

Financial Statements

December 31, 2020

**Housing Authority of the City of
Lakewood**

dba

Metro West Housing Solutions

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions

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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, 2020, 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, 2020, 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.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the Authority has reported a change in its reporting entity as described under the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which has resulted in a restatement of the net position as of January 1, 2020. Our opinions are not modified with respect to this matter.

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 6, 2021, 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed text of the firm's name and date.

Boise, Idaho
July 6, 2021

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, 2020. 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 \$81,733,938 and \$86,286,237, respectively. This represents a total increase of \$11,835,600 from net position as originally reported at December 31, 2019 prior to the Change in Reporting Entity.
- ✓ Housing Choice Voucher expenditures were \$13,343,663 representing an increase from 2019 in the amount of \$590,374. This additional assistance to the housing community was accomplished by spending nearly all available Voucher funds for people in need.
- ✓ Housing Choice Voucher Annual Contributions from HUD for 2020 were \$14,514,900 representing an increase in the amount of \$1,139,076 from fiscal year 2019. In addition, the Authority received funds totaling \$202,617 from the COVID-19 Housing Choice Voucher Program in 2020.
- ✓ Total Primary Government Unrestricted Cash and Cash Equivalents were \$10,719,725 and \$6,966,308 at December 31, 2020 and 2019, respectively. This increase is partly the result of MWHS being reimbursed for pre-development cost in LIHTC developments.
- ✓ Primary Governmental Total Assets increased from \$138,072,487 to \$139,674,970 at December 31, 2020.
- ✓ In November 2020, the LIHTC investor of Belmar Groves exited the partnership.
- ✓ Indy Street Flats, a 115-unit LIHTC affordable housing property continued leasing up in 2020.
- ✓ Sage Corner, a 43-unit LIHTC affordable housing development finished construction and began leasing in January of 2021.
- ✓ Lamar II, a 65-unit LIHTC affordable housing development began construction in August of 2020.

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 Belmar Groves.

The Discretely Presented Component Units activities encompasses: 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 Fifty Eight Hundred, LLLP, MWHS Indy Street Flats LLLP, MWHS Sage Corner LLLP, and MWHS Lamar II LLLP.

Government-Wide Financial Statements

The Statement of Net Position presents information on all the assets and liabilities of MWHS. 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, 2020, the Primary Government assets exceeded liabilities by \$81,733,938. This amount is broken down to \$18,081,062 that is net investment in capital assets, \$347,520 restricted by HUD, and \$63,305,356 available to fund the operations of MWHS. Assets consist of \$49,842,724 in total capital assets, which make up 36% of total assets. Unrestricted cash and cash equivalents represent 8% of assets at \$10,719,725; notes and accrued interest receivable represent 36% of assets at \$49,662,186.

CONDENSED STATEMENT OF NET POSITION

	2020	2019	Percent Change
Assets			
Current Assets	\$ 30,249,838	\$ 31,354,951	-3.5%
Noncurrent Assets	109,425,132	106,717,536	2.5%
Total Assets	<u>139,674,970</u>	<u>138,072,487</u>	<u>1.2%</u>
Liabilities			
Current Liabilities	15,672,596	20,589,946	-23.9%
Noncurrent Liabilities	42,268,436	41,493,995	1.9%
Total Liabilities	<u>57,941,032</u>	<u>62,083,941</u>	<u>-6.7%</u>
Net Position			
Net Investment in Capital Assets	18,081,062	11,373,597	59.0%
Restricted for Housing Assistance Payments	347,520	-	-
Unrestricted	63,305,356	64,614,949	-2.0%
Total Net Position	<u>\$ 81,733,938</u>	<u>\$ 75,988,546</u>	<u>7.6%</u>

Current Assets decreased by 3.5% and current liabilities decreased by 23.9% due mainly to a cumulative decrease in construction notes receivable from discretely presented component units and the corresponding construction notes payable. The Sage Corner construction note will be converted to permanent financing in 2021.

Primary Government Revenue, including non-operating revenue, and change in reporting entity, exceeded operating expenses by \$5,745,392. HUD Voucher funding had an increase in 2020. This is mainly due to the expenditure of nearly all available ACC funds. The 2019 to 2020 increase in operating revenues is mainly the result of increased Housing Choice Voucher funding, CARES funding related to housing assistance payments and administrative expenses, additional CDBG funding related to emergency housing assistance payments and administrative expenses, and increased tenant rental income.

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Management's Discussion and Analysis
 December 31, 2020

	2020	2019**	Percent Change
Operating Revenue			
Grants	\$ 17,793,785	\$ 13,963,739	27.4%
Rental	6,962,403	4,623,443	50.6%
Developer Fees	254,000	3,572,290	-92.9%
Other	1,621,597	1,356,125	19.6%
Total Operating Revenue	<u>26,631,785</u>	<u>23,515,597</u>	<u>13.3%</u>
Operating Expenses	<u>23,274,016</u>	<u>20,333,055</u>	<u>14.5%</u>
Operating Income	<u>3,357,769</u>	<u>3,182,542</u>	<u>5.5%</u>
Nonoperating Revenue	<u>957,943</u>	<u>2,302,679</u>	<u>-58.4%</u>
Loss on Transfer of Operations	<u>-</u>	<u>(949,041)</u>	<u>0.0%</u>
Change in Net Position	<u>4,315,712</u>	<u>4,536,180</u>	<u>-4.9%</u>
Net Position, Beginning of Year	75,988,546	69,642,947	9.1%
Change in Reporting Entity	<u>1,429,680</u>	<u>1,809,419</u>	<u>-21.0%</u>
Net Position, Beginning of Year, as restated	<u>77,418,226</u>	<u>71,452,366</u>	<u>8.3%</u>
Net Position, Ending	<u><u>\$ 81,733,938</u></u>	<u><u>\$ 75,988,546</u></u>	<u><u>7.6%</u></u>

** The 2019 column has not been restated to reflect the adjustment for change in reporting entity that occurred in 2020.

Capital Assets

During 2020, Primary Government Capital Assets increased by a net amount of \$7,466,405. The 2020 increases resulted primarily from construction in progress and building improvements during the year and the acquisition of capital assets from the change in reporting entity. Further information on Capital Assets may be found in Note 6 in the financial statements.

Long-Term Debt

The long-term debt balance was \$42,958,382 on December 31, 2020. During 2020, there were \$16,950,000 in debt issuances and \$16,314,379 in payments on long-term debt. Further information on long-term debt may be found in Note 9 in the financial statements.

Future Plans for 2021

- ✓ 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.
- ✓ Continue to explore partnerships for developments.
- ✓ Marston Pointe, Paloma I, Paloma II, Willow Glen, and Belmar Groves – 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.
- ✓ Redevelopment options continue to be explored for the redevelopment of Belmar Groves. The plan for redevelopment of the project is expected to be implemented prior to the current bonds maturing in January 2022.
- ✓ Complete and pursue options for limited partner exits for tax credit properties. Incorporate the operations of exited properties into the operations of MWHS.
- ✓ Lamar II, a 65-unit LIHTC property is expected to open in November of 2021.
- ✓ Previously obtained loan proceeds for Marston Pointe will continue to be used for needed capital improvements.
- ✓ The MWHS previous conversion to remote access staffing whenever possible due to the COVID-19 pandemic will continue on a limited basis. New technologies in hardware and software have been implemented to assist in this conversion. Preventive measures continue to be 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, 2020

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,719,725	\$ 2,942,725
Restricted cash and cash equivalents	2,920,345	4,613,887
Accounts receivable		
Tenants	90,772	66,615
Other	708,922	234,121
Developer fees	363,076	-
Due from discretely presented component units	1,754,364	-
Due from Metro West Housing Solutions	-	598,046
Construction note receivable from discretely presented component units	13,227,670	-
Accrued interest receivable - short-term	53,437	-
Prepaid expenses	282,424	300,367
Notes receivable - current portion	129,103	-
Total Current Assets	<u>30,249,838</u>	<u>8,755,761</u>
Accrued Interest Receivable - Long-Term	<u>5,397,004</u>	-
Developer Fees Receivable - Long-Term	<u>5,418,076</u>	-
Equity Method Investments	<u>4,684,686</u>	-
Notes Receivable, Net of Current Portion	<u>44,082,642</u>	-
Other Assets, Net of Accumulated Amortization	<u>-</u>	<u>1,063,250</u>
Capital Assets		
Non-depreciable	11,889,115	32,654,791
Depreciable, net	<u>37,953,609</u>	<u>152,973,197</u>
Total Capital Assets	<u>49,842,724</u>	<u>185,627,988</u>
Total Assets	<u><u>\$ 139,674,970</u></u>	<u><u>\$ 195,446,999</u></u>

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Net Position
 December 31, 2020

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 65,595	\$ 147,169
Construction payable	-	1,455,526
Due to discretely presented component unit	598,046	-
Due to Metro West Housing Solutions	-	1,754,364
Developer fee payable - current portion	-	363,076
Construction notes payable	13,227,670	7,863,755
Construction note payable to Metro West Housing Solutions	-	13,227,670
Accrued liabilities	217,528	748,260
Accrued compensated absences	402,477	78,076
Accrued interest payable - current portion	-	53,437
Advanced revenues	171,501	99,151
Tenant security deposits payable	299,833	547,576
Notes, mortgages and bonds payable - current portion	689,946	1,270,930
Total Current Liabilities	<u>15,672,596</u>	<u>27,608,990</u>
Long-Term Liabilities		
Accrued interest payable - long-term	-	5,495,357
Developer fee payable - long-term	-	5,418,076
Notes, mortgages and bonds payable - net of current portion and unamortized debt issuance costs	<u>42,268,436</u>	<u>70,638,339</u>
Total Long-Term Liabilities	<u>42,268,436</u>	<u>81,551,772</u>
Total Liabilities	<u>57,941,032</u>	<u>109,160,762</u>
Net Position		
Net investment in capital assets	18,081,062	92,627,294
Restricted	347,520	-
Unrestricted	<u>63,305,356</u>	<u>(6,341,057)</u>
Total Net Position	<u>81,733,938</u>	<u>86,286,237</u>
Total Liabilities and Net Position	<u>\$ 139,674,970</u>	<u>\$ 195,446,999</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, 2020

