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Douglas County Housing Partnership  
*(A Multi-Jurisdictional Housing Authority)*

**Financial Statements**  
with Independent Auditor's Report

**December 31, 2023**

**Douglas County Housing Partnership**  
*(A Multi-Jurisdictional Housing Authority)*  
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## Independent Auditor's Report

Board of Directors  
Douglas County Housing Partnership  
Lone Tree, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and each major fund of the Douglas County Housing Partnership (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Authority as of December 31, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated ( Date ), on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Englewood, Colorado  
( Date )

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**Basic Financial Statements**

**Douglas County Housing Partnership**  
*(A Multi-Jurisdictional Housing Authority)*  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2023**

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	General	Loan	Oakwood Apartments	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 2,844,431	\$ 2,532,867	\$ 970,402	\$ 6,347,700
Restricted Cash	-	-	251,401	251,401
Accounts Receivable	1,068,201	-	38,702	1,106,903
Grants Receivable	59,038	-	-	59,038
Other Receivable	163,123	-	-	163,123
Prepaid Expenses	28,149	-	28,372	56,521
<b>Total Current Assets</b>	<b>4,162,942</b>	<b>2,532,867</b>	<b>1,288,877</b>	<b>7,984,686</b>
<b>Noncurrent Assets</b>				
Investments in Partnerships	1,107	-	-	1,107
Accrued Interest Receivable	331,525	-	-	331,525
Loans Receivable	2,462,754	1,197,960	-	3,660,714
Capital Assets, <i>not being depreciated</i>	-	-	279,360	279,360
Capital Assets, <i>net of accumulated depreciation</i>	3,361,830	-	1,789,042	5,150,872
<b>Total Noncurrent Assets</b>	<b>6,157,216</b>	<b>1,197,960</b>	<b>2,068,402</b>	<b>9,423,578</b>
<b>Total Assets</b>	<b>10,320,158</b>	<b>3,730,827</b>	<b>3,357,279</b>	<b>17,408,264</b>
<b>Deferred Outflows of Resources</b>				
Items related to Pensions, <i>net of accumulated amortization</i>	285,057	-	-	285,057
Items related to OPEB, <i>net of accumulated amortization</i>	14,962	-	-	14,962
	<u>300,019</u>	<u>-</u>	<u>-</u>	<u>300,019</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	75,657	-	6,467	82,124
Accrued Expenses	198,163	-	854	199,017
Unearned Revenues	179,354	-	373	179,727
Tenant Security Deposits	9,085	-	19,654	28,739
<b>Total Current Liabilities</b>	<b>462,259</b>	<b>-</b>	<b>27,348</b>	<b>489,607</b>
<b>Long-Term Liabilities</b>				
Accrued Compensated Absences	15,521	-	-	15,521
Notes Payable	-	-	1,463,125	1,463,125
Net Pension Liability	435,079	-	-	435,079
Net OPEB Liability	28,604	-	-	28,604
<b>Total Long-Term Liabilities</b>	<b>479,204</b>	<b>-</b>	<b>1,463,125</b>	<b>1,942,329</b>
<b>Total Liabilities</b>	<b>941,463</b>	<b>-</b>	<b>1,490,473</b>	<b>2,431,936</b>
<b>Deferred Inflows of Resources</b>				
Items related to Pensions, <i>net of accumulated amortization</i>	328	-	-	328
Items related to OPEB <i>net of accumulated amortization</i>	7,512	-	-	7,512
	<u>7,840</u>	<u>-</u>	<u>-</u>	<u>7,840</u>
<b>Net Position</b>				
Net Investment in Capital Assets	3,361,830	-	605,277	3,967,107
Restricted for:				
Home Ownership Program	-	3,298,543	-	3,298,543
Replacement Reserves	-	-	251,401	251,401
Unrestricted	6,309,044	432,284	1,010,128	7,751,456
<b>Total Net Position</b>	<b>\$ 9,670,874</b>	<b>\$ 3,730,827</b>	<b>\$ 1,866,806</b>	<b>\$ 15,268,507</b>

See Notes to the Financial Statements.

**Douglas County Housing Partnership**  
*(A Multi-Jurisdictional Housing Authority)*  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

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	General	Loan	Oakwood Apartments	Total
<b>Operating Revenues</b>				
Member Assessments	\$ 200,000	\$ -	\$ -	\$ 200,000
Grants	144,283	-	-	144,283
Rental Income	470,089	-	579,807	1,049,896
Management Fees	332,418	-	-	332,418
Partnership Distributions	152	-	-	152
Conduit Loan Fees	220,368	-	-	220,368
Developer Fees	112,103	-	-	112,103
Other	11,577	53,289	41,223	106,089
<b>Total Operating Revenues</b>	<u>1,490,990</u>	<u>53,289</u>	<u>621,030</u>	<u>2,165,309</u>
<b>Operating Expenses</b>				
Administrative	1,116,301	19	259,894	1,376,214
Utilities	5,982	-	54,688	60,670
Repairs and Maintenance	25,582	-	55,611	81,193
Depreciation	91,480	-	127,418	218,898
<b>Total Operating Expenses</b>	<u>1,239,345</u>	<u>19</u>	<u>497,611</u>	<u>1,736,975</u>
<b>Net Operating Income (Loss)</b>	<u>251,645</u>	<u>53,270</u>	<u>123,419</u>	<u>428,334</u>
<b>Nonoperating Revenues (Expenses)</b>				
Gain on Sale of Capital Assets	-	-	-	-
Interest Income	186,089	38,888	27,358	252,335
Interest Expense	-	-	(51,223)	(51,223)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>186,089</u>	<u>38,888</u>	<u>(23,865)</u>	<u>201,112</u>
<b>Net Income (Loss) Before Transfers</b>				
Transfers In (Out)	720,173	(487,749)	(232,424)	-
<b>Total Transfers</b>	<u>720,173</u>	<u>(487,749)</u>	<u>(232,424)</u>	<u>-</u>
<b>Change in Net Position</b>	1,157,907	(395,591)	(132,870)	629,446
<b>Net Position, Beginning of year</b>	<u>8,512,967</u>	<u>4,126,418</u>	<u>1,999,676</u>	<u>14,639,061</u>
<b>Net Position, End of year</b>	<u>\$ 9,670,874</u>	<u>\$ 3,730,827</u>	<u>\$ 1,866,806</u>	<u>\$ 15,268,507</u>

