rather than as it is funded.

At December 31, 2018, the Authority reported a liability of $742,344 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 for the year ended December 31, 2018, which used updated procedure to roll forward the estimated liability to December 31, 2017. The Authority's proportion of the net OPEB liability was based on the Authority's contributions as a percentage of total employer contributions during the measurement period. At December 31, 2017, the Authority's proportion was 0.582683560 percent.

Note 9 - Other Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Authority recognized OPEB expense of $25,067.

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 40,534	$ -
Difference between projected and actual investment earnings	-	13,236
Employer contributions to the plan subsequent to the measurement date	53,076	-
Total	$ 93,610	$ 13,236

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the table below. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date $53,076, which will impact net OPEB liability in fiscal year 2019, rather than OPEB expense:

Years Ending December 31	Amount
2019	$ 4,009
2020	4,009
2021	4,009
2022	4,009
2023	4,009
Thereafter	7,255
Total	$ 27,300

Actuarial Assumptions

The total OPEB liability as of December 31, 2017 is based on results of an actuarial valuation date of December 31, 2016 and rolled forward and was determined using the following actuarial assumptions, applied to all periods included in the measurement applied to all periods included in the measurement:

- Inflation - 2.40 percent
- Salary increases, including wage inflation - 3.50 percent in the aggregate
- Investment rate of return - 7.25 percent. Net of OPEB plan investment expense, including price inflation
- Mortality rates were based on the RP-2014 White Collar Employee Mortality Table for males or females. The mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- Healthcare cost trend rate - 5.00 percent

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of a 2016 actuarial experience study for the period from January 1, 2012 through December 31, 2015, adopted by PERA's board on November 18, 2016.

Note 9 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability as of December 31, 2017 was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2016 for each major asset class are summarized in the following table:

	Target Allocation (%)	Long-term Expected Real Rate of Return
U.S. equity - Large cap	21.00 %	4.30 %
U.S. equity - Small cap	7.00	4.80
Non-U.S. equity - Developed	19.00	5.20
Non-U.S. equity - Emerging	6.00	5.40
Core fixed income	19.00	1.20
High yield	1.00	4.30
Non-U.S. fixed income - Developed	2.00	0.60
Emerging market debt	-	3.90
Core real estate	9.00	4.90
Opportunity fund	6.00	3.80
Private equity	9.00	6.60
Cash	1.00	0.20

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 7.25 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate for December 31, 2018:

	1 Percent Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percent Increase (8.25%)
Net OPEB liability of the plan	$ 851,393	$ 742,344	$ 676,906

Note 9 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Authority, calculated using current healthcare cost trend rate. It also reflects what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate for December 31, 2018:

	1 Percent Decrease (4.00%)	Current Discount Rate (5.00%)	1 Percent Increase (6.00%)
Net OPEB liability of the plan	$ 736,421	$ 742,344	$ 782,350

Note 10 - Nonexchange Financial Guarantees

General Partner Operating Deficit Guarantees

In relation to the performance of the tax credit partnerships for which the Authority is the general partner, the Authority has agreed to provide certain levels of funding in the event of partnership operating deficits that exceed operating reserves. The maximum amount required to fund the excess operating deficits ranges by partnership from zero to the total amount of the excess operating deficit for a single partnership. The guarantees are in place until specific milestones specifically defined in the partnership agreement are met. If the Authority is required to fund a deficit under this guarantee, the advance would be structured as a loan to the partnership. These loans would be repayable without interest in accordance with available cash flow. As of December 31, 2018 and 2017, there were no additional liabilities relating to excess operating deficits for any of the partnerships.

General Partner Guarantees of Debt

The Authority has provided payment guarantees to a lender of a portion of the outstanding debt for Red Oak Park, LLLP; WestView Community, LLLP; High Mar Community, LLLP; Boulder Communities, LLLP; and Palo Park Communities, LLLP. The amount of the debt that was guaranteed was $25,259,429 and $26,094,381 as of December 31, 2018 and 2017, respectively. The debt has various maturity dates ranging from April 1, 2019 through February 1, 2035. In the event that any of these partnerships is unable to make a payment when due, the Authority will be required to make that payment.

Note 11 - Commitments and Contingencies

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2018 and 2017.

Note 12 - Blended Component Units

Condensed combining information for the Authority's blended component units is presented as follows:

	2018					
	Woodland Communities, LLC	Foothill Communities, LLC	Vistoso Community, LLC	2037 Walnut, LLC	2018	2017
Assets						
Current assets	$ 508,950	$ 376,134	$ 222,747	$ 118,750	$ 1,226,581	$ 1,214,729
Capital assets	1,507,950	9,759,796	853,387	7,560,161	19,681,294	12,811,272
Total assets	2,016,900	10,135,930	1,076,134	7,678,911	20,907,875	14,026,001
Liabilities						
Current liabilities	119,146	283,767	28,193	79,780	510,886	417,069
Noncurrent liabilities	2,677,750	6,045,201	582,525	3,327,766	12,633,242	9,549,829
Total liabilities	2,796,896	6,328,968	610,718	3,407,546	13,144,128	9,966,898
Net Position						
Net investment in capital assets	(1,169,800)	3,450,240	270,862	4,232,395	6,783,697	3,261,443
Restricted	420,214	117,419	140,776	1,941	680,350	546,241
Unrestricted	(30,410)	239,303	53,778	37,029	299,700	251,419
Total net position	$ (779,996)	$ 3,806,962	$ 465,416	$ 4,271,365	$ 7,763,747	$ 4,059,103

Income statement information is as follows:

	2018					
	Woodland Communities, LLC	Foothills Communities, LLC	Vistoso Community, LLC	2037 Walnut, LLC	2018	2017
Operating Revenue						
Rent - Net	$ 475,552	$ 1,046,954	$ 161,456	$ 171,953	$ 1,855,915	$ 1,558,533
Other	6,522	13,325	3,713	26,184	49,744	22,383
Total operating revenue	482,074	1,060,279	165,169	198,137	1,905,659	1,580,916
Operating Expenses						
Operating expenses	278,279	521,207	122,718	53,484	975,688	795,703
Depreciation	274,997	401,488	30,100	90,258	796,843	680,263
Total operating expenses	553,276	922,695	152,818	143,742	1,772,531	1,475,966
Nonoperating Expense - Interest expense	(108,805)	(207,601)	(29,048)	(72,305)	(417,759)	(326,074)
Equity Transfer	-	(300,000)	-	4,114,275	3,814,275	-
Contributions	-	-	-	175,000	175,000	-
Change in Net Position	(180,007)	(370,017)	(16,697)	4,271,365	3,704,644	(221,124)
Net Position - Beginning of year	(599,989)	4,176,979	482,113	-	4,059,103	4,280,227
Net Position - End of year	$ (779,996)	$ 3,806,962	$ 465,416	$ 4,271,365	$ 7,763,747	$ 4,059,103

Note 12 - Blended Component Units (Continued)

Cash flow statement information is as follows:

