



Financial Statements
September 30, 2024

The Housing Authority of the City of Littleton, Colorado

The Housing Authority of the City of Littleton, Colorado

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Independent Auditor's Report

To the Board of Commissioners
The Housing Authority of the City of Littleton, Colorado
Littleton, Colorado

Report on the Audit of the Financial Statements

We have audited the financial statements of the business-type activities of The Housing Authority of the City of Littleton, Colorado (the Authority) as of and for the year ended September 30, 2024 and the aggregate discretely presented component units as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities as of September 30, 2024 and the aggregate discretely presented component units of the Authority as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Powers Circle Apartments LLLP, a component unit of the Authority, which represents 10.84% of the assets, -1.15% of the net position, and 3.28% of the revenues of the primary government and 25.12% of the assets, -17.32% of net position, and 100% of the revenues of the discretely presented component units. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Powers Circle Apartments LLLP, is based solely on the report of the other auditor.

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 (Government Auditing Standards)*, 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. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Correction of Error

As discussed in Note 18 to the financial statements, certain errors resulting in incorrectly presenting certain funds as blended component units instead of discretely presented component units as of September 30, 2023, were discovered by management of the Authority during the current year. Accordingly, a restatement has been made to the Authority's business-type activities and aggregate discretely presented component units net position as of October 1, 2023, to correct the error. Our opinions are not modified with respect to that matter.

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 *Government Auditing Standards* 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 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 accompanying combining statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements. The Supplementary Information required by HUD is presented for additional analysis as required by the Consolidated Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development Office of the Inspector General and is also not a required part of the financial statements. Such information 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 accompanying combining statements, Schedule of Expenditures of Federal Awards, and HUD Supplementary Information, 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 March 31, 2025 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
March 31, 2025

HOUSING AUTHORITY OF THE CITY OF LITTLETON
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

As management of the Housing Authority of the City of Littleton, (the “Authority”), we offer readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2024. The Management’s Discussion and Analysis is designed to assist the reader in focusing on significant financial items, to provide an overview of the Authority’s financial activity and position, and to identify financial trends and concerns. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements and the additional information that we have furnished in our notes to the financial statements to obtain a full understanding of the Authority’s financial position.

Financial Highlights

The Authority continues to have a positive financial outlook.

- Total Net Position was \$21,086,622 on September 30, 2024, and \$17,364,196 on September 30, 2023. The total amount consists of negative (\$6,146,913) net investment in capital assets, \$151,164 in restricted and \$27,082,371 unrestricted funds. The restricted net position reflects the amount of Housing Assistance Payments received by HUD that is subject to restraints on their use and is strictly to pay out to landlords for Housing Assistance payments whereas the unrestricted portion is not subject to the same restraints and can be used for regular operations.
- Capital Assets in 2024 totaled \$26,404,040 compared to 2023 Capital Assets totaling \$26,508,150.
- Fiscal year 2024 ended with a current ratio of 2.93, allowing the Authority to meet its current obligations 2.93 times. This ratio was 3.51 in 2023.
- Total Unrestricted Cash and Cash Equivalents were \$10,795,313 on September 30, 2024, and \$12,166,784 on September 30, 2023. Restricted Cash and Cash Equivalents were \$1,200,702 on September 30, 2024, and \$2,803,610 on September 30, 2023.

Using the Financial Statements

The Financial Statements consist of Management’s Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Authority as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position – This statement presents information on all the Authority’s assets and liabilities and deferred inflows. The difference between a Public Housing Authority’s assets and liabilities and deferred inflows is Net Position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position – This statement provides the reader operating revenues and expenses and how the Authority’s net position changed during the most recent fiscal year. This is reported on a full accrual basis where income is reported when earned and expenses are reported as incurred. This report shows the reader the net operating income/loss.

HOUSING AUTHORITY OF THE CITY OF LITTLETON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2024

Using the Financial Statements (Continued)

Operating Revenue consists of resident rents, management fees, operating subsidies and grant revenues, administration fees, developer fees, and other income. Operating expenses are salaries and benefits, office expenses, insurance, utilities, maintenance activities and depreciation. The next section shows Non-Operating Revenues and Expenses to arrive at the Change in Net Position (Profit/Loss) for the year just ended. Non-Operating Revenues/Expenses consist of interest income, mortgage interest expense, and gain on sale of property and equipment.

The Statement of Cash Flows – This statement provides our third statement which converts accrual accounting to cash to let the reader know if the Authority increased or decreased its cash position this year and the sources and/or uses of the cash.

The Combining Statements of Net Position and of Revenues, Expenses and Changes in Net Position for Discretely Presented Component Units presents the financial information for the Authority's discretely presented component units. The discretely presented component units are described in Note 1 of the financial statements.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements and can be found immediately after them in the audit report.

Programs and Services

The following is a brief description of the programs and services that the Authority provides for the residents within the City of Littleton.

Housing Choice Vouchers - Through Annual Contribution Contracts with HUD, the Authority receives funding to subsidize the rent of low-income families in the private market and earns an administrative fee to cover the program's operating costs. In 2023, the Authority was authorized to issue 288 Housing Choice Vouchers and 209 Project-Based Vouchers. The Authority also administers a significant amount of Housing Choice Vouchers on behalf of Arapahoe County, the Colorado Division of Housing, and Port-In Vouchers from other Housing Authorities, the average monthly amount of those vouchers is 191. With the conversion of the 71 Public Housing homes through the Section 22 conversion, there are 71 TPV (Tenant Protection Vouchers) plus 24 Foster Youth to Independence (FYI) vouchers to provide housing assistance to youth under the age of 25 that are aging out of foster care and are at extreme risk of experiencing homelessness. The Authority receives a separate administrative fee to operate this program.

HOUSING AUTHORITY OF THE CITY OF LITTLETON
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2024

Programs and Services-Continued

Section 8 Project-Based Cluster – Under multi-family contracts with HUD, the Authority receives funding for three project-based housing facilities to provide subsidized rent for 152 low-income households. These three properties are Alyson Court (60 Units), Bradley House (72 Units), and John W. Newey Family Housing (20 Units). The rents of the units in these properties are subsidized by HUD and are “project-based” under the Section 8 Rental Assistance Demonstration program (RAD) and Section 8 New Construction and/or Substantial Rehabilitation Programs. The John W. Newey homes were recently converted to regular market properties and only received subsidy through HUD through January 2024. As of February 2024, all existing tenants were given a Section 8 Tenant Protection Voucher that allowed them to remain in their current unit until they were able to locate other units where they were able to use the Tenant Protection Voucher for continued affordable housing options. These homes will be renovated and sold in the near future.

Amity Plaza Apartments (Blended component unit) - Similar to the Section 8 project-based cluster listed above, Amity Plaza is also under a multi-family contract with HUD that was refinanced in September 2022 as an FHA insured loan program. It receives funding from HUD to provide subsidized housing for 180 low-income households. It is reported as a blended component unit and combined with the primary government portion of the financials.

Development – The Authority is involved with developing and rehabbing new acquisitions and the construction of low-income housing. This program is used to fund this interest on the housing authority side. This program also reflects the transactions recorded as the General Partner in the LIHTC partnerships the Authority has with Powers Circle Apartments LLLP and Elati Senior Apartments LLLP. It also maintains all management fees related to all management contracts for other programs administered by the Authority and is the program that serves as contract administrator to the Low-Income Housing Tax Credit project, Sierra Vista.

Libby Bortz Assisted Living Center (Blended component unit) – The Authority owns and operates a 111-unit elderly assisted living property designed for moderate-income frail elderly tenants. Services provided include three meals a day, weekly housekeeping and laundry service, medication administration and 24-hour protective oversight. Of the 111 units in the property, 10 units are dedicated to Expanded Care Services.

South Metro Property Corporation (Blended component unit) – The authority created a separate entity as a result of converting the Public Housing dwellings to Section 22. It was established as of May 2021 and maintains the renovations and sales of the 59 units currently being rehabilitated and sold through partnering with Habitat for Humanity. The Broadway Office Center was purchased in December 2021 and is a commercial property with 38 suites.