	Primary Government	Discretely Presented Component Units
Operating Revenues		
HUD PHA grants	\$ 14,717,517	\$ -
Other grants	3,076,268	-
Rental income	6,962,403	12,187,178
Management fees	721,542	-
Developer fee income	254,000	-
Other	900,055	192,528
Total operating revenues	<u>26,631,785</u>	<u>12,379,706</u>
Operating Expenses		
Housing assistance payments	13,343,663	-
Administrative salaries and benefits	4,045,346	1,410,273
Maintenance salaries and benefits	610,512	1,326,140
Regular and extraordinary maintenance	927,956	1,127,259
Other administrative	865,963	1,434,932
Depreciation	1,794,376	6,540,248
Utilities	522,636	1,122,314
Insurance	372,279	578,936
Other expenses	791,285	742,103
Total operating expenses	<u>23,274,016</u>	<u>14,282,205</u>
Operating Income (Loss)	<u>3,357,769</u>	<u>(1,902,499)</u>
Non-Operating Revenues (Expenses)		
Interest income	2,643,542	2,804
Gain on sale of capital assets	1,094,472	-
Interest expense	(2,780,071)	(4,190,854)
Total Non-Operating Revenues (Expenses)	<u>957,943</u>	<u>(4,188,050)</u>
Income (Loss) Before Contributions and Distributions	<u>4,315,712</u>	<u>(6,090,549)</u>
Contributions and Distributions		
Equity contributions (net of syndication costs)	-	14,838,623
Distributions	-	(23,534)
Total Contributions and Distributions	<u>-</u>	<u>14,815,089</u>
Change in Net Position	<u>4,315,712</u>	<u>8,724,540</u>
Net Position - Beginning of Year, as Originally Reported	75,988,546	80,196,029
Change in Reporting Entity	<u>1,429,680</u>	<u>(2,634,332)</u>
Net Position - Beginning of Year, as Restated	<u>77,418,226</u>	<u>77,561,697</u>
Net Position - End of Year	<u>\$ 81,733,938</u>	<u>\$ 86,286,237</u>

See Notes to Financial Statements

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Cash Flows
 Year Ended December 31, 2020

	Primary Government
Operating Activities	
HUD PHA grants	\$ 14,717,517
Other grants	3,229,550
Receipts from tenants	6,935,181
Management fee income	666,746
Developer fee income	1,198,991
Other income	923,530
Housing assistance payments	(13,343,663)
Payments to employees	(4,614,737)
Payments to suppliers	(3,392,710)
	6,320,405
Net Cash from Operating Activities	
Capital and Related Financing Activities	
Acquisition of capital assets	(591,016)
Principal payments on construction notes	(5,672,330)
Net proceeds from refinancings	1,229,024
Principal payments on long-term debt	(593,403)
Interest paid on long-term debt	(2,780,071)
	(8,407,796)
Net Cash used for Capital and Related Financing Activities	
Investing Activities	
Issuance of notes receivable	(2,677,500)
Net payments received on construction notes receivable	5,672,330
Payments received on notes receivable	1,258,444
Net (advances to)/repayments from discretely presented component units	(89,266)
Funds received on behalf of discretely presented component unit not yet remitted	598,046
Interest income	1,983,138
	6,745,192
Net Cash from Investing Activities	
Net Change in Cash and Cash Equivalents	4,657,801
Cash and Cash Equivalents, Beginning of Year, as Restated	8,982,269
Cash and Cash Equivalents, End of Year	\$ 13,640,070

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Statement of Cash Flows
 Year Ended December 31, 2020

	Primary Government
Reconciliation of Cash and Cash Equivalents	
Cash	\$ 10,719,725
Restricted Cash	2,920,345
Total Cash and Cash Equivalents	\$ 13,640,070
Reconciliation of operating income to net cash from operating activities	
Operating income	\$ 3,357,769
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	1,794,376
Write-off of unamortized debt issuance costs from change in reporting entity	23,898
Changes in assets and liabilities	
(Increase) decrease in receivables	855,998
(Increase) decrease in prepaid expenses	73,510
Increase (decrease) in accounts payable	(93,264)
Increase (decrease) in accrued expenses	124,386
Increase (decrease) in advanced revenues	164,276
Increase (decrease) in security deposits payable	19,456
Net Cash from Operating Activities	\$ 6,320,405
Supplemental Schedule of Noncash Capital and Related Financing Activities	
Noncash sale of property to related party through issuance of note receivable	\$ 1,880,000
Transfer of construction in progress to receivable from discretely presented component unit	\$ 830,479

	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	\$ -	\$ 11,842	\$ 667,111	\$ 382,709	\$ 537,844
Restricted cash and cash equivalents	-	372,882	741,217	702,632	433,085
Accounts receivable					
Tenants	-	3,736	2,849	1,918	1,039
Other	-	-	-	-	-
Due from Metro West Housing Solutions	-	-	-	-	-
Prepaid expenses	-	16,421	34,896	38,455	36,287
Total Current Assets	-	404,881	1,446,073	1,125,714	1,008,255
Other Assets, Net of Accumulated Amortization	-	20,497	63,376	64,067	13,740
Capital Assets					
Non-depreciable	-	665,232	1,280,672	2,672,818	1,000,000
Depreciable, net	-	5,918,826	16,032,169	21,085,868	10,606,701
Total Capital Assets	-	6,584,058	17,312,841	23,758,686	11,606,701
Total Assets	\$ -	\$ 7,009,436	\$ 18,822,290	\$ 24,948,467	\$ 12,628,696
Liabilities and Net Position					
Current Liabilities					
Accounts payable	\$ -	\$ 2,902	\$ 21,346	\$ 17,103	\$ 6,352
Construction payable	-	-	-	-	-
Due to Metro West Housing Solutions	-	-	24,522	161,710	-
Developer fee payable - current portion	-	-	-	251,607	-
Construction notes payable	-	-	-	-	-
Construction note payable to Metro West Housing Solutions	-	-	-	-	-
Accrued liabilities	-	9,540	10,268	5,177	6,767
Accrued compensated absences	-	3,102	10,520	15,916	5,262
Accrued interest payable - current portion	-	-	-	35,511	-
Advanced revenues	-	187	22,606	262	2,101
Tenant security deposits payable	-	28,700	68,516	53,715	26,586
Notes, mortgages and bonds payable - current portion	-	41,805	239,660	170,735	275,807
Total Current Liabilities	-	86,236	397,438	711,736	322,875
Long-Term Liabilities					
Accrued interest payable - long-term	-	-	110,966	996,597	1,068,993
Developer fee payable - long-term	-	-	-	539,680	-
Notes, mortgages and bonds payable - net of current portion and unamortized debt issuance costs	-	3,819,200	8,304,066	12,093,873	4,762,357
Total Long-Term Liabilities	-	3,819,200	8,415,032	13,630,150	5,831,350
Total Liabilities	-	3,905,436	8,812,470	14,341,886	6,154,225
Net Position					
Net investment in capital assets	-	2,723,053	8,769,115	11,494,078	6,568,537
Unrestricted	-	380,947	1,240,705	(887,497)	(94,066)
Total Net Position	-	3,104,000	10,009,820	10,606,581	6,474,471
Total Liabilities and Net Position	\$ -	\$ 7,009,436	\$ 18,822,290	\$ 24,948,467	\$ 12,628,696

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, 2020

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	MWHS Lamar II LLLP	Total
\$ 150,549	\$ 32,313	\$ 428,362	\$ 408,129	\$ 235,720	\$ 87,749	\$ 397	\$ -	\$ 2,942,725
117,230	269,798	738,947	325,084	809,992	101,126	1,894	-	4,613,887
1,221	4,764	5,750	476	18,317	25,625	920	-	66,615
-	-	-	-	53,407	98,018	82,696	-	234,121
-	-	-	-	-	598,046	-	-	598,046
16,939	21,723	35,121	35,388	65,137	-	-	-	300,367
285,939	328,598	1,208,180	769,077	1,182,573	910,564	85,907	-	8,755,761
7,246	6,507	13,968	4,399	223,724	645,726	-	-	1,063,250
905,787	1,417,684	1,060,500	750,000	2,810,196	3,066,374	10,857,758	6,167,770	32,654,791
4,969,734	6,096,219	11,410,650	11,304,893	33,951,938	31,596,199	-	-	152,973,197
5,875,521	7,513,903	12,471,150	12,054,893	36,762,134	34,662,573	10,857,758	6,167,770	185,627,988
\$ 6,168,706	\$ 7,849,008	\$ 13,693,298	\$ 12,828,369	\$ 38,168,431	\$ 36,218,863	\$ 10,943,665	\$ 6,167,770	\$ 195,446,999
\$ 15,887	\$ 17,592	\$ 5,295	\$ 5,941	\$ 35,518	19,233	\$ -	\$ -	\$ 147,169
-	-	-	-	-	-	627,674	827,852	1,455,526
-	-	-	6,300	22,500	1,535,620	200	3,512	1,754,364
-	-	-	-	111,469	-	-	-	363,076
-	-	-	-	-	190,365	6,253,914	1,419,476	7,863,755
-	-	-	-	-	13,227,670	-	-	13,227,670
2,853	11,069	13,859	17,986	11,709	17,744	456,146	185,142	748,260
1,834	4,355	11,070	8,880	5,661	11,476	-	-	78,076
-	-	-	-	17,926	-	-	-	53,437
2,032	106	814	42,820	15,054	13,164	5	-	99,151
26,710	36,370	76,342	36,528	111,500	82,609	-	-	547,576
22,161	28,552	72,623	290,484	129,103	-	-	-	1,270,930
71,477	98,044	180,003	408,939	460,440	15,097,881	7,337,939	2,435,982	27,608,990
8,090	10,005	128,545	2,208,741	539,192	378,433	45,795	-	5,495,357
-	-	-	-	1,681,106	3,197,290	-	-	5,418,076
1,409,895	1,743,904	7,512,396	5,155,911	17,094,261	5,224,976	1,637,500	1,880,000	70,638,339
1,417,985	1,753,909	7,640,941	7,364,652	19,314,559	8,800,699	1,683,295	1,880,000	81,551,772
1,489,462	1,851,953	7,820,944	7,773,591	19,774,999	23,898,580	9,021,234	4,315,982	109,160,762
4,443,465	5,741,447	4,886,131	6,608,498	19,538,770	16,019,562	2,966,344	2,868,294	92,627,294
235,779	255,608	986,223	(1,553,720)	(1,145,338)	(3,699,279)	(1,043,913)	(1,016,506)	(6,341,057)
4,679,244	5,997,055	5,872,354	5,054,778	18,393,432	12,320,283	1,922,431	1,851,788	86,286,237
\$ 6,168,706	\$ 7,849,008	\$ 13,693,298	\$ 12,828,369	\$ 38,168,431	\$ 36,218,863	\$ 10,943,665	\$ 6,167,770	\$ 195,446,999