	2018					
	Woodland Communities, LLC	Foothill Communities, LLC	Vistoso Community, LLC	2037 Walnut, LLC	2018	2017
Net Cash Provided by Operating Activities - Receipts from customers	$ 45,522	$ 6,974	$ 11,539	$ 189,850	$ 253,885	$ 461,522
Net Cash (Used in) Provided by Financing Activities	(68,135)	(158,740)	(7,912)	3,327,766	3,092,979	791,673
Net Cash Used in Investing Activities	-	(19,361)	(6,175)	(3,407,546)	(3,433,082)	(1,022,150)
Net (Decrease) Increase in Cash	(22,613)	(171,127)	(2,548)	110,070	(86,218)	231,045
Cash - Beginning of year	471,812	517,199	220,318	-	1,209,329	978,284
Cash - End of year	$ 449,199	$ 346,072	$ 217,770	$ 110,070	$ 1,123,111	$ 1,209,329

Note 13 - Vistoso Transaction

In prior years, the Authority was the general partner of Vistoso Community, LLLP (the "LLLP") and had a 0.01 percent interest in the partnership, and Vistoso Community, LLLP was treated as a discretely presented component unit. Vistoso Community, LLLP had been reported by the Authority as a joint venture under the equity method. In 2017, the limited partner of Vistoso Community, LLLP sold its interest to BHP. BHP created a wholly owned LLC, Vistoso Community, LLC (the "LLC"), to purchase the limited partner's 99.99 percent interest. BHP placed its 0.01 percent interest in the LLLP into the LLC so that the LLC now owns 100 percent of Vistoso Community, LLLP. Vistoso Community, LLLP has now been dissolved, and the beginning of year net position for the discretely presented component units in 2017 has been restated by $568,685 for this dissolution. The LLC is now reported as a blended component unit. BHP had approximately $435,000 in notes receivable and related accrued interest due from Vistoso Community, LLLP, which BHP forgave. Under GASB No. 69, governmental acquisitions are recorded at acquisition value. The most significant asset of Vistoso Community, LLLP was the property, which had an acquisition value of $892,000 at the time of the purchase of the limited partner interest. The deemed purchase price of this transaction was $435,000, the forgiven debt and accrued interest. The deemed acquisition value of the acquisition exceeded the purchase price, which reduced the building at December 31, 2017 by approximately $64,000.

Note 14 - Change in Accounting Principle

During the current year, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, the financial statements include a liability for the Authority's unfunded portion of the retiree healthcare costs over future years. As a result of implementing this statement, the net position of the Authority as of January 1, 2018 has been restated by $(637,003) to $85,638,868. The restatement of the fiscal year 2017 financial statements was not practical, as all necessary information for such a restatement was not available from the OPEB plan. As such, the fiscal year 2017 financial statements have not been restated.

Note 15 - Discretely Presented Component Units

The following entities are considered discrete component units of the Authority and are presented in accordance with GASB Statement No. 61. Certain items may have changed for presentation purposes from the separately issued audited financial statements to conform to the Authority's presentation. The discrete component units disclosures included are those required under GASB Statement No. 61 that are deemed essential to fair presentation of the financial entity's general purpose financial statements. The following disclosures are those that are material to the Authority and are not meant to be a full representation of each component unit's financial position and required disclosures. A copy of each component unit's separately issued financial statements can be obtained from the commission's management. See Note 1 for detail on accounting policy and the for-profit entities that are considered discretely presented component units.

Each of the discrete component units was formed as limited partnerships or limited liability companies for the purpose of owning, developing, and operating affordable housing projects.

The significant activity of the entities consists of residential rental operations and the primary assets are the land, buildings, improvements, furniture, fixtures, and equipment. Debt is primarily long term in nature and is collateralized by the property. Equity is contributed by the general partner and the investor limited partners.

The discretely presented component units' deposits are included at their carrying values on the statement of net position under the following classifications:

	2018	2017
Cash and cash equivalents - Unrestricted (current)	$ 1,620,505	$ 1,123,545
Cash and cash equivalents - Restricted (current)	3,671,676	3,307,542
Tenant security deposits	313,872	300,070
Total	$ 5,606,053	$ 4,731,157

All of the discretely presented component units' cash is held in bank deposits, checking accounts, and savings accounts.

The restricted cash balances of the discretely presented component units are made up of $313,872 and $300,070 of security deposits and $3,671,676 and $3,307,542 of funded reserves for the years ended December 31, 2018 and 2017, respectively.

Note 15 - Discretely Presented Component Units (Continued)

A summary of the capital assets of the discrete component units is as follows:

Schedule of Component Unit Capital Assets December 31, 2018	Nondepreciable	Depreciable or Amortizable				Accumulated Depreciation and Amortization	2018 Net Capital Assets	2017 Net Capital Assets
	Land	Tax Credit Fees	Buildings and Improvements	Furniture, Fixtures, and Equipment	Marketing & Leasing			
Boulder Communities, LLLP	$ 12,331,149	$ 239,220	$ 71,941,985	$ 1,071,849	$ 4,280	$ (7,753,546)	$ 77,834,937	$ 80,843,751
Broadway East Community, LLLP	-	52,913	7,561,717	78,058	-	(3,199,960)	4,492,728	4,802,088
Broadway West Community, LLLP	105,838	32,862	6,944,929	19,417	-	(2,346,286)	4,756,760	5,015,456
Holiday Community, LLLP	817,533	27,473	6,770,052	26,388	-	(3,677,897)	3,963,549	4,222,225
High Mar Community, LLLP	-	44,371	11,978,745	39,121	-	(2,146,735)	9,915,502	10,384,459
Lee Hill Community, LLLP	885,045	34,030	6,188,129	95,686	-	(1,072,137)	6,130,753	6,382,111
Palo Park Community, LLLP	173,721	38,888	11,680,409	52,045	-	(270,858)	11,674,205	-
Red Oak Park Community, LLLP	-	68,403	11,944,903	206,892	-	(3,585,136)	8,635,062	9,072,838
WestView Community, LLLP	470,000	19,840	5,597,585	-	-	(1,263,195)	4,824,230	5,029,115
Total fixed assets placed in service	14,783,286	558,000	140,608,454	1,589,456	4,280	(25,315,750)	132,227,726	125,752,043
Lee Hill Community, LLLP - Construction in progress	-	-	-	9,768	-	-	9,768	
Palo Park Community, LLLP - Construction in progress	-	-	-	-	-	-	-	7,002,433
WestView Community, LLLP - Construction in progress	-	-	-	-	-	-	-	1,613
Total Discrete Component Unit Net Capital Assets	$ 14,783,286	$ 558,000	$ 140,608,454	$ 1,599,224	$ 4,280	$ (25,315,750)	$ 132,237,494	$ 132,756,089

Note 15 - Discretely Presented Component Units (Continued)

A summary of the changes to the capital assets of the discrete component units is as follows:

	Beginning Balance	Capital Additions and Other Adjustments	Depreciation and Amortization	End of Year Balance	2017 End of Year Balance
Boulder Communities, LLLP	$ 80,843,751	$ -	$ (3,008,814)	$ 77,834,937	$ 80,843,751
Broadway East Community, LLLP	4,802,089	9,934	(319,295)	4,492,728	4,802,088
Broadway West Community, LLLP	5,015,456	-	(258,696)	4,756,760	5,015,456
Holiday Community, LLLP	4,222,225	-	(258,676)	3,963,549	4,222,225
High Mar Community, LLLP	10,384,459		(468,957)	9,915,502	10,384,459
Lee Hill Community, LLLP	6,382,111	7,940	(259,298)	6,130,753	6,382,111
Palo Park Community, LLLP	-	11,945,063	(270,858)	11,674,205	-
Red Oak Park Community, LLLP	9,072,837	12,736	(450,511)	8,635,062	9,072,838
WestView Community, LLLP	5,029,115	-	(204,885)	4,824,230	5,029,115
Total fixed assets placed in service - December 31, 2018	125,752,043	11,975,673	(5,499,990)	132,227,726	125,752,043
Lee Hill Community, LLLP - Construction in progress	-	9,768	-	9,768	-
Palo Park Community, LLLP - Construction in progress	7,002,433	(7,002,433)	-	-	7,002,433
WestView Community, LLLP - Construction in progress	1,613	(1,613)	-	-	1,613
Total discrete component unit net capital assets	$ 132,756,089	$ 4,981,395	$ (5,499,990)	$ 132,237,494	$ 132,756,089