HOUSING AUTHORITY OF THE CITY OF LITTLETON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2024

Financial Analysis

Condensed Statement of Net Position

	2024	2023
Assets		
Current Assets	\$ 14,561,504	\$ 16,770,059
Restricted Cash	1,200,702	2,803,610
Capital Assets	26,404,040	26,508,150
Other Noncurrent Assets	17,121,414	9,408,580
Total Assets	<u><u>\$ 59,287,660</u></u>	<u><u>\$ 55,490,399</u></u>
Liabilities		
Current Liabilities	5,374,890	5,579,863
Long-Term Liabilities	29,056,810	32,546,340
Total Liabilities	<u><u>\$ 34,431,700</u></u>	<u><u>\$ 38,126,203</u></u>
Deferred Inflows	<u>3,769,338</u>	<u>0</u>
Net Position		
Net Investment in Capital Assets	(6,146,913)	(6,511,964)
Restricted Net Position	151,164	0
Unrestricted Net Position	27,082,371	23,876,160
Total Net Position	<u>21,086,622</u>	<u>17,364,196</u>
Total Liabilities, Deferred Inflows & Net Position	<u><u>\$ 59,287,660</u></u>	<u><u>\$ 55,490,399</u></u>

- Changes in net position may serve as a useful indicator of changes in the financial position of an organization. On September 30, 2024, assets exceeded liabilities and deferred inflows by \$21,086,622. This amount is allocated to (\$6,146,913) Net Investment in Capital Assets, \$151,164 Restricted Net Position, and \$27,082,371, that is Unrestricted.
- Total assets increased approximately \$3,800,000 from 2023. The majority of the increase relates increase in non-current assets of \$7,712,834 related to an increase of approximately \$3,800,000 of lease receivables due to the adoption of GASB 87 and an increase in investment in future developments of approximately \$3,800,00, related to the costs incurred related to a new LIHTC project called Montview and are expected to be reimbursed once the project closes. Current assets decreased by approximately \$3,800,000 related to the release of restricted cash from a holdback escrow at Amity of approximately \$1,026,000 and an overall decrease in grants receivable of approximately \$1,330,000 due to the receipt of prior year earned grants and receipt of amounts that were due from related parties of approximately \$1,300,000.
- Total liabilities decreased by \$3,694,503 from 2023 to 2024 due to Elati Senior Apartments LLLP construction costs that were paid out amounting to approximately \$3,000,000 and the remaining decrease is related to the normal payments on long-term debt of approximately \$700,000.

HOUSING AUTHORITY OF THE CITY OF LITTLETON
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2024

- The deferred inflows balance listed as \$3,769,338 in 2024 relates to the land leases and cell tower leases calculated for the commercial properties, Amity Plaza and Bradley House. Due to the adoption of GASB 87, the new lease receivable was also recorded.
- The \$3,722,426 increase in total net position from 2023 to 2024 is due increase in the overall revenue over expenses.

Financial Analysis

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

	2024	2023
Total Operating Revenues	\$ 22,424,974	\$ 22,994,687
Total Operating Expenses	21,492,255	19,949,345
Net Operating Income (Loss)	932,719	3,045,342
Net Nonoperating Revenues & Expenses	2,789,707	767,700
Change in Net Position	3,722,426	3,813,042
Net Position - Beginning	17,364,196	13,551,154
Net Position - Ending	\$ 21,086,622	\$ 17,364,196

- Operating Revenues decreased \$569,713 from 2023 to 2024 with Operating Expenses increasing \$1,542,910 from 2023 to 2024 due to the following changes.
 - Vouchers and port in grants increased approximately \$1,000,000 due to an increase in proration and an increase in overall rent.
 - Decrease of approximately \$2,000,000 of other grant funds as there were less grants awarded in 2024 then 2023.
 - Decrease in tenants and resident services revenue of approximately \$425,000 due to higher vacancies.
 - Increase in developer fee revenue of approximately \$500,000 due to the Elati Senior Apartments development completing construction and the remaining fees were earned.
- The Operating Expense increase was due to several factors: Increased General and Administrative costs, higher regular and extraordinary maintenance costs, higher new development costs, higher property and casualty insurance, increased payroll costs and higher HAP costs.
- Net Nonoperating Revenue & Expense in 2024 increased by \$2,022,007 from 2023. Most of this change was due to an increase in sales of Section 22 homes for approximately \$1,900,000.

HOUSING AUTHORITY OF THE CITY OF LITTLETON
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2024

Capital Assets

	<u>2024</u>	<u>2023</u>
Capital Assets	\$ 50,621,506	\$ 49,459,140
Less Accumulated Depreciation	<u>24,217,466</u>	<u>22,950,990</u>
Total Capital Assets, Net of Depreciation	<u>\$ 26,404,040</u>	<u>\$ 26,508,150</u>

Please see Note 5 to Financial Statements for further details.

Significant changes from 2023 to 2024 are due to additions to Amity Plaza for the security door installation and ADA unit upgrades as well as the tenant improvements, boiler replacement and HVAC repairs that occurred at Rapp Street. Additionally, the Amity Plaza elevator upgrade project and Section 22 progress billings from Habitat from Humanity were moved to construction in progress.

Long-Term Debt

As of September 30, 2024, the Authority had an outstanding long-term debt of \$32,550,953, Scheduled payments due within the next Fiscal year are \$3,494,143 (Current Debt) that relates to Libby Bortz Assisted Living. This loan is expected to be refinanced in 2025 upon maturity. Details of the Long-Term Debt are provided in Note 7 to the Financial Statements.

Economic Outlook

Most of the Authority’s funding is from the Department of Housing & Urban Development (HUD). This funding consists of Section 8 housing assistant payments, capital fund grants, operating subsidies, and other smaller grants. The Authority is authorized to issue 288 Housing Choice Vouchers and this number is not expected to change. The Authority also earns administrative fees for the administration of Section 8 Housing Choice Vouchers for Arapahoe County, the Colorado Division of Housing, and Sierra Vista, a Low-Income Housing Tax Credit property where the Authority is a limited partner receiving administrative fees and a percentage of available cash from operations. While the number of Arapahoe County and Colorado Division of Housing vouchers vary due to portability, the average total number of vouchers administered each month is 822.

The Authority expects to offer additional programming and continue its development efforts to preserve and create affordable housing in the community and provide additional revenue. The proceeds from the Section 22 conversion and subsequent sale of the 59 homes will be used by South Metro Property Corporation for additional development and acquisition opportunities, which will be managed by the Authority. In addition to the administration of the associated Tenant Protection Vouchers, the Authority has added 24 Foster Youth to Independence (FYI) vouchers to provide housing assistance to youth under the age of 25 that are aging out of foster care and are at extreme risk of experiencing homelessness. The Authority will receive a separate administrative fee to operate this program.

HOUSING AUTHORITY OF THE CITY OF LITTLETON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2024

In addition, the Authority is now in the process of working with Habitat for Humanity to renovate and sell the John W. Newey homes that are no longer receiving subsidy from HUD as of February 2024. The proceeds from the subsequent sale of the 20 homes will be used for additional development and acquisition opportunities, which will be managed by the Authority. The tenants that occupied the units were offered Tenant Protection Vouchers that will allow the tenant to relocate into another private unit utilizing the voucher for continued affordable housing.

Requests for Information

This financial report is designed to provide a general overview of the Housing Authority of the City of Littleton's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Littleton Housing Authority
doing business as
South Metro Housing Options
5808 S. Rapp St.
Suite 100
Littleton, Colorado 80120

The Housing Authority of the City of Littleton, Colorado

Statement of Net Position

September 30, 2024

	Primary Government	Discretely Presented Component Units 12/31/23
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,795,313	\$ 1,091,569
Restricted cash and cash equivalents	1,200,702	460,472
Accounts receivable		
Tenants, net allowance of \$3,906	124,927	34,056
Due from other agencies	274,153	5
Due from related party	1,505,003	-
Grants	1,051,040	-
Prepaid expenses	371,962	10,249
Inventory	298	-
Developer fees receivable	438,808	-
Total Current Assets	<u>15,762,206</u>	<u>1,596,351</u>
Capital Assets		
Non-depreciable	7,923,128	19,591,766
Depreciable, net	<u>18,480,912</u>	<u>5,105,775</u>
Total Capital Assets	<u>26,404,040</u>	<u>24,697,541</u>
Other Assets		
Developer fees receivable, net of current portion	525,445	-
Lease receivable	3,769,338	-
Investment in future developments	3,879,827	-
Interest receivable	1,043,338	-
Notes receivable	7,903,466	-
Other assets	-	31,142
Total Other Assets	<u>17,121,414</u>	<u>31,142</u>
Total Assets	<u>\$ 59,287,660</u>	<u>\$ 26,325,034</u>

The Housing Authority of the City of Littleton, Colorado

Statement of Net Position

September 30, 2024

	Primary Government	Discretely Presented Component Units 12/31/23
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 965,249	\$ 1,797,911
Accrued payroll	134,752	5,621
Accrued compensated absences	184,046	2,895
Accrued interest, current portion	122,263	-
Unearned revenue	99,758	8,648
Tenant security deposits payable	374,281	50,521
Due to related party	398	996,903
Notes and mortgages payable, current portion	3,494,143	68,791
Total Current Liabilities	<u>5,374,890</u>	<u>2,931,290</u>
Long-Term Liabilities		
Developer fee payable	-	564,986
Construction bond payable	-	11,225,490
Notes and mortgages payable, net of current portion	29,056,810	9,324,386
Accrued interest, net of current portion	-	881,390
Total Long-Term Liabilities	<u>29,056,810</u>	<u>21,996,252</u>
Total Liabilities	<u>34,431,700</u>	<u>24,927,542</u>
Deferred Inflows	<u>3,769,338</u>	<u>-</u>
Net Position		
Net investment in capital assets	(6,146,913)	15,304,364
Restricted	151,164	-
Unrestricted	27,082,371	(13,906,872)
Total Net Position	<u>21,086,622</u>	<u>1,397,492</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 59,287,660</u>	<u>\$ 26,325,034</u>