	Kings Row Apartments, LLLP	5100 W Alameda Holdings, LLC	MWHS Lamar Station, LLLP	MWHS CityScape, LLLP	MWHS Creekside West, LLLP
Operating Revenues					
Rental income	\$ -	\$ 584,304	\$ 1,360,562	\$ 1,765,360	\$ 1,041,262
Other	-	27,790	-	-	-
Total operating revenues	-	612,094	1,360,562	1,765,360	1,041,262
Operating Expenses					
Administrative salaries and benefits	-	73,838	173,706	205,632	115,486
Maintenance salaries and benefits	-	66,704	141,340	161,513	75,756
Regular and extraordinary maintenance	-	81,922	86,367	87,845	118,155
Other administrative	-	167,212	156,016	177,598	98,160
Depreciation and amortization	-	274,129	604,228	852,593	417,149
Utilities	-	48,842	129,797	134,419	78,458
Insurance	-	28,964	60,489	68,497	61,481
Other expenses	-	5,739	18,005	6,438	4,663
Total operating expenses	-	747,350	1,369,948	1,694,535	969,308
Operating Income (Loss)	-	(135,256)	(9,386)	70,825	71,954
Non-Operating Revenues (Expenses)					
Interest income	-	66	53	-	649
Interest expense	-	(77,803)	(306,473)	(708,246)	(311,868)
Total Non-Operating Revenues (Expenses)	-	(77,737)	(306,420)	(708,246)	(311,219)
Income (Loss) Before Contributions and Distributions	-	(212,993)	(315,806)	(637,421)	(239,265)
Contributions and Distributions					
Equity contributions (net of syndication costs)	-	-	-	-	-
Distributions	-	(23,534)	-	-	-
Total Contributions and Distributions	-	(23,534)	-	-	-
Change in Net Position	-	(236,527)	(315,806)	(637,421)	(239,265)
Net Position - Beginning of Year, as Originally Reported	2,634,332	3,340,527	10,325,626	11,244,002	6,713,736
Change in Reporting Entity	(2,634,332)	-	-	-	-
Net Position - Beginning of Year, as Restated	-	3,340,527	10,325,626	11,244,002	6,713,736
Net Position - End of Year	\$ -	\$ 3,104,000	\$ 10,009,820	\$ 10,606,581	\$ 6,474,471

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, 2020

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	MWHS Lamar II LLLP	Total
\$ 540,447	\$ 696,928	\$ 1,588,538	\$ 1,456,015	\$ 1,900,962	\$ 1,250,560	\$ 2,240	\$ -	\$ 12,187,178
-	6,120	60	27,613	97,783	33,161	-	1	192,528
540,447	703,048	1,588,598	1,483,628	1,998,745	1,283,721	2,240	1	12,379,706
69,232	99,158	166,811	144,147	184,530	177,733	-	-	1,410,273
51,465	107,203	177,565	129,026	211,382	204,186	-	-	1,326,140
60,557	120,806	174,389	185,025	141,369	70,824	-	-	1,127,259
62,422	136,558	129,857	134,609	204,800	167,700	-	-	1,434,932
250,544	268,501	414,866	466,637	1,484,705	1,506,896	-	-	6,540,248
72,374	75,135	119,334	132,102	194,444	137,409	-	-	1,122,314
29,511	37,587	61,398	60,659	82,004	88,346	-	-	578,936
235,834	316,929	38,287	15,479	86,153	14,576	-	-	742,103
831,939	1,161,877	1,282,507	1,267,684	2,589,387	2,367,670	-	-	14,282,205
(291,492)	(458,829)	306,091	215,944	(590,642)	(1,083,949)	2,240	1	(1,902,499)
51	180	1,183	7	615	-	-	-	2,804
(65,334)	(80,637)	(388,650)	(384,509)	(821,870)	(1,045,464)	-	-	(4,190,854)
(65,283)	(80,457)	(387,467)	(384,502)	(821,255)	(1,045,464)	-	-	(4,188,050)
(356,775)	(539,286)	(81,376)	(168,558)	(1,411,897)	(2,129,413)	2,240	1	(6,090,549)
-	-	-	-	1,036,422	11,474,258	476,156	1,851,787	14,838,623
-	-	-	-	-	-	-	-	(23,534)
-	-	-	-	1,036,422	11,474,258	476,156	1,851,787	14,815,089
(356,775)	(539,286)	(81,376)	(168,558)	(375,475)	9,344,845	478,396	1,851,788	8,724,540
5,036,019	6,536,341	5,953,730	5,223,336	18,768,907	2,975,438	1,444,035	-	80,196,029
-	-	-	-	-	-	-	-	(2,634,332)
5,036,019	6,536,341	5,953,730	5,223,336	18,768,907	2,975,438	1,444,035	-	77,561,697
<u>\$ 4,679,244</u>	<u>\$ 5,997,055</u>	<u>\$ 5,872,354</u>	<u>\$ 5,054,778</u>	<u>\$ 18,393,432</u>	<u>\$ 12,320,283</u>	<u>\$ 1,922,431</u>	<u>\$ 1,851,788</u>	<u>\$ 86,286,237</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 1,500 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, 2020. 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. During 2020, the Authority acquired the remaining ownership interests of Kings Row Apartments LLLP's prior investor partner and prior special limited partner. Kings Row Apartments LLLP is presented as a component of business activities as of January 1, 2020.

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%.

MWHS Lamar II LLLP (Lamar II) was formed for the purpose of owning and operating Lamar Station Crossing Phase II, a 65-unit multifamily housing project in Lakewood, Colorado. The managing general partner of MWHS Lamar II LLLP is wholly owned by the Authority. MWHS Lamar II LLC has an ownership percentage of .01%.

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, 2020, 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, 2020, 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. Costs incurred for construction of capital assets are included in construction in progress until the capital assets are placed in service. 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, 2020.

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, 2020, was \$402,477 for the Authority.

Advanced Revenues

As of December 31, 2020, the Authority's advanced revenues consisted of prepaid rents of \$18,219 and advanced grant funds of \$153,282.

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 2020.

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, 2020, 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, 2020, the Authority's carrying amount of deposits was \$13,640,070, and the bank balance was \$15,194,318. Of the bank balances, \$1,002,525 was covered by Federal Depository Insurance. Of the remaining balances for 2020, \$14,191,793 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, 2020, investments held by the Authority are held in a local government investment pool totaling \$557,894. 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, 2020, the Authority had \$557,894 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(R)) 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>			
2.00% note receivable from MWHS Lamar Station, LLLP, 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	\$ 3,442,542	\$ 73,035	\$ 3,515,577
2.00% note receivable from MWHS Lamar Station, LLLP, (CDOH), 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	10,091	510,091

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	Principal	Accrued Interest	Total
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	11,596	579,575
4.00% note receivable from MWHS CityScape, LLLP, (County HOME), 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	206,950	1,106,950
4.00% note receivable from MWHS CityScape, LLLP, (CDOH), 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	125,767	625,767
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	628,334	2,891,170
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	830,424	-	830,424
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	342,677	951,442
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	167,247	467,247
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	258,107	758,107

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	Principal	Accrued Interest	Total
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	286,090	786,090
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	878,406	43,463	921,869
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	4,958	109,958
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	39,820	883,074
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	14,177	314,177
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	26,127	526,127
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	286,355	586,355

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	Principal	Accrued Interest	Total
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	166,516	12,492	179,008
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	639,146	1,339,146
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	1,257,152	2,380,851
5.01% note receivable from MWHS Fifty Eight Hundred, LLLP, loan was funded with proceeds from a note payable to KeyBank N.A., due in monthly installments of \$57,304, including interest, 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	11,196,720	-	11,196,720
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	800,000	25,587	825,587
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	29,384	869,384
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	466,134	4,836,134

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	Principal	Accrued Interest	Total
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	18,087	618,087
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	12,691	396,691
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	13,087	409,087
3.00% note receivable from MWHS Sage Corner LLLP, principal may be drawn to a total of \$430,000, 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	408,500	6,547	415,047
3.00% note receivable from MWHS Sage Corner LLLP, principal may be drawn to a total of \$450,000, 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	449,000	13,470	462,470
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	259,389	3,704,704
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	18,285	317,285

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	Principal	Accrued Interest	Total
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	30,196	573,611
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	70,563	1,007,809
3.00% note receivable from MWHS Lamar II LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	1,880,000	-	1,880,000
Total Notes Receivable from Discretely Presented Component Units	42,378,617	5,397,004	47,775,621
<u>Notes Receivable - Other:</u>			
0.10% note receivable from Everett Court Partners LLC, remaining principal and accrued interest due August 2060, secured by a deed of trust on property owned by Everett Court Partners LLC	910,000	-	910,000
0.10% note receivable from Everett Court Partners LLC, remaining principal and accrued interest due July 2060, secured by a deed of trust on property owned by Everett Court Partners LLC	910,000	-	910,000
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	13,128	-	13,128
Total Notes Receivable - Other	1,833,128	-	1,833,128
Total Notes Receivable	44,211,745	5,397,004	49,608,749
Less current portion	(129,103)	-	(129,103)
Total Notes Receivable, Net of Current Portion	<u>\$ 44,082,642</u>	<u>\$ 5,397,004</u>	<u>\$ 49,479,646</u>

In addition to interest on notes receivable, the Authority charges interest on developer fees receivable from MWHS CityScape, LLLP and MWHS Fifty Eight Hundred, LLLP. At December 31, 2020, the balance of accrued interest receivable consisted of the following:

Accrued interest receivable on notes receivable	\$ 5,397,004
Accrued interest receivable on developer fees - Notes 13 and 17:	
MWHS CityScape, LLLP developer fees	35,511
MWHS Fifty Eight Hundred, LLLP developer fees	<u>17,926</u>
Total interest receivable	<u><u>\$ 5,450,441</u></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 – see Note 7. At December 31, 2020, the Authority holds a construction note receivable from MWHS Indy Street Flats totaling \$13,227,670. The maximum amount that may be drawn on this note is \$18,900,000. Terms of the note receivable are the same as the terms of the Authority’s corresponding note payable to FirstBank. The note receivable is secured by a deed of trust on the Indy Street Flats property. Subsequent to year-end, MWHS Indy Street Flats’ construction note payable was converted to permanent financing upon the completion of the conditions specified in the note agreement with FirstBank, and the Authority’s construction note receivable was paid in full.