Note 15 - Discretely Presented Component Units (Continued)

A summary of the discrete component units' debt outstanding and maturity dates is as follows:

Schedule of Component Unit Debt December 31, 2018	Lender	Interest Rate	Maturity Date	Balance - Beginning of Year	Additions (Payments)	Balance - End of Year	Principal Due Within One Year
Boulder Communities	First Bank of Boulder	3.98%	2033	13,894,139	(246,665)	13,647,474	260,620
	Boulder Housing Partners	2.64%	2055	1,152,519	-	1,152,519	-
	Boulder Housing Partners	2.64%	2055	12,025,000	-	12,025,000	-
	Boulder Housing Partners	2.64%	2055	7,647,569	-	7,647,569	-
	Boulder Housing Partners	2.64%	2055	20,000,000	-	20,000,000	-
	Boulder Housing Partners	1.00%	2030	3,516,708	(215,440)	3,301,268	478,800
Broadway East Community, LLLP	US Bank	Variable	2024	1,989,793	(102,413)	1,887,380	55,000
	Boulder Housing Partners	0.00%	2047	1,458,378	-	1,458,378	-
	Boulder Housing Partners	5.15%	2047	1,253,531	-	1,253,531	-
Broadway West Community, LLLP	First Bank of Boulder	5.00%	2025	895,866	(18,910)	876,956	20,233
	Colorado Housing Finance Agency	0.00%	2041	936,298	-	936,298	-
	Boulder Housing Partners	0.00%	2058	1,556,057	(21,358)	1,534,699	50,322
Holiday Community, LLLP	First Bank of Boulder	4.50%	2021	1,879,136	(69,664)	1,809,472	74,800
	Boulder Housing Partners	9.00%	2021	88,741	(33,871)	54,870	54,870
	Boulder Housing Partners	9.00%	2021	350,000	-	350,000	-
High Mar Community, LLLP	Wells Fargo	Variable	2015	4,002,274	(161,593)	3,840,681	80,375
	Boulder Housing Partners	2.50%	2043	2,587,611	-	2,587,611	-
	Boulder Housing Partners	2.50%	2043	590,000	-	590,000	-
	Boulder Housing Partners	2.70%	2025	388,293	(27,843)	360,450	53,333
Lee Hill Community, LLLP	Boulder Housing Partners	4.00%	2043	625,000	-	625,000	-
	Boulder Housing Partners	0.00%	2043	3,098,150	-	3,098,150	6,332
	Boulder Housing Partners	2.00%	2015	51,033	-	51,033	51,033
Palo Park, LLLP	First Bank of Boulder	3.50%	2035	2,687,953	(144,504)	2,543,449	48,811
	Boulder Housing Partners	1.00%	2033	-	455,686	455,686	206,609
	Boulder Housing Partners	0.00%	2057	960,324	39,498	999,822	-
	Boulder Housing Partners	0.00%	2057	1,209,659	-	1,209,659	-
	Boulder Housing Partners	0.00%	2057	400,000	-	400,000	-
	Boulder Housing Partners	0.00%	2057	327,921	-	327,921	-
Red Oak Park Community, LLLP	Keybank National Association	6.50%	2027	2,771,814	(48,181)	2,723,633	51,747
	Boulder Housing Partners	5.00%	2040	862,122	(246)	861,876	4,342
WestView Community, LLLP	First Bank of Boulder	4.85%	2029	2,738,202	(55,158)	2,683,044	58,954
	Boulder Housing Partners	1.25%	2042	1,696,394	(39,064)	1,657,330	35,122
Totals				93,640,485	(689,726)	92,950,759	$ 1,591,303
	Debt Issuance Costs; all props net of amortization					(629,546)	
	Total DCU Debt					92,321,213	

Required Supplemental Information

Required Supplemental Information
Schedule of Boulder Housing Partners' Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association
Local Government Division Trust Fund

Last Four Fiscal Years

Years Ended December 31

	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.74987 %	0.68883 %	0.67773 %	0.61627 %
Authority's proportionate share of the net pension liability	$ 8,357,242	$ 9,301,527	$ 7,465,755	$ 5,523,658
Authority's covered payroll	$ 8,287,113	$ 7,348,110	$ 6,090,485	$ 5,059,089
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	100.85 %	126.58 %	122.60 %	109.20 %
Plan fiduciary net position as a percentage of total pension liability	79.37 %	73.60 %	76.90 %	80.70 %

Required Supplemental Information
Schedule of Boulder Housing Partners' Contributions
Colorado Public Employees' Retirement Association
Local Governmental Division Trust Fund

Last Four Fiscal Years

Years Ended December 31

	2018	2017	2016	2015
Contractually required contribution	$ 612,464	$ 645,238	$ 575,312	$ 527,311
Contributions in relation to the contractually required contribution	612,464	645,238	575,312	527,311
Contribution Deficiency	**$ -**	**$ -**	**$ -**	$ -
Authority's Covered Payroll	$ 8,287,113	$ 7,348,110	$ 6,090,485	$ 5,059,089
Contributions as a Percentage of Covered Payroll	7.39 %	8.78 %	9.40 %	10.40 %

Required Supplemental Information
Schedule of Boulder Housing Partner's Proportionate Share of the Net OPEB Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund

Last Fiscal Year

Year Ended December 31

	2018
Authority's proportion of the net OPEB liability	0.05827 %
Authority's proportionate share of the net OPEB liability	$ 742,344
Authority's covered employee payroll	$ 8,287,113
Authority's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	8.96 %
Plan fiduciary net position as a percentage of total OPEB liability	17.53 %

Required Supplemental Information
Schedule of Boulder Housing Partners' OPEB Contributions
Colorado Public Employees' Retirement Association
Health Care Trust Fund

Last Fiscal Year

Year Ended December 31

	2018
Statutorily required contribution	$ 53,076
Contributions in relation to the statutorily required contribution	53,076
Contribution Excess	**$ -**
Authority's Covered Employee Payroll	$ 8,287,113
Contributions as a Percentage of Covered Employee Payroll	0.64 %