The Housing Authority of the City of Littleton, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2024

	Primary Government	Discretely Presented Component Units 12/31/23
Operating Revenues		
HUD PHA grants	\$ 11,777,206	\$ -
Other grants	1,108,000	-
Rental income	2,256,356	741,133
Resident service revenue	3,095,107	-
Administrative	20,891	-
Developer fee income	503,173	-
Other revenue	3,664,241	795
Total Operating Revenues	22,424,974	741,928
Operating Expenses		
Housing assistance payments	7,527,157	-
Tenant services	1,001,304	17,713
Administrative salaries and benefits	2,953,779	63,292
Other administrative	1,499,666	221,543
Maintenance salaries	1,120,440	65,415
Regular and extraordinary maintenance	1,312,008	120,398
Depreciation and amortization	1,266,476	191,024
Utilities	749,550	79,153
Taxes and insurance	759,244	61,685
Other	3,302,631	-
Total Operating Expenses	21,492,255	820,223
Operating Income (Loss)	932,719	(78,295)
Non-Operating Revenues (Expenses)		
Interest income	543,917	3,433
Gain on sale of property and equipment	3,704,397	-
Interest expense	(1,458,607)	(206,078)
Total Non-Operating Revenues (Expenses)	2,789,707	(202,645)
Change in Net Position	3,722,426	(280,940)
Net Position, Beginning, as Previously Reported	19,042,628	
Adjustments (Note 18)	(1,678,432)	1,678,432
Net Position, Beginning of Year, as Restated	17,364,196	1,678,432
Net Position, End of Year	\$ 21,086,622	\$ 1,397,492

The Housing Authority of the City of Littleton, Colorado

Statement of Cash Flows
Year Ended September 30, 2024

	Primary Government
Operating Activities	
HUD PHA grants	\$ 11,777,206
Other grants	2,438,153
Receipts from tenants	5,528,087
Management fee receipts	20,891
Other income	3,664,241
Developer fee income	103,908
Housing assistance payments	(11,831,092)
Cash paid to vendors	(5,025,493)
Cash paid to employees	(4,045,411)
Net Cash from Operating Activities	2,630,490
Capital and Related Financing Activities	
Purchase of capital assets	(3,116,478)
Proceeds from sale of property and equipment	5,658,509
Principal payments on notes and mortgages	(698,698)
Interest payments on notes and mortgages	(1,457,887)
Net Cash from Capital and Related Financing Activities	385,446
Investing Activities	
Investments in future developments	(3,879,327)
Interest income	440,705
Issuance of notes receivable	(2,551,693)
Net Cash used for Investing Activities	(5,990,315)
Net Change in Cash and Restricted Cash	(2,974,379)
Cash and Restricted Cash, Beginning of Year	14,970,394
Cash and Restricted Cash, End of Year	\$ 11,996,015
Reconciliation of Cash	
Cash	\$ 10,795,313
Restricted cash	1,200,702
Total cash and restricted cash	\$ 11,996,015

The Housing Authority of the City of Littleton, Colorado

Statement of Cash Flows

Year Ended September 30, 2024

	<u>Primary Government</u>
Reconciliation of Change in Net Position to Net	
Cash from Operating Activities	
Operating income	\$ 932,719
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	1,266,476
Changes in operating assets and liabilities	
Accounts receivable	767,797
Prepaid expenses	108,830
Accounts payable	(551,067)
Accrued payroll	(38,846)
Accrued compensated absences	67,654
Tenant security deposits payable	18,441
Unearned revenue	58,486
Total adjustments	<u>1,697,771</u>
Net Cash from Operating Activities	<u>\$ 2,630,490</u>
Schedule of Noncash Investing Activities	
Increase in lease receivable from increase in deferred inflows	<u>\$ 3,769,338</u>

The Housing Authority of the City of Littleton, Colorado
Statement of Net Position – Discretely Presented Component Units
December 31, 2023

	Discretely Presented Component Unit-PCA LLLP	Discretely Presented Component Unit-ESA LLLP	Total
Assets			
Current Assets			
Cash	\$ 109,318	\$ 982,251	\$ 1,091,569
Restricted cash	460,472	-	460,472
Accounts receivable			
Tenants, net	34,056	-	34,056
Due from other agencies	-	5	5
Prepaid expenses	10,249	-	10,249
Total Current Assets	<u>614,095</u>	<u>982,256</u>	<u>1,596,351</u>
Capital Assets			
Non-depreciable	865,000	18,726,766	19,591,766
Depreciable, net	5,105,775	-	5,105,775
Total Capital Assets	<u>5,970,775</u>	<u>18,726,766</u>	<u>24,697,541</u>
Other Assets			
Other assets	28,251	2,891	31,142
Total Other Assets	<u>28,251</u>	<u>2,891</u>	<u>31,142</u>
Total Assets	<u>\$ 6,613,121</u>	<u>\$ 19,711,913</u>	<u>\$ 26,325,034</u>

The Housing Authority of the City of Littleton, Colorado

Statement of Net Position – Discretely Presented Component Units

December 31, 2023

	Discretely Presented Component Unit-PCA LLLP	Discretely Presented Component Unit-ESA LLLP	Total
Liabilities and Net Position			
Current Liabilities			
Accounts payable	\$ 34,067	\$ 1,763,844	\$ 1,797,911
Accrued payroll	5,621	-	5,621
Accrued compensated absences	2,895	-	2,895
Unearned revenue	8,648	-	8,648
Tenant security deposits payable	50,521	-	50,521
Due to related party	674,932	321,971	996,903
Notes and mortgages payable, current portion	68,791	-	68,791
Total Current Liabilities	845,475	2,085,815	2,931,290
Long-Term Liabilities			
Developer fee payable	229,537	335,449	564,986
Construction note payable	-	11,225,490	11,225,490
Notes and mortgages payable, net of current portion	4,986,079	4,338,307	9,324,386
Accrued interest, net of current portion	794,131	87,259	881,390
Total Long-Term Liabilities	6,009,747	15,986,505	21,996,252
Total Liabilities	6,855,222	18,072,320	24,927,542
Net Position			
Net investment in capital assets	915,905	14,388,459	15,304,364
Unrestricted	(1,158,006)	(12,748,866)	(13,906,872)
Total Net Position	(242,101)	1,639,593	1,397,492
Total Liabilities, Deferred Inflows and Net Position	\$ 6,613,121	\$ 19,711,913	\$ 26,325,034

The Housing Authority of the City of Littleton, Colorado
Statement of Revenues, Expenses and Changes in Net Position – Discretely Presented Component Units
Year Ended December 31, 2023

	Discretely Presented Component Unit-PCA	Discretely Presented Component Unit-ESA	Total
Operating Revenues			
Rental income, net	\$ 741,133	\$ -	\$ 741,133
Other revenue	795	-	795
Total Operating Revenues	<u>741,928</u>	<u>-</u>	<u>741,928</u>
Operating Expenses			
Tenant services	17,713	-	17,713
Administrative salaries and benefits	63,292	-	63,292
Other administrative	221,443	100	221,543
Maintenance salaries	65,415	-	65,415
Regular and extraordinary maintenance	120,398	-	120,398
Depreciation and amortization	191,024	-	191,024
Utilities	79,153	-	79,153
Insurance	61,685	-	61,685
Total Operating Expenses	<u>820,123</u>	<u>100</u>	<u>820,223</u>
Operating Loss	<u>(78,195)</u>	<u>(100)</u>	<u>(78,295)</u>
Non-Operating Revenues (Expenses)			
Interest income	3,433	-	3,433
Interest expense	(206,078)	-	(206,078)
Total Non-Operating Revenues (Expenses)	<u>(202,645)</u>	<u>-</u>	<u>(202,645)</u>
Change in Net Position	(280,840)	(100)	(280,940)
Net Position, Beginning, as previously reported			
Adjustments (Note 18)	<u>38,739</u>	<u>1,639,693</u>	<u>1,678,432</u>
Net Position, Beginning of Year, as restated	38,739	1,639,693	1,678,432
Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, End of Year	<u>\$ (242,101)</u>	<u>\$ 1,639,593</u>	<u>\$ 1,397,492</u>

Note 1 - Nature of Organization and Summary of Significant Accounting Policies**Nature of Organization**

The Housing Authority of the City of Littleton, Colorado, dba South Metro Housing Options, (the Authority or SMHO) commenced operations in 1975 to provide affordable housing in the City of Littleton, Colorado (the City). The Authority's mission is to provide housing and related services to low-and moderate-income families, elderly, and disabled households, and to relieve the community of substandard housing. The Authority has ownership in and operates 443 affordable apartments and single-family dwellings, and two blended component properties including one assisted living property and the other specifically for elderly/disabled individuals. The Authority is also working toward creating new affordable housing developments as it continues to work to rehab and sell the existing inventory related to the Section 22 entity. The Authority also administers up to 612 Section 8 Housing Choice Vouchers including Foster Youth Initiative and Tenant Protection Vouchers.