Note 5 - Equity Method Investments

At December 31, 2020, the Authority's equity method investments consisted of the following:

<u>Discretely Presented Component Units:</u>	
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	<u>3,600</u>
	<u>4,684,586</u>
 <u>Other:</u>	
Foothills Green, LP - see (A) below	<u>100</u>
	<u><u>\$ 4,684,686</u></u>

(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, 2020:

Primary Government

	Balance January 1	Acquisition of Capital Assets From Change in Reporting Entity (Note 16)	Additions	Disposals	Balance December 31
Nondepreciable assets					
Land	\$ 10,568,485	\$ 1,050,000	\$ -	\$ (785,528)	\$ 10,832,957
Construction in progress	1,055,473	742,917	88,247	(830,479)	1,056,158
Total capital assets not being depreciated	<u>11,623,958</u>	<u>1,792,917</u>	<u>88,247</u>	<u>(1,616,007)</u>	<u>11,889,115</u>
Depreciable assets					
Buildings and improvements	43,986,308	12,756,375	413,598	(307,789)	56,848,492
Equipment and furniture	385,567	178,388	89,171	(44,468)	608,658
Total buildings and improvements	<u>44,371,875</u>	<u>12,934,763</u>	<u>502,769</u>	<u>(352,257)</u>	<u>57,457,150</u>
Accumulated depreciation	<u>(13,619,514)</u>	<u>(4,441,908)</u>	<u>(1,794,376)</u>	<u>352,257</u>	<u>(19,503,541)</u>
Total capital assets being depreciated	<u>30,752,361</u>	<u>8,492,855</u>	<u>(1,291,607)</u>	<u>-</u>	<u>37,953,609</u>
Total capital assets, net	<u>\$ 42,376,319</u>	<u>\$ 10,285,772</u>	<u>\$ (1,203,360)</u>	<u>\$ (1,616,007)</u>	<u>\$ 49,842,724</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. Interest during construction is calculated at the Wall Street Journal Prime Rate plus 1.0% (4.5% at December 31, 2020) 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. The maximum amount that may be drawn on this note is \$18,900,000. The Authority paid down principal of \$5,672,330 on this note in 2020. As of December 31, 2020, the Authority owed principal on this note totaling \$13,227,670. The note is secured by a deed of trust on the Indy Street Flats property. Subsequent to year-end, the construction note was converted to permanent financing by MWHS Indy Street Flats upon the completion of the conditions specified in the note agreement, and the Authority's construction note payable was paid in full – see Note 17.

Note 8 - Line of Credit

The Authority has a \$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, 2020. The line of credit carries various financial covenants as defined by the loan agreement. At December 31, 2020, the Authority was in compliance with these covenants.

Note 9 - Long-Term Debt

During the year ended December 31, 2020, the following changes occurred in long-term debt:

Primary Government

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	\$ 42,322,761	\$ 16,950,000	\$ (16,314,379)	\$ 42,958,382	\$ 689,946

The long-term debt of Kings Row Apartments, LLLP was transferred into the Authority on January 1, 2020. This debt has been eliminated in the accompanying financial statements since the debt is payable to the Authority.

Long-term debt as of December 31, 2020, consists of the following:

Primary Government

Notes and Mortgages Payable

3.75% note payable, proceeds used to refinance three notes previously secured by Marston Pointe property, due in monthly installments of \$73,025, including interest, with a maturity date of February 2030, secured by a deed of trust and assignment of rents on the Marston Pointe property	\$ 16,742,672
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	3,051,971

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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	4,131,506
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	1,508,281
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	974,321
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	<u>11,196,720</u>
	<u>37,605,471</u>

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	<u>5,352,911</u>
Total Notes, Mortgages and Bonds Payable	<u><u>\$ 42,958,382</u></u>

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, 2020, the Authority was in compliance with these covenants.

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The estimated debt requirements to maturity for the year ending December 31, 2020 are as follows:

Primary Government

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 689,946	\$ 1,748,110	\$ 2,438,056
2022	5,779,401	1,535,074	7,314,475
2023	603,938	1,489,488	2,093,426
2024	626,245	1,467,181	2,093,426
2025	654,749	1,438,677	2,093,426
2026-2030	20,931,399	6,240,309	27,171,708
2031-2035	10,496,697	2,645,676	13,142,373
2036-2040	1,133,097	475,839	1,608,936
2041-2045	961,365	280,637	1,242,002
2046-2050	1,081,545	91,928	1,173,473
	<u>\$ 42,958,382</u>	<u>\$ 17,412,919</u>	<u>\$ 60,371,301</u>
Total			

Note 10 - Annual Contributions Contract

The Authority has an annual contributions contract for housing choice vouchers and adjustments vary based on requirements. The maximum contract was \$12,888,271 for the year ended December 31, 2020.

Note 11 - 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 a portion of the cost of the construction and rehabilitation of a 108-unit multifamily housing project known as Caesar Square 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 bonds may be drawn to a total of \$17,300,000. At December 31, 2020, the outstanding principal balance of the bonds was \$7,904,700.

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 2020, employer contributions to the plan totaled \$358,416.

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.

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During 2020, the Authority received the following management fees, accounting fees and reimbursed expenses from the various related entities:

	Bookkeeping Fees	Management Fees	Reimbursed Expenses
5100 W Alameda Holdings, LLC	\$ 2,400	\$ 30,122	\$ 143,400
MWHS Lamar Station, LLLP	-	65,956	405,900
MWHS CityScape, LLLP	-	87,316	406,200
MWHS Creekside West, LLLP	3,936	50,892	190,000
Paloma Villas III, LLLP	-	26,373	176,600
Wolff Street Development, LLLP	-	34,094	221,200
LHA Maplewood, LLLP	-	76,387	333,000
LHA Pierce Street, LLLP	-	71,955	276,000
MWHS Fifty Eight Hundred, LLLP	-	90,236	48,900
MWHS Indy Street Flats LLLP	-	59,391	435,600
	<u>\$ 6,336</u>	<u>\$ 592,722</u>	<u>\$ 2,636,800</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 2020, the Partnership paid \$223,115 for developer fees. As of December 31, 2020, the Partnership owed \$791,287 to the Authority for developer fees. During 2020, interest of \$35,511 was incurred on the remaining developer fee payable. At December 31, 2020, the Partnership owed \$35,511 for accrued interest on the developer fees.

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. During 2020, the Partnership incurred interest of \$17,926 on unpaid developer fees. During 2020, the Partnership paid \$721,876 for developer fees. At December 31, 2020, the Partnership owed \$1,792,575 to the Authority for developer fees and owed \$17,926 to the Authority for accrued interest on 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, 2020, the Partnership owed \$3,197,290 to the Authority for developer fees. Interest is to accrue on deferred developer fees at the long-term Applicable Federal Rate beginning on the completion date. As of December 31, 2020, no interest has been incurred. It is expected that interest will be accruing in 2021 after all capital contributions have been received.

MWHS Lamar II LLLP – During 2020, a developer fee of \$254,000 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 17. During 2020, the related entities incurred the following interest amounts on the related party notes:

MWHS Lamar Station, LLLP	\$ 94,723
MWHS CityScape, LLLP	177,765
MWHS Creekside West, LLLP	120,688
LHA Maplewood, LLLP	128,545
LHA Pierce Street, LLLP	208,554
MWHS Fifty Eight Hundred, LLLP	151,613
MWHS Indy Street Flats LLLP	163,206
	\$ 1,045,094

Partnership Management Fees

MWHS Creekside West, LLLP - Pursuant to the partnership agreement, the Partnership is to pay the Authority an annual, cumulative fee equal to \$5,000, increasing 3% each year. During 2020, the Partnership incurred and paid \$6,334 in partnership management fees.

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 2020, the Partnership incurred partnership management fees of \$6,357. As of December 31, 2020, the Partnership owed \$6,300 for this fee.

MWHS Fifty Eight Hundred, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership management 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 2020, the Partnership incurred partnership administration fees of \$10,000 to the Authority. As of December 31, 2020, the Partnership owed \$22,500 to the Authority for these fees.

MWHS Indy Street Flats LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership management fee equal to \$15,000, increasing annually by 3%. During 2020, the Partnership incurred partnership management fees of \$15,000. As of December 31, 2020, the Partnership owed \$15,000 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 2020, the Partnership incurred partnership administration fees of \$24,522. As of December 31, 2020, the Partnership owed \$24,522 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 2020, the Partnership incurred partnership administration fees of \$28,982. As of December 31, 2020, the Partnership owed \$161,710 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, 2020, 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, 2020, the Partnership incurred and paid partnership administration fees of \$61,176 to the Authority.

Loan Shortfall Guaranty

MWHS Indy Street Flats 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, 2020, the Partnership owed \$1,130,854 to the Authority for loan shortfall guaranty loans. The amount will be repaid from available cash flows of the project.

Operating Deficit Guaranty

MWHS Indy Street Flats LLLP – Pursuant to the partnership agreement, if at any time after the stabilization period, an operating deficit exists, the Authority is to advance funds to the Partnership as a loan in an amount equal to the amount of the operating deficit. The Authority’s obligation is limited to a maximum amount of \$591,583. The loan shall not bear interest and will be repaid from available cash flows of the project. As of December 31, 2020, the Partnership owed \$389,766 to the Authority for an operating deficit loan.

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 2020, the Company incurred and paid incentive management fees of \$94,146 to the Authority.

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 2020.

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 2020.

Construction Advances

MWHS Sage Corner LLLP – as of December 31, 2020, the Partnership owed \$200 to the Authority for costs paid by the Authority during construction.

MWHS Lamar II LLLP – as of December 31, 2020, the Partnership owed \$3,512 to the Authority for costs paid by the Authority during construction.

Due to Related Party

MWHS Indy Street Flats LLLP – capital contributions from the limited partner were received and deposited by the Authority. At December 31, 2020, the Authority owed \$598,046 to the Partnership for these contributions. Subsequent to year-end, the Partnership received these funds from the Authority and applied them to the construction loan.

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 the 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 the 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.

During 2020, the Authority received funding in the amount of \$408,500 from the State, the proceeds of which were loaned to Sage Corner. If the Authority or Sage Corner should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through 2061, it is possible that the Authority would have to return the funds to the State.

During 2020, the Authority received funding in the amount of \$449,000 from the County, the proceeds of which were loaned to Sage Corner. If the Authority or Sage Corner should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through February 28, 2041, it is possible that the Authority would have to return the funds to the County.

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, 2020, is as follows:

Condensed Statement of Net Position

Assets		
Current Assets	\$	4,597,176
Equity in Partnerships		<u>1,105,428</u>
Total Assets	\$	<u><u>5,702,604</u></u>
Current Liabilities	\$	17,554
Net Position		<u>5,685,050</u>
Total Liabilities and Net Position	\$	<u><u>5,702,604</u></u>

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

Operating Revenues		
Other	\$	<u>109,771</u>
Operating Expenses		
Administrative		171,088
Maintenance		104
Insurance		4,857
Other		<u>3,775</u>
Total operating expenses		<u>179,824</u>
Operating Loss		(70,053)
Nonoperating Income		
Interest income		<u>2,892</u>
Change in Net Position		(67,161)
Net Position, Beginning of Year		<u>5,752,211</u>
Net Position, End of Year	\$	<u><u>5,685,050</u></u>

Condensed Statement of Cash Flows

Net Cash From (Used For):	
Operating activities	\$ (76,780)
Investing activities	2,892
	(73,888)
Net decrease in cash and cash equivalents	(73,888)
Cash and Cash Equivalents, Beginning of Year	3,968,389
	3,968,389
Cash and Cash Equivalents, End of Year	\$ 3,894,501
	3,894,501

Note 16 - Change in Reporting Entity

Kings Row Apartments, LLLP

At December 31, 2019, the Authority's equity method investment in Kings Row Apartments, LLLP (Belmar Apartments) totaled \$1,204,652. During 2020, the Authority increased its ownership in Belmar Apartments by assuming the investor member's share of Belmar Apartments, thereby gaining control of the entity. In connection therewith, the Authority assumed the existing assets and liabilities of Belmar Apartments. Net position for the primary government as of January 1, 2020, has been increased by \$1,429,680 for the change in reporting entity.

