



Financial Statements
December 31, 2019

Housing Authority of the City of
Lakewood

dba

Metro West Housing Solutions

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Table of Contents
December 31, 2019

Independent Auditor’s Report.....	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Combining Statement of Net Position – Component Units	14
Combining Statement of Revenues, Expenses and Changes in Net Position – Component Units	15
Notes to Financial Statements.....	16
Supplementary Information	
Combining Statement of Net Position	51
Combining Statement of Revenues, Expenses and Changes in Net Position	52
Single Audit	
Schedule of Expenditures of Federal Awards.....	53
Notes to Schedule of Expenditures of Federal Awards	54
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance.....	57
Schedule of Findings and Questioned Costs.....	59
Financial Data Schedules	62



Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Lakewood, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions (the Authority), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *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 business-type activities and the discretely presented component units of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions, as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The accompanying combining statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements. The Financial Data Schedules (FDS) are presented for purposes of additional analysis as required by Housing and Urban Development Real Estate Assessment Center (REAC) and are also not a required part of the financial statements.

The combining statements, the Schedule of Expenditures of Federal Awards, and the FDS 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 combining statements, the Schedule of Expenditures of Federal Awards, and the FDS 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 a report dated July 24, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
July 24, 2020

The following discussion and analysis of the financial statements of the Housing Authority of the City of Lakewood, dba Metro West Housing Solutions (MWHS), provides an overview of the financial activities for the fiscal year ended December 31, 2019. Please consider the following information in addition to your review of the information in the basic financial statements.

Financial Highlights

Metro West Housing Solutions continues to have a strong financial outlook.

- ✓ The end of the year net position for the Primary Government and the Discretely Presented Component Units is \$75,988,546 and \$80,196,029, respectively. This represents a total increase of \$18,866,347 from December 31, 2018.
- ✓ Housing Choice Voucher expenditures were \$12,753,289 representing an increase from 2018 in the amount of \$1,775,436. This additional assistance to the housing community was accomplished by spending all available Voucher funds for people in need.
- ✓ Housing Choice Voucher Annual Contributions from HUD for 2019 were \$13,375,824 representing an increase in the amount of \$1,662,795 from 2018.
- ✓ Total Primary Government Cash and Cash Equivalents were \$6,966,308 and \$2,107,703 at December 31, 2019 and 2018, respectively. This increase is partly the result of the sale of the New America School building and MWHS being reimbursed for pre-development costs in LIHTC developments.
- ✓ Primary Governmental Total Assets increased from \$128,384,938 to \$138,072,487 at December 31, 2019.
- ✓ To take advantage of favorable interest rates, Paloma I, Paloma II, Willow Glen, and Cedar Gardens/Avenue were refinanced in December, 2019.
- ✓ By purchasing the joint venture ownership of Cedar Gardens/Avenue from Jefferson County Housing Authority and the exiting of the LIHTC investor member of LHA Willow Glen, LLC, MWHS increased its ownership of affordable housing units by 141 units.
- ✓ Denver Housing Authority exited its special limited partnership in Paloma I, II, and III and Villas at Sloan's Lake.
- ✓ Indy Street Flats, a 115-unit LIHTC affordable housing property, opened in December, 2019.
- ✓ Sage Corner, a 43-unit LIHTC affordable housing development, began construction in 2019.

Agency Overview

MWHS contracts with the United States Department of Housing and Urban Development for the Housing Choice Voucher (HCV) Program. The HCV program is authorized by HUD to administer 1411 units of affordable, safe, and sanitary housing. MWHS develops and manages a portfolio of Low Income Housing Tax Credit properties as well as operating market rate properties. All business-type activities are consolidated into one agency-wide total. Separate accounts are maintained for each activity or grant to control and manage funds for particular purposes.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the MWHS's basic financial statements. The basic financial statements are comprised of two components: 1) government-wide financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the

basic financial statements themselves. In accordance with requirements as described in the U.S. Office of Management and Budget Uniform Guidance, an Independent Auditor's Report on compliance and a report on Internal Control is included.

The basic financial statements consist of Primary Government activities and the Discretely Presented Component Units.

The Primary Government activities encompasses: Housing Choice Vouchers; Portable Vouchers; Resident Services; Lakewood Housing Corporation; Paloma I; Paloma II; the MWHS equity portion of Low Income Housing Tax Credit properties; Development Department; Housing Corporation for the City of Lakewood; Marston Pointe Apartments; Property Management; Retail Properties; Ridgemoor; Union; Van Gordon; Youngfield and Colfax Avenue; West Jewell, Willow Glen and Cedar Gardens/Avenue after purchase of the joint venture.

The Discretely Presented Component Units activities encompasses: Kings Row Apartments LLLP; 5100 Alameda Holdings LLC; MWHS Lamar Station LLLP; MWHS Cityscape LLLP; MWHS Creekside West LLLP; Paloma Villas III LLLP; Wolff Street Development LLLP; LHA Maplewood LLLP; LHA Pierce Street LLLP, MWHS 5800 West Alameda LLLP, MWHS Indy Street Flats LLLP, and MWHS Sage Corner LLLP.

Government-Wide Financial Statements

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

The Statement of Revenues, Expenses and Change in Net Position shows the reader operating revenues and expenses for MWHS as a whole. This is reported on a full accrual basis where income is reported when earned and expenses are reported as incurred. This report shows the reader the net increase (decrease) in Net Position (Profit/loss). Operating income is made up of tenant rents, management fees, HUD operating subsidies, and other income. Operating expenses are Section 8 landlord payments, salaries and benefits, office expenses, insurance, utilities, maintenance and depreciation. The difference between Operating Revenue and Operating Expenses is Net Operating Income (Loss) allowing us to see if the operations of MWHS are generating an increase or decrease.

The Statement of Cash Flows converts the accrual accounting to cash to let the reader know if MWHS, as a whole, increased or decreased cash position this year and what the sources or uses of the cash were.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Primary Government and Discretely Presented Component Unit financial statements. The notes to the financial statements can be found immediately after the basic financial statements.

Combining Financial Statements

A program is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MWHS keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements.

In addition to the reporting of the financial statements, MWHS is also required to file these financial statements electronically to HUD through the Real Estate Assessment Center (REAC). Financial and other information must be submitted to REAC electronically by MWHS through FASS (REAC) using templates specifically designed by HUD. REAC utilizes the information filed electronically to conduct a multi-tiered assessment in order to foster transparency and enhance public trust by creating a comprehensive management tool that effectively and fairly measures performance based on standards that are objective, uniform, and verifiable. The electronic filing of these reports must be approved by HUD. These reports will not be approved until they are certified that they agree to the audited financial statements conducted by an accredited independent certified public accountant.

Primary Government Financial Analysis

Changes in net position may serve as a useful indicator of changes in the financial position of an organization. On December 31, 2019, the Primary Government assets exceeded liabilities by \$75,988,546. This amount is broken down to \$11,373,597 that is net investment in capital assets and \$64,614,949 available to fund the operations of MWHS. Assets consist of \$42,376,319 in total capital assets, which make up 31% of total assets. Cash and cash equivalents represent 5% of assets at \$6,966,308. Notes and accrued interest receivable represent 39% of assets at \$53,606,135.

CONDENSED STATEMENT OF NET POSITION

	2019	2018	Percent Change
Assets			
Current Assets	\$ 31,354,951	\$ 37,249,625	-15.8%
Noncurrent Assets	106,717,536	91,135,313	17.1%
Total Assets	138,072,487	128,384,938	7.5%
Liabilities			
Current Liabilities	20,589,946	31,866,928	-35.4%
Noncurrent Liabilities	41,493,995	26,875,063	54.4%
Total Liabilities	62,083,941	58,741,991	5.7%
Net Position			
Net Investment in Capital Assets	11,373,597	6,787,530	67.6%
Restricted for Housing Assistance Payments	-	-	-
Unrestricted	64,614,949	62,855,417	2.8%
Total Net Position	\$ 75,988,546	\$ 69,642,947	9.1%

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Management's Discussion and Analysis
 December 31, 2019

Current assets decreased by 15.8% and current liabilities decreased by 35.4% due mainly to a cumulative decrease in construction notes receivable from discretely presented component units and the corresponding construction notes payable. The remaining notes are expected to be converted to permanent financing in 2020.

Primary government revenue, including non-operating revenue, loss on transfer of operations, and change in reporting entity, exceeded operating expenses by \$6,345,599. HUD Voucher funding had an increase in 2019. This is mainly due to the expenditure of all available ACC funds. The 2018 to 2019 decrease in operating revenues is mainly due to budgeted annual fluctuations in developer fee income.

	2019	2018**	Percent Change
Operating Revenue			
Grants	\$ 13,963,739	\$ 12,303,666	13.5%
Rental	4,623,443	3,755,482	23.1%
Developer Fees	3,572,290	3,619,003	-1.3%
Other	1,356,125	2,291,116	-40.8%
Total Operating Revenue	<u>23,515,597</u>	<u>21,969,267</u>	<u>7.0%</u>
Operating Expenses	<u>20,333,055</u>	<u>17,602,103</u>	<u>15.5%</u>
Operating Income	<u>3,182,542</u>	<u>4,367,164</u>	<u>-27.1%</u>
Nonoperating Revenue	<u>2,302,679</u>	<u>2,447,494</u>	<u>-5.9%</u>
Loss on Transfer of Operations	<u>(949,041)</u>	<u>-</u>	<u>0.0%</u>
Change in Net Position	<u>4,536,180</u>	<u>6,814,658</u>	<u>-33.4%</u>
Net Position, Beginning of Year	69,642,947	62,828,289	10.8%
Change in Reporting Entity	<u>1,809,419</u>	<u>-</u>	<u>0.0%</u>
Net Position, Beginning of Year, as restated	<u>71,452,366</u>	<u>62,828,289</u>	<u>13.7%</u>
Net Position, Ending	<u>\$ 75,988,546</u>	<u>\$ 69,642,947</u>	<u>9.1%</u>

** The 2018 column has not been restated to reflect the adjustment for change in reporting entity.

Capital Assets

During 2019, there was \$6,375,482 in additions to the Primary Government Capital Assets. The 2019 increases resulted from construction in progress and building improvements during the year and from the acquisition of the Cedar Gardens/Avenue joint venture. Further information on Capital Assets may be found in Note 6 in the financial statements.

Long-Term Debt

The long-term debt balance was \$42,322,761 on December 31, 2019. During 2019, there were \$20,100,607 in debt issuances and \$9,758,361 in payments on long-term debt. With the acquisition of Cedar Gardens/Avenue, MWHS also assumed the related debt of the existing joint venture totaling \$2,934,343 in 2019. Further information on long-term debt may be found in Note 9 in the financial statements.

Future Plans for 2020

- ✓ In the year to come, MWHS plans on continuing its mission of “providing an opportunity for a healthy, affordable, decent and safe living environment for the Lakewood community” through its programs, development activities, and partnerships.
- ✓ Housing Choice Vouchers – Continue to administer as many vouchers as are available with HUD funding. This is accomplished by continually monitoring HUD funding vs. leasing to determine available units.
- ✓ Development – Explore the development of projects through the use of various financing alternatives and partnerships. Pursue purchase opportunities of development sites to expand the real estate portfolio.
- ✓ Marston Pointe, Paloma I, Paloma II, Willow Glen, and Cedar Gardens/Avenue – Continue to manage and operate the complexes so that they remain a popular and enjoyable family and senior residence by maintaining their community spirit and upkeep. Continue to schedule preventive and regular maintenance to maintain the properties and fund planned rehabilitation projects with budgeted reserve replacement funds.
- ✓ At a yet to be determined time in 2020, the LIHTC investor partner of Kings Row Apartments, LLLP (Belmar Groves) will exit the partnership. Redevelopment options are currently being explored for this property.
- ✓ Complete and pursue options for limited partner exits for tax credit properties. Incorporate the operations of exited properties into the operations of MWHS.
- ✓ Sage Corner, a 43-unit LIHTC property will open in the fall of 2020.
- ✓ Construction of the second phase of Lamar Station Crossing, Lamar II, will begin construction in 2020.
- ✓ To take advantage of favorable interest rates Paloma III, Villas at Sloan's Lake, and Marston Pointe Apartments were refinanced in 2020. Additional loan proceeds for Marston Pointe were withdrawn to allow for needed capital improvements.
- ✓ MWHS converted to remote access staffing whenever possible due to the COVID-19 pandemic. New technologies in hardware and software have been implemented to assist in this conversion. Preventive measures have been implemented to assist in the prevention of the spread and infection of this virus. Operations of the organization have not been interrupted as a result of COVID-19.