Reporting Entity

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

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

Based on the aforementioned criteria, the Authority is not a component unit within another reporting entity.

Blended Component Units

Included within the financial reporting entity of the Authority as blended component units are Littleton Area Neighborhood Development LLC (LAND) and Elati Senior Apartments GP LLC (ESA). LAND is wholly owned by the Authority and is the general partner of Powers Circle Apartments LLLP, a discretely presented component unit. ESA is wholly owned by the Authority and is the general partner of Elati Senior Apartments LLLP, a discretely presented component unit. Separate set of financial statements for LAND and ESA are not issued.

Also included within the reporting entity is South Metro Development LLC (SMD), an entity wholly owned by the Authority to develop Elati Senior Apartments LLLP. South Metro Property Corporation (SMPC) was organized on June 18, 2021, to develop low-income housing. The governing board of SMPC includes the Authority's executive director and the Authority's board chairperson. Littleton Section 8 Housing Corp (dba Libby Bortz Assisted Living Center) is wholly owned and is a 111-unit elderly assisted living property designed for moderate-income frail elderly.

Amity Plaza, LLC (Amity) is wholly owned by the Authority and is a 180-unit low-income housing project. Amity is subject to a regulatory agreement with the Department of Housing and Urban Development (HUD) and a housing assistance payment contract (Note 13). Accordingly, Amity is subject to restrictions contained in the regulatory agreement and the housing assistance payments contract regarding rental charges and other operating policies.

Discretely Presented Component Units

The component unit columns in the combined financial statements include the financial data of the Authority's discretely presented component units as of December 31, 2023. These units are reported in a separate column to emphasize that they are legally separate from the Authority.

Powers Circle Apartments LLLP (PCA, LLLP) was formed for the purpose of owning and operating a 69-unit low-income housing project in Littleton, Colorado. As mentioned above, LAND is the general partner of PCA, LLLP. LAND has an ownership percentage of 0.01% in PCA, LLLP.

Elati Senior Apartments LLLP (ESA, LLLP) was formed for the purpose of rehabilitating, owning, and operating a 51-unit low-income housing project in Littleton, Colorado. As mentioned above, ESA is the general partner of ESA, LLLP. ESA has an ownership percentage of 0.01% in ESA, LLLP.

The financial statements of the discretely presented component units are presented in the Authority's basic financial statements. Complete financial statements of individual component units can be obtained from the Accounting Supervisor of The Housing Authority of the City of Littleton, Colorado, 5808 S. Rapp Street, Suite 100, Littleton, CO 80120.

Program Accounting

The accounts of the Authority are organized on the basis of programs, each of which is considered a separate accounting entity. The operations of each program are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, net position, revenues, and expenses. The Authority classifies its programs as proprietary.

The Authority accounts for its operations in one fund type, the enterprise fund. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred. All assets, deferred outflows, liabilities and deferred inflows associated with the operations of the Authority are included on the statement of net position. All significant interfund transactions have been eliminated.

Basis of Accounting and Measurement Focus

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred inflows and outflows of resources associated with the operation of these funds are included on the statement of net position. Net position is segregated into invested in capital assets, restricted and unrestricted components. The statement of revenues, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. When both restricted and unrestricted net position is available for use, generally it is the Authority's policy to use restricted net position first, and then unrestricted net position as they are needed. The statement of cash flow presents the cash flows for operating activities, investing activities, capital and related financing activities and non-capital financing activities.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned, and expenses are recorded when the liability is incurred.

Cash

The Authority's cash deposits can only be invested in HUD approved investments: direct obligations of the Federal Government backed by the full faith and credit of the United States, obligations of government agencies, securities of government sponsored agencies, demand and savings deposits, time deposits, repurchase agreements, and other securities approved by HUD.

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

Business and Credit Risk

The Authority provides housing on account to tenants which are located primarily in Littleton, Colorado.

Receivables and Credit Policy

Accounts receivable from tenants represent rents and charges currently due from tenants. Payments on accounts receivable are applied to specific months. Management reviews accounts receivable and charges operations with those considered uncollectable. The Authority estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Partnership's estimate of the allowance for doubtful accounts will change.

Accounts receivable from other agencies represents charges due from other entities or from the discretely presented component units for costs incurred on their behalf for managing the project. All accounts receivable from other agencies are considered collectable.

Grant receivables are amounts due from HUD or other agencies for housing assistance payments (HAP) and grants that were earned but not received as of year-end.

Capital Assets

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

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

Land improvements	5-40 years
Buildings and improvements	50 years
Furniture and equipment	5-10 years

Long-lived assets held and used by an entity are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment loss has been recognized for the year ended September 30, 2024.

Developer Fees Receivable

Developer fees are uncollateralized obligations due from related entities with payments due based on the development agreements and subject to cash flow of the projects. The Authority evaluates the collectability of the balance based upon specific circumstances of the agreement and an allowance for uncollectible amounts being recorded if necessary. As of September 30, 2024, the Authority considered all developer fees to be fully collectable.

Notes and Interest Receivables

Notes and interest receivables are carried at amounts advanced, net of a reserve for uncollectible accounts, if any, plus any interest incurred and not collected. As of September 30, 2024, the Authority considered all notes and interest receivables to be fully collectible.

Lease Receivables

Lease receivables are recorded by the Authority as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the Authority charges the lessee.

Investment in Future Developments

Investments in future developments represents costs incurred by the Authority for future developments and are recorded at cost until a project is established. If a potential project is no longer deemed to be feasible, the costs are charged to expense in the year the project is abandoned.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority's Deferred Inflows for leases where the Authority is the lessor are reported in the statement of net position. The deferred inflows of resources related to releases are recognized as an inflow of resources (revenue) on a straight-line basis over the term of the lease.

Compensated Absences

The Authority accrues unused vacation in the period incurred. Employees earn vacation leave at defined, monthly amounts, depending on length of service. Upon separation or termination from the Authority, an employee will be compensated for all eligible accrued vacation time at their current rate of pay.

Unearned Revenue

For tenant funds, unearned revenue represents the amount of prepaid rent received from tenants. That revenue is recorded when a tenant uses those funds towards rent earned. As of September 30, 2024, unearned revenue consisted of \$99,758 of prepaid rent from tenants.

Basis of Presentation

The statement of net position displays the Authority's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Net position is reported in the following categories/components:

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fraud Recovery

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

Operating Revenues and Expenses

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

Resident Service Revenue

The Libby Bortz assisted living center has an agreement with a third-party payor that provides for payments to at established rates based on level of service and rent provided to a tenant. There are two levels of service provided and are billed at the full amount at the beginning of the month. Resident service revenue is reported at the amount that reflects consideration to which the Project is entitled to in exchange for providing services and for rent. These amounts are due from residents.

Restricted and Unrestricted Resources

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

Budgetary

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

Contributions

The Authority may receive contributions from other agencies or entities. Revenue from contributions is recognized when all eligibility requirements, including time requirements are met. The discretely presented component units may receive contributions from partners and are recognized at the time the contributions are received.

Adoption of New Accounting Standard

As of October 1, 2023, the Authority adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the error correction in the financial statements for the year ended September 30, 2024. The additional disclosures required by this standard are included in Note 18.

Note 2 - Deposits and Credit Risk

Primary Government

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at equal to 102% of the uninsured deposits. The general depository agreement required by annual contract with HUD has additional collateral requirements, which the Authority met in 2024.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2024, the Authority's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Commission (FDIC) and collateralized with securities held by a pledging financial institution in accordance with PDPA.

As of September 30, 2024, the Authority's carrying amount of deposits was \$11,996,015 and the bank balance was \$12,093,800. Of the bank balances, \$934,640 was covered by Federal Depository Insurance. Of the remaining balances for 2024, \$10,789,452 was collateralized with securities held by a pledging financial institution's agent in the government's name. As of September 30, 2024, \$369,708 of cash reserves held by the lender for Amity was not collateralized.

Investments

The Authority's investment policy allows for investments to be solely in securities approved by HUD. Authorized investment instruments are as follows:

- Obligations of the United States and certain U.S. government agency securities
- Insured Money Market Deposit Accounts
- Municipal Depository Fund
- Super NOW Accounts
- Certificates of Deposit
- Repurchase Agreements
- Sweep Accounts
- Separate Trading of Registered Interest and Principal of Securities (STRIPS)
- Mutual Funds that meet HUD criteria

Discretely Presented Component Units

Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it.

As of December 31, 2023, PCA LLLP had carrying amounts and bank balances in excess of the federally insured limits of \$250,000 of approximately \$327,000. Partnership management monitors the financial ratings of such financial institutions and does not believe that the deposits are exposed to a significant level of risk.

As of December 31, 2023, ESA, LLLP had carrying amounts and bank balances in excess of the federally insured limits of \$250,000 of approximately \$730,000. Partnership management monitors the financial ratings of such financial institutions and does not believe that the deposits are exposed to a significant level of risk.