The initial balances from Belmar Apartments that were transferred in 2020, net of the Authority's existing equity method investment balance, are as follows:

Current Assets	\$ 1,116,707
Capital Assets	10,285,772
	11,402,479
Total Assets	\$ 11,402,479
Current Liabilities	\$ 1,033,832
Noncurrent Liabilities	7,734,315
	8,768,147
Total Liabilities	8,768,147
Net Position	2,634,332
	2,634,332
Total Liabilities and Net Position	\$ 11,402,479
Transfer of Net Position	\$ 2,634,332
Less Prior Equity Method Investment Balance	(1,204,652)
	1,429,680
Change in Net Position	\$ 1,429,680

Note 17 - 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, 2020, 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, 2020:

Land	\$ 15,629,263
Construction in progress	17,025,528
Land improvements	5,461,665
Building and improvements	176,195,235
Solar equipment	495,610
Furniture and equipment	<u>5,941,676</u>
	220,748,977
Accumulated depreciation	<u>(35,120,989)</u>
	<u><u>\$ 185,627,988</u></u>

Accrued Compensated Absences

The amount of accumulated unpaid leave at December 31, 2020, was \$78,076 for the discretely presented component units.

Advanced Revenues

At December 31, 2020, the discretely presented component units' advanced revenue consisted of prepaid rents of \$56,550 and deferred grant revenue of \$42,601.

Construction Notes Payable

MWHS Indy Street Flats LLLP

MWHS Indy Street Flats LLLP is financing the construction of the housing project in part with a note to the Authority totaling \$13,227,670 at December 31, 2020 – see Note 4. Terms of the note payable are the same as the terms of the Authority’s corresponding note payable to FirstBank – see Note 7. 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. 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.

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 balance of this construction note payable was \$190,365 at December 31, 2020.

The construction notes were paid down with capital contributions from the limited partner and then converted into permanent financing subsequent to year-end. MWHS Indy Street Flats LLLP has entered into an agreement with FirstBank for permanent financing in the amount of \$9,500,000 with an interest rate of 4.15%. Monthly payments of principal and interest will be due through maturity of July 2036, with a balloon payment due. The note is secured by a deed of trust on the Indy Street Flats property and an assignment of rents and leases.

MWHS Sage Corner LLLP

MWHS Sage Corner LLLP is financing the construction of the housing project in part with a note to Wells Fargo Bank, N.A. totaling \$6,253,914 at December 31, 2020. The note payable may be drawn to a total of \$8,650,000. Interest on the note is variable and is to accrue at the One-Month LIBO rate, adjusted monthly, through the maturity date of September 2021. The maturity date of the note may be extended to March 2022 if certain conditions have been met. The note payable is secured by a deed of trust on the Sage Corner property. The construction note payable is expected to be converted to a long-term note payable totaling \$3,000,000 upon the completion of the conditions specified in the note payable agreement.

MWHS Lamar II LLLP

MWHS Lamar II LLLP is financing the construction of the housing project in part with a construction note payable to FirstBank. Interest payments on the construction note payable are calculated at a fixed rate of 4.05% and are due monthly through the construction period. 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. After conversion, principal and interest payments will be due monthly through the maturity date of August 2038. The note payable may be drawn to a maximum of \$13,700,000. The balance of this construction note payable was \$1,419,476 at December 31, 2020. The note payable is secured by a deed of trust on the Lamar II property.

Long-Term Debt

Long-term debt as of December 31, 2020, consists of the following:

Notes and Mortgages Payable

	Principal	Accrued Interest	Total
<u>Notes and Mortgages Payable to Primary Government:</u>			
2.00% note payable to the Authority, 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	\$ 3,442,542	\$ 73,035	\$ 3,515,577
2.00% note payable to the Authority, (CDOH), 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	10,091	510,091
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	11,596	579,575
4.00% note payable to the Authority (County HOME), 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	206,950	1,106,950
4.00% note payable to the Authority (CDOH), 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	125,767	625,767
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	628,334	2,891,170
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	830,424	-	830,424

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	Principal	Accrued Interest	Total
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	342,677	951,442
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	167,247	467,247
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	258,107	758,107
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	286,090	786,090
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	878,406	43,463	921,869
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	4,958	109,958
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	39,820	883,074
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	14,177	314,177

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Notes to Financial Statements
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	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
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	26,127	526,127
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	286,355	586,355
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	166,516	12,492	179,008
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	639,146	1,339,146
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	1,257,152	2,380,851
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 \$583,356, based upon an effective interest rate of 5.70%	10,613,364	-	10,613,364
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	800,000	25,587	825,587

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	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
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	840,000	29,384	869,384
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	466,134	4,836,134
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	18,087	618,087
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	12,691	396,691
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	13,087	409,087
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, principal may be drawn to a total of \$430,000, secured by a deed of trust and security agreement on the Sage Corner property	408,500	6,547	415,047
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, principal may be drawn to a total of \$450,000, secured by a deed of trust and security agreement on the Sage Corner property	449,000	13,470	462,470
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	259,389	3,704,704

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	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
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	18,285	317,285
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	30,196	573,611
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	70,563	1,007,809
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	<u>1,880,000</u>	<u>-</u>	<u>1,880,000</u>
Total Notes Payable to Primary Government:	<u>41,795,261</u>	<u>5,397,004</u>	<u>47,192,265</u>
<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 \$51,297, based upon effective interest rate of 8.01% - see (A) below	2,298,975	14,872	2,313,847
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 \$262,290, based upon effective interest rate of 5.43%	8,601,772	35,546	8,637,318
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 \$23,399 based upon effective interest rate of 0.06%	2,194,918	-	2,194,918

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Notes to Financial Statements
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	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
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 \$26,469 based upon effective interest rate of 4.39%	1,666,087	-	1,666,087
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 \$112,734 based upon effective interest rate of 5.01%	4,033,205	16,244	4,049,449
4.25% note payable to ANB Bank, due in monthly installments of \$7,181, including interest, through the maturity date of January 2030, secured by a deed of trust and an assignment of rents on the Paloma Villas III property, net of unamortized debt issuance costs of \$13,698 based upon effective interest rate of 4.52%	1,432,056	8,090	1,440,146
4.250% note payable to ANB Bank, due in monthly installments of \$8,880, including interest, through the maturity date of January 2030, secured by a deed of trust on the Villas at Sloan's Lake property, net of unamortized debt issuance costs of \$15,529, based upon effective interest rate of 4.50%	1,772,456	10,005	1,782,461
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 \$12,773, based upon effective interest rate of 6.80%	3,592,624	-	3,592,624
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 \$1,735, based upon effective interest rate of 3.09%	437,563	-	437,563

Housing Authority of the City of Lakewood
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Notes to Financial Statements
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	Principal	Accrued Interest	Total
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 \$2,937, based upon effective interest rate of .06%	928,172	-	928,172
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 \$33,599, based upon effective interest rate of 5.28%	3,156,180	13,596	3,169,776
Total Notes Payable - Other:	30,114,008	98,353	30,212,361
Total Notes and Mortgages Payable	71,909,269	5,495,357	77,404,626
Less current portion	(1,270,930)	-	(1,270,930)
Total Notes Payable, Net of Current Portion	\$ 70,638,339	\$ 5,495,357	\$ 76,133,696

At December 31, 2020, the balance of accrued interest payable for the discretely presented component units consisted of the following:

Accrued interest on notes payable	\$ 5,495,357
Accrued interest on developer fees - Notes 4 and 13:	
MWHS CityScape, LLLP	35,511
MWHS Fifty Eight Hundred, LLLP	17,926
Total accrued interest payable	\$ 5,548,794

The estimated debt requirements to maturity for the year ending December 31, 2020 are as follows:

2021	\$ 1,270,930
2022	931,373
2023	973,241
2024	1,015,222
2025	1,063,850
Thereafter	67,794,469
Unamortized debt issuance costs	(1,139,816)
Total	\$ 71,909,269

Supplementary Information

December 31, 2020

Housing Authority of the City of
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dba

Metro West Housing Solutions

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	Community Development Block Grants 14.218	Housing Choice Vouchers 14.871	Housing Choice Vouchers CARES Act Funding 14.HCC	HOME Investment Partnership Program 14.239
Assets				
Cash and cash equivalents	\$ -	\$ 1,004,355	\$ -	\$ 43,764
Restricted cash and cash equivalents	-	347,520	153,282	-
Accounts receivable				
Tenants	-	-	-	-
Other	-	22,991	-	-
Developer fees	-	-	-	-
Due from discretely presented component units	-	-	-	-
Construction note receivable from discretely presented component units	-	-	-	-
Interprogram receivable	-	-	-	-
Accrued interest receivable - short-term	-	-	-	-
Prepaid expenses	-	9,598	-	-
Notes receivable - current portion	-	-	-	-
Total current assets	<u>-</u>	<u>1,384,464</u>	<u>153,282</u>	<u>43,764</u>
Accrued interest receivable - long-term	-	-	-	-
Developer fees receivable - long-term	-	-	-	-
Equity method investments	-	-	-	-
Notes receivable, net of current portion	-	-	-	-
Non-depreciable capital assets	-	-	-	-
Depreciable capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 1,384,464</u>	<u>\$ 153,282</u>	<u>\$ 43,764</u>
Liabilities and Net Position				
Liabilities				
Accounts payable	\$ 238	\$ -	\$ -	\$ -
Interprogram payable	330,280	-	-	-
Due to discretely presented component unit	-	-	-	-
Construction notes payable	-	-	-	-
Accrued liabilities	473	17,244	-	-
Accrued compensated absences	789	40,129	-	-
Advanced revenues	-	-	153,282	-
Tenant security deposits payable	-	-	-	-
Notes, mortgages and bonds payable - current portion	-	-	-	-
Total current liabilities	<u>331,780</u>	<u>57,373</u>	<u>153,282</u>	<u>-</u>
Noncurrent Liabilities				
Notes, mortgages and bonds payable - net of current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>331,780</u>	<u>57,373</u>	<u>153,282</u>	<u>-</u>
Net Position				
Net investment in capital assets	-	-	-	-
Restricted	-	347,520	-	-
Unrestricted	<u>(331,780)</u>	<u>979,571</u>	<u>-</u>	<u>43,764</u>
Total net position	<u>(331,780)</u>	<u>1,327,091</u>	<u>-</u>	<u>43,764</u>
Total liabilities and net position	<u>\$ -</u>	<u>\$ 1,384,464</u>	<u>\$ 153,282</u>	<u>\$ 43,764</u>