**Douglas County Housing Partnership**  
*(A Multi-Jurisdictional Housing Authority)*  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

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	General	Loan	Oakwood Apartments	Total
<b>Cash Flows from Operating Activities</b>				
Cash Received from Members and Others	\$ 556,140	\$ 53,289	\$ 41,223	\$ 650,652
Grants Received	136,722	-	-	136,722
Cash Received from Tenants	477,359	-	559,946	1,037,305
Cash Payments to Employees	(484,156)	-	(68,336)	(552,492)
Cash Payments to Vendors and Suppliers	<u>(847,581)</u>	<u>(19)</u>	<u>(305,374)</u>	<u>(1,152,974)</u>
Net Cash Provided by Operating Activities	<u>(161,516)</u>	<u>53,270</u>	<u>227,459</u>	<u>119,213</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Principal Payments on Loans	(37,500)	-	(66,539)	(104,039)
Interest Payments on Loans	<u>-</u>	<u>-</u>	<u>(51,223)</u>	<u>(51,223)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(37,500)</u>	<u>-</u>	<u>(117,762)</u>	<u>(155,262)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments from (to) Other Funds	722,675	(487,749)	(232,424)	2,502
Purchases of Capital Assets	-	-	-	-
Proceeds from Disposal of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>722,675</u>	<u>(487,749)</u>	<u>(232,424)</u>	<u>2,502</u>
<b>Cash Flows from Investing Activities</b>				
Loan Principal Payments Received from Individuals	-	165,281	-	165,281
Interest Received	78,352	38,888	27,358	144,598
Proceeds from Sale of Investments in Partnerships and LLCs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used In) Investing Activities	<u>78,352</u>	<u>204,169</u>	<u>27,358</u>	<u>309,879</u>
<b>Net Change in Cash</b>	602,011	(230,310)	(95,369)	276,332
<b>Cash, Beginning of year</b>	<u>2,242,420</u>	<u>2,763,177</u>	<u>1,317,172</u>	<u>6,322,769</u>
<b>Cash, End of year</b>	<u>\$ 2,844,431</u>	<u>\$ 2,532,867</u>	<u>\$ 1,221,803</u>	<u>\$ 6,599,101</u>

(Continued)

**Douglas County Housing Partnership**  
*(A Multi-Jurisdictional Housing Authority)*  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**  
*(Continued)*

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	General	Loan	Oakwood Apartments	Total
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities</b>				
Net Operating Income (Loss)	\$ 251,645	\$ 53,270	\$ 123,419	\$ 428,334
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	91,480	-	127,418	218,898
Changes in Assets and Liabilities:				
Accounts, Grants and Other Receivable	(321,643)	-	(19,449)	(341,092)
Prepaid Expenses	62,155	-	(5,477)	56,678
Net Pension Benefit	32,639	-	-	32,639
Deferred Outflows of Resources, Pension	(235,378)	-	-	(235,378)
Deferred Outflows of Resources, OPEB	(7,696)	-	-	(7,696)
Accounts Payable	62,882	-	1,106	63,988
Accrued Expense	(327,175)	-	854	(326,321)
Unearned Revenues	179,354	-	(512)	178,842
Tenant Security Deposits	7,270	-	100	7,370
Net Pension Liability	435,079	-	-	435,079
Net OPEB Liability	3,086	-	-	3,086
Deferred Revenue	(185,750)	-	-	(185,750)
Deferred Inflows of Resources, Pension	(209,144)	-	-	(209,144)
Deferred Inflows of Resources, OPEB	(320)	-	-	(320)
Net Cash Provided by Operating Activities	\$ (161,516)	\$ 53,270	\$ 227,459	\$ 119,213

**Douglas County Housing Partnership**  
(A Multi-Jurisdictional Housing Authority)  
Notes to Financial Statements  
December 31, 2023

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**Note 1: Summary of Significant Accounting Policies**

The Douglas County Housing Partnership (the Authority), a multi-jurisdictional housing authority, was formed by an intergovernmental agreement between Douglas County, the Towns of Castle Rock, Parker, and the Cities of Lone Tree and Castle Pines in the State of Colorado to provide affordable housing within these communities.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

**Reporting Entity**

The financial reporting entity consists of the Authority, organizations for which the Authority is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Authority. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Authority. Legally separate organizations for which the Authority is financially accountable are considered part of the reporting entity. Financial accountability exists if the Authority appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Authority.

Based on the application of this criteria, the Authority does not include additional organizations within its reporting entity.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Authority uses funds to report its financial position and activities. Fund accounting is designed to segregate transactions related to certain functions or activities. All of the Authority's funds are classified as enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where fees are charged to external users for goods and services.

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Douglas County Housing Partnership**  
(A Multi-Jurisdictional Housing Authority)  
Notes to Financial Statements  
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**Note 1: Summary of Significant Accounting Policies** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

(Continued)

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the Authority's practice to use restricted resources first, and the unrestricted resources as they are needed.

Major individual funds are reported as separate columns in the financial statements. The Authority reports the following major proprietary funds:

The *General Fund* - Accounts for the development of affordable housing and the general administration and operations of the Authority, including home buyer classes and foreclosure counseling, financed primarily by member contributions, grants, and various fees.

The *Loan Fund* - Is used to account for the provision of shared equity investments and down-payment assistance loans financed by grants and developer cash-in-lieu funds.

The *Oakwood Apartments Fund* - Is used to account for the activities of the Oakwood Apartments, a 56-unit senior housing apartment complex located in the Town of Castle Rock.