Note 3 - Restricted Cash

Primary Government

Restricted cash consists of cash and cash equivalent balances that are restricted for scholarships of \$47,142, tenant security deposits of \$367,418, and reserves for repairs and maintenance, insurance and other escrows, and other escrows held in order to comply with HUD requirements for specific programs of \$786,142.

Discretely Presented Component Units

Restricted cash consists of cash balances restricted for tenant security deposits, funding of operating deficits, repairs or improvements to the buildings, which extend their useful lives, and annual insurance payments.

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

Note 4 - Notes Receivable – Primary Government

The following is a summary of the notes receivable for the year ended September 30, 2024.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Powers Circle Apartments LLLP	\$ 2,663,466	\$ 849,849	\$ 3,513,315
Elati Senior Apartments LLLP	<u>5,050,000</u>	<u>193,489</u>	<u>5,243,489</u>
	7,713,466	1,043,338	8,756,804
Non-Related Notes Receivable	<u>190,000</u>	<u>-</u>	<u>190,000</u>
	<u>\$ 7,903,466</u>	<u>\$ 1,043,338</u>	8,946,804
Less current portion			<u>-</u>
			<u>\$ 8,946,804</u>

The Authority provided multiple loans to PCA LLLP in the amounts of \$1,970,456, \$243,010, and \$450,000. Interest accrues on the loans at the rate of 2.8%, 2.8%, and 1%, respectively, per year and compounds annually. Payments are made solely from available excess cash flow. The loans are due in full in December 2052, December 2053, and December 2042, respectively. The notes are secured by a deed of trust on the land building of the project.

The Authority provided multiple loans to ESA LLLP in the amounts of \$675,000, \$325,000, \$500,000, \$2,040,000, \$200,000 and \$1,310,000. Interest accrues on the loans at the rate of 2.9% or 3.22% per year and compounds annually. Payments are made solely from available excess cash flow. The loans are due in full in July 2052. The notes are secured by a deed of trust on the land and building of the project.

The Authority has provided 0% interest loans to individuals to purchase or rehabilitate homes. These notes are deferred and will be repaid upon the sale of the homes and are secured by a deed of trust on the properties.

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

Note 5 - Capital Assets

Primary Government

The following is a summary of property, structures, and equipment for the year ended September 30, 2024:

	Balance 10/1/23	Additions	Transfers	Deletions	Balance 09/30/24
Non-Depreciable					
Land	\$ 7,173,365	\$ -	\$ -	\$ -	\$ 7,173,365
Construction in progress	-	2,703,875	-	(1,954,112)	749,763
Total non-depreciable capital assets	<u>7,173,365</u>	<u>2,703,875</u>	<u>-</u>	<u>(1,954,112)</u>	<u>7,923,128</u>
Depreciable					
Buildings and improvements	41,221,776	392,652	-	-	41,614,428
Furniture and equipment	1,063,999	19,951	-	-	1,083,950
Total depreciable capital assets	<u>42,285,775</u>	<u>412,603</u>	<u>-</u>	<u>-</u>	<u>42,698,378</u>
Less: Accumulated Depreciation for:					
Buildings and improvements	(22,012,546)	(1,234,986)	-	-	(23,247,532)
Furniture and equipment	(938,444)	(31,490)	-	-	(969,934)
Total accumulated depreciation	<u>(22,950,990)</u>	<u>(1,266,476)</u>	<u>-</u>	<u>-</u>	<u>(24,217,466)</u>
Net Depreciable Capital Assets	<u>19,334,785</u>	<u>(853,873)</u>	<u>-</u>	<u>-</u>	<u>18,480,912</u>
Net capital assets	<u>\$ 26,508,150</u>	<u>\$ 1,850,002</u>	<u>\$ -</u>	<u>\$ (1,954,112)</u>	<u>\$ 26,404,040</u>

Discretely Presented Component Units

The following is a summary of property, structures, and equipment for the year ended December 31, 2023.

	Balance 1/1/23	Additions	Transfers	Deletions	Balance 12/31/23
Non-Depreciable					
Land	\$ 2,175,000	\$ -	\$ -	\$ -	\$ 2,175,000
Construction in progress	2,930,937	14,485,829	-	-	17,416,766
Total non-depreciable capital assets	<u>5,105,937</u>	<u>14,485,829</u>	<u>-</u>	<u>-</u>	<u>19,591,766</u>
Depreciable					
Buildings and improvements	6,709,106	9,591	-	-	6,718,697
Land improvements	92,030	-	-	-	92,030
Furniture and equipment	463,471	-	-	-	463,471
Total depreciable capital assets	<u>7,264,607</u>	<u>9,591</u>	<u>-</u>	<u>-</u>	<u>7,274,198</u>
Less: Accumulated Depreciation	<u>(1,983,364)</u>	<u>(185,059)</u>	<u>-</u>	<u>-</u>	<u>(2,168,423)</u>
Net Depreciable Capital Assets	<u>5,281,243</u>	<u>(175,468)</u>	<u>-</u>	<u>-</u>	<u>5,105,775</u>
Net capital assets	<u>\$ 10,387,180</u>	<u>\$ 14,310,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,697,541</u>

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

As of December 31, 2023, construction in progress related to ESA LLP for the construction of the building. ESA LLLP entered into a construction contract with Calcon Constructors in the amount of \$14,604,496, including change orders. As of December 31, 2023, approximately \$14,198,000 was completed and stored. ESA LLLP received its temporary certificate of occupancy in January 2024 and construction was completed in September 2024.

Note 6 - Lease – Primary Government

The Authority has entered into multiple agreements with multiple third parties to lease commercial units in multiple buildings they own. The lease periods range from 1 to 30 years with payments being received monthly. During the year ended September 30, 2024, the Authority recognized \$693,784 in lease revenue and \$135,326 in interest revenue related to the agreements. At September 30, 2024, the Authority recorded \$3,769,338 in lease receivables and deferred inflows of resources for these arrangements will be recognized as revenue over the lease terms. The Authority used an interest rate of 4.43% based on the rates available to finance real estate over the same time periods.

A schedule of future payments of principal and interest is as follows:

Years	Principal	Interest	Totals
2025	\$ 844,484	\$ 130,276	\$ 974,760
2026	483,557	101,906	585,463
2027	406,012	83,807	489,819
2028	281,317	69,731	351,048
2029	209,156	60,044	269,200
2030-2034	822,659	212,723	1,035,382
2035-2039	351,458	97,802	449,260
2040-2044	123,599	69,406	193,005
2045-2049	164,949	37,707	202,656
2050-2054	82,147	4,001	86,148
Total	\$ 3,769,338	\$ 867,403	\$ 4,636,741

Note 7 - Long-Term Debt

Primary Government

For the year ended September 30, 2024, the following changes occurred in long-term debt:

	Balance 10/01/23	Increases	Decreases	Balance 09/30/24	Due Within One Year
Notes payable	\$ 33,249,651	\$ -	\$ (698,698)	\$ 32,550,953	\$ 3,494,143

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

Long-term debt as of September 30, 2024, consists of the following:

5.65%, \$2,606,250 mortgage note payable to FirstBank, due in monthly installments of \$16,340, including interest, due in February 2029, secured by a deed of trust of Rapp St building	\$ 2,294,826
Variable rate, \$4,200,000 mortgage note payable to FirstBank, due in monthly installments of \$20,291, including interest, due in May 2025, secured by a deed of trust for Libby Bortz Assisted Living Center, interest was 3.65% at September 30, 2024	2,889,868
3.15%, \$7,552,576 mortgage note payable to the Bank of San Juans, due in monthly installments of \$36,407, including interest, due in full in December 2026, secured by a deed of trust on Broadway Office Center and an assignment of rents	6,981,304
4.80%, \$2,900,000 mortgage note payable to FirstBank, due in monthly installments of \$15,347, including interest, due in July 2029, secured by a deed of trust, of J.W. Newewy Family Housing Development	2,639,568
4.59%, \$2,410,947 mortgage note payable to FirstBank, due in monthly installments of \$12,450, including interest, due in August 2032, secured by a deed of trust for Alyson Court	2,103,040
4.75%, \$16,000,000 mortgage note payable to Gershman Investment Corp, due in monthly installments of \$78,217, including interest, due in October 2057, secured by a deed of trust on Amity Plaza Apartments (Note 14)	<u>15,642,347</u>
	<u>32,550,953</u>
Less current portion	<u>(3,494,143)</u>
	<u>\$ 29,056,810</u>

A summary of payments due for the long-term debt is as follows:

	Principal	Interest	Total
2025	\$ 3,494,143	\$ 1,421,671	\$ 4,915,814
2026	653,200	1,303,681	1,956,881
2027	6,936,675	1,080,512	8,017,187
2028	443,030	1,025,217	1,468,247
2029	4,686,130	911,569	5,597,699
2030-2034	3,192,875	3,516,033	6,708,908
2035-2039	1,769,440	2,923,585	4,693,025
2040-2044	2,242,731	2,450,294	4,693,025
2045-2049	2,842,618	1,850,407	4,693,025
2050-2054	3,602,963	1,090,062	4,693,025
2055-2059	2,687,148	206,884	2,894,032
	<u>\$ 32,550,953</u>	<u>\$ 17,779,915</u>	<u>\$ 50,330,868</u>