Requests for Information

The financial report is designed to provide a general overview of the Metro West Housing Solutions' finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

The Housing Authority of the City of Lakewood
DBA Metro West Housing Solutions
575 Union Blvd., Suite 100
Lakewood, Colorado 80228-1240

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Net Position
 December 31, 2019

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,966,308	\$ 3,550,148
Restricted cash and cash equivalents	1,138,997	4,878,747
Accounts receivable		
Tenants	20,100	74,494
Other	542,208	403,250
Developer fees	1,735,203	-
Due from discretely presented component units	1,587,559	-
Construction note receivable from discretely presented component units	18,900,000	-
Prepaid expenses	319,380	389,881
Notes receivable - current portion	145,196	-
Total Current Assets	<u>31,354,951</u>	<u>9,296,520</u>
Accrued Interest Receivable - Long-Term	<u>5,653,180</u>	<u>-</u>
Developer Fees Receivable - Long-Term	<u>4,990,940</u>	<u>-</u>
Equity Method Investments	<u>5,889,338</u>	<u>-</u>
Notes Receivable, Net of Current Portion	<u>47,807,759</u>	<u>-</u>
Other Assets, Net of Accumulated Amortization	<u>-</u>	<u>1,078,344</u>
Capital Assets		
Non-depreciable	11,623,958	20,352,941
Depreciable, net	<u>30,752,361</u>	<u>167,644,199</u>
Total Capital Assets	<u>42,376,319</u>	<u>187,997,140</u>
Total Assets	<u><u>\$ 138,072,487</u></u>	<u><u>\$ 198,372,004</u></u>

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Net Position
 December 31, 2019

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 149,756	\$ 146,802
Construction payable	-	4,494,939
Due to Metro West Housing Solutions	-	1,587,559
Developer fee payable	-	1,735,203
Construction notes payable	18,900,000	3,009,480
Construction note payable to Metro West Housing Solutions	-	18,900,000
Accrued liabilities	124,859	193,224
Accrued compensated absences	356,738	84,690
Advanced revenues	7,041	65,726
Tenant security deposits payable	222,786	508,934
Notes, mortgages and bonds payable - current portion	828,766	1,290,172
Total Current Liabilities	<u>20,589,946</u>	<u>32,016,729</u>
Long-Term Liabilities		
Accrued interest payable	-	5,622,563
Developer fee payable - long-term	-	4,990,940
Notes, mortgages and bonds payable - net of current portion and unamortized debt issuance costs	<u>41,493,995</u>	<u>75,545,743</u>
Total Long-Term Liabilities	<u>41,493,995</u>	<u>86,159,246</u>
Total Liabilities	<u>62,083,941</u>	<u>118,175,975</u>
Net Position		
Net investment in capital assets	11,373,597	89,251,745
Restricted	-	-
Unrestricted	<u>64,614,949</u>	<u>(9,055,716)</u>
Total Net Position	<u>75,988,546</u>	<u>80,196,029</u>
Total Liabilities and Net Position	<u>\$ 138,072,487</u>	<u>\$ 198,372,004</u>

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Revenues, Expenses and Changes in Net Position
 Year Ended December 31, 2019

	Primary Government	Discretely Presented Component Units
Operating Revenues		
HUD PHA grants	\$ 13,375,824	\$ -
Other grants	587,915	-
Rental income	4,623,443	12,056,894
Management fees	752,985	-
Developer fee income	3,572,290	-
Other	603,140	103,758
Total operating revenues	<u>23,515,597</u>	<u>12,160,652</u>
Operating Expenses		
Housing assistance payments	12,753,289	-
Administrative salaries and benefits	3,280,818	1,288,190
Maintenance salaries and benefits	337,825	1,208,959
Regular and extraordinary maintenance	761,743	1,127,283
Other administrative	1,171,015	1,497,962
Depreciation and amortization	1,302,664	5,567,600
Utilities	357,389	1,062,051
Insurance	242,787	530,659
Other expenses	125,525	127,072
Total operating expenses	<u>20,333,055</u>	<u>12,409,776</u>
Operating Income (Loss)	<u>3,182,542</u>	<u>(249,124)</u>
Non-Operating Revenues (Expenses)		
Interest income	2,774,169	10,266
Gain on sale of capital assets	2,063,719	189,822
Gain on involuntary conversion of capital assets	-	247,088
Interest expense	(2,535,209)	(3,624,865)
Total Non-Operating Revenues (Expenses)	<u>2,302,679</u>	<u>(3,177,689)</u>
Income (Loss) Before Contributions, Distributions and Loss on Transfer of Operations	<u>5,485,221</u>	<u>(3,426,813)</u>
Contributions, Distributions and Loss on Transfer of Operations		
Equity contributions (net of syndication costs)	-	19,027,417
Distributions	-	(17,684)
Loss on transfer of operations	(949,041)	-
Total Contributions, Distributions and Loss on Transfer of Operations	<u>(949,041)</u>	<u>19,009,733</u>
Change in Net Position	<u>4,536,180</u>	<u>15,582,920</u>
Net Position - Beginning of Year, as Originally Reported	69,642,947	67,675,281
Change in Reporting Entity	<u>1,809,419</u>	<u>(3,062,172)</u>
Net Position - Beginning of Year, as Restated	<u>71,452,366</u>	<u>64,613,109</u>
Net Position - End of Year	<u>\$ 75,988,546</u>	<u>\$ 80,196,029</u>

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Cash Flows
 Year Ended December 31, 2019

	Primary Government
Operating Activities	
HUD PHA grants	\$ 13,375,824
Other grants	1,025,385
Receipts from tenants	4,675,806
Management fee income	1,003,636
Developer fee income	1,865,241
Other income	708,464
Housing assistance payments	(12,753,289)
Payments to employees	(3,596,191)
Payments to suppliers	(2,891,579)
	<u>3,413,297</u>
Net Cash from Operating Activities	
Capital and Related Financing Activities	
Proceeds from sale of capital assets	3,694,000
Acquisition of capital assets	(1,022,959)
Proceeds from construction notes	14,680,162
Proceeds from refinancings	4,580,567
Proceeds from long-term debt borrowings	15,520,040
Principal payments on construction notes	(25,933,366)
Principal payments on line of credit	(198,000)
Principal payments on long-term debt	(9,758,361)
Interest paid on long-term debt	(2,535,209)
	<u>(973,126)</u>
Net Cash used for Capital and Related Financing Activities	
Investing Activities	
Issuance of notes receivable	(26,968,617)
Payments received on notes receivable	28,721,066
Contributions to equity method investments	(3,500)
Purchase of joint venture	(1,136,811)
Interest income	2,041,440
	<u>2,653,578</u>
Net Cash from Investing Activities	
Net Change in Cash and Cash Equivalents	5,093,749
Cash and Cash Equivalents, Beginning of Year, as Restated	<u>3,011,556</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,105,305</u>

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Cash Flows
 Year Ended December 31, 2019

	Primary Government
Reconciliation of Cash and Cash Equivalents	
Cash	\$ 6,966,308
Restricted Cash	1,138,997
Total Cash and Cash Equivalents	\$ 8,105,305
Reconciliation of operating income to net cash from operating activities	
Operating income	\$ 3,182,542
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation and amortization	1,302,664
Changes in assets and liabilities	
(Increase) decrease in receivables	(912,798)
(Increase) decrease in prepaid expenses	(112,804)
Increase (decrease) in accounts payable	86,497
Increase (decrease) in accrued expenses	(184,361)
Increase (decrease) in advanced revenues	994
Increase (decrease) in security deposits payable	50,563
Net Cash from Operating Activities	\$ 3,413,297
Supplemental Schedule of Noncash Capital and Related Financing Activities	
Acquisition of capital assets from purchase of joint venture	\$ 3,404,826
Assumption of mortgage loan from purchase of joint venture	\$ 2,934,343

	Kings Row Apartments LLLP	5100 W Alameda Holdings LLC	MWHS Lamar Station, LLLP	MWHS CityScape LLLP	MWHS Creekside West, LLLP
Assets					
Current Assets					
Cash and cash equivalents	\$ 261,128	\$ 35,340	\$ 638,946	\$ 321,228	\$ 469,671
Restricted cash and cash equivalents	615,836	349,244	691,760	666,053	405,376
Accounts receivable					
Tenants	13,000	2,516	11,330	1,943	908
Other	190,189	-	-	-	-
Prepaid expenses	36,554	15,235	30,597	35,883	32,829
Total Current Assets	1,116,707	402,335	1,372,633	1,025,107	908,784
Other Assets, Net of Accumulated Amortization	-	24,596	71,063	70,473	16,250
Capital Assets					
Non-depreciable	1,792,917	665,232	1,280,672	2,672,818	1,000,000
Depreciable, net	8,492,855	6,175,888	16,604,497	21,919,287	11,007,265
Total Capital Assets	10,285,772	6,841,120	17,885,169	24,592,105	12,007,265
Total Assets	\$ 11,402,479	\$ 7,268,051	\$ 19,328,865	\$ 25,687,685	\$ 12,932,299
Liabilities and Net Position					
Current Liabilities					
Accounts payable	\$ 9,103	\$ 5,901	\$ 21,343	\$ 20,740	\$ 5,867
Construction payable	-	-	-	-	-
Due to Metro West Housing Solutions	807,736	-	23,808	132,728	-
Developer fee payable	-	-	-	223,115	-
Construction note payable	-	-	-	-	-
Construction note payable to Metro West Housing Solutions	-	-	-	-	-
Accrued liabilities	9,404	4,040	9,428	10,962	5,722
Accrued compensated absences	4,618	2,226	9,833	14,272	4,885
Advanced revenues	184	1,449	6,548	178	21
Tenant security deposits payable	57,591	25,400	56,671	51,115	26,042
Notes, mortgages and bonds payable - current portion	145,196	40,168	249,878	163,571	56,450
Total Current Liabilities	1,033,832	79,184	377,509	616,681	98,987
Long-Term Liabilities					
Accrued interest payable	863,143	-	91,875	825,254	933,432
Developer fee payable - long-term	-	-	-	791,287	-
Notes, mortgages and bonds payable - net of current portion and unamortized debt issuance costs	6,871,172	3,848,340	8,533,855	12,210,461	5,186,144
Total Long-Term Liabilities	7,734,315	3,848,340	8,625,730	13,827,002	6,119,576
Total Liabilities	8,768,147	3,927,524	9,003,239	14,443,683	6,218,563
Net Position					
Net investment in capital assets	3,269,404	2,952,612	9,101,436	12,218,073	6,764,671
Unrestricted	(635,072)	387,915	1,224,190	(974,071)	(50,935)
Total Net Position	2,634,332	3,340,527	10,325,626	11,244,002	6,713,736
Total Liabilities and Net Position	\$ 11,402,479	\$ 7,268,051	\$ 19,328,865	\$ 25,687,685	\$ 12,932,299

See Notes to Financial Statements

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Combining Statement of Net Position – Component Units
 December 31, 2019

Paloma Villas III, LLLP	Wolff Street Development LLLP	LHA Maplewood, LLLP	LHA Pierce Street, LLLP	MWHS Fifty Eight Hundred LLLP	MWHS Indy Street Flats, LLLP	MWHS Sage Corner LLLP	LHA Willow Glen LLC	Total
\$ 23,701	\$ 33,880	\$ 509,592	\$ 402,918	\$ 167,842	\$ 685,902	\$ -	\$ -	\$ 3,550,148
105,668	256,206	679,845	303,472	762,226	24,000	19,061	-	4,878,747
2,573	4,700	16,395	1,359	9,117	10,653	-	-	74,494
-	-	-	-	-	213,061	-	-	403,250
27,753	33,990	31,436	31,547	114,057	-	-	-	389,881
159,695	328,776	1,237,268	739,296	1,053,242	933,616	19,061	-	9,296,520
10,869	9,759	17,802	7,699	241,111	608,722	-	-	1,078,344
905,787	1,417,684	1,060,500	750,000	2,810,196	3,066,374	2,930,761	-	20,352,941
5,209,527	6,348,225	11,815,398	11,638,931	35,403,511	33,028,815	-	-	167,644,199
6,115,314	7,765,909	12,875,898	12,388,931	38,213,707	36,095,189	2,930,761	-	187,997,140
<u>\$ 6,285,878</u>	<u>\$8,104,444</u>	<u>\$14,130,968</u>	<u>\$13,135,926</u>	<u>\$ 39,508,060</u>	<u>\$37,637,527</u>	<u>\$ 2,949,822</u>	<u>\$ -</u>	<u>\$ 198,372,004</u>
\$ 15,655	\$ 31,070	\$ 15,006	\$ 6,839	\$ 15,278	\$ -	\$ -	\$ -	\$ 146,802
-	-	-	-	-	3,841,998	652,941	-	4,494,939
38,000	-	-	6,200	381,307	197,780	-	-	1,587,559
-	-	-	-	241,829	1,270,259	-	-	1,735,203
-	-	-	-	-	3,009,480	-	-	3,009,480
-	-	-	-	-	18,900,000	-	-	18,900,000
4,142	6,585	16,817	14,065	23,695	17,826	70,538	-	193,224
1,275	3,173	9,130	5,767	6,773	22,738	-	-	84,690
68	131	324	46,463	4,586	5,774	-	-	65,726
25,310	33,270	68,892	36,143	99,500	29,000	-	-	508,934
31,228	43,311	68,364	369,199	122,807	-	-	-	1,290,172
115,678	117,540	178,533	484,676	895,775	27,294,855	723,479	-	32,016,729
-	-	294,837	2,008,908	387,579	215,227	2,308	-	5,622,563
-	-	-	-	2,272,622	1,927,031	-	-	4,990,940
1,134,181	1,450,563	7,703,868	5,419,006	17,183,177	5,224,976	780,000	-	75,545,743
1,134,181	1,450,563	7,998,705	7,427,914	19,843,378	7,367,234	782,308	-	86,159,246
1,249,859	1,568,103	8,177,238	7,912,590	20,739,153	34,662,089	1,505,787	-	118,175,975
4,949,905	6,272,035	5,103,666	6,600,726	20,907,723	8,960,733	2,150,761	-	89,251,745
86,114	264,306	850,064	(1,377,390)	(2,138,816)	(5,985,295)	(706,726)	-	(9,055,716)
5,036,019	6,536,341	5,953,730	5,223,336	18,768,907	2,975,438	1,444,035	-	80,196,029
<u>\$ 6,285,878</u>	<u>\$8,104,444</u>	<u>\$14,130,968</u>	<u>\$13,135,926</u>	<u>\$ 39,508,060</u>	<u>\$37,637,527</u>	<u>\$ 2,949,822</u>	<u>\$ -</u>	<u>\$ 198,372,004</u>