**Assets, Liabilities and Net Position**

*Cash Equivalents* - For purposes of the statement of cash flows, cash equivalents include investment with original maturities of three months or less.

*Receivables* - Receivables 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.

*Prepaid Expenses* - Payments to vendors for goods and services which will benefit subsequent years are reported as prepaid expenses.

**Douglas County Housing Partnership**  
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**Note 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities and Net Position** (Continued)

*Capital Assets* - Capital assets, which include land, buildings, building improvements and sidewalks, are recorded at cost. The Authority capitalizes all assets with an original cost of \$5,000 or more, and a useful life of more than one year. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives of the assets.

Buildings	40 years
Building Improvements	10 - 20 years
Land Improvements	10 - 20 years

*Unearned Revenues* - Unearned revenues arise when resources are received by the Authority before it has a legal claim to them, as when grants are received prior to the incurrence of qualifying expenditures, or when rent is received in advance.

*Compensated Absences* - Authority employees are allowed to accumulate unused vacation time to a maximum of 200 hours, depending on years of service. Upon termination of employment from the Authority, an employee will be compensated for all accrued vacation time. These compensated absences are recognized as a liability in the financial statements when earned.

*Pensions* - The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to and deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*OPEB* - The Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP), and additions to and deductions from the FNP of the HCTF's have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**Douglas County Housing Partnership**  
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**Note 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities and Net Position** *(Continued)*

*Net Position* - Net position is restricted when constraints placed on the use of resources are externally imposed.

**In-Kind Contributions**

Douglas County provides office space and Informational Technology (IT) services to the Authority at no cost. The estimated fair value of the office space is \$30,000 annually. This in-kind contribution is not reported in the financial statements.

**Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for these risks of loss.

**Subsequent Event**

We have evaluated subsequent events through ( Date ), the date the financial statements were available to be issued.

**Note 2: Cash and Investments**

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial 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 uninsured deposits. At December 31, 2023, the Authority had bank deposits of \$6,055,439 collateralized with securities held by the financial institutions' agents but not in the Authority's name.

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**Note 2: Cash and Investments** (Continued)

**Investments**

The Authority is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount of Authority may invest in a single issuer of investment securities, except for corporate securities.

The Authority had no investments at December 31, 2023.

**Restricted Cash**

At December 31, 2023, the Oakwood Apartments Fund held replacement reserves, as required by its loan agreement, of \$251,401.

**Note 3: Investments in Partnerships**

**Castle Highlands Limited Partnership**

The Authority was admitted to the Castle Highlands Limited Partnership in November 2004. The Authority received a .005% interest as a special limited partner in the partnership and has no liability for acts or omissions in connection with the development. The Reserve at Castle Highlands provides 200 affordable rental housing units for families in Castle Rock.

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**Note 3: Investments in Partnerships (Continued)**

**Apex Meridian, LLC**

In August 2013, the Authority, through its wholly owned subsidiary DCHP Participations LLC, entered into an agreement with Apex Meridian, LLC, to acquire, construct and maintain a multifamily rental housing development with 156 dwelling units in eight three-story buildings located in unincorporated Douglas County. As a Class B Special Member of Apex Meridian, LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

**Auburn Ventures, LP**

The Authority, through its wholly owned subsidiary DCHP Participations LLC, in December 2014 entered into an agreement with Auburn Ventures, LP, to acquire, develop, maintain, and operate a 90-unit multifamily apartment complex known as Auburn Ridge Senior Apartments located in the Town of Castle Rock. The Authority received a .005% partnership interest in Auburn Ventures, LP and has no liability for acts or omissions in connection with the development.

**Copper Steppe Apartments, LLC**

In September 2015, the Authority, through its wholly owned subsidiary DCHP Participations LLC, entered into an agreement with Copper Steppe Apartments, LLC to develop and operate a 264-unit multifamily rental housing development known as Copper Steppe Apartments, located in unincorporated Douglas County. As a Class B Special Member of Copper Steppe Apartments, LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

**Apex Meridian II, LLC**

In December 2018, the Authority, through its wholly owned subsidiary DCHP Participations LLC, entered into an agreement with Apex Meridian II, LLC to acquire land and construct and maintain a 156-unit multifamily rental housing development in unincorporated Douglas County. As a Class B Special Member of Apex Meridian II, LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

**The Audrey LLC**

In April 2020, the Authority, through its wholly owned subsidiary DCHP Participations LLC, was admitted as a Class B Special Member to The Audrey, LLC. The Audrey, LLC was formed to acquire land, and construct and maintain a 134 units of senior rental housing development in Highlands Ranch, Colorado. As a Class B Special Member of The Audrey, LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

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**Note 3: Investments in Partnerships (Continued)**

**Parker Leased Housing Associates I, LLLP**

In July 2020, the Authority, through its wholly owned subsidiary DCHP Participations LLC, was admitted as a Class C Special Limited Partner to the Parker Leased Housing Associates I, LLLP partnership. The Parker Leased Housing Associates I, LLLP was formed to develop, construct, own, maintain and operate a 204-unit multifamily Project for rental to be known as South Range Crossings located in Parker, Colorado. As a Class C Special Limited Partner of Parker Leased Housing Associates I, LLLP, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

**LincolnPointe Enterprise WDP LLC**

In October 2020, the Authority, through its wholly-owned subsidiary DCHP Participations LLC, was admitted as a Special Member of LincolnPointe Enterprise WDP LLC. LincolnPointe Enterprise WDP LLC was formed to acquire and maintain two multi-family residential developments consisting of 221 existing dwelling units together with certain other ancillary improvements, known as LincolnPointe Lofts One and LincolnPointe Lofts Two located in unincorporated Douglas County. The Authority was added as a special limited partner to LincolnPointe Lofts One in September 2004 and LincolnPointe Lofts Two in October 2006. As a Special Member of LincolnPointe Enterprise WDP LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