Other Supplemental Information

Financial Data Schedules

December 31, 2018

		Public Housing Project Total	14.881 MTW	14.CFP Capital Fund	14.HCV Section 8 HCV	14.OPS Low Rent	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs - Canyon Pointe	14.149 Rental Housing for Low Income Families
	Balance Sheet								
	Assets								
111	Cash - Unrestricted	$69,148	$727,672			$8,017	$3,395	$474,340	$97,525
112	Cash - Restricted - Modernization and Development								
113	Cash - Other Restricted		$69,245				$10,654	$252,861	$0
114	Cash - Tenant Security Deposits	$13,268						$31,738	$15,243
115	Cash - Restricted for Payment of Current Liabilities								
100	**Total Cash**	**$82,416**	**$796,917**	**$0**	**$0**	**$8,017**	**$14,049**	**$758,939**	**$112,768**
121	Accounts Receivable - PHA Projects								
122	Accounts Receivable - HUD Other Projects								
124	Accounts Receivable - Other Government	$105,584							
125	Accounts Receivable - Miscellaneous		$2,567						
126	Accounts Receivable - Tenants	$7,014	$8,756				$3,878	$6,381	$3,111
126.1	Allowance for Doubtful Accounts - Tenants	-1489					$0	-$892	-$311
126.2	Allowance for Doubtful Accounts - Other								
127	Notes, Loans, & Mortgages Receivable - Current								
128	Fraud Recovery		$8,705				$3,754		
128.1	Allowance for Doubtful Accounts - Fraud								
129	Accrued Interest Receivable								
120	**Total Receivables, Net of Allowances for Doubtful Accounts**	**$111,109**	**$20,028**	**$0**	**$0**	**$0**	**$7,632**	**$5,489**	**$2,800**
131	Investments - Unrestricted								
132	Investments - Restricted								
135	Investments - Restricted for Payment of Current Liability								
142	Prepaid Expenses and Other Assets	$15,742	$2,611					$24,921	$23,848
143	Inventories	$0							
143.1	Allowance for Obsolete Inventories	$0	$0		$0				
144	Inter Program Due From	$0							
145	Assets Held for Sale								
150	**Total Current Assets**	**$209,267**	**$819,556**	**$0**	**$0**	**$8,017**	**$21,681**	**$789,349**	**$139,416**

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		14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	Business Activities	Central Office Cost Center	Subtotal	ELIM	Total	6.1 Component Unit - Discretely Presented
	Balance Sheet									
	Assets									
111	Cash - Unrestricted	$2,560	$44,301		$6,343,063	$56,667	$7,826,688		$7,826,688	$1,620,505
112	Cash - Restricted - Modernization and Development						$0		$0	
113	Cash - Other Restricted			$45,529	$499,320		$877,609		$877,609	$3,671,675
114	Cash - Tenant Security Deposits				$427,701		$487,950		$487,950	$313,871
115	Cash - Restricted for Payment of Current Liabilities						$0		$0	
100	**Total Cash**	**$2,560**	**$44,301**	**$45,529**	**$7,270,084**	**$56,667**	**$9,192,247**	**$0**	**$9,192,247**	**$5,606,051**
121	Accounts Receivable - PHA Projects						$0		$0	
122	Accounts Receivable - HUD Other Projects						$0		$0	
124	Accounts Receivable - Other Government		$45,254			$24,592	$175,430		$175,430	
125	Accounts Receivable - Miscellaneous	$8,960			146031	184187	$341,745		$341,745	$30,791
126	Accounts Receivable - Tenants				$62,354		$91,494		$91,494	$35,159
126	Allowance for Doubtful Accounts - Tenants				-$21,725	$0	-$24417	$0	-$24417	-$733
126	Allowance for Doubtful Accounts - Other	$0	$0		$0	$0	0	$0	$0	$0
127	Notes, Loans, & Mortgages Receivable - Current				$690,464	$115,870	806334		$806,334	
128	Fraud Recovery						12459		$12,459	
128	Allowance for Doubtful Accounts - Fraud				$0	$0	0	$0	$0	0
129	Accrued Interest Receivable				$48,329	$69,965	$118,294		$118,294	
120	**Total Receivables, Net of Allowances for Doubtful Accounts**	**$8,960**	**$45,254**	**$0**	**$925,453**	**$394,614**	**$1,521,339**	**$0**	**$1,521,339**	**$65,217**
131	Investments - Unrestricted									
132	Investments - Restricted									
135	Investments - Restricted for Payment of Current Liability									
142	Prepaid Expenses and Other Assets				$220,275	$48,759	$336,156		$336,156	$297,351
143	Inventories					$1,595	$1,595		$1,595	
143	Allowance for Obsolete Inventories				$0	$0	$0	$0	$0	$0
144	Inter Program Due From					$130,685	$130,685	-$130,685	$0	
145	Assets Held for Sale									
150	**Total Current Assets**	**$11,520**	**$89,555**	**$45,529**	**$8,415,812**	**$632,320**	**$11,182,022**	**-$130,685**	**$11,051,337**	**$5,968,619**

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		Public Housing Project Total	14.881 MTW	14.CFP Capital Fund	14.HCV Section 8 HCV	14.OPS Low Rent	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs - Canyon Pointe	14.149 Rental Housing for Low Income Families
161	Land	$175,006						$386,348	$163,393
162	Buildings	$2,483,886						$4,532,233	$889,855
163	Furniture, Equipment & Machinery - Dwellings							$19,920	$14,882
164	Furniture, Equipment & Machinery - Administration	$0						$23,739	$11,320
165	Leasehold Improvements								
166	Accumulated Depreciation	-$2,316,938						-$4,117,341	-$876,522
167	Construction in Progress	$29,696							
168	Infrastructure								
160	**Total Capital Assets, Net of Accumulated Depreciation**	**$371,650**	**$0**	**$0**	**$0**	**$0**	**$0**	**$844,899**	**$202,928**
171	Notes, Loans and Mortgages Receivable - Non-Current	$0							
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due								
173	Grants Receivable - Non Current								
174	Other Assets								
176	Investments in Joint Ventures	$0							
180	**Total Non-Current Assets**	**$371,650**	**$0**	**$0**	**$0**	**$0**	**$0**	**$844,899**	**$202,928**
190	**Total Assets**	**$580,917**	**$819,556**	**$0**	**$0**	**$0**	**$21,681**	**$1,634,248**	**342344**
200	Deferred Outflow of Resources	$14,686	$93,735					$28,756	$16,831
290	**Total Assets and Deferred Outflow of Resources**	**$595,603**	**$913,291**	**$0**	**$0**	**$8,017**	**$21,681**	**$1,663,004**	**$359,175**

December 31, 2018

		14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	Business Activities	Central Office Cost Center	Subtotal	ELIM	Total	6.1 Component Unit - Discretely Presented
161	Land				$38,037,966	$940,376	$39,703,089		$39,703,089	$14,783,287
162	Buildings				$86,182,821	$3,862,410	$97,951,205		$97,951,205	$141,118,394
163	Furniture, Equipment & Machinery - Dwellings				$104,256		$139,058		$139,058	$199,422
164	Furniture, Equipment & Machinery - Administration				$39,455	$730,442	$804,956		$804,956	$1,390,034
165	Leasehold Improvements				$86,585		$86,585		$86,585	$52,340
166	Accumulated Depreciation				-$28,179,783	-$2,616,593	-$38,107,177		-$38,107,177	-$25,315,749
167	Construction in Progress				$1,490,094		$1,519,790		$1,519,790	$9,768
168	Infrastructure									
160	**Total Capital Assets, Net of Accumulated Depreciation**	**$0**	**$0**	**$0**	**$97,761,394**	**$2,916,635**	**$102,097,506**	**$0**	**$102,097,506**	**$132,237,496**
171	Notes, Loans and Mortgages Receivable - Non-Current				$360,512	$59,701,276	$60,061,788		$60,061,788	
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173	Grants Receivable - Non Current									
174	Other Assets				$3,071,546	$1,964,500	$5,036,046		$3,071,546	
176	Investments in Joint Ventures				$8,766	$399,384	$408,150		$408,150	
180	**Total Non-Current Assets**	**$0**	**$0**	**$0**	**$101,202,218**	**$64,981,795**	**$167,603,490**	**$0**	**$167,603,490**	**$132,237,496**
190	**Total Assets**	**$11,520**	**$89,555**	**$45,529**	**$109,618,030**	**$65,614,115**	**$178,785,512**	**-$130,685**	**$178,654,827**	**$138,206,115**
200	Deferred Outflow of Resources				$573,501	$1,683,751	$2,411,260		$2,411,260	
290	**Total Assets and Deferred Outflow of Resources**	**$11,520**	**$89,555**	**$45,529**	**$110,191,531**	**$67,297,866**	**$181,196,772**	**-$130,685**	**$181,066,087**	**$138,206,115**