	Kings Row Apartments LLLP	5100 W Alameda Holdings LLC	MWHS Lamar Station, LLLP	MWHS CityScape LLLP	MWHS Creekside West, LLLP
Operating Revenues					
Rental income	\$ 1,560,498	\$ 542,603	\$ 1,302,138	\$ 1,693,057	\$ 989,145
Other	12	27,789	2,054	-	-
Total operating revenues	<u>1,560,510</u>	<u>570,392</u>	<u>1,304,192</u>	<u>1,693,057</u>	<u>989,145</u>
Operating Expenses					
Administrative salaries and benefits	112,008	69,251	155,516	176,738	99,717
Maintenance salaries and benefits	158,196	57,300	115,570	154,524	71,902
Regular and extraordinary maintenance	175,800	46,124	109,076	77,022	111,851
Other administrative	198,839	150,817	147,823	184,404	103,090
Depreciation and amortization	391,109	273,226	603,274	852,380	415,379
Utilities	111,861	46,451	127,089	137,782	69,566
Insurance	61,514	27,230	54,852	65,038	55,574
Other expenses	21,356	6,776	9,518	7,800	3,640
Total operating expenses	<u>1,230,683</u>	<u>677,175</u>	<u>1,322,718</u>	<u>1,655,688</u>	<u>930,719</u>
Operating Income (Loss)	<u>329,827</u>	<u>(106,783)</u>	<u>(18,526)</u>	<u>37,369</u>	<u>58,426</u>
Non-Operating Revenues (Expenses)					
Interest income	532	538	400	-	3,674
Gain (loss) on disposal of property and equipment	189,822	-	-	-	-
Gain (loss) on involuntary conversion of property and equipment	-	-	57,340	-	-
Interest expense	(365,827)	(75,853)	(296,527)	(691,853)	(309,889)
Total Non-Operating Revenues (Expenses)	<u>(175,473)</u>	<u>(75,315)</u>	<u>(238,787)</u>	<u>(691,853)</u>	<u>(306,215)</u>
Income (Loss) Before Contributions and Distributions	<u>154,354</u>	<u>(182,098)</u>	<u>(257,313)</u>	<u>(654,484)</u>	<u>(247,789)</u>
Contributions and Distributions					
Equity contributions (net of syndication costs)	-	-	-	-	-
Distributions	-	(17,684)	-	-	-
Total Contributions and Distributions	<u>-</u>	<u>(17,684)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>154,354</u>	<u>(199,782)</u>	<u>(257,313)</u>	<u>(654,484)</u>	<u>(247,789)</u>
Net Position - Beginning of Year, as Originally Reported	2,479,978	3,540,309	10,582,939	11,898,486	6,961,525
Change in Reporting Entity	-	-	-	-	-
Net Position - Beginning of Year, as Restated	<u>2,479,978</u>	<u>3,540,309</u>	<u>10,582,939</u>	<u>11,898,486</u>	<u>6,961,525</u>
Net Position - End of Year	<u>\$ 2,634,332</u>	<u>\$ 3,340,527</u>	<u>\$ 10,325,626</u>	<u>\$11,244,002</u>	<u>\$ 6,713,736</u>

See Notes to Financial Statements

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Combining Statement of Revenues, Expenses and Changes in Net Position – Component Units
 Year Ended December 31, 2019

Paloma Villas III, LLLP	Wolff Street Development LLLP	LHA Maplewood, LLLP	LHA Pierce Street, LLLP	MWHS Fifty Eight Hundred LLLP	MWHS Indy Street Flats, LLLP	MWHS Sage Corner LLLP	LHA Willow Glen LLC	Total
\$ 512,892	\$ 660,373	\$ 1,511,719	\$ 1,394,196	\$ 1,877,380	\$ 12,893	\$ -	\$ -	\$ 12,056,894
2	-	147	27,085	39,126	6,710	833	-	103,758
<u>512,894</u>	<u>660,373</u>	<u>1,511,866</u>	<u>1,421,281</u>	<u>1,916,506</u>	<u>19,603</u>	<u>833</u>	<u>-</u>	<u>12,160,652</u>
58,435	88,838	135,986	127,138	205,476	59,087	-	-	1,288,190
63,541	96,938	166,919	124,121	182,936	17,012	-	-	1,208,959
101,044	72,149	104,924	237,701	84,365	7,227	-	-	1,127,283
67,119	81,774	137,431	146,079	258,724	21,821	41	-	1,497,962
259,118	282,290	414,658	466,847	1,484,225	125,094	-	-	5,567,600
64,968	83,599	109,179	120,525	190,133	898	-	-	1,062,051
27,548	32,805	55,352	55,729	90,077	4,940	-	-	530,659
12,870	8,786	7,332	5,460	43,534	-	-	-	127,072
<u>654,643</u>	<u>747,179</u>	<u>1,131,781</u>	<u>1,283,600</u>	<u>2,539,470</u>	<u>236,079</u>	<u>41</u>	<u>-</u>	<u>12,409,776</u>
<u>(141,749)</u>	<u>(86,806)</u>	<u>380,085</u>	<u>137,681</u>	<u>(622,964)</u>	<u>(216,476)</u>	<u>792</u>	<u>-</u>	<u>(249,124)</u>
501	1,583	2,199	63	776	-	-	-	10,266
-	-	-	-	-	-	-	-	189,822
-	105,783	-	83,965	-	-	-	-	247,088
<u>(83,965)</u>	<u>(109,677)</u>	<u>(405,856)</u>	<u>(383,927)</u>	<u>(901,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,624,865)</u>
<u>(83,464)</u>	<u>(2,311)</u>	<u>(403,657)</u>	<u>(299,899)</u>	<u>(900,715)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,177,689)</u>
<u>(225,213)</u>	<u>(89,117)</u>	<u>(23,572)</u>	<u>(162,218)</u>	<u>(1,523,679)</u>	<u>(216,476)</u>	<u>792</u>	<u>-</u>	<u>(3,426,813)</u>
-	-	-	-	17,584,174	-	1,443,243	-	19,027,417
-	-	-	-	-	-	-	-	(17,684)
-	-	-	-	17,584,174	-	1,443,243	-	19,009,733
<u>(225,213)</u>	<u>(89,117)</u>	<u>(23,572)</u>	<u>(162,218)</u>	<u>16,060,495</u>	<u>(216,476)</u>	<u>1,444,035</u>	<u>-</u>	<u>15,582,920</u>
5,261,232	6,625,458	5,977,302	5,385,554	2,708,412	3,191,914	-	3,062,172	67,675,281
-	-	-	-	-	-	-	(3,062,172)	(3,062,172)
<u>5,261,232</u>	<u>6,625,458</u>	<u>5,977,302</u>	<u>5,385,554</u>	<u>2,708,412</u>	<u>3,191,914</u>	<u>-</u>	<u>-</u>	<u>64,613,109</u>
<u>\$ 5,036,019</u>	<u>\$ 6,536,341</u>	<u>\$ 5,953,730</u>	<u>\$ 5,223,336</u>	<u>\$ 18,768,907</u>	<u>\$ 2,975,438</u>	<u>\$ 1,444,035</u>	<u>\$ -</u>	<u>\$ 80,196,029</u>

Note 1 - Nature of Operations and Significant Accounting Policies

General

The Housing Authority of the City of Lakewood dba Metro West Housing Solutions (the Authority) is a corporate body politic created in 1974 and uses available federal, state and local resources to serve the residents of the City of Lakewood, Colorado, and surrounding areas, by upgrading and maintaining the existing housing stock, encouraging the construction of new housing affordable to low and moderate income households, and providing low and moderate income families and senior households with decent, safe, and affordable rental housing opportunities. The Authority owns and operates 1,385 units of affordable housing in Lakewood, Colorado and administers 1,411 housing choice vouchers.

The Authority is governed by a five-member Board of Commissioners.

Reporting Entity

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

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

Blended Component Unit

Lakewood Housing Corporation is included in the financial reporting entity of the Authority as a blended component unit. Lakewood Housing Corporation was created in December 1978 for the purpose of owning and operating various housing projects in Lakewood, Colorado, and the surrounding area. The sole member of Lakewood Housing Corporation is Metro West Housing Solutions which is able to impose its will on the organization. Accordingly, the activities and ending balances of Lakewood Housing Corporation are reported within the proprietary funds of the Authority.

Discretely Presented Component Units

The component unit column of the combined financial statements includes the financial data of the Authority's discretely presented component units as of December 31, 2019. These units are reported in a separate column to emphasize that they are legally separate from the Authority.

Discretely presented component units consist of the following:

Kings Row Apartments LLLP (Belmar Apartments) was formed for the purpose of owning and operating Belmar Apartments, a 118-unit multifamily housing project in Lakewood, Colorado. The managing general partner of Kings Row Apartments LLLP is wholly owned by the Authority. LHA Kings Row GP, LLC has an ownership percentage of .01%.

5100 W Alameda Holdings LLC (Los Altos de Alameda) was formed for the purpose of owning and operating Los Altos de Alameda, a 50-unit multifamily housing project in Denver, Colorado. The managing general partner of 5100 W Alameda Holdings LLC is wholly owned by the Authority. MWHS Los Altos LLC has an ownership percentage of .009%.

MWHS Lamar Station, LLLP (Lamar Station Crossing) was formed for the purpose of owning and operating Lamar Station Crossing, a 110-unit multifamily housing project in Lakewood, Colorado. The managing general partner of MWHS Lamar Station, LLLP is wholly owned by the Authority. MWHS Lamar Station, LLC has an ownership percentage of .01%.

MWHS CityScape, LLLP (CityScape at Belmar) was formed for the purpose of owning and operating CityScape at Belmar, a 130-unit multifamily housing project in Lakewood, Colorado. The managing general partner (MWHS CityScape, LLC) and the administrative general partner (Lakewood Housing Corporation) of MWHS CityScape, LLLP are wholly owned by the Authority. MWHS CityScape, LLC and Lakewood Housing Corporation each have an ownership percentage of .005%.

MWHS Creekside West, LLLP (Creekside West) was formed for the purpose of owning and operating Creekside West, an 82-unit multifamily housing project in Lakewood, Colorado. The managing general partner of MWHS Creekside West, LLLP is wholly owned by the Authority. MWHS Creekside West, LLC has an ownership percentage of .01%.

Paloma Villas III, LLLP (Paloma Villas III) was formed for the purpose of owning and operating Paloma Villas III, a 50-unit multifamily housing project in Denver, Colorado. The managing general partner of Paloma Villas III, LLLP is wholly owned by the Authority. MWHS Morrison/Colfax II, LLC has an ownership percentage of .005%.

Wolff Street Development LLLP (Villas at Sloan's Lake) was formed for the purpose of owning and operating Villas at Sloan's Lake, a 63-unit multifamily housing project in Denver, Colorado. The managing general partner of Wolff Street Development LLLP is wholly owned by the Authority. MWHS Morrison/Colfax II, LLC has an ownership percentage of .005%.

LHA Maplewood, LLLP (Maplewood Apartments) was formed for the purpose of owning and operating Maplewood Apartments, a 132-unit multifamily housing project in Lakewood, Colorado. The managing general partner of LHA Maplewood, LLLP is wholly owned by the Authority. LHA Maplewood, LLC has an ownership percentage of .01%.

LHA Pierce Street, LLLP (Residences at Creekside) was formed for the purpose of owning and operating Residences at Creekside, a 118-unit multifamily housing project in Lakewood, Colorado. The managing general partner of LHA Pierce Street, LLLP is wholly owned by the Authority. LHA Pierce Street, LLC has an ownership percentage of .01%.

MWHS Fifty Eight Hundred, LLLP (Fifty Eight Hundred Apartments) was formed for the purpose of owning and operating Fifty Eight Hundred Apartments, a 152-unit multifamily housing project in Lakewood, Colorado. The managing general partner of MWHS Fifty Eight Hundred, LLLP is wholly owned by the Authority. MWHS Fifty Eight Hundred LLC has an ownership percentage of .01%.

MWHS Indy Street Flats LLLP (Indy Street Flats) was formed for the purpose of owning and operating Indy Street Flats, a 115-unit multifamily housing project in Lakewood, Colorado. The managing general partner of MWHS Indy Street Flats, LLLP is wholly owned by the Authority. MWHS Indy Street Flats LLC has an ownership percentage of .01%.

MWHS Sage Corner LLLP (Sage Corner) was formed for the purpose of owning and operating Sage Corner, a 43-unit multifamily housing project in Lakewood, Colorado. The managing general partner of MWHS Sage Corner, LLLP is wholly owned by the Authority. MWHS Sage Corner LLC has an ownership percentage of .01%.

LHA Willow Glen LLC (Willow Glen) was formed for the purpose of owning and operating Willow Glen Apartments, a 70-unit multifamily housing project in Lakewood, Colorado. The managing general partner of LHA Willow Glen LLC is wholly owned by the Authority. During 2019, the Authority acquired the remaining ownership interests of LHA Willow Glen LLC's prior investor member and prior special member. Willow Glen is presented as a component of business activities as of January 1, 2019.

Basis of Accounting and Measurement Focus

The Department of Housing and Urban Development Real Estate Assessment Center (REAC) assesses the financial condition of Public Housing Authorities (PHA's). To uniformly and consistently assess the PHAs, REAC requires that PHA's financial statements conform to Generally Accepted Accounting Principles (GAAP).

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. Net position is segregated into net investment in capital assets, restricted and unrestricted components. The statement of revenues, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows presents the cash flows for operating activities, investing activities, capital and related financing activities and non-capital financing activities.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Revenues are recorded when earned and are reported as accounts receivable until collected. Accounts receivable are expensed as bad debts at the time they are determined to be uncollectible. Management has established an allowance for doubtful accounts for amounts that may not be collectible in the future. Receivables are reported net of the related allowance.

Notes and Interest Receivable

Notes and interest receivable are carried at amounts advanced, net of reserve for uncollectable accounts, if any. As of December 31, 2019, the Authority considered all notes and interest receivable to be fully collectable.

Developer Fees Receivable

Developer fees receivable and related interest receivable are carried at the amounts earned but unpaid in accordance with the development agreements with the various entities. As of December 31, 2019, the Authority considered all developer fees and interest receivable to be fully collectable.