**Apex Meridian, LLC**

In January 2021, the Authority, through its wholly owned subsidiary DCHP Participations LLC, was admitted as a Class B Special Member to Apex Meridian South, LLC. Apex Meridian South, LLC was formed to develop, construct, own, maintain and operate a 208-unit multifamily Project for rental to be known as Apex Meridian South located in Englewood, Colorado. As a Class B Special Member of Apex Meridian South, LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

**RidgeGate Station Affordable, LLC**

In June 2021, the Authority, through its wholly owned subsidiary DCHP Participations LLC, was admitted as a Class B Member to RidgeGate Station Affordable, LLC. RidgeGate Station Affordable, LLC was formed to develop, construct, own, maintain and operate a 67-unit multifamily Project for rental to be known as RidgeGate Station Apartments located in Lone Tree, Colorado. As a Class B Member of RidgeGate Station Affordable, LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

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**Note 3: Investments in Partnerships (Continued)**

**Castle View Owner, LLC**

In April 2023, the Authority, through its wholly owned subsidiary DCHP Participations LLC, was admitted as a special member to Castle View UDG GP, LLC. The investor member is RJ MT Castle View Owner LLC. The withdrawing managing member is UDG Castle View Owner LLC and withdrawing investor member is the UDG Initial Member LLC formed Castle View Owner LLC effective May 26, 2022. Castle View Owner, LLC was formed to develop, construct, own, maintain and operate a 200-unit low-income housing tax credit project for seniors aged 55 and older to be known as The Meadowmark located in Castle Rock, Colorado. As a Special Member of Castle View UDG GP, LLC, the Authority has a .01% partnership interest and has no liability for acts or omissions in connection with the development.

**Unity on Park Street LLLP**

In May 2023, the Authority entered into a limited liability limited partnership as the general partner with Wellspring Housing as the limited partner. The partnership was formed to acquire, rehabilitate, own, and operate the Unity on Park Street Apartments real estate project. As the general partner, the Authority has a 50% partnership interest. The Authority made an initial capital contribution of \$4,250,000 which was financed with a loan from MidWestOne Bank.

**Note 4: Membership Interest in Limited Liability Company**

**Oakwood Senior II LLC**

In January 2020, the Authority formed Oakwood Senior II LLC with its wholly owned subsidiary Oakwood Senior II MM LLC. Oakwood Senior II LLC was formed to construct and develop a senior residential rental housing development in Castle Rock, Colorado.

In October 2020, the Authority withdrew as a member and MHEG Fund 51, LP was added as an investor member as well as Midwest Housing Assistance Corporation as a Special Member. As a Managing Member, the Authority has a .01% partnership interest through its wholly owned subsidiary Oakwood Senior II MM LLC. The Authority entered into a development agreement with Oakwood Senior II LLC, where the Authority would oversee the development of Oakwood Senior II LLC. The project during the year ended December 31, 2023. Oakwood Senior II entered into a construction loan agreement with FirstBank in the amount of \$10,531,000 with the Authority acting as a guarantor.

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**Note 5: Loans Receivable**

Loans receivable at December 31, 2023, consisted of the following:

<b>General Fund</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
LincolnPointe Lofts Two LLLP	\$ 250,000	\$ 42,788	\$ 292,788
LincolnPointe Lofts Two LLLP	100,000	9,508	109,508
LincolnPointe Lofts One Limited Partnership	290,000	18,383	308,383
Auburn Ventures, LP	14,650	-	14,650
Auburn Ventures, LP	165,604	20,471	186,075
Oakwood Senior II LLC - Carryback	300,000	47,500	347,500
Oakwood Senior II LLC - Cash Flow	630,000	99,750	729,750
Oakwood Senior II LLC - HOME	712,500	93,125	805,625
<b>Loan Fund</b>			
Home Buyers Assistance Program, Net of allowance for Doubtful Accounts	1,197,960	-	1,197,960
Total	<u>\$ 3,660,714</u>	<u>\$ 331,525</u>	<u>\$ 3,992,239</u>

**General Fund**

During 2006, the Authority loaned \$600,000 in the form of two notes to LincolnPointe Lofts Two LLLP to purchase land for a housing complex. The first loan, for \$500,000, accrues interest at 5.4% per annum. The second loan, for \$100,000, accrues interest at 3% per annum. As discussed in Note 3, LincolnPointe Lofts Two LLLP sold their property to LincolnPointe Enterprise WDP LLC during October 2020. As a result, the Authority was paid principal and interest of \$631,395 on the first loan. In addition, the Authority was paid interest of \$43,488 on the second loan. The rights, obligations and liabilities for these notes were assigned to LincolnPointe Enterprise WDP LLC as part of the acquisition of the property. If not paid sooner, the remaining principal and accrued interest is due in full on January 31, 2040.

During 2008, the Authority loaned \$580,000 to LincolnPointe Lofts One Limited Partnership to pay off a bridge loan utilized to construct the housing complex. The loan accrues interest at 2% per annum. As discussed in Note 3, LincolnPointe Lofts One Limited Partnership sold their property to LincolnPointe Enterprise WDP LLC during October 2020. As a result, the Authority was paid principal and interest of \$428,812. The rights, obligations and liabilities for this note was assigned to LincolnPointe Enterprise WDP LLC as part of the acquisition of the property. If not paid sooner, all remaining principal and accrued interest is due in full on April 1, 2042.

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**Note 5: Loans Receivable** (Continued)

**General Fund** (Continued)

During 2014, the Authority loaned \$200,000 to Auburn Ventures, LP, for construction of a multifamily apartment complex. The loan is non-interest bearing and is due in full on December 31, 2045. On October 1, 2014, the Authority agreed to allow Auburn Developers, LLC, to purchase the loan for \$25,000 after the expiration of the Auburn Ventures, LP, low-income housing tax credit compliance period.

During 2014, the Authority agreed to loan \$200,000 to Auburn Ventures, LP, for construction of a multifamily apartment complex. The loan accrues interest at 2% per annum. If not paid sooner, all principal and accrued interest is due in full on December 31, 2045.