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

Discretely Presented Component Units

Long-term debt as of December 31, 2023, consists of the following:

PCA LLLP

4.99%, \$2,900,000 mortgage note payable to the Bank of the West, due in monthly installments including interest through May 2030, net of unamortized debt issuance costs of \$xxxx, secured by a deed of trust	\$ 2,391,404
2.80%, \$1,970,456 mortgage note payable to the Littleton Housing Authority, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in December 2052, secured by a deed of trust	1,970,456
2.80%, \$243,010 mortgage note payable to the Littleton Housing Authority, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in December 2053, secured by a deed of trust	243,010
1.00%, \$450,000 mortgage note payable to the Littleton Housing Authority, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in December 2042, secured by a deed of trust	450,000
	5,054,870

ESA LLLP

2.90%, \$325,000 mortgage note payable to the Littleton Housing Authority, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in July 2052, secured by a deed of trust	213,307
3.22%, \$200,000 mortgage note payable to South Metro Property Corporation, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in July 2052, secured by a deed of trust	200,000
2.90%, \$2,040,000 (HDG funds) mortgage note payable to the Littleton Housing Authority, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in July 2052, secured by a deed of trust	1,940,000
3.22%, \$1,310,000 mortgage note payable to South Metro Property Corporation, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in July 2052, secured by a deed of trust	1,310,000

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

2.90%, \$675,000 mortgage note payable to the Littleton Housing Authority, due in annual payments from net cash flow, as defined in the partnership agreement, due in full in July 2052, secured by a deed of trust	675,000
	<u>4,338,307</u>
Total long-term debt - DPCU	9,393,177
Less current portion	<u>(68,791)</u>
Long-term debt, less current portion	<u>\$ 9,324,386</u>

Aggregate maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 68,791
2025	72,303
2026	75,995
2027	79,875
2028	83,953
Thereafter	<u>9,012,260</u>
	<u>\$ 9,393,177</u>

Note 8 - Construction Note Payable

Discretely Presented Component Units

ESA LLLP has entered into a \$13,346,940 construction note payable with ANB Bank. Interest each month is at a fixed rate of 3.99%. Payment of interest only are due monthly through the date of which the Draw Period expires, as defined in the loan agreement. The construction note is expected to convert into permanent financing in April 2025 in the amount not to exceed \$5,580,000 and will mature in July 2040. The construction note payable is secured by a deed of trust, an assignment of leases and rents, security agreement, and fixture filing and a guarantee by the Authority. As of December 31, 2023, the balance of the construction bond payable was \$11,225,490. Interest incurred on the construction note through December 31, 2023, has been capitalized to construction in progress.

Note 9 - Annual Contributions Contract

The Authority has an annual contributions contract for Section 8 HAP and adjustments vary based on requirements. The maximum contract was \$6,829,336 for the year ended September 30, 2024.

Note 10 - Related Party Transactions

Notes Receivable

As disclosed in Note 4, the Authority is owed on various notes receivable from PCA LLP and ESA LLP with various interest rates. During 2024, the Authority earned interest income of \$102,607 on the notes receivable. As of September 30, 2024, the Authority was owed \$1,043,338 for accrued interest on the notes receivable.

Developer Fees

The Authority has entered into a development service agreement with PCA LLLP to earn a fee of \$633,021 in connection with the development and construction of the project. As of September 30, 2024, the Authority is owed \$229,537. The remaining fees are expected to be received from available cash.

The Authority has entered into a development service agreement with ESA LLLP to earn a fee of \$1,677,247 in connection with the development and construction of the project, of which the Authority is to earn 50% of the fee and the remaining fee is to be earned by an unrelated entity. During 2024, the Authority earned the remaining developer fees of \$503,173. Any unpaid developer fees that are considered deferred, as defined in the Developer Agreement, are to bear interest of 3.22% and due to the Authority before the end of the compliance period. As of September 30, 2024, the Authority was owed \$734,716 for unpaid developer fees. The unpaid developer fees will be paid from capital contributions or from available cash.

Management Fees

The Authority has entered into a management agreement with PCA LLLP. Terms established under the management agreement calls for the payment of management fees to the Authority in exchange for services provided in managing the projects equal to 6% of gross revenue. For the year ended September 30, 2024, the Authority earned \$44,830 in management fees from PCA LLLP.

Reimbursements and Accounts Receivable

The Authority is reimbursed for various office expenses, payroll, benefits, and other expense associated with the operations of PCA LLLP. As of September 30, 2024, the Authority was owed \$795,809 for unreimbursed expenses and is included in due from related party. As of September 30, 2024, the Authority was owed from ESA LLLP \$622,944, for construction costs paid on behalf of the entity and is included in due from related party.

Guarantees

The Authority has certain obligations related to the development of ESA LLLP and to fund any operating deficits on behalf of PCA LLLP and ESA LLLP during the compliance period, as defined in the partnership agreements. As of September 30, 2024, the Authority has not had to fund any operating deficits.

Partnership Fees

The Authority is a Special Limited Partner in Sierra Vista Housing Options, LLC. Pursuant to the partnership agreement, the Authority is to receive an annual fee of \$15,000, increasing 3% annually, from the project. During the year ended September 30, 2024, the Authority earned partnership fees of \$18,150. As of September 30, 2024, the Authority is owed \$86,250 from the project for partnership fees.

Note 11 - Restricted Net Position

As of September 30, 2024, restricted net position consisted of \$151,164 in Section 8 HAP received but not yet paid to eligible individuals.

Note 12 - Compensated Absences

The Authority accrues unused vacation. Employees earn vacation leave at defined, monthly amounts depending on length of service. Total leave accrued at September 30, 2024, was \$184,046. The Authority has estimated the whole liability will be liquidated in the next fiscal year.

Note 13 - Employee Benefits

The Authority contributes to a multi-employer defined contribution 401(a) pension plan on behalf of all eligible full-time employees. Employees are eligible to participate in the plan upon employment and become fully vested after five years of service. For the year ended September 30, 2024, employees are required to contribute 5% of their compensation to the plan, and the Authority matches up to 5%.

In addition, the Authority offers all full-time employees the option to contribute to a 457(b) deferred compensation retirement. If an eligible employee elects to contribute, the Authority will contribute a match to the plan up to 2% of compensation.

For the years ended September 30, 2024, the Authority contributed \$148,332 and \$149,590, respectively, to the plans.

Note 14 - HUD Regulatory Agreement and Rental Assistance Payment Agreement (Amity)

Amity has a mortgage note payable with Gershman Investment Corp., which is insured by HUD under Section 207/223(f). The original amount of the loan was \$16,000,000, incurs interest at 4.75% and calls for monthly payments of \$78,217, including interest through October 2057. Prepayment from November 1, 2023 to October 31, 2032, is subject to a prepayment penalty between 1 and 10 percent. Prepayment thereafter is not subject to a penalty. The loan is secured by a mortgage on all the property along with other things outlined in the Security Instrument agreement.

As of September 30, 2024, the balance of the loan was \$15,642,347. Future maturities of the loan for the next five years and thereafter are as follows: 2025 - \$199,908; 2026 - \$209,614; 2027 - \$219,790; 2028 - \$230,460; 2029 - \$241,648; thereafter \$14,540,927.

In addition, Amity (HUD Project No. 101-11316) has entered into a regulatory agreement with the HUD that contains the following provisions:

- During the term of the regulatory agreement, Amity is obligated to make monthly deposits as required by HUD (initial deposits of \$5,625). Disbursements from the reserve are to be used for the replacement of property and other necessary project expenditures and are to be made only with HUD approval. The funds may also be used as payment on the mortgage in the event of default.
- In the event of a default on the mortgage, all rents, profits, and income of the project are to be assigned to HUD.
- Under the terms of the regulatory agreement, Amity is required to maintain an account to hold security deposits collected from tenants. This account is required to be separate and apart from all other funds of the project in a trust account and the amount shall be at all times equal to or exceed the aggregate of all outstanding obligations under said account. As of September 30, 2024, the security deposits were fully funded.
- Under the terms of the regulatory agreement, Amity shall only make distributions as allowed by HUD from available surplus cash. For the year ending September 30, 2024, distributions in the amount of \$2,191,726 were made to the owner from surplus cash.

Amity is party to a PBRA housing assistance payments contract for all of the units in the Project (Section 8 Project Number CO99H001046), administered by the Colorado Housing and Finance Agency (CHFA). The renewal contract term begins on June 1, 2022, and shall expire after 20 years. The contract contains the following significant provisions:

- All dwelling units subject to the Section 8 Contract must be rented to families eligible to receive the benefit of rental assistance payments. Contract rents are established for each unit, with the tenant paying a portion of the contract rent based on the person's income level and the balance paid by CHFA.

Note 15 - 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, including worker's compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage have been adjusted annually. As a political subdivision of the State of Colorado, the LHA has immunity protection under the Colorado governmental immunity act CRS 24 10 101.