Equity Method Investments

Investments in partnerships and limited liability companies are accounted for under the equity method. Investments are stated as cost less any distributions received.

Capital Assets

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

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

Land improvements	5-25 years
Buildings and improvements	5-30 years
Equipment	3-10 years

Long-lived assets held and used by an entity are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment loss has been recognized for the year ended December 31, 2019.

Accrued Compensated Absences

The Authority provides paid leave for its regular full-time employees for vacations, holidays, illness and certain other qualifying absences. Employees are limited to a maximum number of hours based upon years of service. These compensated absences are recognized as salary costs in the financial statements when earned. Compensated absences which have been earned but not paid as of year-end have been accrued in the accompanying financial statements. Any accrued vacation amounts are paid out to employees upon termination of employment. Exempt employees hired prior to 1992 will be paid for 50% of accrued sick time upon termination of employment.

The amount of accumulated unpaid leave at December 31, 2019, was \$356,738 for the Authority.

Advanced Revenues

As of December 31, 2019, the Authority's advanced revenues consisted of prepaid rents of \$7,041.

Components of Net Position

Components of net position include the following:

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

Fraud Recovery

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

Operating Revenues and Expenses

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

Restricted and Unrestricted Resources

The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Business and Credit Risk

The Authority provides housing on account to clients which are located in Lakewood and Denver, Colorado.

Budgetary

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

Accounting Estimates

The preparation of financial statement 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The general depository agreement required by the annual contract with HUD has additional requirements, which the Authority met in 2019.

Primary Government

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2019, the Authority's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with PDPA.

At December 31, 2019, the Authority's carrying amount of deposits was \$8,105,305, and the bank balance was \$10,547,561. Of the bank balances, \$946,551 was covered by Federal Depository Insurance. Of the remaining balances for 2019, \$9,601,010 was collateralized with securities held by a pledging financial institution's agent in the government's name.

Investments

Authorized Investments

The Authority's investment policy follows the general provisions of the Colorado Revised Statutes (C.R.S. 24-75-601) and HUD regulations, whichever is more restrictive.

The Colorado Revised Statutes limit investment maturities to three years or five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of December 31, 2019, investments held by the Authority are held in a local government investment pool totaling \$554,448. These funds are classified as cash and cash equivalents on the Statement of Net Position.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The money market mutual fund and the local government investment pool investment owned by the Authority are rated AAA by Standard & Poor's.

At December 31, 2019, the Authority had \$554,448 invested in Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by State statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. The Trust has a weighted average maturity to reset (WAM®) that is managed at under 60 days.

Note 3 - Restricted Cash and Cash Equivalents

Primary Government

Restricted cash consists of cash and cash equivalents balances held in escrow to comply with the requirements of HUD programs; held to comply with bond requirements; and held for tenant security deposits.

Note 4 - Notes Receivable

Primary Government

	Principal	Accrued Interest	Total
<u>Notes Receivable from Discretely Presented Component Units:</u>			
5.00% note receivable from Kings Row Apartments LLLP, for the purchase and rehabilitation of Belmar Apartments, loan was funded from Series 2004 bond proceeds with interest rates ranging from 4.22% to 5.59%, due in varying monthly principal and interest installments, with a maturity date of January 2022, secured by a deed of trust and regulatory agreement on the Belmar Apartments property	\$ 5,498,107	\$ -	\$ 5,498,107
5.00% note receivable from Kings Row Apartments LLLP, unpaid principal and interest due December 31, 2021, secured by a deed of trust and security agreement on the Belmar Apartments property	800,000	863,143	1,663,143
0.00% note receivable from Kings Row Apartments LLLP, unpaid principal due January 2022, unsecured	742,159	-	742,159
2.00% note receivable from MWHS Lamar Station, LLLP, principal may be drawn to a total of \$4,112,500, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	3,612,500	69,995	3,682,495
2.00% note receivable from MWHS Lamar Station, LLLP, (CDOH), principal may be drawn to a total of \$500,000, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	500,000	10,040	510,040
2.00% note receivable from MWHS Lamar Station, LLLP, (HOME), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	567,979	11,840	579,819
4.00% note receivable from MWHS CityScape, LLLP, (County HOME), principal may be drawn to a total of \$900,000, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	900,000	164,375	1,064,375

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
4.00% note receivable from MWHS CityScape, LLLP, (CDOH), principal may be drawn to a total of \$500,000, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	500,000	101,699	601,699
4.00% note receivable from MWHS CityScape, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	2,262,836	517,212	2,780,048
0.00% note receivable from MWHS Creekside West, LLLP (Land Loan) payments due to the extent the Partnership generates cash flow, remaining principal balance due December 2040, secured by a deed of trust and security agreement on the Creekside West property	1,000,000	-	1,000,000
4.25% note receivable from MWHS Creekside West, LLLP (Development), payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2040, secured by a deed of trust and security agreement on the Creekside West property	608,765	303,889	912,654
4.25% note receivable from MWHS Creekside West, LLLP (AHP), payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2029, secured by a deed of trust and security agreement on the Creekside West property	300,000	148,299	448,299
4.25% note receivable from MWHS Creekside West, LLLP (CDOH HOME), payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2040, secured by a deed of trust and security agreement on the Creekside West property	500,000	227,201	727,201
4.25% note receivable from MWHS Creekside West, LLLP (City HOME), payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2040, secured by a deed of trust and security agreement on the Creekside West property	500,000	254,043	754,043
4.60% note receivable from LHA Maplewood, LLLP, interest compounded annually, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2058, secured by a deed, security agreement and financing statement on the Maplewood Apartments property	1,000,000	48,162	1,048,162

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
4.60% note receivable from LHA Maplewood, LLLP, interest compounded annually, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2058, secured by a deed, security agreement and financing statement on the Maplewood Apartments property	105,000	5,057	110,057
4.60% note receivable from LHA Maplewood, LLLP, interest compounded annually, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2058, secured by a deed, security agreement and financing statement on the Maplewood Apartments property	843,254	40,824	884,078
4.60% note receivable from LHA Maplewood, LLLP, interest compounded annually, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2058, secured by a deed, security agreement and financing statement on the Maplewood Apartments property	300,000	15,169	315,169
4.60% note receivable from LHA Maplewood, LLLP, interest compounded annually, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2058, secured by a deed, security agreement and financing statement on the Maplewood Apartments property	500,000	185,625	685,625
4.80% note receivable from LHA Pierce Street, LLLP (FHLB-AHP), payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2045, secured by a deed of trust, security agreement and financing statement on the Residences at Creekside property	300,000	260,676	560,676
4.80% note receivable from LHA Pierce Street, LLLP (HOME), payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2045, secured by a deed of trust, security agreement and financing statement on the Residences at Creekside property	415,224	22,315	437,539
4.80% note receivable from LHA Pierce Street, LLLP (CDOH), payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2045, secured by a deed of trust, security agreement and financing statement on the Residences at Creekside property	700,000	577,811	1,277,811

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
4.80% note receivable from LHA Pierce Street, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2045, secured by a deed of trust, security agreement and financing statement on the Residences at Creekside property	1,123,699	1,148,106	2,271,805
5.01% note receivable from MWHS Fifty Eight Hundred, LLLP, loan was funded with proceeds from a note payable to KeyBank N.A., due Partnership generates cash flow, remaining principal and accrued interest balance due May 2035, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	11,320,040	-	11,320,040
1.00% note receivable from MWHS Fifty Eight Hundred, LLLP, principal may be drawn to a total of \$800,000, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	800,000	17,800	817,800
1.00% note receivable from MWHS Fifty Eight Hundred, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	840,000	20,776	860,776
2.82% note receivable from MWHS Fifty Eight Hundred, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	4,370,000	337,036	4,707,036
1.00% note receivable from MWHS Fifty Eight Hundred, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	600,000	11,967	611,967
3.00% note receivable from MWHS Sage Corner LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	384,000	1,136	385,136
3.00% note receivable from MWHS Sage Corner LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	396,000	1,172	397,172

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2019

	Principal	Accrued Interest	Total
3.00% note receivable from MWHS Indy Street Flats, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	3,445,315	151,485	3,596,800
3.00% note receivable from MWHS Indy Street Flats, LLLP, principal may be drawn to a total of \$300,000, payments due to the extent the the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	299,000	9,044	308,044
3.00% note receivable from MWHS Indy Street Flats, LLLP, principal may be drawn to a total of \$600,000, payments due to the extent the the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	543,415	13,489	556,904
3.00% note receivable from MWHS Indy Street Flats, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	937,246	41,209	978,455
Total Notes Receivable from Discretely Presented Component Units	<u>47,514,539</u>	<u>5,580,595</u>	<u>53,095,134</u>
<u>Notes Receivable - Other:</u>			
3.00% note receivable from Fairfield Ridgemoor L.P. for the development and rehabilitation of Ridgemoor Apartments, due in annual installments equal to the lesser of \$30,785 or 75% of the property's residual annual cash flow, unpaid principal and accrued interest due March 2035, secured by a deed of trust on the property	425,290	30,617	455,907
Non-interest-bearing Rental Rehabilitation Program notes receivable, issued for the purpose of rehabilitation of affordable housing, no monthly payments required, loan balance is due when property is sold, secured by a lien on the property	13,126	-	13,126
Total Notes Receivable - Other	<u>438,416</u>	<u>30,617</u>	<u>469,033</u>
Total Notes Receivable	47,952,955	5,611,212	53,564,167
Less current portion	(145,196)	-	(145,196)
Total Notes Receivable, Net of Current Portion	<u>\$ 47,807,759</u>	<u>\$ 5,611,212</u>	<u>\$ 53,418,971</u>

In addition to interest on notes receivable, the Authority charges interest on developer fees receivable from MWHS CityScape, LLLP. At December 31, 2019, the balance of accrued interest receivable consisted of the following:

Accrued interest receivable on notes receivable	\$ 5,611,212
Accrued interest receivable on MWHS CityScape, LLLP developer fees - Notes 13 and 18:	<u>41,968</u>
Total interest receivable	<u>\$ 5,653,180</u>

Construction Note Receivable from Discretely Presented Component Unit

The Authority is financing the construction of the MWHS Indy Street Flats project in part with a variable rate note payable to FirstBank – Note 7. At December 31, 2019, the Authority holds a construction note receivable from MWHS Indy Street Flats totaling \$18,900,000, the maximum amount that may be drawn on the note. Terms of the note receivable are the same as the terms of the Authority’s corresponding note payable to FirstBank. The construction note receivable is expected to be converted to a long-term note receivable upon the completion of the conditions specified in the note payable agreement with FirstBank. The note receivable is secured by a deed of trust on the Indy Street Flats property.

Note 5 - Equity Method Investments

At December 31, 2019, the Authority’s equity method investments consisted of the following:

<u>Discretely Presented Component Units:</u>	
Kings Row Apartments LLLP	\$ 1,204,652
5100 W Alameda Holdings LLC	773,269
MWHS Lamar Station, LLLP	1,452,512
MWHS CityScape, LLLP	1,200,000
Paloma Villas III, LLLP	421,289
Wolff Street Development LLLP	684,139
LHA Maplewood, LLLP	876
LHA Pierce Street, LLLP	146,401
MWHS Fifty Eight Hundred, LLLP	2,500
MWHS Indy Street Flats, LLLP	3,600
	5,889,238
 <u>Other:</u>	
Foothills Green, LP - see (A) below	100
	\$ 5,889,338

(A) The Authority is a special limited partner in Foothills Green, LP, a limited partnership formed to construct an affordable housing project in the City of Lakewood. According to the Partnership agreement, the Authority is not financially obligated to the Partnership except to \$100 as a capital contribution. The Authority may receive cash payments from the Partnership in future years, subject to the availability of net cash flow of the project.

Note 6 - Capital Assets

The following is a summary of property, structures and equipment for the year ended December 31, 2019:

Primary Government

	Balance January 1, as Restated	Acquisition of Capital Assets From Transfer of Operations (Note 17)	Additions	Disposals	Transfers	Balance December 31
Nondepreciable assets						
Land	\$ 10,243,575	\$ 724,910	\$ -	\$ (400,000)	\$ -	\$ 10,568,485
Construction in progress	1,028,973	-	703,696	(2,500)	(674,696)	1,055,473
Total capital assets not being depreciated	<u>11,272,548</u>	<u>724,910</u>	<u>703,696</u>	<u>(402,500)</u>	<u>(674,696)</u>	<u>11,623,958</u>
Depreciable assets						
Buildings and improvements	40,366,420	4,508,916	267,462	(1,831,186)	674,696	43,986,308
Equipment and furniture	287,823	71,224	99,274	(72,754)	-	385,567
Total buildings and improvements	<u>40,654,243</u>	<u>4,580,140</u>	<u>366,736</u>	<u>(1,903,940)</u>	<u>674,696</u>	<u>44,371,875</u>
Accumulated depreciation	<u>(10,952,913)</u>	<u>(1,600,224)</u>	<u>(1,302,664)</u>	<u>236,287</u>	<u>-</u>	<u>(13,619,514)</u>
Total capital assets being depreciated	<u>29,701,330</u>	<u>2,979,916</u>	<u>(935,928)</u>	<u>(1,667,653)</u>	<u>674,696</u>	<u>30,752,361</u>
Total capital assets, net	<u><u>\$40,973,878</u></u>	<u><u>\$ 3,704,826</u></u>	<u><u>\$ (232,232)</u></u>	<u><u>\$ (2,070,153)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 42,376,319</u></u>

Note 7 - Construction Note Payable

The Authority is financing the construction of the MWHS Indy Street Flats project in part with a variable rate note payable to FirstBank. The construction note is expected to be converted to permanent financing upon the completion of the conditions specified in the note agreement. Interest during construction is calculated at the Wall Street Journal Prime Rate plus 1.0% (5.75% at December 31, 2019) with a minimum rate of 4.5%. The interest rate is reset on a monthly basis. Monthly payments of interest are to be made through the date the loan is converted to permanent financing. Upon conversion, the interest rate is to be set at a fixed rate of 4.15% through the maturity date of July 1, 2036. As of December 31, 2019, the Authority owed principal on this note totaling \$18,900,000, the maximum amount that may be drawn on this note. The note is secured by a deed of trust on the Indy Street Flats property. No principal was paid on this note in 2019.