During 2020, the Authority agreed to loan \$300,000 (Carryback Loan) to Oakwood Senior II LLC, for construction of site improvements shared with Oakwood Apartments. The loan accrues interest at 5% per annum. Payments of principal and interest are made from available cash flows as set forth in the Oakwood Senior II LLC operating agreement. If not paid sooner, all principal and accrued interest is due in full on December 31, 2038.

During 2020, the Authority agreed to loan \$630,000 (Cash Flow Loan) to Oakwood Senior II LLC, for construction of a senior rental housing development. The loan accrues interest at 5% per annum. Payments of principal and interest are made from available cash flows as set forth in the Oakwood Senior II LLC operating agreement. If not paid sooner, all principal and accrued interest is due in full on December 31, 2050.

During 2020, the Authority agreed to loan \$750,000 (HOME Loan) to Oakwood Senior II LLC, for construction of a senior rental housing development. The Authority funded \$712,500 of this loan during the year ended December 31, 2023. The loan accrues interest at 5% per annum. Payments of principal and interest are made from available cash flows as set forth in the Oakwood Senior II LLC operating agreement. If not paid sooner, all principal and accrued interest is due in full on October 31, 2050.

**Loan Fund**

At December 31, 2023, the Authority had outstanding loans of \$239,849 to qualifying first-time home buyers for down-payment and closing cost assistance. Under this program, the Authority provides loans for a maximum of \$15,000. Monthly principal and interest payments are required for a term of 15 or 30 years. The loans are secured by deeds of trust and are interest-bearing at varying rates.

At December 31, 2023 the Authority had outstanding investments of \$958,111 under the shared equity program. Under this program, the Authority provides funding of up to 20% of the purchase price of the home, to a maximum of \$50,000, to first-time home buyers working in Douglas County. The investment is required to be repaid upon the sale or refinance of the home. At that time, the borrower must return the same percentage of sale proceeds to the Authority.

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**Note 6: Capital Assets**

Capital asset activity for the year ended December 31, 2023, is summarized below:

<b>Governmental Activities</b>	<b>Balance 12/31/22</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/23</b>
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 279,360	\$ -	\$ -	\$ 279,360
<i>Capital Assets, Being Depreciated</i>				
Buildings	6,248,812	-	-	6,248,812
Building Improvements	571,818	-	-	571,818
Land Improvements	17,399	-	-	17,399
<b>Total Capital Assets, Being Depreciated</b>	<b>6,838,029</b>	<b>-</b>	<b>-</b>	<b>6,838,029</b>
<i>Less Accumulated Depreciation</i>				
Buildings	(1,288,242)	(156,653)	-	(1,444,895)
Building Improvements	(165,687)	(60,963)	-	(226,650)
Land Improvements	(14,330)	(1,282)	-	(15,612)
<b>Total Accumulated Depreciation</b>	<b>(1,468,259)</b>	<b>(218,898)</b>	<b>-</b>	<b>(1,687,157)</b>
<b>Total Capital Assets, Being Depreciated, net</b>	<b>5,369,770</b>	<b>(218,898)</b>	<b>-</b>	<b>5,150,872</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 5,649,130</b>	<b>\$ (218,898)</b>	<b>\$ -</b>	<b>\$ 5,430,232</b>

**Note 7: Long-Term Liabilities**

A summary of changes in long-term debt for the year ended December 31, 2023, is presented below:

	<b>Balance 12/31/22</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/23</b>	<b>Due Within One Year</b>
<b>General Fund</b>					
Compensated Absences	\$ 15,521	\$ -	\$ -	\$ 15,521	\$ -
<b>Oakwood Apartments Fund</b>					
FirstBank	1,529,700	-	(66,575)	1,463,125	-
<b>Total</b>	<b>\$ 1,545,221</b>	<b>\$ -</b>	<b>\$ (66,575)</b>	<b>\$ 1,478,646</b>	<b>\$ -</b>

Compensated absences are expected to be liquidated primarily with resources of the General Fund.

During April 2020, the Authority obtained a loan with FirstBank for \$1,700,000 to refinance the loans from CHFA and FirstBank. The loan accrues interest at 3.25% per annum. Monthly payments of principal and interest, amortized over a fifteen-year period, are required beginning May 1, 2020, with a balloon payment due at maturity on April 1, 2035.

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**Note 7: Long-Term Liabilities** (Continued)

During May 2023, the Authority obtained a loan to finance its capital contribution to the Unity on Park Street LLLP. The loan accrues interest at 4.33% per annum. Monthly payments of interest are due on the 1<sup>st</sup> of each month until seventeen months after July 1, 2023 (interest only period). On the last payment date of the interest only period, the Authority will make a principal payment of \$1,500,000 or an amount to reduce the outstanding principal to \$1,500,000. Beginning with the first payment date following the end of the interest only period, monthly payments of principal and interest are due on the 1<sup>st</sup> of each month principal and interest, amortized over a thirty-year period with a balloon payment due at maturity on June 1, 2038.

Following is a summary of debt service requirements to maturity at an interest rate of 3.25%.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 68,668	\$ 47,311	\$ 115,979
2025	71,100	44,880	115,980
2026	73,478	42,501	115,979
2027	75,936	40,043	115,979
2028	78,369	37,610	115,979
2028-2032	433,466	146,431	579,897
2033-2036	662,108	26,436	688,544
Total	<u>\$ 1,463,125</u>	<u>\$ 385,212</u>	<u>\$ 1,848,337</u>

**Note 8: Interfund Transactions**

During the year ended December 31, 2023, there were no interfund transactions between the Authority's funds.