December 31, 2018

		Public Housing Project Total	14.881 MTW	14.CFP Capital Fund	14.HCV Section 8 HCV	14.OPS Low Rent	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs - Canyon Pointe	14.149 Rental Housing for Low Income Families
	Liabilities								
311	Bank Overdraft								
312	Accounts Payable <= 90 Days	$10,290	$2,799					$19,853	$7,107
313	Accounts Payable >90 Days Past Due								
321	Accrued Wage/Payroll Taxes Payable	$1,027	$16,065					$1,792	$743
322	Accrued Compensated Absences - Current Portion	$8,294	$19,845					$3,543	$1,791
324	Accrued Contingency Liability								
325	Accrued Interest Payable							$20,028	
331	Accounts Payable - HUD PHA Programs								
332	Account Payable - PHA Projects								
333	Accounts Payable - Other Government	$22,435							
341	Tenant Security Deposits	$13,565						$31,731	$15,241
342	Unearned Revenue	$583						$423	$1,435
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue								
344	Current Portion of Long-term Debt - Operating Borrowings								
345	Other Current Liabilities		$69,246			$8,017	$7,600		
346	Accrued Liabilities - Other	$5,506							
347	Inter Program - Due To	$8,196	$53,232				$6,190	$18,036	$7,453
348	Loan Liability - Current								
310	**Total Current Liabilities**	**$69,896**	**$161,187**	**$0**	**$0**	**$8,017**	**$13,790**	**$95,406**	**$33,770**
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							$4,559,477	
352	Long-term Debt, Net of Current - Operating Borrowings								
353	Non-current Liabilities - Other								
354	Accrued Compensated Absences - Non Current								
355	Loan Liability - Non Current								
356	FASB 5 Liabilities								
357	Accrued Pension and OPEB Liabilities	$36,394	$212,216					$59,126	$33,596
350	**Total Non-Current Liabilities**	**$36,394**	**$212,216**	**$0**	**$0**	**$0**	**$0**	**$4,618,603**	**$33,596**
300	**Total Liabilities**	**$106,290**	**$373,403**	**$0**	**$0**	**$8,017**	**$13,790**	**$4,714,009**	**$67,366**
400	Deferred Inflow of Resources	$16,415	$138,882					$28,486	$15,163
	Equity								
508.4	Net Investment in Capital Assets	$371,650						-$3,714,578	$202,928
511.4	Restricted Net Position	$0	$8,706	$0	$0	$0	$6,807	$252,861	$0
512.4	Unrestricted Net Position	$101,248	$392,300	$0	$0	$0	$1,084	$382,226	$73,718
513	**Total Equity - Net Assets / Position**	**$472,898**	**$401,006**	**$0**	**$0**	**$0**	**$7,891**	**-$3,079,491**	**$276,646**
600	**Total Liabilities, Deferred Inflows of Resources and Equity - Net**	**$595,603**	**$913,291**	**$0**	**$0**	**$8,017**	**$21,681**	**$1,663,004**	**$359,175**

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December 31, 2018

		14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	Business Activities	Central Office Cost Center	Subtotal	ELIM	Total	6.1 Component Unit - Discretely Presented
	Liabilities									
311	Bank Overdraft									
312	Accounts Payable <= 90 Days				$345,075	$114,926	$500,050		$500,050	$305,157
313	Accounts Payable >90 Days Past Due									
321	Accrued Wage/Payroll Taxes Payable				$39,991	$143,611	$203,229		$203,229	$13,397
322	Accrued Compensated Absences - Current Portion				$27,978	$182,841	$244,292		$244,292	$11,429
324	Accrued Contingency Liability									
325	Accrued Interest Payable				$223,131		$243,159		$243,159	$5,159,905
331	Accounts Payable - HUD PHA Programs									
332	Account Payable - PHA Projects									
333	Accounts Payable - Other Government						$22,435		$22,435	
341	Tenant Security Deposits				$431,529		$492,066		$492,066	$316,612
342	Unearned Revenue			$0	$1,777	$23,444	$27,662		$27,662	$14,278
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				$1,296,976		$1,296,976		$1,296,976	$1,591,302
344	Current Portion of Long-term Debt - Operating Borrowings									
345	Other Current Liabilities						$84,863		$84,863	$0
346	Accrued Liabilities - Other		$19,127		$51,802	$19,374	$95,809		$95,809	$104,817
347	Inter Program - Due To	$10,045	$449		$27,083		$130,684	-$130,685	-$1	
348	Loan Liability - Current									
310	**Total Current Liabilities**	**$10,045**	**$19,576**	**$0**	**$2,445,342**	**$484,196**	**$3,341,225**	**-$130,685**	**$3,210,540**	**$7,516,897**
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			$0	$74,709,739		$79,269,216		$79,269,216	$90,732,961
352	Long-term Debt, Net of Current - Operating Borrowings									
353	Non-current Liabilities - Other									
354	Accrued Compensated Absences - Non Current									
355	Loan Liability - Non Current									
356	FASB 5 Liabilities									
357	Accrued Pension and OPEB Liabilities			$0	$795,605	$7,962,649	$9,099,586		$9,099,586	
350	**Total Non-Current Liabilities**	**$0**	**$0**	**$0**	**$75,505,344**	**$7,962,649**	**$88,368,802**	**$0**	**$88,368,802**	**$90,732,961**
300	**Total Liabilities**	**$10,045**	**$19,576**	**$0**	**$77,950,686**	**$8,446,845**	**$91,710,027**	**-$130,685**	**$91,579,342**	**$98,249,858**
400	Deferred Inflow of Resources				$679,702	$1,571,282	$2,449,930		$2,449,930	
	Equity									
508	Net Investment in Capital Assets				$22,055,865	$2,916,635	$21,832,500		$21,832,500	$39,913,233
511	Restricted Net Position	$0	$0	$45,529	$198,134	$0	$512,037		$512,037	$3,671,676
512	Unrestricted Net Position	$1,475	$69,979	$0	$9,307,144	$54,363,104	$64,692,278		$64,692,278	-$3,628,652
513	**Total Equity - Net Assets / Position**	**$1,475**	**$69,979**	**$45,529**	**$31,561,143**	**$57,279,739**	**$87,036,815**	**$0**	**$87,036,815**	**$39,956,257**
600	**Total Liabilities, Deferred Inflows of Resources and Equity - Net**	**$11,520**	**$89,555**	**$45,529**	**$110,191,531**	**$67,297,866**	**$181,196,772**	**-$130,685**	**$181,066,087**	**$138,206,115**