Note 16 - Commitments and Contingencies

Claims and Judgments

The Authority participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. 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. The Authority believes that disallowed expenses, if any, 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. Management believes the Authority is exempt from the provisions of the Amendment.

Forgivable Loans

During 2012, the Authority received a loan in the amount of \$450,000 from Vectra Bank under the Federal Home Loan Bank Affordable Housing Program to finance improvements to the Powers Circle Apartments. The loan is non-interest bearing and will be forgiven in its entirety after 15 years if the property is used as very low-income housing, defined as households whose income is 60% or less of area median gross income. The funds were recorded as revenue as there is a remote chance they would need to repay the funds.

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

Note 17 - Condensed Component Unit Information

Condensed component unit information for South Metro Property Corporation and Amity Plaza, LLC, the Authority's blended component units, as of and for the year ended September 30, 2024 is as follows:

Condensed Statement of Net Position

	<u>South Metro Property</u>	<u>Amity Plaza</u>	<u>Total</u>
Assets			
Current assets	\$ 9,803,317	\$ 5,701,682	\$ 15,504,999
Noncurrent assets	8,384,323	301,536	8,685,859
Capital assets	<u>10,404,377</u>	<u>4,660,563</u>	<u>15,064,940</u>
Total assets	<u>\$ 28,592,017</u>	<u>\$ 10,663,781</u>	<u>\$ 39,255,798</u>
Liabilities and Deferred Inflows			
Current liabilities	\$ 5,313,492	\$ 588,413	\$ 5,901,905
Noncurrent liabilities	6,761,174	15,442,439	22,203,613
Deferred inflows	<u>2,591,144</u>	<u>301,536</u>	<u>2,892,680</u>
Total liabilities and deferred inflows	<u>14,665,810</u>	<u>16,332,388</u>	<u>30,998,198</u>
Net Position	<u>13,926,207</u>	<u>(5,668,607)</u>	<u>8,257,600</u>
Total Liabilities and Net Position	<u>\$ 28,592,017</u>	<u>\$ 10,663,781</u>	<u>\$ 39,255,798</u>

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

Condensed Statement of Revenues, Expenses, and Changes in Net Position			
	<u>South Metro Property</u>	<u>Amity Plaza</u>	<u>Total</u>
Operating Revenues			
HUD PHA grants	\$ -	\$ 2,522,213	\$ 2,522,213
Rental income	787,462	665,944	1,453,406
Administrative fees	2,290	-	2,290
Developer fees	503,173	-	503,173
Other	50,122	46,268	96,390
Total Operating Revenues	<u>1,343,047</u>	<u>3,234,425</u>	<u>4,577,472</u>
Operating Expenses			
Tenant services	2,084	73,656	75,740
Administrative salaries and benefits	273,496	539,069	812,565
Other administrative	387,843	433,866	821,709
Maintenance salaries	77,898	394,538	472,436
Regular and extraordinary maintenance	357,907	236,274	594,181
Depreciation	202,046	404,588	606,634
Utilities	230,197	189,207	419,404
Taxes and insurance	118,184	267,608	385,792
Other	68,811	8,516	77,327
Total Operating Expenses	<u>1,718,466</u>	<u>2,547,322</u>	<u>4,265,788</u>
Operating Income (Loss)	<u>(375,419)</u>	<u>687,103</u>	<u>311,684</u>
Non-Operating Revenues (Expenses)			
Interest income	189,623	207,118	396,741
Gain on sale of property and equipment	3,704,397	-	3,704,397
Interest expense	(222,669)	(747,198)	(969,867)
Total Non-Operating Revenues (Expenses)	<u>3,671,351</u>	<u>(540,080)</u>	<u>3,131,271</u>
Change in Net Position	3,295,932	147,023	3,442,955
Equity Transfers	486,288	(2,191,726)	(1,705,438)
Net Position, Beginning of Year	<u>10,143,987</u>	<u>(3,623,904)</u>	<u>6,520,083</u>
Net Position, End of Year	<u>\$ 13,926,207</u>	<u>\$ (5,668,607)</u>	<u>\$ 8,257,600</u>

The Housing Authority of the City of Littleton, Colorado

Notes to Financial Statements

September 30, 2024

Condensed Statement of Cash Flows

	South Metro Property	Amity Plaza	Total
Net Cash from (used for):			
Operating activities	\$ 455	\$ 1,606,587	\$ 1,607,042
Capital and related financing activities	(824,064)	(2,632,524)	(3,456,588)
Investing activities	(208,476)	(540,080)	(748,556)
Net Change in Cash	(1,032,085)	(1,566,017)	(2,598,102)
Cash, Beginning of Year	4,352,511	7,137,633	11,490,144
Cash, End of Year	<u>\$ 3,320,426</u>	<u>\$ 5,571,616</u>	<u>\$ 8,892,042</u>

Note 18 - Correction of an Error

During 2024, the Authority identified an error within the prior financial statements related to incorrectly presenting certain funds as blended units when they should have been reported as discretely presented component units. The Authority has restated its net position as of October 1, 2023, presented in the 2024 financial statements to correct this error. The effect of the primary government's change in net position for the year ended September 30, 2023, would have been an increase in net position by \$270,587.

	October 1, 2023, As Previously Reported	Change to or Within the Financial Reporting Entity	October 1, 2023, As Restated
Primary government	\$ 19,042,628	\$ (1,678,432)	\$ 17,364,196
Discretely preseted component units	Not Applicable	1,678,432	1,678,432



Supplementary Information
September 30, 2024

The Housing Authority of the City of Littleton, Colorado

The Housing Authority of the City of Littleton, Colorado
Combining Statement of Net Position
September 30, 2024

	Housing Choice Vouchers	Development	South Metro Property	Amity Plaza	Libby Bartz	J.W. Newey	Alyson Court	Bradley House	Eliminations	Total
Cash and cash equivalents	\$ -	\$ 949,883	\$ 3,268,319	\$ 4,756,145	\$ 762,187	\$ 1,002,549	\$ 56,130	\$ 100	\$ -	\$ 10,795,313
Restricted cash and cash equivalents	-	71,479	52,107	815,471	174,135	6,113	23,579	57,818	-	1,200,702
Accounts receivable	46,544	720	2,899	40,953	21,918	15,473	-	326	-	128,833
Accounts receivable - tenants	(3,906)	-	-	-	-	-	-	-	-	(3,906)
Accounts receivable - allowance	273,499	654	-	-	-	-	-	-	-	274,153
Accounts receivable - due from other agencies	-	1,001,571	500,762	1,890	-	-	331	449	-	1,505,003
Accounts receivable - due from related party	343,040	708,000	-	-	-	-	-	-	-	1,051,040
Accounts receivable - grants	15,687	19,956	136,189	87,223	42,781	10,109	26,061	33,956	-	371,962
Prepaid expenses	-	-	-	-	298	-	-	-	-	298
Inventory	-	-	438,808	-	-	-	-	-	-	438,808
Developer fees receivable	-	1,269,986	5,404,233	-	-	-	-	-	(6,674,219)	-
Due from other programs	-	-	-	-	-	-	-	-	-	-
Total current assets	674,864	4,022,249	9,803,317	5,701,682	1,001,319	1,034,244	106,101	92,649	(6,674,219)	15,762,206
Land	-	929,850	2,581,250	1,206,552	330,553	251,981	1,288,000	585,179	-	7,173,365
Buildings and improvements	-	4,689,718	7,822,371	11,383,947	7,271,715	1,899,195	3,804,328	4,743,154	-	41,614,428
Furniture and equipment	19,951	199,296	-	253,791	570,889	1,259	3,778	34,986	-	1,083,950
Construction in progress	-	-	543,136	206,627	-	-	-	-	-	749,763
Accumulated depreciation	(3,990)	(970,549)	(542,380)	(8,350,354)	(6,062,425)	(1,808,859)	(2,318,534)	(4,120,375)	-	(24,217,466)
Total capital assets, net of accumulated depreciation	15,961	4,848,315	10,404,377	4,660,563	2,110,732	343,576	2,777,572	1,242,944	-	26,404,040
Developer fees receivable, net of current portion	-	229,537	295,908	-	-	-	-	-	-	525,445
Lease receivable	-	732,563	2,591,144	301,536	-	-	-	144,095	-	3,769,338
Investment in future projects	-	-	3,879,827	-	-	-	-	-	-	3,879,827
Interest receivable	-	935,894	107,444	-	-	-	-	-	-	1,043,338
Notes receivable	-	6,393,466	1,510,000	-	-	-	-	-	-	7,903,466
Total noncurrent assets	15,961	13,139,775	18,788,700	4,962,099	2,110,732	343,576	2,777,572	1,387,039	-	43,525,454
Total Assets	\$ 690,825	\$ 17,162,024	\$ 28,592,017	\$ 10,663,781	\$ 3,112,051	\$ 1,377,820	\$ 2,883,673	\$ 1,479,688	\$ (6,674,219)	\$ 59,287,660