**Note 9: Defined Benefit Pension Plan**

**General Information**

*Plan Description* - Eligible employees of the Authority are provided with pensions through the LGDTF, a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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**Note 9: Defined Benefit Pension Plan** (Continued)

**General Information** (Continued)

*Benefits provided as of December 31, 2023* - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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**Note 9: Defined Benefit Pension Plan** (Continued)

**General Information** (Continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contributions provisions as of December 31, 2023* - Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of January 01, 2023 through December 31, 2023 were 8.50%. The employer contribution requirements for all employees were 14.23% of covered salaries for January 01, 2023 through June 30, 2023. The employer contribution requirements for all employees were 14.73% of covered salaries for July 1, 2023 through December 31, 2023. However, a portion of the Authority's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 11). Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. The Authority's contributions to the LGDTF for the year ended December 31, 2023, were \$86,667, equal to the required contributions.

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**Note 9: Defined Benefit Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for the LGDTF was measured at December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year December 31, 2022 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At December 31, 2023, the Authority reported a net pension asset of \$435,079 for its proportionate share of the net pension liability (benefit).

At December 31, 2022, the Authority's proportion was 0.0433966246%, which was an increase of 0.0053282237% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Authority recognized pension expense of \$68,210. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 328
Net difference between projected and actual		
Earnings on plan investments	195,505	-
Changes in proportion	2,885	-
Contributions subsequent to the measurement date	86,667	-
Total	\$ 285,057	\$ 328

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**Note 9: Defined Benefit Pension Plan** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

\$86,667 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended December 31,</b>	<b>Total</b>
2024	\$ 28,974
2025	169,088
Total	\$ 198,062

*Actuarial Assumptions* - The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs.

Actuarial Cost Method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.2% - 11.3%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior 01/01/2007	1.00%
Hired after 12/31/2006 <sup>1</sup>	Financed by the Annual Increase Reserve (AIR)

The TPL as of December 31, 2022, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2021 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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**Note 9: Defined Benefit Pension Plan** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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**Note 9: Defined Benefit Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount Rate - The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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**Note 9: Defined Benefit Pension Plan** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

- Employer contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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**Note 9: Defined Benefit Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

*Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate* - The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate: (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension liability (asset)	\$ 730,387	\$ 435,079	\$ 187,856

*Pension plan fiduciary net position* - Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Note 10: Defined Contribution Pension Plan**

*Plan Description* - Eligible employees of the Authority that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy (Delete)* - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. In addition, the Authority has agreed to contribute an amount on behalf of each employee equal to the employee's medical insurance premium if the employee chooses not to participate fully in the health benefit programs provided by the Authority. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2023, the Authority did not contribute any amounts to the plan.

**Note 11: Post-Employment Healthcare Benefits**

*Plan Description* - Eligible employees of the Authority are provided with postemployment benefits other than pensions (OPEB) through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. PERA issues a publicly available comprehensive annual financial report (Annual report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided* - The HCTF provides a healthcare premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses, and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

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**Note 11: Post-Employment Healthcare Benefits** (Continued)

*PERA Benefit Structure* - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the Trust Fund or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*Contributions* - Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the Local Government Division are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Authority was \$6,434 for the year ended December 31, 2023.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2023, the Authority reported a net OPEB liability of \$28,604, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers to the HCTF.

At December 31, 2022, the Authority's proportion was 0.0035032836%, which was an increase of 0.0005439689% from its proportion measured at December 31, 2021.

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**Note 11: Post-Employment Healthcare Benefits** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

For the year ended December 31, 2023, the Authority recognized OPEB expense of \$2,109. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 4,576
Changes of assumptions and other inputs	293	2,385
Net difference between projected and actual earnings on plan investments	1,657	-
Changes in proportion	6,578	551
Contributions subsequent to the measurement date	6,434	-
Total	\$ 14,962	\$ 7,512

\$6,434 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows: deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Year Ended December 31,</b>	<b>Total</b>
2024	\$ (1,277)
2025	(209)
2026	1,643
2027	698
2028	161
Total	\$ 1,016

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**Note 11: Post-Employment Healthcare Benefits** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Actuarial Assumptions - The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.2% - 11.3%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
<i>PERA Benefit Structure</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
6.5% in 2022, gradually decreasing to 4.5% in 2030	
Medicare Part A premiums:	
3.75% in 2022, gradually increasing to 4.5% in 2029	

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2021, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

- Medicare Advantage/Self-Insured Rx - Monthly Cost of \$633, Monthly Premium of \$230, Monthly Costs Adjusted to Age 65 of \$591.
- Kaiser Permanente Medicare Advantage HMO - Monthly Cost of \$596, Monthly Premium of \$199, Monthly Costs Adjusted to Age 65 of \$562.

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

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**Note 11: Post-Employment Healthcare Benefits** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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**Note 11: Post-Employment Healthcare Benefits** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Post-retirement non-disabled mortality assumptions for the School Division were based on the upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions for the School Division were based on the upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2022 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were adopted by the PERA's Board during the November 20, 2020, Board meeting.

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**Note 11: Post-Employment Healthcare Benefits** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. (New report)

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (see Note 9).

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount Rate - The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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**Note 11: Post-Employment Healthcare Benefits** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the Authority's proportionate share of net OPEB liability to changes in the Discount Rate* - The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net OPEB liability	\$ <u>33,160</u>	\$ <u>28,604</u>	\$ <u>24,706</u>

*Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates* - The following presents the Authority's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 2.75% to 5.50%, as well as the Authority's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Proportionate share of the net OPEB liability	\$ <u>27,794</u>	\$ <u>28,604</u>	\$ <u>29,485</u>

*OPEB plan fiduciary net position* - Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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**Note 12: Commitments and Contingencies**

**Promissory Note**

In April 2006, the Authority entered into a loan agreement with Douglas County. The terms of the agreement require the Authority to repay \$646,000 to the County in the event the Oakwood Apartments cease to be affordable housing. Since the possibility is remote that the Authority would fail to meet this requirement, no liability has been reported in the financial statements for this contingency.

**Claims and Judgements**

The Authority participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. At December 31, 2023, some grant expenses have not been audited, but the Authority believes that subsequent audits will not have a material effect on the overall financial position of the Authority.