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December 31, 2018

		Public Housing Project Total	14.881 MTW	14.CFP Capital Fund	14.HCV Section 8 HCV	14.OPS Low Rent	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs - Canyon Pointe	14.149 Rental Housing for Low Income Families
	Income Statement								
	Revenue								
70300	Net Tenant Rental Revenue	$273,188						$325,677	$195,219
70400	Tenant Revenue - Other	$7,546						$8,213	$8,208
70500	**Total Tenant Revenue**	**$280,734**	**$0**	**$0**	**$0**	**$0**	**$0**	**$333,890**	**$203,427**
70600	HUD PHA Operating Grants			$81,031	$7,224,369		$2,310,300	$854,952	$291,173
70610	Capital Grants			$865,608	$1,267,800	$4,709			
70710	Management Fee								
70720	Asset Management Fee								
70730	Book Keeping Fee								
70740	Front Line Service Fee								
70750	Other Fees								
70700	**Total Fee Revenue**	**$0**	**$0**	**$946,639**	**$8,492,169**	**$4,709**	**$2,310,300**	**$854,952**	**$291,173**
70800	Other Government Grants	$2,719							
71100	Investment Income - Unrestricted	$77	$1,572					$2,228	$180
71200	Mortgage Interest Income								
71300	Proceeds from Disposition of Assets Held for Sale								
71310	Cost of Sale of Assets								
71400	Fraud Recovery		$20,048				$4,882		
71500	Other Revenue	$2,471	$7,348					$3,154	$83
71600	Gain or Loss on Sale of Capital Assets								
72000	Investment Income - Restricted								
70000	**Total Revenue**	**$286,001**	**$28,968**	**$946,639**	**$8,492,169**	**$4,709**	**$2,315,182**	**$1,194,224**	**$494,863**

December 31, 2018

		14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	Business Activities	Central Office Cost Center	Subtotal	ELIM	Total	6.1 Component Unit - Discretely Presented
	Income Statement									
	Revenue									
70300	Net Tenant Rental Revenue				$8,937,195		$9,731,279		$9,731,279	$6,868,583
70400	Tenant Revenue - Other				$481,163		$505,130		$505,130	$146,485
70500	**Total Tenant Revenue**	**$0**	**$0**	**$0**	**$9,418,358**	**$0**	**$10,236,409**	**$0**	**$10,236,409**	**$7,015,068**
70600	HUD PHA Operating Grants	$529,813	$539,278	$46,898			$11,877,814		$11,877,814	
70610	Capital Grants				$1,325,213	$10,000	$3,473,330		$3,473,330	
70710	Management Fee					$1,233,236	$1,233,236		$1,233,236	
70720	Asset Management Fee					$88,880	$88,880	-$808,384	-$719,504	
70730	Book Keeping Fee					$66,638	$66,638	-$88,880	-$22,242	
70740	Front Line Service Fee						$0	-$66,638	-$66,638	
70750	Other Fees				$165,612		$165,612		$165,612	
70700	**Total Fee Revenue**	**$529,813**	**$539,278**	**$46,898**	**$1,490,825**	**$1,398,754**	**$16,905,510**	**-$963,902**	**$15,941,608**	
70800	Other Government Grants				$36,973	$130,173	$169,865		$169,865	
71100	Investment Income - Unrestricted				$47,046	$7,386	$58,489		$58,489	$7,287
71200	Mortgage Interest Income					$1,534,110	$1,534,110		$1,534,110	
71300	Proceeds from Disposition of Assets Held for Sale									
71310	Cost of Sale of Assets									
71400	Fraud Recovery	$590					$25,520		$25,520	
71500	Other Revenue				$1,484,344	$2,117,744	$3,615,144	-$1,095,715	$2,519,429	$46,080
71600	Gain or Loss on Sale of Capital Assets					$21,995	$21,995		$21,995	
72000	Investment Income - Restricted									
70000	**Total Revenue**	**$530,403**	**$539,278**	**$46,898**	**$12,477,546**	**$5,210,162**	**$32,567,042**	**-$2,059,617**	**$30,507,425**	**$7,068,435**

		Public Housing Project Total	14.881 MTW	14.CFP Capital Fund	14.HCV Section 8 HCV	14.OPS Low Rent	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs - Canyon Pointe	14.149 Rental Housing for Low Income Families
	Expenses								
91100	Administrative Salaries	$27,636	$266,649				$106,656	$47,186	$24,466
91200	Auditing Fees	$2,191	$6,862				$3,007	$3,911	$1,586
91300	Management Fee	$32,998	$142,634				$43,390	$57,879	$23,999
91310	Book-keeping Fee	$4,208	$61,860				$24,983	$7,380	$3,060
91400	Advertising and Marketing		$295						
91500	Employee Benefit contributions - Administrative	$21,751	$170,352				$37,329	$36,527	$19,060
91600	Office Expenses	$6,480	$57,305					$15,177	$5,456
91700	Legal Expense		$7,400					$1,200	$136
91800	Travel	$234	$24,315					$159	$18
91810	Allocated Overhead								
91900	Other		$49,431					$666	$167
91000	**Total Operating - Administrative**	**$95,498**	**$787,103**	**$0**	**$0**	**$0**	**$215,365**	**$170,085**	**$77,948**
92000	Asset Management Fee	$5,640						$9,840	$4,080
92100	Tenant Services - Salaries								
92200	Relocation Costs								$214
92300	Employee Benefit Contributions - Tenant Services								
92400	Tenant Services - Other	$22,493	$1,086					$51,831	$21,732
92500	**Total Tenant Services**	**$22,493**	**$1,086**	**$0**	**$0**	**$0**	**$0**	**$51,831**	**$21,946**
93100	Water	$8,485						$8,912	$7,571
93200	Electricity	$16,226						$33,771	$16,309
93300	Gas	$14,410						$12,321	$9,205
93400	Fuel								
93500	Labor								
93600	Sewer	$14,595						$11,892	$10,259
93700	Employee Benefit Contributions - Utilities								
93800	Other Utilities Expense								
93000	**Total Utilities**	**$53,716**	**$0**	**$0**	**$0**	**$0**	**$0**	**$66,896**	**$43,344**
94100	Ordinary Maintenance and Operations - Labor	$73,994						$68,762	$40,642
94200	Ordinary Maintenance and Operations - Materials and Other	$12,838						$9,059	$8,668
94300	Ordinary Maintenance and Operations Contracts	$54,087						$52,409	$36,786
94500	Employee Benefit Contributions - Ordinary Maintenance								
94000	**Total Maintenance**	**$140,919**	**$0**	**$0**	**$0**	**$0**	**$0**	**$130,230**	**$86,096**