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Combining Statement of Net Position
 December 31, 2020

Lakewood Housing Corporation	Business Activities	Housing Trust Fund 14.275	Total	Elimination of Intercompany Activity	Total
\$ 3,894,501	\$ 5,777,105	\$ -	\$ 10,719,725	\$ -	\$ 10,719,725
-	2,419,543	-	2,920,345	-	2,920,345
-	90,772	-	90,772	-	90,772
370,786	315,145	-	708,922	-	708,922
-	363,076	-	363,076	-	363,076
-	1,754,364	-	1,754,364	-	1,754,364
-	13,227,670	-	13,227,670	-	13,227,670
330,280	-	-	330,280	(330,280)	-
-	53,437	-	53,437	-	53,437
1,609	271,217	-	282,424	-	282,424
-	129,103	-	129,103	-	129,103
<u>4,597,176</u>	<u>24,401,432</u>	<u>-</u>	<u>30,580,118</u>	<u>(330,280)</u>	<u>30,249,838</u>
-	5,397,004	-	5,397,004	-	5,397,004
-	5,418,076	-	5,418,076	-	5,418,076
1,105,428	3,579,258	-	4,684,686	-	4,684,686
-	44,082,642	-	44,082,642	-	44,082,642
-	11,889,115	-	11,889,115	-	11,889,115
-	37,953,609	-	37,953,609	-	37,953,609
<u>1,105,428</u>	<u>108,319,704</u>	<u>-</u>	<u>109,425,132</u>	<u>-</u>	<u>109,425,132</u>
<u>\$ 5,702,604</u>	<u>\$ 132,721,136</u>	<u>\$ -</u>	<u>\$ 140,005,250</u>	<u>\$ (330,280)</u>	<u>\$ 139,674,970</u>
\$ 143	\$ 65,214	\$ -	\$ 65,595	\$ -	\$ 65,595
-	-	-	330,280	(330,280)	-
-	598,046	-	598,046	-	598,046
-	13,227,670	-	13,227,670	-	13,227,670
2,643	197,168	-	217,528	-	217,528
14,768	346,791	-	402,477	-	402,477
-	18,219	-	171,501	-	171,501
-	299,833	-	299,833	-	299,833
-	689,946	-	689,946	-	689,946
<u>17,554</u>	<u>15,442,887</u>	<u>-</u>	<u>16,002,876</u>	<u>(330,280)</u>	<u>15,672,596</u>
-	42,268,436	-	42,268,436	-	42,268,436
<u>17,554</u>	<u>57,711,323</u>	<u>-</u>	<u>58,271,312</u>	<u>(330,280)</u>	<u>57,941,032</u>
-	18,081,062	-	18,081,062	-	18,081,062
-	-	-	347,520	-	347,520
<u>5,685,050</u>	<u>56,928,751</u>	<u>-</u>	<u>63,305,356</u>	<u>-</u>	<u>63,305,356</u>
<u>5,685,050</u>	<u>75,009,813</u>	<u>-</u>	<u>81,733,938</u>	<u>-</u>	<u>81,733,938</u>
<u>\$ 5,702,604</u>	<u>\$ 132,721,136</u>	<u>\$ -</u>	<u>\$ 140,005,250</u>	<u>\$ (330,280)</u>	<u>\$ 139,674,970</u>

	Community Development Block Grants 14.218	Housing Choice Vouchers 14.871	Housing Choice Vouchers CARES Act Funding 14.HCC	HOME Investment Partnership Program 14.239	Lakewood Housing Corporation
Operating Revenues					
HUD PHA grants	\$ -	\$ 13,860,699	\$ 856,818	\$ -	\$ -
Other grants	62,820	-	-	858,500	-
Rental income	-	-	-	-	-
Management fees	-	-	-	-	-
Developer fee income	-	-	-	-	-
Other	2,550	10,210	-	-	109,771
Total Operating Revenues	65,370	13,870,909	856,818	858,500	109,771
Operating Expenses					
Housing assistance payments	-	12,689,462	654,201	-	-
Administrative salaries and benefits	36,067	429,449	-	-	155,238
Maintenance salaries and benefits	-	-	-	-	-
Regular and extraordinary maintenance	38	13,103	-	-	104
Other administrative	5,386	176,312	-	-	15,850
Depreciation	-	-	-	-	-
Utilities	-	-	-	-	-
Insurance	511	19,096	-	-	4,857
Other	21,270	23,646	202,617	-	3,775
Total Operating Expenses	63,272	13,351,068	856,818	-	179,824
Operating Income (Loss)	2,098	519,841	-	858,500	(70,053)
Non-Operating Revenues (Expenses)					
Interest income	-	588	-	-	2,892
Gain on sale of capital assets	-	-	-	-	-
Interest expense	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	588	-	-	2,892
Income (Loss) Before Interprogram Transfers	2,098	520,429	-	858,500	(67,161)
Interprogram transfers	-	-	-	(858,500)	-
Change in Net Position	2,098	520,429	-	-	(67,161)
Net Position - Beginning of Year, as Originally Reported	(333,878)	806,662	-	43,764	5,752,211
Change in Reporting Entity	-	-	-	-	-
Net Position - Beginning of Year, as Restated	(333,878)	806,662	-	43,764	5,752,211
Net Position - End of Year	\$ (331,780)	\$ 1,327,091	\$ -	\$ 43,764	\$ 5,685,050

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, 2020

Business Activities	Housing Trust Fund 14.275	Total	Elimination of Intercompany Activity	Total
\$ -	\$ -	\$ 14,717,517	\$ -	\$ 14,717,517
2,098,363	56,585	3,076,268	-	3,076,268
6,962,403	-	6,962,403	-	6,962,403
1,076,267	-	1,076,267	(354,725)	721,542
254,000	-	254,000	-	254,000
780,884	-	903,415	(3,360)	900,055
<u>11,171,917</u>	<u>56,585</u>	<u>26,989,870</u>	<u>(358,085)</u>	<u>26,631,785</u>
-	-	13,343,663	-	13,343,663
3,424,592	-	4,045,346	-	4,045,346
610,512	-	610,512	-	610,512
914,711	-	927,956	-	927,956
1,026,500	-	1,224,048	(358,085)	865,963
1,794,376	-	1,794,376	-	1,794,376
522,636	-	522,636	-	522,636
347,815	-	372,279	-	372,279
539,977	-	791,285	-	791,285
<u>9,181,119</u>	<u>-</u>	<u>23,632,101</u>	<u>(358,085)</u>	<u>23,274,016</u>
<u>1,990,798</u>	<u>56,585</u>	<u>3,357,769</u>	<u>-</u>	<u>3,357,769</u>
2,640,062	-	2,643,542	-	2,643,542
1,094,472	-	1,094,472	-	1,094,472
(2,780,071)	-	(2,780,071)	-	(2,780,071)
<u>954,463</u>	<u>-</u>	<u>957,943</u>	<u>-</u>	<u>957,943</u>
2,945,261	56,585	4,315,712	-	4,315,712
<u>915,085</u>	<u>(56,585)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,860,346</u>	<u>-</u>	<u>4,315,712</u>	<u>-</u>	<u>4,315,712</u>
69,719,787	-	75,988,546	-	75,988,546
<u>1,429,680</u>	<u>-</u>	<u>1,429,680</u>	<u>-</u>	<u>1,429,680</u>
<u>71,149,467</u>	<u>-</u>	<u>77,418,226</u>	<u>-</u>	<u>77,418,226</u>
<u>\$ 75,009,813</u>	<u>\$ -</u>	<u>\$ 81,733,938</u>	<u>\$ -</u>	<u>\$ 81,733,938</u>

Single Audit

December 31, 2020

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, 2020

Federal Agency/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<i>U.S. Department of Housing and Urban Development</i>			
<i>Direct Program</i>			
Housing Voucher Cluster			
Housing Choice Vouchers Program	14.871		\$ 13,351,068
COVID-19 Housing Choice Voucher Program	14.871		<u>856,818</u>
Total Housing Voucher Cluster			<u>14,207,886</u>
<i>Passed Through State of Colorado</i>			
Housing Trust Fund	14.275	17-078	<u>56,585</u>
<i>Passed Through State of Colorado</i>			
CDBG-Entitlement Grants Cluster			
HOME Investment Partnership Program	14.239	19-043	408,500
<i>Passed Through Jefferson County</i>			
CDBG-Entitlement Grants Cluster			
HOME Investment Partnership Program	14.239	18-1763	1,000
<i>Passed Through Jefferson County</i>			
CDBG-Entitlement Grants Cluster			
HOME Investment Partnership Program	14.239		<u>449,000</u>
Total 14.239			<u>858,500</u>
<i>Passed Through City of Lakewood</i>			
Community Development Block Grant (CDBG)	14.218	15-09011	<u>62,820</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 15,185,791</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, 2020. 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 Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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, 2020, 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 6, 2021. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statement. 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 cursive script that reads "Eide Sully LLP".

Boise, Idaho
July 6, 2021



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 each of the Authority's major federal programs for the year ended December 31, 2020. The Authority's major federal programs are 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 each of the Authority's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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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 each of its major federal programs for the year ended December 31, 2020.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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.