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. However, management believes the Authority is compliant with the provisions of the Amendment.

**Conduit Debt Obligations**

In September 2015, the Authority entered into a funding loan agreement with Citibank in the amount of \$32,500,000. Simultaneously, the Authority entered into a borrower loan agreement with Copper Steppe Apartments, LLC, whereby Copper Steppe Apartments, LLC, constructed a 264-unit multifamily rental housing development in unincorporated Douglas County using the loan proceeds. The loans are payable solely from pledged revenues and other funds of the development and are secured by a deed of trust on the related property. Copper Steppe Apartments, LLC, will make all principal and interest payments required by the loan agreements, which mature on October 1, 2048. Since the Authority is not obligated in any manner for repayment of the Citibank loan, it is not reported in the accompanying financial statements. The outstanding balance of the loan at December 31, 2023, was approximately \$24,839,459.

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**Note 12: Commitments and Contingencies** (Continued)

**Conduit Debt Obligations** (Continued)

In December 2018, the Authority entered into a funding loan agreement with Citibank in the amount of \$27,979,000 and a Subordinate Financing Agreement with Meridian-MB Investments, LLC and Apex Meridian II, LLC in the amount of \$2,021,000. The \$2,021,000 was paid off in 2023. Simultaneously, the Authority entered into a borrower loan agreement with Apex Meridian II, LLC whereby Apex Meridian II, LLC constructed a 156-unit multifamily rental housing development in unincorporated Douglas County using the loan proceeds. The loans are payable solely from pledged revenues and other funds of the development and are secured by a deed of trust on the related property. Apex Meridian II, LLC, will make all principal and interest payments required by the loan agreements, which mature on January 1, 2052, and January 1, 2052, for the Subordinate Financing Agreement. Since the Authority is not obligated in any manner for repayment of the Citibank loan or the Subordinate Financing Agreement, these liabilities are not reported in the accompanying financial statements. The outstanding balance of the loans at December 31, 2023, totaled approximately \$19,475,415.

In April 2020, the Authority entered into a funding loan agreement with Citibank in the amount of \$20,725,000. Simultaneously, the Authority entered into a borrower loan agreement with The Audrey LLC, whereby The Audrey, LLC, constructed a 134-unit multifamily rental housing development in unincorporated Douglas County using the loan proceeds. The loans are payable solely from pledged revenues and other funds of the development and are secured by a deed of trust on the related property. The Audrey, LLC, will make all principal and interest payments required by the loan agreements, which mature on May 1, 2053. Since the Authority is not obligated in any manner for repayment of the Citibank loan, it is not reported in the accompanying financial statements. The outstanding balance of the loan at December 31, 2023, was approximately \$20,725,000.

In January 2021, the Authority entered into a funding loan agreement with Citibank in the amount of \$28,725,813. Simultaneously, the Authority entered into a borrower loan agreement with Apex Meridian South, LLC, whereby Apex Meridian South, LLC, constructed a 208-unit multifamily rental housing development in Englewood, Colorado using the loan proceeds. The loans are payable solely from pledged revenues and other funds of the development and are secured by a deed of trust on the related property. Apex Meridian South, LLC will make all principal and interest payments required by the loan agreements, which mature on February 1, 2054. Since the Authority is not obligated in any manner for repayment of the Citibank loan, it is not reported in the accompanying financial statements. The outstanding balance of the loan at December 31, 2023, was approximately \$28,725,813.

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**Note 12: Commitments and Contingencies** (Continued)

**Conduit Debt Obligation** (Continued)

In January 2021, the Authority entered into a funding loan agreement with Citibank in the amount of \$28,725,813. Simultaneously, the Authority entered into a borrower loan agreement with Apex Meridian South, LLC, whereby Apex Meridian South, LLC, constructed a 208-unit multifamily rental housing development in Englewood, Colorado using the loan proceeds. The loans are payable solely from pledged revenues and other funds of the development and are secured by a deed of trust on the related property. Apex Meridian South, LLC will make all principal and interest payments required by the loan agreements, which mature on February 1, 2054. Since the Authority is not obligated in any manner for repayment of the Citibank loan, it is not reported in the accompanying financial statements. The outstanding balance of the loan at December 31, 2023, was approximately \$28,725,813.

In January 2021, the Authority entered into a funding loan agreement with UMB Bank in the amount of \$38,435,000. Simultaneously, the Authority entered into a borrower loan agreement with Bridgewater Castle Rock ALF, LLC, whereby Bridgewater Castle Rock ALF, LLC, constructed a 142-unit multifamily rental housing development in Castle Rock, Colorado using the loan proceeds. The loans are payable solely from pledged revenues and other funds of the development and are secured by a deed of trust on the related property. Bridgewater Castle Rock ALF, LLC will make all principal and interest payments required by the loan agreements, which mature on January 1, 2036, and January 1, 2041. Since the Authority is not obligated in any manner for repayment of the UMB Bank loan, it is not reported in the accompanying financial statements. The outstanding balance of the loan at December 31, 2023, was approximately \$38,435,000.

In April 2023, the Authority entered into a funding loan agreement with UMB Bank in the amount of \$34,849,421. Simultaneously, the Authority entered into a project loan agreement with Castle View Owner LLC, whereby Castle View Owner LLC, utilized the loan proceeds to develop, construct, own, maintain and operate a 200-unit low-income housing tax credit project for seniors aged 55 and older to be known as The Meadowmark located in Castle Rock, Colorado. The loans are payable solely from pledged revenues and other funds of the development and are secured by a deed of trust on the related property. Castle View Owner LLC will make all principal and interest payments required by the loan agreements, which mature on May 1, 2043. Since the Authority is not obligated in any manner for repayment of the Citibank loan, it is not reported in the accompanying financial statements. The outstanding balance of the loan as of December 31, 2023, was approximately \$16,549,000.