Note 8 - Line of Credit

During 2019, the Authority closed its prior line of credit with KeyBank and opened a new \$2,850,000 revolving line of credit with ANB Bank. The line of credit is being used to fund various construction projects of the Authority. Interest payments are due monthly, and any remaining principal balance is due upon the maturity date of December, 2022. The line of credit is secured by a deed of trust, an assignment of leases and rent, an assignment of contracts, and a security agreement. The Authority had no outstanding balance on the line of credit at December 31, 2019. The line of credit carries various financial covenants as defined by the loan agreement. At December 31, 2019, the Authority was in compliance with these covenants.

During the year ended December 31, 2019, the following changes occurred in the lines of credit:

	Balance January 1	Increases	Decreases	Balance December 31
Lines of Credit	\$ 198,000	\$ -	\$ (198,000)	\$ -

Note 9 - Long-Term Debt

During the year ended December 31, 2019, the following changes occurred in long-term debt:

Primary Government

	Balance January 1, as Restated	Assumption of Debt From Transfer of Operations (Note 17)	Increases	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	\$29,046,172	\$ 2,934,343	\$20,100,607	\$ (9,758,361)	\$42,322,761	\$ 828,766

Long-term debt as of December 31, 2019, consists of the following:

Primary Government

Notes and Mortgages Payable

3.95% note payable, due in monthly installments of \$26,754, including interest, with a maturity date of May 2024, secured by a deed of trust on the Marston Pointe property	\$ 4,988,756
6.50% note payable, due in monthly installments of \$12,696, including interest, with a maturity date of December 2021, secured by a deed of trust on the Marston Pointe property	1,851,780
3.95% note payable, due in monthly installments of \$47,759, including interest, with a maturity date of May 2024, secured by a deed of trust on the Marston Pointe property	8,880,440
3.50% note payable, due in monthly installments of \$13,854, including interest, with a maturity date of December 2029, secured by a deed of trust and assignment of rents on the Paloma I and Paloma II properties	3,065,567
3.40% note payable, due in monthly installments of \$17,212, including interest, with a maturity date of December 2029, secured by a deed of trust and assignment of rents on the Cedar property	4,200,000
3.50% note payable, due in monthly installments of \$6,856, including interest, with a maturity date of December 2029, secured by a deed of trust and assignment of rents on the Willow Glen property	1,515,000
4.50% note payable, due in monthly installments of \$6,211, including interest, with a maturity date of November 2040, secured by a deed of trust on the Van Gordon property	1,003,072
5.01% note payable, due in monthly installments of \$57,304, including interest, with a maturity date of May 2035, secured by a deed of trust on the Fifty Eight Hundred Apartments property	11,320,039
	36,824,654

Bonds Payable:

Series 2004 Multifamily Housing Revenue Bonds, interest at 5.00% percent, varying monthly payments of principal and interest, until January 2022 at which time a balloon payment of \$5,221,049 is due, secured by a deed of trust on the Belmar Apartments property 5,498,107

Total Notes, Mortgages and Bonds Payable \$ 42,322,761

The Marston Pointe, Paloma I and Paloma II, Cedar, Willow Glen, and Van Gorden, notes payable carry various financial covenants as defined by their respective loan agreements. At December 31, 2019, the Authority was in compliance with these covenants.

The estimated debt requirements to maturity for the year ending December 31, 2019 are as follows:

Primary Government

	Principal	Interest	Total
2020	\$ 828,766	\$ 1,851,673	\$ 2,680,439
2021	2,635,937	1,859,657	4,495,594
2022	5,886,404	1,477,640	7,364,044
2023	717,123	1,425,872	2,142,995
2024	12,805,691	1,038,964	13,844,655
2025-2029	9,049,275	4,046,355	13,095,630
2030-2034	1,380,299	2,430,598	3,810,897
2035-2039	8,952,497	197,286	9,149,783
2040-2044	66,769	1,538	68,307
Total	<u>\$ 42,322,761</u>	<u>\$ 14,329,583</u>	<u>\$ 56,652,344</u>

Note 10 - Conduit Debt

The Authority is allowed by State statutes to provide private activity bonding authority to private sector entities for projects that serve the public interest. The Authority has issued Multifamily Housing Revenue Bonds to finance the acquisition and rehabilitation of a 252-unit multifamily housing project known as Mountain View Village Apartments and a 200-unit multifamily housing project known as The Cliffs at Lakewood Apartments. The bonds are secured by the property being financed and are payable solely from revenues of the property. Upon repayment of the bonds, ownership of the property transfers to the private sector entity. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The original bond issuances were \$30,850,000. At December 31, 2019, the outstanding principal balance of the bonds was \$24,490,000.

Note 11 - Annual Contributions Contract

The Authority has an annual contributions contract for housing choice vouchers and adjustments vary based on requirements. The maximum contract was \$10,744,560 for the year ended December 31, 2019.

Note 12 - Employee Pension Plans

Defined Contribution Plan

The Authority has established a 401(a) defined contribution plan for employees. The Authority contributes 10% of each eligible employee's base salary, and each eligible employee contributes 8% of base salary. The plan is administered by Great West Life and Annuity Insurance Company. All full and part-time staff are eligible to participate upon employment. The Authority's contributions for each employee (and earnings allocated to the employee's account) begin to vest with the employee after three years of service and are fully vested after five years of service. Non-vested Authority contributions and earnings thereon for employees who leave employment before five years of service are used to reduce the Authority's contribution requirement.

During 2019, employer contributions to the plan totaled \$278,740.

Deferred Compensation Plan

The Authority has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Managers Association Retirement Corporation (ICMA-RC). Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years.

Note 13 - Related Party Transactions

Management Fees and Reimbursed Expenses

The Authority has entered into management agreements with the various related entities to provide management services for their respective projects. Under the agreements, the Authority is to be paid management fees totaling 5% of gross monthly collections. In addition, the Authority receives a monthly bookkeeping fee equal to \$4 per unit per month from 5100 W Alameda Holdings LLC and MWHS Creekside West, LLLP.

The Authority is periodically reimbursed for various office expenses, property manager payroll and benefits, and other maintenance costs incidental to the operations of the project.

During 2019, the Authority received the following management fees, accounting fees and reimbursed expenses from the various related entities:

	Bookkeeping Fees	Management Fees	Reimbursed Expenses
Kings Row Apartments, LLLP	\$ -	\$ 76,265	\$ 265,400
5100 W Alameda Holdings LLC	2,400	27,881	126,600
MWHS Lamar Station, LLLP	-	61,758	342,000
MWHS CityScape LLLP	-	83,678	380,600
MWHS Creekside West, LLLP	3,936	48,106	174,800
Paloma Villas III, LLLP	-	24,541	189,500
Wolff Street Development LLLP	-	32,029	213,800
LHA Maplewood, LLLP	-	73,299	315,000
LHA Pierce Street, LLLP	-	68,639	257,400
MWHS Fifty Eight Hundred, LLLP	-	89,396	65,600
	<u>\$ 6,336</u>	<u>\$ 585,592</u>	<u>\$ 2,330,700</u>

Developer Fees

MWHS CityScape, LLLP – A developer fee of \$2,534,935 to the Authority has been capitalized as part of the building costs. The developer fee is to be paid out of capital contributions, per the development agreement and any remaining developer fee payable is to be paid from available cash flows. Unpaid developer fee amounts will incur interest at a rate of 4% annually after the final capital contribution is received. All unpaid developer fees shall be paid in full on or before December 31, 2030. During 2019, the Partnership paid \$80,086 for developer fees. As of December 31, 2019, the Partnership owed \$1,014,402 to the Authority for developer fees. During 2019, interest of \$41,968 was incurred on the remaining developer fee payable. At December 31, 2019, the Partnership owed \$41,968 for accrued interest on the developer fees.

MWHS Creekside West, LLLP – A developer fee of \$1,531,052 was capitalized as part of the building costs. During 2019, the Partnership paid the remaining deferred developer fee balance of \$66,062 and paid the remaining accrued interest balance of \$2,296 on the deferred developer fee.

MWHS Fifty Eight Hundred, LLLP – A developer fee of \$3,858,544 was capitalized as part of the building costs. The developer fee is to be paid out of capital contributions, per the development agreement and any remaining developer fee payable is to be paid from available cash flows. Unpaid developer fee amounts will incur interest at a rate of 1% annually after the final capital contribution is received. As of December 31, 2019, the final contribution has not been received, therefore no interest has been incurred. During 2019, the Partnership paid \$1,344,093 for developer fees. At December 31, 2019, the Partnership owed \$2,514,451 to the Authority for developer fees.

MWHS Indy Street Flats LLLP – A developer fee of \$3,616,957 was capitalized as part of building costs. The developer fee is to be paid out of capital contributions, per the development agreement and any remaining developer fee payable is to be paid from available cash flows. All unpaid developer fees shall be paid in full on or before the 13th anniversary of the completion date. At December 31, 2019, the Partnership owed \$3,197,290 to the Authority for developer fees.

MWHS Sage Corner LLLP – During 2019, a developer fee of \$250,000 was paid to the Authority and capitalized as part of construction in progress.

Notes Payable

The Authority has entered into multiple loan agreements with the related entities. Provisions of the notes and balances of interest receivable/payable are detailed in Notes 4 and 8. During 2019, the related entities incurred the following interest amounts on the related party notes:

Kings Row Apartments, LLLP	\$ 360,840
MWHS Lamar Station, LLLP	103,716
MWHS CityScape LLLP	164,354
MWHS Creekside West, LLLP	295,677
LHA Maplewood, LLLP	139,902
LHA Pierce Street, LLLP	204,983
MWHS Fifty Eight Hundred, LLLP	807,916
MWHS Indy Street Flats, LLLP	80,548
	\$ 2,157,936

Partnership/Company Management Fees

Kings Row Apartments LLLP - Pursuant to the partnership agreement, the Partnership is to pay the Authority an annual, cumulative fee equal to \$25,000, increasing 3% each year. Amounts are paid out of available cash flow. During 2019, the Partnership incurred \$37,815 in partnership management fees. As of December 31, 2019, the Partnership owed \$464,978 for this fee.

LHA Pierce Street, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership management fee equal to \$5,000, adjusted annually by the annual percentage increase in CPI. During 2019, the Partnership incurred asset management fees of \$6,217. As of December 31, 2019, the Partnership owed \$6,200 for this fee.

Partnership Administration Fee

MWHS Lamar Station, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership administration fee equal to \$20,537, increasing annually by 3%. During 2019, the Partnership incurred partnership administration fees of \$23,808. As of December 31, 2019, the Partnership owed \$23,808 to the Authority for this fee.

MWHS CityScape, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership administration fee equal to \$25,000, increasing annually by 3%. During 2019, the Partnership incurred partnership administration fees of \$28,138. As of December 31, 2019, the Partnership owed \$132,728 to the Authority for this fee.

Paloma Villas III, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority an annual, cumulative fee equal to \$25,000, increasing 3% each year. Amounts are paid out of available cash flow; however, if cash flow is not available, the fee will accumulate but will only be expensed in the year it was paid. For the year ended December 31, 2019, the Partnership did not incur or pay any partnership administration fees to the Authority.

Wolff Street Development LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority an annual, cumulative fee, equal to \$40,000, increasing 3% each year. Amounts are paid out of available cash flow. The fee will not be accrued but will be expensed in the year paid. For the year ended December 31, 2019, the Partnership did not incur or pay any partnership administration fees to the Authority.

MWHS Fifty Eight Hundred, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership administration fee equal to \$10,000 annually, until the end of the compliance period for managing the Partnership's operations and assets and other related services. During 2019, the Partnership incurred partnership administration fees of \$10,000 to the Authority. As of December 31, 2019, the Partnership owed \$12,500 to the Authority for fees incurred in prior years.

Operating Deficit Guaranty

Kings Row Apartments LLLP – Pursuant to the operating deficit guaranty, the Authority agreed to loan funds to the Partnership. Operating deficit loans are to be repaid based on cash flows as defined in the partnership agreement. During 2019, the Partnership paid \$106,986 on the operating deficit loans from available cash. As of December 31, 2019, the Partnership owed \$342,758 to the Authority for operating deficit loans.

Loan Shortfall Guaranty

MWHS Fifty Eight Hundred, LLLP – Pursuant to the partnership agreement, the Authority is obligated to provide funds to the Partnership in the event that the proceeds of the construction loan and secondary loans are less than the costs of construction. As of December 31, 2019, the Partnership owed \$368,807 to the Authority for loan shortfall guaranty loans. The amount will be repaid from available cash flows of the project.

Incentive Management Fee

5100 W Alameda Holdings, LLC – Pursuant to the operating agreement, the Company is to pay the Authority a non-cumulative fee equal to 80% of net cash flow available, as defined in the operating agreement, for services provided in managing the business of the Company. During 2019, the Company incurred and paid incentive management fees of \$70,744 to the Authority.

Due to Related Party

Paloma Villas III, LLLP – In a prior year, the Authority made advances to the Partnership to fund major improvements to the building. During 2019, the Authority made additional advances of \$19,500 to the Partnership to cover operating deficits of the Partnership. As of December 31, 2019, the Partnership owed the Authority \$38,000 for the advances, which are expected to be repaid from available cash flow. During 2019, no payments were made from the Partnership to the Authority toward these advances.

MWHS Indy Street Flats, LLLP – As of December 31, 2019, the Company owed the Authority \$197,780 for construction related items.