Boise, Idaho
July 6, 2021

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 Program	14.871
HOME Investment Partnerships Program	14.239
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: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
111 Cash - Unrestricted		\$2,942,725	\$3,894,501	\$5,777,105	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$4,066,311		\$2,119,710	
114 Cash - Tenant Security Deposits		\$547,576		\$299,833	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$7,556,612	\$3,894,501	\$8,196,648	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous		\$832,167	\$370,786	\$7,850,661	
126 Accounts Receivable - Tenants		\$66,615		\$91,201	
126.1 Allowance for Doubtful Accounts -Tenants		\$0		-\$429	
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0	
127 Notes, Loans, & Mortgages Receivable - Current				\$13,356,773	
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable				\$5,450,441	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$898,782	\$370,786	\$26,748,647	\$0
131 Investments - Unrestricted			\$1,105,428	\$3,579,258	
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$300,367	\$1,609	\$271,217	
143 Inventories					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From			\$330,280		
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$8,755,761	\$5,702,604	\$38,795,770	\$0
161 Land		\$15,629,263		\$10,832,957	
162 Buildings		\$181,656,900		\$55,954,524	
163 Furniture, Equipment & Machinery - Dwellings		\$6,437,286		\$544,265	
164 Furniture, Equipment & Machinery - Administration				\$64,393	
165 Leasehold Improvements				\$893,967	
166 Accumulated Depreciation		-\$35,120,989		-\$19,503,540	
167 Construction in Progress		\$17,025,528		\$1,056,158	
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$185,627,988	\$0	\$49,842,724	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0		\$44,082,642	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets		\$1,063,250			
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$186,691,238	\$0	\$93,925,366	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$0	\$195,446,999	\$5,702,604	\$132,721,136	\$0

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$238	\$1,602,695	\$143	\$65,214	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	\$789	\$78,076	\$14,768	\$346,791	
324 Accrued Contingency Liability					
325 Accrued Interest Payable		\$5,548,794			
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits		\$547,576		\$299,833	
342 Unearned Revenue		\$99,151		\$18,219	
343 Current Portion of Long-term Debt - Capital		\$22,362,355		\$13,917,616	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities		\$2,117,440		\$598,046	
346 Accrued Liabilities - Other	\$473	\$748,260	\$2,643	\$197,168	
347 Inter Program - Due To	\$330,280				
348 Loan Liability - Current					
310 Total Current Liabilities	\$331,780	\$33,104,347	\$17,554	\$15,442,887	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$70,638,339		\$42,268,436	
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		\$5,418,076			
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: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$76,056,415	\$0	\$42,268,436	\$0
300 Total Liabilities	\$331,780	\$109,160,762	\$17,554	\$57,711,323	\$0
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets		\$92,627,294		\$18,081,062	
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	-\$331,780	-\$6,341,057	\$5,685,050	\$56,928,751	\$0
513 Total Equity - Net Assets / Position	-\$331,780	\$86,286,237	\$5,685,050	\$75,009,813	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$195,446,999	\$5,702,604	\$132,721,136	\$0

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
111 Cash - Unrestricted	\$43,764	\$1,004,355		\$13,662,450	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$347,520	\$153,282	\$6,686,823	
114 Cash - Tenant Security Deposits				\$847,409	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$43,764	\$1,351,875	\$153,282	\$21,196,682	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government		\$48		\$48	
125 Accounts Receivable - Miscellaneous		\$22,943		\$9,076,557	
126 Accounts Receivable - Tenants				\$157,816	
126.1 Allowance for Doubtful Accounts -Tenants				-\$429	
126.2 Allowance for Doubtful Accounts - Other		\$0		\$0	
127 Notes, Loans, & Mortgages Receivable - Current				\$13,356,773	
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable				\$5,450,441	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$22,991	\$0	\$28,041,206	\$0
131 Investments - Unrestricted				\$4,684,686	
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$9,598		\$582,791	
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: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
144 Inter Program Due From				\$330,280	-\$330,280
145 Assets Held for Sale					
150 Total Current Assets	\$43,764	\$1,384,464	\$153,282	\$54,835,645	-\$330,280
161 Land				\$26,462,220	
162 Buildings				\$237,611,424	
163 Furniture, Equipment & Machinery - Dwellings				\$6,981,551	
164 Furniture, Equipment & Machinery - Administration				\$64,393	
165 Leasehold Improvements				\$893,967	
166 Accumulated Depreciation				-\$54,624,529	
167 Construction in Progress				\$18,081,686	
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$235,470,712	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current				\$44,082,642	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets				\$1,063,250	
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$0	\$280,616,604	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$43,764	\$1,384,464	\$153,282	\$335,452,249	-\$330,280
311 Bank Overdraft					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
312 Accounts Payable <= 90 Days				\$1,668,290	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion		\$40,129		\$480,553	
324 Accrued Contingency Liability					
325 Accrued Interest Payable				\$5,548,794	
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits				\$847,409	
342 Unearned Revenue		\$0	\$153,282	\$270,652	
343 Current Portion of Long-term Debt - Capital				\$36,279,971	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities				\$2,715,486	
346 Accrued Liabilities - Other		\$17,244		\$965,788	
347 Inter Program - Due To				\$330,280	-\$330,280
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$57,373	\$153,282	\$49,107,223	-\$330,280
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				\$112,906,775	
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other				\$5,418,076	
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: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$118,324,851	\$0
300 Total Liabilities	\$0	\$57,373	\$153,282	\$167,432,074	-\$330,280
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets				\$110,708,356	
511.4 Restricted Net Position		\$347,520		\$347,520	
512.4 Unrestricted Net Position	\$43,764	\$979,571	\$0	\$56,964,299	
513 Total Equity - Net Assets / Position	\$43,764	\$1,327,091	\$0	\$168,020,175	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$43,764	\$1,384,464	\$153,282	\$335,452,249	-\$330,280

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
111 Cash - Unrestricted	\$13,662,450
112 Cash - Restricted - Modernization and Development	
113 Cash - Other Restricted	\$6,686,823
114 Cash - Tenant Security Deposits	\$847,409
115 Cash - Restricted for Payment of Current Liabilities	
100 Total Cash	\$21,196,682
121 Accounts Receivable - PHA Projects	
122 Accounts Receivable - HUD Other Projects	
124 Accounts Receivable - Other Government	\$48
125 Accounts Receivable - Miscellaneous	\$9,076,557
126 Accounts Receivable - Tenants	\$157,816
126.1 Allowance for Doubtful Accounts - Tenants	-\$429
126.2 Allowance for Doubtful Accounts - Other	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$13,356,773
128 Fraud Recovery	
128.1 Allowance for Doubtful Accounts - Fraud	
129 Accrued Interest Receivable	\$5,450,441
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$28,041,206
131 Investments - Unrestricted	\$4,684,686
132 Investments - Restricted	
135 Investments - Restricted for Payment of Current Liability	
142 Prepaid Expenses and Other Assets	\$582,791
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: 12/31/2020

	Total
144 Inter Program Due From	\$0
145 Assets Held for Sale	
150 Total Current Assets	\$54,505,365
161 Land	\$26,462,220
162 Buildings	\$237,611,424
163 Furniture, Equipment & Machinery - Dwellings	\$6,981,551
164 Furniture, Equipment & Machinery - Administration	\$64,393
165 Leasehold Improvements	\$893,967
166 Accumulated Depreciation	-\$54,624,529
167 Construction in Progress	\$18,081,686
168 Infrastructure	
160 Total Capital Assets, Net of Accumulated Depreciation	\$235,470,712
171 Notes, Loans and Mortgages Receivable - Non-Current	\$44,082,642
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	
173 Grants Receivable - Non Current	
174 Other Assets	\$1,063,250
176 Investments in Joint Ventures	
180 Total Non-Current Assets	\$280,616,604
200 Deferred Outflow of Resources	
290 Total Assets and Deferred Outflow of Resources	\$335,121,969
311 Bank Overdraft	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
312 Accounts Payable <= 90 Days	\$1,668,290
313 Accounts Payable >90 Days Past Due	
321 Accrued Wage/Payroll Taxes Payable	
322 Accrued Compensated Absences - Current Portion	\$480,553
324 Accrued Contingency Liability	
325 Accrued Interest Payable	\$5,548,794
331 Accounts Payable - HUD PHA Programs	
332 Account Payable - PHA Projects	
333 Accounts Payable - Other Government	
341 Tenant Security Deposits	\$847,409
342 Unearned Revenue	\$270,652
343 Current Portion of Long-term Debt - Capital	\$36,279,971
344 Current Portion of Long-term Debt - Operating Borrowings	
345 Other Current Liabilities	\$2,715,486
346 Accrued Liabilities - Other	\$965,788
347 Inter Program - Due To	\$0
348 Loan Liability - Current	
310 Total Current Liabilities	\$48,776,943
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$112,906,775
352 Long-term Debt, Net of Current - Operating Borrowings	
353 Non-current Liabilities - Other	\$5,418,076
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: 12/31/2020

	Total
350 Total Non-Current Liabilities	\$118,324,851
300 Total Liabilities	\$167,101,794
400 Deferred Inflow of Resources	
508.4 Net Investment in Capital Assets	\$110,708,356
511.4 Restricted Net Position	\$347,520
512.4 Unrestricted Net Position	\$56,964,299
513 Total Equity - Net Assets / Position	\$168,020,175
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$335,121,969

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
70300 Net Tenant Rental Revenue		\$12,187,178		\$6,962,403	
70400 Tenant Revenue - Other			\$147	\$220,079	
70500 Total Tenant Revenue	\$0	\$12,187,178	\$147	\$7,182,482	\$0
70600 HUD PHA Operating Grants					
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	\$62,820			\$2,098,363	\$56,585
71100 Investment Income - Unrestricted		\$2,804	\$2,892	\$2,640,062	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$2,550	\$15,031,151	\$109,624	\$1,891,072	
71600 Gain or Loss on Sale of Capital Assets				\$1,094,472	
72000 Investment Income - Restricted					
70000 Total Revenue	\$65,370	\$27,221,133	\$112,663	\$14,906,451	\$56,585
91100 Administrative Salaries	\$27,601	\$1,074,514	\$126,222	\$2,833,503	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
91200 Auditing Fees		\$58,810	\$1,749	\$21,333	
91300 Management Fee		\$592,722		\$354,725	
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$16	\$6,817	\$54	\$9,363	
91500 Employee Benefit contributions - Administrative	\$8,466	\$335,759	\$29,016	\$591,089	
91600 Office Expenses	\$2,606	\$247,357	\$3,800	\$200,360	
91700 Legal Expense		\$39,383	\$70	\$51,867	
91800 Travel	\$1,157	\$7,060	\$5,948	\$31,116	
91810 Allocated Overhead					
91900 Other	\$1,607	\$482,783	\$4,229	\$357,736	
91000 Total Operating - Administrative	\$41,453	\$2,845,205	\$171,088	\$4,451,092	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other			\$3,775	\$4,339	
92500 Total Tenant Services	\$0	\$0	\$3,775	\$4,339	\$0
93100 Water		\$208,084		\$162,588	
93200 Electricity		\$517,832		\$101,347	
93300 Gas		\$79,139		\$63,572	
93400 Fuel					
93500 Labor					
93600 Sewer		\$185,927		\$105,459	
93700 Employee Benefit Contributions - Utilities					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
93800 Other Utilities Expense		\$131,332		\$89,670	
93000 Total Utilities	\$0	\$1,122,314	\$0	\$522,636	\$0
94100 Ordinary Maintenance and Operations - Labor		\$988,291		\$454,275	
94200 Ordinary Maintenance and Operations - Materials and	\$1	\$311,480	\$86	\$210,682	
94300 Ordinary Maintenance and Operations Contracts		\$797,746	\$8	\$622,077	
94500 Employee Benefit Contributions - Ordinary Maintenance		\$337,849		\$156,237	
94000 Total Maintenance	\$1	\$2,435,366	\$94	\$1,443,271	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other		\$126,871		\$26,427	
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$126,871	\$0	\$26,427	\$0
96110 Property Insurance		\$539,582		\$281,962	
96120 Liability Insurance					
96130 Workmen's Compensation	\$511	\$39,354	\$2,334	\$60,612	
96140 All Other Insurance			\$2,523	\$5,241	
96100 Total insurance Premiums	\$511	\$578,936	\$4,857	\$347,815	\$0
96200 Other General Expenses	\$21,270	\$531,423		\$477,229	
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents		\$48,449		\$20,260	
96500 Bad debt - Mortgages					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
96600 Bad debt - Other		\$58,894		\$11,722	
96800 Severance Expense					
96000 Total Other General Expenses	\$21,270	\$638,766	\$0	\$509,211	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$4,190,854		\$2,780,071	
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$4,190,854	\$0	\$2,780,071	\$0
96900 Total Operating Expenses	\$63,235	\$11,938,312	\$179,814	\$10,084,862	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$2,135	\$15,282,821	-\$67,151	\$4,821,589	\$56,585
97100 Extraordinary Maintenance	\$37	\$18,033	\$10	\$81,952	
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense		\$6,540,248		\$1,794,376	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$63,272	\$18,496,593	\$179,824	\$11,961,190	\$0
10010 Operating Transfer In				\$915,085	
10020 Operating transfer Out					-\$56,585