		14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	Business Activities	Central Office Cost Center	Subtotal	ELIM	Total	6.1 Component Unit - Discretely Presented
	Expenses									
91100	Administrative Salaries	$21,744	$43,529		$838,443	$3,383,689	$4,759,998		$4,759,998	$476,527
91200	Auditing Fees	$575			$26,959	$8,183	$8,183		$8,183	
91300	Management Fee	$8,567			$407,740		$717,207	-$808,384	-91177	$495,439
91310	Book-keeping Fee	$4,335			$51,990		$157,816	-$66,638	$91,178	
91400	Advertising and Marketing				$377	$33,317	$33,989		$33,989	$1,175
91500	Employee Benefit contributions - Administrative	$7,611	$10,795		$603,816	$2,388,983	$3,296,224		$3,296,224	$151,294
91600	Office Expenses				$61,653	$376,543	$522,614	-$44,425	$478,189	$71,969
91700	Legal Expense				$24,821	$13,537	$47,094		$47,094	$8,939
91800	Travel				$13,966	$118,168	$156,860		$156,860	$2,081
91810	Allocated Overhead									
91900	Other				$205,149	$302,336	$557,749		$557,749	$53,161
91000	**Total Operating - Administrative**	**$42,832**	**$54,324**	**$0**	**$2,234,914**	**$6,624,756**	**$10,257,734**	**-$919,447**	**$9,338,287**	**$1,260,585**
92000	Asset Management Fee				$69,320		$88,880	-$88,880	$0	
92100	Tenant Services - Salaries									
92200	Relocation Costs				$2,367		$2,581		$2,581	
92300	Employee Benefit Contributions - Tenant Services									
92400	Tenant Services - Other		$122,670		$87,936	$32,294	$340,042	-$127,302	$212,740	$282,646
92500	**Total Tenant Services**	**$0**	**$122,670**	**$0**	**$159,623**	**$32,294**	**$431,503**	**-$216,182**	**$215,321**	**$282,646**
93100	Water				$112,831	$2,493	$140,292		$140,292	$141,315
93200	Electricity				$68,730	$11,778	$146,814		$146,814	$233,581
93300	Gas				$116,797	$3,951	$156,684		$156,684	$79,186
93400	Fuel									
93500	Labor									
93600	Sewer				$160,871	$2,701	$200,318		$200,318	$164,030
93700	Employee Benefit Contributions - Utilities									
93800	Other Utilities Expense									
93000	**Total Utilities**	**$0**	**$0**	**$0**	**$459,229**	**$20,923**	**$644,108**	**$0**	**$644,108**	**$618,112**
94100	Ordinary Maintenance and Operations - Labor				$695,542	$41,432	$920,372	-$920,374	-2	$596,268
94200	Ordinary Maintenance and Operations - Materials and Other				$186,724	$126,422	$343,711		$343,711	$105,563
94300	Ordinary Maintenance and Operations Contracts				$957,495	$51,004	$1,151,781		$1,151,781	$681,161
94500	Employee Benefit Contributions - Ordinary Maintenance									
94000	**Total Maintenance**	**$0**	**$0**	**$0**	**$1,839,761**	**$218,858**	**$2,415,864**	**-$920,374**	**$1,495,490**	**$1,382,992**

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		Public Housing Project Total	14.881 MTW	14.CFP Capital Fund	14.HCV Section 8 HCV	14.OPS Low Rent	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs - Canyon Pointe	14.149 Rental Housing for Low Income Families
95100	Protective Services - Labor								
95200	Protective Services - Other Contract Costs	$7,499						$5,460	$5,300
95300	Protective Services - Other								
95500	Employee Benefit Contributions - Protective Services								
95000	**Total Protective Services**	**$7,499**	**$0**	**$0**	**$0**	**$0**	**$0**	**$5,460**	**$5,300**
96110	Property Insurance	$22,298						$32,520	$28,732
96120	Liability Insurance	$1,901	$3,515					$3,615	$1,289
96130	Workmen's Compensation	$353	$4,273					$604	$314
96140	All Other Insurance	$0							
96100	**Total insurance Premiums**	**$24,552**	**$7,788**	**$0**	**$0**	**$0**	**$0**	**$36,739**	**$30,335**
96200	Other General Expenses	$19	$4,052					$43	$24
96210	Compensated Absences	-$78	$752					-$136	-$57
96300	Payments in Lieu of Taxes	$22,435							
96400	Bad debt - Tenant Rents	$2,467						$40	$389
96500	Bad debt - Mortgages								
96600	Bad debt - Other								
96800	Severance Expense								
96000	**Total Other General Expenses**	**$24,843**	**$4,804**	**$0**	**$0**	**$0**	**$0**	**-$53**	**$356**
96710	Interest of Mortgage (or Bonds) Payable							$115,539	
96720	Interest on Notes Payable (Short and Long Term)							$10,805	
96730	Amortization of Bond Issue Costs								
96700	**Total Interest Expense and Amortization Cost**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$126,344**	**$0**
96900	**Total Operating Expenses**	**$375,160**	**$800,781**	**$0**	**$0**	**$0**	**$215,365**	**$597,372**	**$269,405**
97000	Excess of Operating Revenue over Operating Expenses	-$89,159	-$771,813	$946,639	$8,492,169	$4,709	$2,099,817	$596,852	$225,458
97100	Extraordinary Maintenance								$6,996
97200	Casualty Losses - Non-capitalized								
97300	Housing Assistance Payments		$6,373,539				$2,094,286		
97350	HAP Portability-In								
97400	Depreciation Expense	$65,790					$0	$161,294	$13,226
97500	Fraud Losses								
97600	Capital Outlays - Governmental Funds								
97700	Debt Principal Payment - Governmental Funds								
97800	Dwelling Units Rent Expense								
90000	**Total Expenses**	**$440,950**	**$7,174,320**	**$0**	**$0**	**$0**	**$2,309,651**	**$758,666**	**$289,627**

		14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	Business Activities	Central Office Cost Center	Subtotal	ELIM	Total	6.1 Component Unit - Discretely Presented
95100	Protective Services - Labor									
95200	Protective Services - Other Contract Costs				$32,685	$1,079	$52,023		52023	$120,344
95300	Protective Services - Other									
95500	Employee Benefit Contributions - Protective Services									
95000	**Total Protective Services**	**$0**	**$0**	**$0**	**$32,685**	**$1,079**	**$52,023**	**$0**	**$52,023**	**$120,344**
96110	Property Insurance				$229,887	$9,304	$322,741		$322,741	
96120	Liability Insurance				$31,402	$2,043	$43,765		$43,765	
96130	Workmen's Compensation				$9,233	$44,744	$59,521		$59,521	$5,290
96140	All Other Insurance					$48,697	$48,697		$48,697	$290,474
96100	**Total insurance Premiums**	**$0**	**$0**	**$0**	**$270,522**	**$104,788**	**$474,724**	**$0**	**$474,724**	**$295,764**
96200	Other General Expenses				$148,256		$152,394		$152,394	$118,271
96210	Compensated Absences				$5,677	$19,352	$25,510		$25,510	-$1,028
96300	Payments in Lieu of Taxes						$22,435		$22,435	$0
96400	Bad debt - Tenant Rents				$94,884		$97,780		$97,780	$3,550
96500	Bad debt - Mortgages									
96600	Bad debt - Other									
96800	Severance Expense									
96000	**Total Other General Expenses**	**$0**	**$0**	**$0**	**$248,817**	**$19,352**	**$298,119**	**$0**	**$298,119**	**$120,793**
96710	Interest of Mortgage (or Bonds) Payable				$2,559,420		$2,674,959		$2,674,959	$1,237,791
96720	Interest on Notes Payable (Short and Long Term)				$89,593		$100,398		$100,398	$1,602,601
96730	Amortization of Bond Issue Costs				$56,711		$56,711		$56,711	$35,540
96700	**Total Interest Expense and Amortization Cost**	**$0**	**$0**	**$0**	**$2,705,724**	**$0**	**$2,832,068**	**$0**	**$2,832,068**	**$2,875,932**
96900	**Total Operating Expenses**	**$42,832**	**$176,994**	**$0**	**$7,951,275**	**$7,022,050**	**$17,406,143**	**-$2,056,003**	**$15,350,140**	**$6,957,168**
97000	Excess of Operating Revenue over Operating Expenses	$487,571	$362,284	$46,898	$4,526,271	-$1,811,888	$15,115,808	-$3,614	$15,115,808	$111,267
97100	Extraordinary Maintenance				$54,756	$264	$62,016		$62,016	$5,966
97200	Casualty Losses - Non-capitalized									
97300	Housing Assistance Payments	$509,537	$363,926	$1,369	$57,272		$9,399,929	-$3,614	$9,396,315	
97350	HAP Portability-In									
97400	Depreciation Expense				$3,746,773	$277,790	$4,264,873		$4,264,873	$5,464,449
97500	Fraud Losses									
97600	Capital Outlays - Governmental Funds									
97700	Debt Principal Payment - Governmental Funds									
97800	Dwelling Units Rent Expense									
90000	**Total Expenses**	**$552,369**	**$540,920**	**$1,369**	**$11,810,076**	**$7,300,104**	**$31,132,961**	**-$2,059,617**	**$29,073,344**	**$12,427,583**