Distributions

Paloma Villas III, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the partners annual distributions to the extent of available cash flow. The Partnership paid no distributions to the Authority in 2019.

5100 W Alameda Holdings, LLC – Pursuant to the company agreement, the Company is to pay the members annual distributions to the extent of available cash flow. The Company paid no distributions to the Authority in 2019.

Land Sale

MWHS Sage Corner LLLP – During 2019, the Authority sold land with a carrying value of \$400,000 to MWHS Sage Corner LLLP for use in development of the Sage Corner Apartments project.

Note 14 - Commitments and Contingencies

During 2015, the Authority received funding in the amount of \$500,000 from Jefferson County, Colorado (the County), the proceeds of which were loaned to CityScape at Belmar. If the Authority or CityScape at Belmar should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through November 30, 2035, it is possible that the Authority would have to return the funds to the County.

During 2017, the Authority received funding in the amount of \$600,000 from Jefferson County, the proceeds of which were loaned to Fifty Eight Hundred Apartments. If the Authority or Fifty Eight Hundred Apartments should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through March 31, 2039, it is possible that the Authority would have to return the funds to the County.

During 2018, the Authority received funding in the amount of \$299,000 from Jefferson County, the proceeds of which were loaned to Indy Street Flats. If the Authority or Indy Street Flats should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through August 23, 2038, it is possible that the Authority would have to return the funds to the County.

During 2019, the Authority received funding in the amount of \$543,415 from the State of Colorado (the State), the proceeds of which were loaned to Indy Street Flats. If the Authority or Indy Street Flats should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through October 25, 2048, it is possible that the Authority would have to return the funds to the State.

Since the possibility that the Authority would fail to meet these requirements is remote, these contingencies are not reported as liabilities in the financial statements.

In addition to the contingencies disclosed above, the Authority regularly enters into contracts for design and development of both current and new projects. The Authority also periodically provides guarantees related to construction completion, operating deficits, and delivery of Low Income Housing Tax Credits for the related entities.

Note 15 - Condensed Component Unit Information

Condensed component unit information for Lakewood Housing Corporation, the Authority’s blended component unit, for the year ended December 31, 2019, is as follows:

Condensed Statement of Net Position

Assets		
Current Assets		\$ 4,666,818
Equity in Partnerships		1,105,428
Total Assets		\$ 5,772,246
Current Liabilities		\$ 20,035
Net Position		5,752,211
Total Liabilities and Net Position		\$ 5,772,246

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues	
Other	\$ 106,793
Operating Expenses	
Administrative	175,282
Maintenance	300
Insurance	3,999
Other	2,251
Total operating expenses	181,832
Operating Loss	(75,039)
Nonoperating Income	
Interest income	10,814
Change in Net Position	(64,225)
Net Position, Beginning of Year, as restated	5,816,436
Net Position, End of Year	\$ 5,752,211

Condensed Statement of Cash Flows

Net Cash From:	
Operating activities	\$ 2,626,205
Investing activities	10,814
Net increase in cash and cash equivalents	2,637,019
Cash and Cash Equivalents, Beginning of Year, as restated	1,331,370
Cash and Cash Equivalents, End of Year	\$ 3,968,389

Note 16 - Restatement of Net Position

Beginning net position was restated as follows:

	Community Development Block Grants	Housing Choice Vouchers	HOME Investment Partnership Program	Lakewood Housing Corporation	Business Activities	Total
Net position, December 31, 2018, as previously reported	\$ (275,697)	\$ 975,087	\$ 43,764	\$ 9,375,274	\$59,524,519	\$69,642,947
Transfer of Paloma I and Paloma II from blended component unit to business activities	-	-	-	(3,558,838)	3,558,838	-
Acquisition of LHA Willow Glen LLC	-	-	-	-	1,809,419	1,809,419
Total changes in reporting entity	-	-	-	(3,558,838)	5,368,257	1,809,419
Net position, December 31, 2018, as restated	<u>\$ (275,697)</u>	<u>\$ 975,087</u>	<u>\$ 43,764</u>	<u>\$ 5,816,436</u>	<u>\$64,892,776</u>	<u>\$71,452,366</u>

Changes in Reporting Entity

Paloma I and Paloma II

In 2019, the Authority acquired full ownership of the Paloma I and Paloma II properties upon Lakewood Housing Corporation and the special limited partner exiting their respective partnership interests in those entities. The Paloma I and Paloma II properties were transferred from blended component units to business activities. This transfer had no net effect on the overall beginning or ending net position of the Authority.

LHA Willow Glen LLC

At December 31, 2018, the Authority's equity method investment in LHA Willow Glen LLC (Willow Glen) totaled \$1,252,753. During 2019, the Authority increased its ownership in Willow Glen by assuming the investor member's share of Willow Glen, thereby gaining control of the entity. In connection therewith, the Authority assumed the existing assets and liabilities of Willow Glen. Net position for the primary government as of January 1, 2019, has been increased by \$1,809,419 for the change in reporting entity.

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

The initial balances from Willow Glen that were transferred in 2019, net of the Authority's existing equity method investment balance, are as follows:

Current Assets	\$	446,654
Capital Assets		6,473,756
		<u>6,473,756</u>
Total Assets	\$	<u>6,920,410</u>
Current Liabilities	\$	1,008,204
Noncurrent Liabilities		2,850,034
		<u>2,850,034</u>
Total Liabilities		3,858,238
Net Position		<u>3,062,172</u>
Total Liabilities and Net Position	\$	<u>6,920,410</u>
Transfer of Net Position	\$	3,062,172
Less Prior Equity Method Investment Balance		<u>(1,252,753)</u>
Change in Net Position	\$	<u>1,809,419</u>

Note 17 - Transfer of Operations from Joint Venture

Under a sales/purchase agreement between the Authority and Jefferson County Housing Authority (JCHA), the Authority agreed to purchase JCHA's share of the joint venture ownership of Cedar Ave/Garden Apartments. On December 30, 2019, the Joint Venture transferred the assets and liabilities comprising its tenant operations to the Authority. As a result of the transfer, the Authority recognized the following assets, liabilities, and net position:

	<u>Carrying Value</u>
Transferred Assets (Net)	
Land	\$ 724,910
Buildings and Improvements	2,926,738
Equipment	<u>53,178</u>
Total Capital Assets	<u>\$ 3,704,826</u>
Transferred Liabilities	
Current Liabilities	\$ 236,813
Long-Term Debt	<u>2,934,343</u>
Total Liabilities	<u>\$ 3,171,156</u>
Net Position of Transferred Tenant Operations	
Unrestricted Net Position	\$ (236,813)
Net Investment in Capital Assets	<u>770,483</u>
Total Net Position	<u><u>\$ 533,670</u></u>

Note 18 - Discretely Presented Component Units

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the deposits of the discretely presented component units may not be returned to the entities. As of December 31, 2019, the deposits of the discretely presented component units were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with PDPA.

Restricted Cash and Cash Equivalents

Restricted cash consists of cash and cash equivalents balances held for tenant security deposits and held in escrow to comply with partnership requirements.

Capital Assets

The following is a summary of property, structures and equipment for the year ended December 31, 2019:

Land	\$ 16,679,263
Construction in progress	3,673,678
Land improvements	5,461,665
Building and improvements	188,433,586
Solar equipment	495,610
Furniture and equipment	6,758,333
	221,502,135
Accumulated depreciation	(33,504,995)
	\$ 187,997,140

Accrued Compensated Absences

The amount of accumulated unpaid leave at December 31, 2019, was \$84,690 for the discretely presented component units.

Advanced Revenues

At December 31, 2019, the discretely presented component units' advanced revenue consisted of prepaid rents of \$20,565 and deferred grant revenue of \$45,161.

Construction Notes Payable

MWHS Indy Street Flats, LLLP is financing the construction of the housing project in part with a note to the Authority totaling \$18,900,000 at December 31, 2019 – Note 4. Terms of the note payable are the same as the terms of the Authority's corresponding note payable to FirstBank – Note 7. The construction note payable is expected to be converted to a long-term note payable upon the completion of the conditions specified in the note payable agreement with FirstBank. The note payable may be drawn to a maximum of \$18,900,000. The note payable is secured by a deed of trust on the Indy Street Flats property.

Provisions of the construction note agreement allow MWHS Indy Street Flats, LLLP to borrow additional funds directly from FirstBank during the construction period up to a maximum of \$5,400,000. Interest is variable and is calculated based on the Wall Street Journal Prime Rate plus 1.0% with a minimum rate of 4.5%. Interest payments are due monthly through the note maturity date of January, 2021. The construction note payable is expected to be converted to a long-term note payable upon the completion of the conditions specified in the note payable agreement with FirstBank. The note payable is secured by a deed of trust on the Indy Street Flats property. The balance of this construction note payable was \$3,009,480 at December 31, 2019.

Long-Term Debt

Long-term debt as of December 31, 2019, consists of the following:

Notes and Mortgages Payable

	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
<u>Notes and Mortgages Payable to Primary Government:</u>			
5.00% note payable to the Authority, for the purchase and rehabilitation of Belmar Apartments, loan was funded from Series 2004 bond proceeds with interest rates ranging from 4.22% to 5.59%, due in varying monthly principal and interest installments, with a maturity date of January 2022, secured by a deed of trust and regulatory agreement on the Belmar Apartments property, net of unamortized debt issuance costs of \$23,898, based upon effective interest rate of 5.18%	\$ 5,474,209	\$ -	\$ 5,474,209
5.00% note payable to the Authority, unpaid principal and interest due December 31, 2021, secured by a deed of trust and security agreement on the Belmar Apartments property	800,000	863,143	1,663,143
0.00% note payable to the Authority, unpaid principal due January 2022, unsecured	742,159	-	742,159
2.00% note payable to the Authority, principal may be drawn to a total of \$4,112,500, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	3,612,500	69,995	3,682,495
2.00% note payable to the Authority, (CDOH), principal may be drawn to a total of \$500,000, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	500,000	10,040	510,040
2.00% note payable to the Authority, (HOME), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	567,979	11,840	579,819
4.00% note payable to the Authority (County HOME), principal may be drawn to a total of \$900,000, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	900,000	164,375	1,064,375

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
4.00% note payable to the Authority (CDOH), principal may be drawn to a total of \$500,000, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	500,000	101,699	601,699
4.00% note payable to the Authority, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	2,262,836	517,212	2,780,048
0.00% note payable to the Authority (Land Loan), payments due from cash flow, remaining principal due December 2040, secured by a deed of trust and security agreement on the Creekside West property	1,000,000	-	1,000,000
4.25% note payable to the Authority (Development), payments due from cash flow, unpaid principal and interest due December 2040, secured by a deed of trust and security agreement on the Creekside West property	608,765	303,889	912,654
4.25% note payable to the Authority (AHP), payments due from cash flow, unpaid principal and interest due December 2029, secured by a deed of trust and security agreement on the Creekside West property	300,000	148,299	448,299
4.25% note payable to the Authority (CDOH HOME), payments due from cash flow, unpaid principal and interest due December 2040, secured by a deed of trust and security agreement on the Creekside West property	500,000	227,201	727,201
4.25% note payable to the Authority (City HOME), payments due from cash flow, unpaid principal and interest due December 2040, secured by a deed of trust and security agreement on the Creekside West property	500,000	254,043	754,043
4.60% note payable to the Authority, payments due from available cash flow, unpaid principal and interest (compounded annually) due December 2058, secured by a deed of trust, security agreement and financing statement on the Maplewood Apartments property	1,000,000	48,162	1,048,162

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
4.60% note payable to the Authority, payments due from available cash flow, unpaid principal and interest (compounded annually) due December 2058, secured by a deed of trust, security agreement and financing statement on the Maplewood Apartments property	105,000	5,057	110,057
4.60% note payable to the Authority, payments due from available cash flow, unpaid principal and interest (compounded annually) due December 2058, secured by a deed of trust, security agreement and financing statement on the Maplewood Apartments property	843,254	40,824	884,078
4.60% note payable to the Authority, payments due from available cash flow, unpaid principal and interest (compounded annually) due December 2058, secured by a deed of trust, security agreement and financing statement on the Maplewood Apartments property	300,000	15,169	315,169
4.60% note payable to the Authority, payments due from available cash flow, unpaid principal and interest (compounded annually) due December 2058, secured by a deed of trust, security agreement and financing statement on the Maplewood Apartments property	500,000	185,625	685,625
4.80% note payable to the Authority (FHLB-AHP), payments due from available cash flow, remaining principal and interest due December 2045, secured by a deed of trust, security agreement and financing statement on the Residences at Creekside property	300,000	260,676	560,676
4.80% note payable to the Authority (HOME), payments due from available cash flow, remaining principal and interest due December 2045, secured by a deed of trust, security agreement and financing statement on the Residences at Creekside property	415,224	22,315	437,539
4.80% note payable to the Authority (CDOH), payments due from available cash flow, remaining principal and interest due December 2045, secured by a deed of trust, security agreement and financing statement on the Residences at Creekside property	700,000	577,811	1,277,811
4.80% note payable to the Authority (Development), payments due from available cash flow, remaining principal and interest due December 2045, secured by a deed of trust, security agreement, and financing statement on the Residences at Creekside property	1,123,699	1,148,106	2,271,805

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
5.01% note payable to the Authority for the construction of Fifty Eight Hundred Apartments, loan was funded with proceeds from a note payable from the Authority to KeyBank N.A., due in monthly installments of \$57,304, including interest, with a maturity date of May 2035, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property net of unamortized debt issuance costs of \$624,056, based upon an effective interest rate of 5.70%	10,695,984	-	10,695,984
1.00% note payable to the Authority, principal may be drawn to a total of \$800,000, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	800,000	17,800	817,800
1.00% note payable to the Authority, principal may be drawn to a total of \$840,000, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	840,000	20,776	860,776
2.82% note payable to the Authority, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	4,370,000	337,036	4,707,036
1.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	600,000	11,967	611,967
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	384,000	1,136	385,136
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	396,000	1,172	397,172
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	3,445,315	151,485	3,596,800