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
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	\$915,085	-\$56,585
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$2,098	\$8,724,540	-\$67,161	\$3,860,346	\$0
11020 Required Annual Debt Principal Payments	\$0	\$1,290,172	\$0	\$828,766	\$0
11030 Beginning Equity	-\$333,878	\$80,196,029	\$5,752,211	\$69,719,787	\$0
11040 Prior Period Adjustments, Equity Transfers and		-\$2,634,332		\$1,429,680	
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					
11180 Housing Assistance Payments Equity					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
11190 Unit Months Available		11437	12048	5988	
11210 Number of Unit Months Leased		11105	11819	5768	
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					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
70300 Net Tenant Rental Revenue				\$19,149,581	
70400 Tenant Revenue - Other				\$220,226	
70500 Total Tenant Revenue	\$0	\$0	\$0	\$19,369,807	\$0
70600 HUD PHA Operating Grants		\$13,720,767	\$856,818	\$14,577,585	
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				\$0	\$0
70800 Other Government Grants	\$858,500			\$3,076,268	
71100 Investment Income - Unrestricted		\$588		\$2,646,346	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$10,210		\$10,210	
71500 Other Revenue		\$139,932		\$17,174,329	-\$358,085
71600 Gain or Loss on Sale of Capital Assets				\$1,094,472	
72000 Investment Income - Restricted					
70000 Total Revenue	\$858,500	\$13,871,497	\$856,818	\$57,949,017	-\$358,085
91100 Administrative Salaries		\$321,752		\$4,383,592	
91200 Auditing Fees		\$29,808		\$111,700	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
91300 Management Fee				\$947,447	-\$354,725
91310 Book-keeping Fee					
91400 Advertising and Marketing		\$904		\$17,154	
91500 Employee Benefit contributions - Administrative		\$107,697		\$1,072,027	
91600 Office Expenses		\$63,837		\$517,960	
91700 Legal Expense		\$3,251		\$94,571	
91800 Travel		\$3,470		\$48,751	
91810 Allocated Overhead					
91900 Other		\$75,042		\$921,397	-\$3,360
91000 Total Operating - Administrative	\$0	\$605,761	\$0	\$8,114,599	-\$358,085
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other			\$202,617	\$210,731	
92500 Total Tenant Services	\$0	\$0	\$202,617	\$210,731	\$0
93100 Water				\$370,672	
93200 Electricity				\$619,179	
93300 Gas				\$142,711	
93400 Fuel					
93500 Labor					
93600 Sewer				\$291,386	
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense				\$221,002	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
93000 Total Utilities	\$0	\$0	\$0	\$1,644,950	\$0
94100 Ordinary Maintenance and Operations - Labor				\$1,442,566	
94200 Ordinary Maintenance and Operations - Materials and		\$1,030		\$523,279	
94300 Ordinary Maintenance and Operations Contracts		\$12,073		\$1,431,904	
94500 Employee Benefit Contributions - Ordinary Maintenance				\$494,086	
94000 Total Maintenance	\$0	\$13,103	\$0	\$3,891,835	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other				\$153,298	
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$153,298	\$0
96110 Property Insurance				\$821,544	
96120 Liability Insurance					
96130 Workmen's Compensation		\$5,945		\$108,756	
96140 All Other Insurance		\$13,151		\$20,915	
96100 Total insurance Premiums	\$0	\$19,096	\$0	\$951,215	\$0
96200 Other General Expenses		\$23,646		\$1,053,568	
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents				\$68,709	
96500 Bad debt - Mortgages					
96600 Bad debt - Other				\$70,616	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$23,646	\$0	\$1,192,893	\$0
96710 Interest of Mortgage (or Bonds) Payable				\$6,970,925	
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$6,970,925	\$0
96900 Total Operating Expenses	\$0	\$661,606	\$202,617	\$23,130,446	-\$358,085
97000 Excess of Operating Revenue over Operating Expenses	\$858,500	\$13,209,891	\$654,201	\$34,818,571	\$0
97100 Extraordinary Maintenance				\$100,032	
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$12,555,756	\$654,201	\$13,209,957	
97350 HAP Portability-In		\$133,706		\$133,706	
97400 Depreciation Expense				\$8,334,624	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$0	\$13,351,068	\$856,818	\$44,908,765	-\$358,085
10010 Operating Transfer In				\$915,085	-\$915,085
10020 Operating transfer Out	-\$858,500			-\$915,085	\$915,085
10030 Operating Transfers from/to Primary Government					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
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)	-\$858,500	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$520,429	\$0	\$13,040,252	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$2,118,938	
11030 Beginning Equity	\$43,764	\$806,662	\$0	\$156,184,575	
11040 Prior Period Adjustments, Equity Transfers and				-\$1,204,652	
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		\$979,571		\$979,571	
11180 Housing Assistance Payments Equity		\$347,520		\$347,520	
11190 Unit Months Available		16932		46405	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM
11210 Number of Unit Months Leased		13263		41955	
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					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
70300 Net Tenant Rental Revenue	\$19,149,581
70400 Tenant Revenue - Other	\$220,226
70500 Total Tenant Revenue	\$19,369,807
70600 HUD PHA Operating Grants	\$14,577,585
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	\$0
70800 Other Government Grants	\$3,076,268
71100 Investment Income - Unrestricted	\$2,646,346
71200 Mortgage Interest Income	
71300 Proceeds from Disposition of Assets Held for Sale	
71310 Cost of Sale of Assets	
71400 Fraud Recovery	\$10,210
71500 Other Revenue	\$16,816,244
71600 Gain or Loss on Sale of Capital Assets	\$1,094,472
72000 Investment Income - Restricted	
70000 Total Revenue	\$57,590,932
91100 Administrative Salaries	\$4,383,592
91200 Auditing Fees	\$111,700

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
91300 Management Fee	\$592,722
91310 Book-keeping Fee	
91400 Advertising and Marketing	\$17,154
91500 Employee Benefit contributions - Administrative	\$1,072,027
91600 Office Expenses	\$517,960
91700 Legal Expense	\$94,571
91800 Travel	\$48,751
91810 Allocated Overhead	
91900 Other	\$918,037
91000 Total Operating - Administrative	\$7,756,514
92000 Asset Management Fee	
92100 Tenant Services - Salaries	
92200 Relocation Costs	
92300 Employee Benefit Contributions - Tenant Services	
92400 Tenant Services - Other	\$210,731
92500 Total Tenant Services	\$210,731
93100 Water	\$370,672
93200 Electricity	\$619,179
93300 Gas	\$142,711
93400 Fuel	
93500 Labor	
93600 Sewer	\$291,386
93700 Employee Benefit Contributions - Utilities	
93800 Other Utilities Expense	\$221,002

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
93000 Total Utilities	\$1,644,950
94100 Ordinary Maintenance and Operations - Labor	\$1,442,566
94200 Ordinary Maintenance and Operations - Materials and	\$523,279
94300 Ordinary Maintenance and Operations Contracts	\$1,431,904
94500 Employee Benefit Contributions - Ordinary Maintenance	\$494,086
94000 Total Maintenance	\$3,891,835
95100 Protective Services - Labor	
95200 Protective Services - Other Contract Costs	
95300 Protective Services - Other	\$153,298
95500 Employee Benefit Contributions - Protective Services	
95000 Total Protective Services	\$153,298
96110 Property Insurance	\$821,544
96120 Liability Insurance	
96130 Workmen's Compensation	\$108,756
96140 All Other Insurance	\$20,915
96100 Total insurance Premiums	\$951,215
96200 Other General Expenses	\$1,053,568
96210 Compensated Absences	
96300 Payments in Lieu of Taxes	
96400 Bad debt - Tenant Rents	\$68,709
96500 Bad debt - Mortgages	
96600 Bad debt - Other	\$70,616

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
96800 Severance Expense	
96000 Total Other General Expenses	\$1,192,893
96710 Interest of Mortgage (or Bonds) Payable	\$6,970,925
96720 Interest on Notes Payable (Short and Long Term)	
96730 Amortization of Bond Issue Costs	
96700 Total Interest Expense and Amortization Cost	\$6,970,925
96900 Total Operating Expenses	\$22,772,361
97000 Excess of Operating Revenue over Operating Expenses	\$34,818,571
97100 Extraordinary Maintenance	\$100,032
97200 Casualty Losses - Non-capitalized	
97300 Housing Assistance Payments	\$13,209,957
97350 HAP Portability-In	\$133,706
97400 Depreciation Expense	\$8,334,624
97500 Fraud Losses	
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	
90000 Total Expenses	\$44,550,680
10010 Operating Transfer In	\$0
10020 Operating transfer Out	\$0
10030 Operating Transfers from/to Primary Government	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$13,040,252
11020 Required Annual Debt Principal Payments	\$2,118,938
11030 Beginning Equity	\$156,184,575
11040 Prior Period Adjustments, Equity Transfers and	-\$1,204,652
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	\$979,571
11180 Housing Assistance Payments Equity	\$347,520
11190 Unit Months Available	46405

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Total
11210 Number of Unit Months Leased	41955
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	