		Public Housing Project Total	14.881 MTW	14.CFP Capital Fund	14.HCV Section 8 HCV	14.OPS Low Rent	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs - Canyon Pointe	14.149 Rental Housing for Low Income Families
10010	Operating Transfer In	$76,856	$9,485,966			$42,450			
10020	Operating transfer Out		-$3,269,492	-$946,639	-$8,492,169	-$47,159			
10030	Operating Transfers from/to Primary Government								
10040	Operating Transfers from/to Component Unit								
10050	Proceeds from Notes, Loans and Bonds								
10060	Proceeds from Property Sales								
10070	Extraordinary Items, Net Gain/Loss								
10080	Special Items (Net Gain/Loss)								
10091	Inter Project Excess Cash Transfer In								
10092	Inter Project Excess Cash Transfer Out								
10093	Transfers between Program and Project - In								
10094	Transfers between Project and Program - Out								
10100	**Total Other financing Sources (Uses)**	**$76,856**	**$6,216,474**	**-$946,639**	**-$8,492,169**	**-$4,709**	**$0**	**$0**	**$0**
10000	**Excess (Deficiency) of Total Revenue Over (Under) Total Expenses**	**-$78,093**	**-$928,878**	**$0**	**$0**	**$0**	**$5,531**	**$435,558**	**$205,236**
11020	Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$56,173	$0
11030	Beginning Equity	$557,251	$1,360,801	$0	$0	$0	$2,360	-$3,476,106	$575,696
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-$6,260	-$30,917				$0	-$38,943	-$504,286
11050	Changes in Compensated Absence Balance								
11060	Changes in Contingent Liability Balance								
11070	Changes in Unrecognized Pension Transition Liability								
11080	Changes in Special Term/Severance Benefits Liability								
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents								
11100	Changes in Allowance for Doubtful Accounts - Other								
11170	Administrative Fee Equity						$0		
11180	Housing Assistance Payments Equity						$7,891		
11190	Unit Months Available	564	9072			0	3792	984	408
11210	Number of Unit Months Leased	561	8681			0	3684	950	393
11270	Excess Cash	$92,366							
11610	Land Purchases	$0							
11620	Building Purchases	$0							
11630	Furniture & Equipment - Dwelling Purchases	$0							
11640	Furniture & Equipment - Administrative Purchases	$0							
11650	Leasehold Improvements Purchases	$0							
11660	Infrastructure Purchases	$0							
13510	CFFP Debt Service Payments	$0							
13901	Replacement Housing Factor Funds	$0							

Financial Data Schedules

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		14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	Business Activities	Central Office Cost Center	Subtotal	ELIM	Total	6.1 Component Unit - Discretely Presented
10010	Operating Transfer In				$7,863,504	$5,248,899	$22,717,675		$22,717,675	
10020	Operating transfer Out				-$5,843,091	-$4,119,125	-$22,717,675		-$22,717,675	
10030	Operating Transfers from/to Primary Government									
10040	Operating Transfers from/to Component Unit									
10050	Proceeds from Notes, Loans and Bonds									
10060	Proceeds from Property Sales									
10070	Extraordinary Items, Net Gain/Loss									
10080	Special Items (Net Gain/Loss)									
10091	Inter Project Excess Cash Transfer In									
10092	Inter Project Excess Cash Transfer Out									
10093	Transfers between Program and Project - In									
10094	Transfers between Project and Program - Out									
10100	**Total Other financing Sources (Uses)**	**$0**	**$0**	**$0**	**$2,020,413**	**$1,129,774**	**0**	**$0**	**$0**	**$0**
10000	**Excess (Deficiency) of Total Revenue Over (Under) Total Expenses**	**-$21,966**	**-$1,642**	**$45,529**	**$2,687,883**	**-$960,168**	**$1,388,990**	**$0**	**$1,388,990**	**-$5,359,148**
11020	Required Annual Debt Principal Payments	$0	$0	$0	$1,219,960	$0	$1,276,133		$1,276,133	$574,039
11030	Beginning Equity	$14,481	$71,621	$0	$29,123,275	$58,046,494	$86,275,873		$86,275,873	$40,056,370
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	$8,960			-$250,015	$193,413	-$628,048		-$628,048	$5,259,035
11050	Changes in Compensated Absence Balance									
11060	Changes in Contingent Liability Balance									
11070	Changes in Unrecognized Pension Transition Liability									
11080	Changes in Special Term/Severance Benefits Liability									
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100	Changes in Allowance for Doubtful Accounts - Other									
11170	Administrative Fee Equity								$0	
11180	Housing Assistance Payments Equity						$7,891		$7,891	
11190	Unit Months Available	600	264	56	6920		$22,660	0	29912	7252
11210	Number of Unit Months Leased	592	260	0	6679		$21,800	0	28918	7118
11270	Excess Cash						$92,366		$92,366	
11610	Land Purchases					$0			$0	
11620	Building Purchases					$0			$0	
11630	Furniture & Equipment - Dwelling Purchases					$0			$0	
11640	Furniture & Equipment - Administrative Purchases					$15,458	$15,458		$15,458	
11650	Leasehold Improvements Purchases					$0			$0	
11660	Infrastructure Purchases					$0			$0	
13510	CFFP Debt Service Payments					$0			$0	
13901	Replacement Housing Factor Funds					$0			$0	

REAC Supplemental Information Requirement

December 31, 2018

As required by HUD for REAC reporting purposes, the Authority prepares its financial data schedules in accordance with HUD requirements in a prescribed format. The HUD-prescribed format differs from the required classification of several balances under accounting principles generally accepted in the United States of America, as follows: (1) depreciation expense and housing assistance payments are excluded from operating activities; (2) investment revenue is included in operating activities; (3) tenant revenue and bad debt expense are reflected separately; (4) the blended component unit activities are presented in the business-type activities column, which is included in total programs; (5) the total column includes the discretely presented component units and primary government; and (6) the discretely presented component units partner contributions are included as an equity transfer.