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
3.00% note payable to the Authority, principal may be drawn to a total of \$300,000, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	299,000	9,044	308,044
3.00% note payable to the Authority, principal may be drawn to a total of \$600,000, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	543,415	13,489	556,904
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	937,246	41,209	978,455
Total Notes Payable to Primary Government:	46,866,585	5,580,595	52,447,180
<u>Notes and Mortgages Payable - Other:</u>			
7.35% note payable to FirstBank of Colorado, due in monthly installments of \$19,196, including interest, through the maturity date of March 2030, secured by a deed of trust and security agreement on the Creekside West property, net of unamortized debt issuance costs of \$57,333, based upon effective interest rate of 8.01% - see (A) below	2,333,829	-	2,333,829
5.05% note payable to First Bank, due in monthly installments of \$51,716, including interest, through the maturity date of September 2034, secured by a deed of trust on the CityScape at Belmar property, net of unamortized debt issuance costs of \$281,365, based on effective interest rate of 5.43%	8,711,196	-	8,711,196
0.00% TCAP note payable to Colorado Housing and Finance Authority, unpaid principal due January 2041, secured by a deed of trust on the Los Altos de Alameda property, net of unamortized debt issuance costs of \$24,630 based upon effective interest rate of 0.06%	2,193,687	-	2,193,687
4.00% note payable to First Bank, due in monthly installments of \$9,043, including interest, through the maturity date of September 2027, secured by a deed of trust on the Los Altos de Alameda property, net of unamortized debt issuance costs of \$30,439 based upon effective interest rate of 4.39%	1,694,821	-	1,694,821

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
4.55% mortgage note payable to FirstBank of Colorado, due in monthly installments of \$24,141, including interest, with a maturity date of June 2032, secured by a deed of trust, security agreement, and assignment of rents on the Lamar Station Crossing property, net of unamortized debt issuance costs of \$122,194 based upon effective interest rate of 5.01%	4,103,254	-	4,103,254
6.85% note payable to Colorado Housing and Finance Authority, due in monthly installments of \$9,285, including interest, through the maturity date of January 2029, secured by a deed of trust on the Paloma Villas III property, net of unamortized debt issuance costs of \$16,895 based upon effective interest rate of 7.13%	1,165,409	-	1,165,409
6.875% note payable to Colorado Housing and Finance Authority, due in monthly installments of \$12,219, including interest, through the maturity date of April 2028, secured by a deed of trust on the Villas at Sloan's Lake property, net of unamortized debt issuance costs of \$28,508, based upon effective interest rate of 7.27%	1,493,874	-	1,493,874
6.70% note payable to Colorado Housing and Finance Authority (Mortgage 1), due in monthly installments of \$25,027, including interest, through the maturity date of June 2027, secured by a deed of trust, security agreement, financing statement, and an assignment of rents and leases on the Maplewood Apartments property, net of unamortized debt issuance costs of \$15,036, based upon effective interest rate of 6.80%	3,647,045	-	3,647,045
3.00% note payable to Colorado Housing and Finance Authority (Mortgage 2), due in monthly installments of \$2,117, including interest, through the maturity date of June 2027, secured by a deed of trust, security agreement, financing statement, and an assignment of rents and leases on the Maplewood Apartments property net of unamortized debt issuance costs of \$2,042, based upon effective interest rate of 3.09%	449,281	-	449,281
0.00% TCAP note payable to Colorado Housing and Finance Authority, principal due September 2028, secured by a deed of trust, security agreement and financing statement on the Maplewood Apartments property, net of unamortized debt issuance costs of \$3,457, based upon effective interest rate of .06%	927,652	-	927,652

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2019

	Principal	Accrued Interest	Total
4.95% note payable to First Bank of Colorado, due in monthly installments of \$23,224, including interest, through the maturity date of January 2026, secured by a deed of trust and security agreement on the Residences at Creekside property, net of unamortized debt issuance costs of \$39,199, based upon effective interest rate of 5.28%	3,249,282	-	3,249,282
Total Notes Payable - Other:	29,969,330	-	29,969,330
Total Notes and Mortgages Payable	76,835,915	5,580,595	82,416,510
Less current portion	(1,290,172)	-	(1,290,172)
Total Notes Payable, Net of Current Portion	<u>\$ 75,545,743</u>	<u>\$ 5,580,595</u>	<u>\$ 81,126,338</u>

At December 31, 2019, the balance of accrued interest payable for the discretely presented component units consisted of the following:

Accrued interest on notes payable	\$ 5,580,595
Accrued interest on developer fees - Notes 4 and 13: MWHS CityScape, LLLP	<u>41,968</u>
Total accrued interest payable	<u>\$ 5,622,563</u>

The estimated debt requirements to maturity for the year ending December 31, 2019 are as follows:

	Principal	Interest	Total
2020	\$ 1,290,172	\$ 2,986,342	\$ 4,276,514
2021	1,888,689	3,676,666	5,565,355
2022	6,919,872	2,449,032	9,368,904
2023	1,023,968	2,386,157	3,410,125
2024	1,069,279	2,344,739	3,414,018
Thereafter	65,912,987	35,542,420	101,455,407
Unamortized debt issuance costs	<u>(1,269,052)</u>	<u>-</u>	<u>(1,269,052)</u>
Total	<u>\$ 76,835,915</u>	<u>\$ 49,385,356</u>	<u>\$ 126,221,271</u>

Note 19 - Subsequent Events

Subsequent to year-end, the Authority has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Authority is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of the financial statements, the full impact to the Authority's financial position is not known.



Supplementary Information
December 31, 2019

Housing Authority of the City of
Lakewood

dba

Metro West Housing Solutions

(This page intentionally left blank.)

	Community Development Block Grants 14,218	Housing Choice Vouchers 14,871	HOME Investment Partnership Program 14,239	Lakewood Housing Corporation
Assets				
Cash and cash equivalents	\$ -	\$ 862,833	\$ 43,764	\$ 3,968,389
Restricted cash and cash equivalents	-	-	-	-
Accounts receivable				
Tenants	-	-	-	-
Other	-	262	-	327,938
Developer fees	-	-	-	-
Due from discretely presented component units	-	-	-	38,000
Construction note receivable from discretely presented component units	-	-	-	-
Interprogram receivable	-	-	-	331,029
Prepaid expenses	-	9,433	-	1,462
Notes receivable - current portion	-	-	-	-
Total current assets	-	872,528	43,764	4,666,818
Accrued interest receivable - long-term	-	-	-	-
Developer fees receivable - long-term	-	-	-	-
Equity method investments	-	-	-	1,105,428
Notes receivable, net of current portion	-	-	-	-
Non-depreciable capital assets	-	-	-	-
Depreciable capital assets, net	-	-	-	-
	-	-	-	1,105,428
Total assets	\$ -	\$ 872,528	\$ 43,764	\$ 5,772,246
Liabilities and Net Position				
Liabilities				
Accounts payable	\$ 61	\$ -	\$ -	\$ 350
Interprogram payable	331,029	-	-	-
Construction notes payable	-	-	-	-
Accrued liabilities	1,478	15,450	-	4,974
Accrued compensated absences	1,310	50,416	-	14,711
Advanced revenues	-	-	-	-
Tenant security deposits payable	-	-	-	-
Notes, mortgages and bonds payable - current	-	-	-	-
Total current liabilities	333,878	65,866	-	20,035
Noncurrent Liabilities				
Notes, mortgages and bonds payable - net of current portion	-	-	-	-
Total liabilities	333,878	65,866	-	20,035
Net Position				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	(333,878)	806,662	43,764	5,752,211
Total net position	(333,878)	806,662	43,764	5,752,211
Total liabilities and net position	\$ -	\$ 872,528	\$ 43,764	\$ 5,772,246

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Combining Statement of Net Position
 December 31, 2019

Business Activities	Housing Trust Fund 14.275	Total	Elimination of Intercompany Activity	Total
\$ 2,091,322	\$ -	\$ 6,966,308	\$ -	\$ 6,966,308
1,138,997	-	1,138,997	-	1,138,997
20,100	-	20,100	-	20,100
214,008	-	542,208	-	542,208
1,735,203	-	1,735,203	-	1,735,203
1,549,559	-	1,587,559	-	1,587,559
18,900,000	-	18,900,000	-	18,900,000
-	-	331,029	(331,029)	-
308,485	-	319,380	-	319,380
145,196	-	145,196	-	145,196
<u>26,102,870</u>	<u>-</u>	<u>31,685,980</u>	<u>(331,029)</u>	<u>31,354,951</u>
5,653,180	-	5,653,180	-	5,653,180
4,990,940	-	4,990,940	-	4,990,940
4,783,910	-	5,889,338	-	5,889,338
47,807,759	-	47,807,759	-	47,807,759
11,623,958	-	11,623,958	-	11,623,958
30,752,361	-	30,752,361	-	30,752,361
<u>105,612,108</u>	<u>-</u>	<u>106,717,536</u>	<u>-</u>	<u>106,717,536</u>
<u>\$ 131,714,978</u>	<u>\$ -</u>	<u>\$ 138,403,516</u>	<u>\$ (331,029)</u>	<u>\$ 138,072,487</u>
\$ 149,345	\$ -	\$ 149,756	\$ -	\$ 149,756
-	-	331,029	(331,029)	-
18,900,000	-	18,900,000	-	18,900,000
102,957	-	124,859	-	124,859
290,301	-	356,738	-	356,738
7,041	-	7,041	-	7,041
222,786	-	222,786	-	222,786
828,766	-	828,766	-	828,766
<u>20,501,196</u>	<u>-</u>	<u>20,920,975</u>	<u>(331,029)</u>	<u>20,589,946</u>
<u>41,493,995</u>	<u>-</u>	<u>41,493,995</u>	<u>-</u>	<u>41,493,995</u>
<u>61,995,191</u>	<u>-</u>	<u>62,414,970</u>	<u>(331,029)</u>	<u>62,083,941</u>
11,373,597	-	11,373,597	-	11,373,597
-	-	-	-	-
58,346,190	-	64,614,949	-	64,614,949
69,719,787	-	75,988,546	-	75,988,546
<u>\$ 131,714,978</u>	<u>\$ -</u>	<u>\$ 138,403,516</u>	<u>\$ (331,029)</u>	<u>\$ 138,072,487</u>

	Community Development Block Grants 14.218	Housing Choice Vouchers 14.871	Investment Partnership Program 14.239	Lakewood Housing Corporation
Operating Revenues				
HUD PHA grants	\$ -	\$ 13,375,824	\$ -	\$ -
Other grants	40,000	-	1,000	-
Rental income	-	-	-	-
Management fees	-	-	-	-
Developer fee income	-	-	-	-
Other	4,503	18,191	-	106,793
Total Operating Revenues	44,503	13,394,015	1,000	106,793
Operating Expenses				
Housing assistance payments	-	12,753,289	-	-
Administrative salaries and benefits	71,043	558,078	-	151,434
Maintenance salaries and benefits	-	-	-	-
Regular and extraordinary maintenance	-	15,520	-	300
Other administrative	22,703	201,617	-	23,848
Depreciation	-	-	-	-
Utilities	-	-	-	-
Insurance	1,023	21,333	-	3,999
Other	7,915	14,940	-	2,251
Total Operating Expenses	102,684	13,564,777	-	181,832
Operating Income (Loss)	(58,181)	(170,762)	1,000	(75,039)
Non-Operating Revenues (Expenses)				
Interest income	-	2,337	-	10,814
Gain on sale of capital assets	-	-	-	-
Interest expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	2,337	-	10,814
Income (Loss) Before Loss on Transfer of Operations and Interprogram Transfers	(58,181)	(168,425)	1,000	(64,225)
Loss on Transfer of Operations and Interprogram Transfers				
Loss on transfer of operations	-	-	-	-
Interprogram transfers	-	-	(1,000)	-
Total Loss on Transfer of Operations and Interprogram Transfers	-	-	(1,000)	-
Change in Net Position	(58,181)	(168,425)	-	(64,225)
Net Position - Beginning of Year, as Originally Reported	(275,697)	975,087	43,764	9,375,274
Change in Reporting Entity	-	-	-	(3,558,838)
Net Position - Beginning of Year, as Restated	(275,697)	975,087	43,764	5,816,436
Net Position - End of Year	\$ (333,878)	\$ 806,662	\$ 43,764	\$ 5,752,211

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Combining Statement of Revenues, Expenses and Changes in Net Position
 Year Ended December 31, 2019