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**Required Supplementary Information**

**Douglas County Housing Partnership**  
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Schedule of Proportionate Share of the Net Pension Liability and Contributions  
 Public Employees' Retirement Association of Colorado Local Government Division Trust Fund  
 For the Year Ended December 31, 2023

Measurement Date	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
<b>Proportionate Share of the Net Pension Liability (Benefit)</b>					
Authority's Proportion of the Net Pension Liability (Benefit)	0.0433966246%	0.0380684009%	0.0362149924%	0.0329494148%	0.0355008374%
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$ 435,079	\$ (32,639)	\$ 188,726	\$ 240,989	\$ 446,321
Authority's Covered Payroll	\$ 355,501	\$ 283,261	\$ 255,597	\$ 226,905	\$ 232,848
Authority's Proportionate Share of the Net Pension Liability (Benefit) as a Percentage of Covered Payroll	122%	-12%	74%	106%	192%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Benefit)	83%	101%	91%	86%	76%
Reporting Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
<b>Authority Contributions</b>					
Statutorily Required Contribution	\$ 86,667	\$ 47,826	\$ 37,391	\$ 33,058	\$ 28,772
Contributions in Relation to the Statutorily Required Contribution	<u>(86,667)</u>	<u>(47,826)</u>	<u>(37,391)</u>	<u>(33,058)</u>	<u>(28,772)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 630,760	\$ 355,501	\$ 283,261	\$ 255,597	\$ 226,905
Contributions as a Percentage of Covered Payroll	13.74%	13.45%	13.20%	12.93%	12.68%

This schedule is presented to show information for 10 years.

*(Continued)*

**Douglas County Housing Partnership**  
(A Multi-Jurisdictional Housing Authority)

DRAFT

Schedule of Proportionate Share of the Net Pension Liability and Contributions  
Public Employees' Retirement Association of Colorado Local Government Division Trust Fund  
For the Year Ended December 31, 2023  
(Continued)

Measurement Date	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
<b>Proportionate Share of the Net Pension Liability</b>					
Authority's Proportion of the Net Pension Liability	0.0362710507%	0.0399089653%	0.0444411975%	0.0446295634%	0.0466782790%
Authority's Proportionate Share of the Net Pension Liability	\$ 403,853	\$ 538,907	\$ 489,556	\$ 400,019	\$ 384,125
Authority's Covered Payroll	\$ 228,814	\$ 241,898	\$ 252,391	\$ 244,550	\$ 249,033
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	176%	223%	194%	164%	154%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79%	74%	77%	81%	78%
Reporting Date	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
<b>Authority Contributions</b>					
Statutorily Required Contribution	\$ 29,525	\$ 29,014	\$ 30,257	\$ 32,003	\$ 31,009
Contributions in Relation to the Statutorily Required Contribution	<u>(29,525)</u>	<u>(29,014)</u>	<u>(30,257)</u>	<u>(32,003)</u>	<u>(31,009)</u>
Contribution Deficiency (Excess)	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Authority's Covered Payroll	232,848	\$ 228,814	\$ 241,898	\$ 252,392	\$ 244,550
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.51%	12.68%	12.68%

This schedule is presented to show information for 10 years.

# Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

Required Supplementary Information

## Schedule of Proportionate Share of the OPEB Liability and Contributions Public Employees' Retirement Association of Colorado Health Care Trust Fund For the Year Ended December 31, 2023

# DRAFT

Measurement Date	12/31/22	12/31/21
<b>Proportionate Share of the Net Pension Liability</b>		
Authority's Proportion of the Net OPEB Liability	0.0035032836%	0.0029593147%
Authority's Proportionate Share of the Net OPEB Liability	\$ 28,604	\$ 25,518
Authority's Covered Payroll	\$ 355,501	\$ 283,261
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%
Reporting Date	12/31/2023	12/31/2022
<b>Authority Contributions</b>		
Statutorily Required Contribution	\$ 6,434	\$ 3,626
Contributions in Relation to the Statutorily Required Contribution	(6,434)	(3,626)
Contribution Deficiency (Excess)	\$ -	\$ -
Authority's Covered Payroll	\$ 630,760	\$ 355,501
Contributions as a Percentage of Covered Payroll	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

# Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

Required Supplementary Information

## Schedule of Proportionate Share of the OPEB Liability and Contributions Public Employees' Retirement Association of Colorado Health Care Trust Fund For the Year Ended December 31, 2023

# DRAFT

Measurement Date	12/31/19	12/31/18	12/31/17
<b>Proportionate Share of the Net Pension Liability</b>			
Authority's Proportion of the Net OPEB Liability	0.0025235258%	0.0027530964%	0.0028184352%
Authority's Proportionate Share of the Net OPEB Liability	\$ 28,364	\$ 37,457	\$ 36,628
Authority's Covered Payroll	\$ 226,905	\$ 232,848	\$ 228,814
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24%	17%	18%
<b>Reporting Date</b>			
	12/31/2020	12/31/2019	12/31/2018
<b>Authority Contributions</b>			
Statutorily Required Contribution	\$ 2,607	\$ 2,314	\$ 2,375
Contributions in Relation to the Statutorily Required Contribution	(2,607)	(2,314)	(2,375)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 255,597	\$ 226,905	\$ 232,848
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**Note 1: Schedule of Proportionate Share of the Net Pension Liability and Contributions**

The Public Employees' Retirement Association of Colorado Local Government Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The Authority's contributions and related ratios represent cash contributions and any related accruals that coincide with the Authority's fiscal year ending on the subsequent December 31.

**Changes in Assumptions and Other Inputs**

For the year ended December 31, 2023, the total pension liability was determined by an actuarial valuation as of December 31, 2021. The following revised economic and demographic assumptions were effective as of December 31, 2021.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption decreased from 2.4% from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from prior year.
- Wage inflation assumption of 3.0% per year. This assumption decreased from 3.5% in the prior year.
- Healthy and disabled mortality assumptions are based on the PubT-2010 Employee Tables.