Business Activities	Housing Trust Fund 14.275	Total	Elimination of Intercompany Activity	Total
\$ -	\$ -	\$ 13,375,824	\$ -	\$ 13,375,824
3,500	543,415	587,915	-	587,915
4,623,443	-	4,623,443	-	4,623,443
1,029,681	-	1,029,681	(276,696)	752,985
3,572,290	-	3,572,290	-	3,572,290
477,013	-	606,500	(3,360)	603,140
<u>9,705,927</u>	<u>543,415</u>	<u>23,795,653</u>	<u>(280,056)</u>	<u>23,515,597</u>
-	-	12,753,289	-	12,753,289
2,500,263	-	3,280,818	-	3,280,818
337,825	-	337,825	-	337,825
745,923	-	761,743	-	761,743
1,202,903	-	1,451,071	(280,056)	1,171,015
1,302,664	-	1,302,664	-	1,302,664
357,389	-	357,389	-	357,389
216,432	-	242,787	-	242,787
100,419	-	125,525	-	125,525
<u>6,763,818</u>	<u>-</u>	<u>20,613,111</u>	<u>(280,056)</u>	<u>20,333,055</u>
<u>2,942,109</u>	<u>543,415</u>	<u>3,182,542</u>	<u>-</u>	<u>3,182,542</u>
2,761,018	-	2,774,169	-	2,774,169
2,063,719	-	2,063,719	-	2,063,719
<u>(2,535,209)</u>	<u>-</u>	<u>(2,535,209)</u>	<u>-</u>	<u>(2,535,209)</u>
<u>2,289,528</u>	<u>-</u>	<u>2,302,679</u>	<u>-</u>	<u>2,302,679</u>
<u>5,231,637</u>	<u>543,415</u>	<u>5,485,221</u>	<u>-</u>	<u>5,485,221</u>
(949,041)	-	(949,041)	-	(949,041)
544,415	(543,415)	-	-	-
<u>(404,626)</u>	<u>(543,415)</u>	<u>(949,041)</u>	<u>-</u>	<u>(949,041)</u>
<u>4,827,011</u>	<u>-</u>	<u>4,536,180</u>	<u>-</u>	<u>4,536,180</u>
59,524,519	-	69,642,947	-	69,642,947
<u>5,368,257</u>	<u>-</u>	<u>1,809,419</u>	<u>-</u>	<u>1,809,419</u>
<u>64,892,776</u>	<u>-</u>	<u>71,452,366</u>	<u>-</u>	<u>71,452,366</u>
<u>\$ 69,719,787</u>	<u>\$ -</u>	<u>\$ 75,988,546</u>	<u>\$ -</u>	<u>\$ 75,988,546</u>



Single Audit
December 31, 2019

Housing Authority of the City of
Lakewood

dba

Metro West Housing Solutions

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2019

<u>Federal Agency/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
<i>Direct Program</i>			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers Program	14.871		\$ 13,375,824
<i>Passed Through State of Colorado</i>			
CDBG-Entitlement Grants Cluster			
HOME Investment Partnership Program	14.239	#17-046	1,000
<i>Passed Through State of Colorado</i>			
Housing Trust Fund	14.275	#17-078	543,415
<i>Passed Through City of Lakewood</i>			
Community Development Block Grant (CDBG)	14.218	15-09011	<u>40,000</u>
Total U.S. Department of Housing and Urban Development			<u>13,960,239</u>
Total Federal Expenditures			<u><u>\$ 13,960,239</u></u>

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions (the Authority) under programs of the federal government for the year ended December 31, 2019. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note C – Indirect Cost Rate

The Authority has not elected to use the 10% de minimis cost rate.



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

To the Board of Commissioners
Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Lakewood, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated July 24, 2020. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Boise, Idaho
July 24, 2020



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

To the Board of Commissioners
Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Lakewood, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Lakewood dba Metro West Housing Solutions’ (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority’s major federal program for the year ended December 31, 2019. The Authority’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the Authority’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority’s compliance.

Opinion on the Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Boise, Idaho
July 24, 2020

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Section 8 Housing Choice Vouchers	14.871
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
111 Cash - Unrestricted		\$862,833	\$3,550,148	\$3,968,389	\$43,764
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted			\$4,369,813		
114 Cash - Tenant Security Deposits			\$508,934		
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$862,833	\$8,428,895	\$3,968,389	\$43,764
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government		\$262			
125 Accounts Receivable - Miscellaneous			\$403,250	\$365,938	
126 Accounts Receivable - Tenants			\$74,494		
126.1 Allowance for Doubtful Accounts - Tenants			\$0		
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0	
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$262	\$477,744	\$365,938	\$0
131 Investments - Unrestricted				\$1,105,428	
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$9,433	\$389,881	\$1,462	
143 Inventories					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From				\$331,029	
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$872,528	\$9,296,520	\$5,772,246	\$43,764
161 Land			\$16,679,263		
162 Buildings			\$193,827,689		
163 Furniture, Equipment & Machinery - Dwellings			\$7,253,943		
164 Furniture, Equipment & Machinery - Administration					
165 Leasehold Improvements			\$67,562		
166 Accumulated Depreciation			-\$33,504,995		
167 Construction in Progress			\$3,673,678		
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$187,997,140	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$1,078,344		
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$189,075,484	\$0	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$0	\$872,528	\$198,372,004	\$5,772,246	\$43,764

Lakewood Housing Authority (CO049)

LAKWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$61		\$4,641,741	\$350	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	\$1,310	\$50,416	\$84,690	\$14,711	
324 Accrued Contingency Liability					
325 Accrued Interest Payable			\$5,622,563		
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits			\$508,934		
342 Unearned Revenue			\$65,726	\$0	
343 Current Portion of Long-term Debt - Capital			\$23,199,652		
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$3,322,762		
346 Accrued Liabilities - Other	\$1,478	\$15,450	\$193,224	\$4,974	
347 Inter Program - Due To	\$331,029				
348 Loan Liability - Current					
310 Total Current Liabilities	\$333,878	\$65,866	\$37,639,292	\$20,035	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			\$75,545,743	\$0	
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$4,990,940		
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					

Lakewood Housing Authority (CO049)
 LAKEWOOD, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$0	\$80,536,683	\$0	\$0
300 Total Liabilities	\$333,878	\$65,866	\$118,175,975	\$20,035	\$0
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets			\$89,251,745		
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	-\$333,878	\$806,662	-\$9,055,716	\$5,752,211	\$43,764
513 Total Equity - Net Assets / Position	-\$333,878	\$806,662	\$80,196,029	\$5,752,211	\$43,764
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$872,528	\$198,372,004	\$5,772,246	\$43,764

Lakewood Housing Authority (CO049)
 LAKEWOOD, CO
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	8 Other Federal Program 1	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,091,322		\$10,516,456		\$10,516,456
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	\$916,211		\$5,286,024		\$5,286,024
114 Cash - Tenant Security Deposits	\$222,786		\$731,720		\$731,720
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$3,230,319	\$0	\$16,534,200	\$0	\$16,534,200
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government			\$262		\$262
125 Accounts Receivable - Miscellaneous	\$8,489,710		\$9,258,898		\$9,258,898
126 Accounts Receivable - Tenants	\$20,529		\$95,023		\$95,023
126.1 Allowance for Doubtful Accounts - Tenants	-\$429		-\$429		-\$429
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$19,045,196		\$19,045,196		\$19,045,196
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$5,653,180		\$5,653,180		\$5,653,180
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$33,208,186	\$0	\$34,052,130	\$0	\$34,052,130
131 Investments - Unrestricted	\$4,783,910		\$5,889,338		\$5,889,338
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$308,485		\$709,261		\$709,261
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Lakewood Housing Authority (CO049)
 LAKEWOOD, CO
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	8 Other Federal Program 1	Subtotal	ELIM	Total
144 Inter Program Due From			\$331,029	-\$331,029	\$0
145 Assets Held for Sale					
150 Total Current Assets	\$41,530,900	\$0	\$57,515,958	-\$331,029	\$57,184,929
161 Land	\$10,568,485		\$27,247,748		\$27,247,748
162 Buildings	\$43,125,417		\$236,953,106		\$236,953,106
163 Furniture, Equipment & Machinery - Dwellings	\$205,481		\$7,459,424		\$7,459,424
164 Furniture, Equipment & Machinery - Administration	\$180,086		\$180,086		\$180,086
165 Leasehold Improvements	\$860,891		\$928,453		\$928,453
166 Accumulated Depreciation	-\$13,619,514		-\$47,124,509		-\$47,124,509
167 Construction in Progress	\$1,055,473		\$4,729,151		\$4,729,151
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$42,376,319	\$0	\$230,373,459	\$0	\$230,373,459
171 Notes, Loans and Mortgages Receivable - Non-Current	\$47,807,759		\$47,807,759		\$47,807,759
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$1,078,344		\$1,078,344
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$90,184,078	\$0	\$279,259,562	\$0	\$279,259,562
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$131,714,978	\$0	\$336,775,520	-\$331,029	\$336,444,491
311 Bank Overdraft					

Lakewood Housing Authority (CO049)
 LAKEWOOD, CO
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	8 Other Federal Program 1	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$149,345		\$4,791,497		\$4,791,497
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	\$290,301		\$441,428		\$441,428
324 Accrued Contingency Liability					
325 Accrued Interest Payable			\$5,622,563		\$5,622,563
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$222,786		\$731,720		\$731,720
342 Unearned Revenue	\$7,041		\$72,767		\$72,767
343 Current Portion of Long-term Debt - Capital	\$19,728,766		\$42,928,418		\$42,928,418
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$3,322,762		\$3,322,762
346 Accrued Liabilities - Other	\$102,957		\$318,083		\$318,083
347 Inter Program - Due To			\$331,029	-\$331,029	\$0
348 Loan Liability - Current					
310 Total Current Liabilities	\$20,501,196	\$0	\$58,560,267	-\$331,029	\$58,229,238
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$41,493,995		\$117,039,738		\$117,039,738
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$4,990,940		\$4,990,940
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Lakewood Housing Authority (CO049)
 LAKEWOOD, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	8 Other Federal Program 1	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$41,493,995	\$0	\$122,030,678	\$0	\$122,030,678
300 Total Liabilities	\$61,995,191	\$0	\$180,590,945	-\$331,029	\$180,259,916
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$11,373,597		\$100,625,342		\$100,625,342
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$58,346,190	\$0	\$55,559,233		\$55,559,233
513 Total Equity - Net Assets / Position	\$69,719,787	\$0	\$156,184,575	\$0	\$156,184,575
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$131,714,978	\$0	\$336,775,520	-\$331,029	\$336,444,491

Lakewood Housing Authority (CO049)
 LAKEWOOD, CO
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
70300 Net Tenant Rental Revenue			\$11,835,254		
70400 Tenant Revenue - Other			\$221,640		
70500 Total Tenant Revenue	\$0	\$0	\$12,056,894	\$0	\$0
70600 HUD PHA Operating Grants		\$13,231,404			
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$40,000				\$1,000
71100 Investment Income - Unrestricted		\$2,337	\$10,266	\$10,814	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$18,180			
71500 Other Revenue	\$4,503	\$144,431	\$19,131,175	\$106,793	
71600 Gain or Loss on Sale of Capital Assets			\$436,910		
72000 Investment Income - Restricted		\$0			
70000 Total Revenue	\$44,503	\$13,396,352	\$31,635,245	\$117,607	\$1,000
91100 Administrative Salaries	\$59,530	\$446,960	\$1,003,195	\$124,394	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
91200 Auditing Fees		\$36,230	\$97,550	\$3,506	
91300 Management Fee			\$585,593	\$0	
91310 Book-keeping Fee			\$6,336		
91400 Advertising and Marketing		\$1,227	\$5,282	\$6	
91500 Employee Benefit contributions - Administrative	\$11,513	\$111,118	\$284,995	\$27,040	
91600 Office Expenses	\$12,306	\$59,424	\$277,840	\$6,385	
91700 Legal Expense		\$16,081	\$70,414	\$49	
91800 Travel	\$5,229	\$23,073	\$13,620	\$496	
91810 Allocated Overhead					
91900 Other	\$5,168	\$65,582	\$438,732	\$13,406	
91000 Total Operating - Administrative	\$93,746	\$759,695	\$2,783,557	\$175,282	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$7,915		\$20,279	\$2,251	
92500 Total Tenant Services	\$7,915	\$0	\$20,279	\$2,251	\$0
93100 Water			\$229,532		
93200 Electricity			\$449,070		
93300 Gas			\$118,430		
93400 Fuel					
93500 Labor					
93600 Sewer			\$156,240		
93700 Employee Benefit Contributions - Utilities					

Lakewood Housing Authority (CO049)

LAKWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
93800 Other Utilities Expense			\$108,779		
93000 Total Utilities	\$0	\$0	\$1,062,051	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor			\$919,708		
94200 Ordinary Maintenance and Operations - Materials and		\$310	\$326,687	\$300	
94300 Ordinary Maintenance and Operations Contracts		\$15,210	\$771,998	\$0	
94500 Employee Benefit Contributions - Ordinary Maintenance			\$289,251		
94000 Total Maintenance	\$0	\$15,520	\$2,307,644	\$300	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other			\$61,935		
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$61,935	\$0	\$0
96110 Property Insurance			\$497,218		
96120 Liability Insurance					
96130 Workmen's Compensation	\$1,023	\$7,416	\$33,441	\$2,153	
96140 All Other Insurance		\$13,917		\$1,846	
96100 Total insurance Premiums	\$1,023	\$21,333	\$530,659	\$3,999	\$0
96200 Other General Expenses		\$14,940			
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents			\$21,308		
96500 Bad debt - Mortgages					

Lakewood Housing Authority (CO049)

LAKWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
96600 Bad debt - Other			\$43,829		
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$14,940	\$65,137	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable			\$3,624,865		
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$3,624,865	\$0	\$0
96900 Total Operating Expenses	\$102,684	\$811,488	\$10,456,127	\$181,832	\$0
97000 Excess of Operating Revenue over Operating Expenses	-\$58,181	\$12,584,864	\$21,179,118	-\$64,225	\$1,000
97100 Extraordinary Maintenance			\$28,598		
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$12,614,534			
97350 HAP Portability-In		\$138,755			
97400 Depreciation Expense			\$5,567,600		
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$102,684	\$13,564,777	\$16,052,325	\$181,832	\$0
10010 Operating Transfer In					
10020 Operating transfer Out					-\$1,000

Lakewood Housing Authority (CO049)

LAKWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
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	\$0	-\$1,000
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$58,181	-\$168,425	\$15,582,920	-\$64,225	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$803,562	\$0	\$0
11030 Beginning Equity	-\$275,697	\$975,087	\$67,675,281	\$9,375,274	\$43,764
11040 Prior Period Adjustments, Equity Transfers and		\$0	-\$3,062,172	-\$3,558,838	
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					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$806,662			
11180 Housing Assistance Payments Equity		\$0			

Lakewood Housing Authority (CO049)

LAKWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program
11190 Unit Months Available		16932	12048		
11210 Number of Unit Months Leased		13468	11819		
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					