The Housing Authority of the City of Littleton, Colorado
Combining Statement of Net Position
September 30, 2024

	Housing Choice Vouchers	Development	South Metro Property	Amity Plaza	Libby Bortz	J.W. Newey	Alyson Court	Bradley House	Eliminations	Total
Current Liabilities										
Accounts payable	\$ 37,997	\$ 91,497	\$ 650,408	\$ 126,685	\$ (1,773)	\$ 18,521	\$ 17,780	\$ 24,134	\$ -	\$ 965,249
Accrued payroll	12,893	29,310	10,196	22,912	38,909	4,240	8,530	7,762	-	134,752
Accrued compensated absences - current portion	26,725	10,541	6,903	25,304	85,974	5,461	12,759	10,379	-	184,046
Accrued interest payable	-	10,084	18,326	61,918	9,502	14,925	7,508	-	-	122,263
Unearned revenue	1,317	17,475	13,807	40,103	5,835	6,376	7,106	7,739	-	99,758
Tenant security deposits payable	4,385	24,333	47,867	61,402	180,894	6,113	23,874	25,413	-	374,281
Due to related party	-	2,251,667	398	-	-	-	-	-	-	398
Due to other programs	-	67,117	4,345,457	50,181	120	-	26,794	-	(6,674,219)	-
Notes and mortgages payable, current portion	-	67,117	220,130	199,908	2,889,868	63,902	53,218	-	-	3,494,143
Total current liabilities	83,317	2,502,024	5,313,492	588,413	3,209,329	119,538	157,569	75,427	(6,674,219)	5,374,890
Notes and mortgages payable, net of current portion	-	2,227,709	6,761,174	15,442,439	-	2,575,666	2,049,822	-	-	29,056,810
Total long-term liabilities	-	2,227,709	6,761,174	15,442,439	-	2,575,666	2,049,822	-	-	29,056,810
Total Liabilities	83,317	4,729,733	12,074,666	16,030,852	3,209,329	2,695,204	2,207,391	75,427	(6,674,219)	34,431,700
Deferred Inflows	-	732,563	2,591,144	301,536	-	-	-	144,095	-	3,769,338
Net Position										
Net investment in capital assets	15,961	2,553,489	3,423,073	(10,981,784)	(779,136)	(2,295,992)	674,532	1,242,944	-	(6,146,913)
Restricted	151,164	-	-	-	-	-	-	-	-	151,164
Unrestricted	440,383	9,146,239	10,503,134	5,313,177	681,858	978,608	1,750	17,222	-	27,082,371
Total Net Position	607,508	11,699,728	13,926,207	(5,668,607)	(97,278)	(1,317,384)	676,282	1,260,166	-	21,086,622
Total Liabilities, Deferred Inflows and Net Position	\$ 690,825	\$ 17,162,024	\$ 28,592,017	\$ 10,663,781	\$ 3,112,051	\$ 1,377,820	\$ 2,883,673	\$ 1,479,688	\$ (6,674,219)	\$ 59,287,660

The Housing Authority of the City of Littleton, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2024

	Housing Choice Vouchers	Development	South Metro Property	Amity Plaza	Libby Bortz	J.W. Newey	Allyson Court	Bradley House	Discretely Presented Components	Eliminations	Total
Operating Revenues											
HUD PHA grants	\$ 8,154,427	\$ -	\$ -	\$ 2,522,213	\$ -	\$ 268,798	\$ 603,575	\$ 228,193	\$ -	\$ -	\$ 11,777,206
Other grants	-	1,108,000	-	665,944	-	68,668	-	285,333	-	(228,507)	1,108,000
Rental income	-	431,700	787,462	-	3,095,107	-	245,756	-	-	-	2,256,356
Resident service revenue	-	483,975	2,290	-	-	-	-	-	-	(465,374)	3,095,107
Administrative fees	-	-	503,173	-	-	-	-	-	-	-	20,891
Developer fees	-	-	50,122	46,268	-	526	14,966	21,819	-	-	503,173
Other	3,491,223	39,317	-	-	-	-	-	-	-	-	3,664,241
Total Operating Revenues	11,645,650	2,062,992	1,343,047	3,234,425	3,095,107	337,992	864,297	535,345	-	(693,881)	22,424,974
Operating Expenses											
Housing assistance payments	7,527,157	-	-	-	-	-	-	-	-	-	7,527,157
Tenant services	19,339	11,179	2,084	73,656	791,963	40,458	25,069	37,556	-	-	1,001,304
Administrative salaries and benefits	418,192	241,392	273,496	539,069	1,034,239	110,252	188,816	148,323	-	-	2,953,779
Other administrative	261,386	355,259	387,843	433,866	511,906	43,224	107,058	93,005	(693,881)	-	1,499,666
Maintenance salaries	119,824	167,538	77,898	394,538	70,710	56,815	118,893	114,224	-	-	1,120,440
Regular and extraordinary maintenance	11,178	261,970	357,907	236,274	150,666	19,550	135,057	139,406	-	-	1,312,008
Depreciation	3,990	219,527	202,046	404,588	202,686	15,871	101,618	116,150	-	-	1,266,476
Utilities	-	41,256	230,197	189,207	130,721	19,109	46,416	92,644	-	-	749,550
Taxes and insurance	18,409	40,037	118,184	267,608	134,205	25,476	65,540	89,785	-	-	759,244
Other	3,224,684	(3,052)	68,811	8,516	645	(613)	1,697	1,943	-	-	3,302,631
Total Operating Expenses	11,604,159	1,335,106	1,718,466	2,547,322	3,027,741	330,142	790,164	833,036	(693,881)	-	21,492,255
Operating Income (Loss)	41,491	727,886	(375,419)	687,103	67,366	7,850	74,133	(297,691)	-	-	932,719
Non-Operating Revenues (Expenses)											
Interest income	-	89,254	189,623	207,118	12,707	45,215	-	-	-	-	543,917
Gain on sale of property and equipment	-	-	3,704,397	(747,198)	(110,219)	(146,161)	(98,921)	-	-	-	3,704,397
Interest expense	-	(133,439)	(222,669)	(747,198)	(110,219)	(146,161)	(98,921)	-	-	-	(1,458,607)
Total Non-Operating Revenues (Expenses)	-	(44,185)	3,671,351	(540,080)	(97,512)	(100,946)	(98,921)	-	-	-	2,789,707
Income (Loss)	41,491	683,701	3,295,932	147,023	(30,146)	(93,096)	(24,788)	(297,691)	-	-	3,722,426
Contributions	-	-	-	-	-	-	-	-	-	-	-
Change in Net Position	41,491	683,701	3,295,932	147,023	(30,146)	(93,096)	(24,788)	(297,691)	-	-	3,722,426
Equity Transfers	645,792	821,320	486,288	(2,191,726)	-	-	58,994	179,332	-	-	-
Net Position, Beginning, as previously reported	(79,775)	10,194,707	10,143,987	(3,623,904)	(67,132)	(1,224,288)	642,076	1,378,525	1,678,432	-	19,042,628
Adjustments (Note 18)	-	-	-	-	-	-	-	-	(1,678,432)	-	(1,678,432)
Net Position, Beginning of Year, as restated	(79,775)	10,194,707	10,143,987	(3,623,904)	(67,132)	(1,224,288)	642,076	1,378,525	-	-	17,364,196
Net Position, End of Year	\$ 607,508	\$ 11,699,728	\$ 13,926,207	\$ (5,668,607)	\$ (97,278)	\$ (1,317,384)	\$ 676,282	\$ 1,260,166	\$ -	\$ -	\$ 21,086,622

The Housing Authority of the City of Littleton, Colorado
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Housing and Urban Development			
<i>Direct Programs:</i>			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	N/A	<u>\$ 11,533,257</u>
Section 8 Project-Based Cluster			
Section 8 Housing Assistance Payments	14.195	N/A	<u>3,622,779</u>
Mortgage Insurance for the Purchase or Refinance of Existing Multifamily Housing Projects	14.155	N/A	<u>15,833,000</u>
<i>Passed through the County of Arapahoe</i>			
CDBG-Entitlement Grants Cluster			
CDBG Funds	14.218	CEHS2116	111,693
CDBG Funds	14.218	ACHS2115	<u>114,750</u>
Total CDBG-Entitlement Grants Cluster			<u>226,443</u>
<i>Passed through the County of Arapahoe</i>			
Home Investment Partnership Program	14.239	HOME2023-02	<u>500,000</u>
Total Department of Housing and Urban Development			<u>31,715,479</u>
Department of Treasury			
<i>Passed through the City of Littleton, Colorado:</i>			
Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan Act)	21.027	SLT-0896	<u>600,000</u>
Total Department of Treasury			<u>600,000</u>
Total Federal Financial Assistance			<u><u>\$ 32,315,479</u></u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of The Housing Authority of the City of Littleton, Colorado under programs of the federal government for the year ended September 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of The Housing Authority of the City of Littleton, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of The Housing Authority of the City of Littleton, Colorado.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

The Authority has not elected to use the 10% de minimis cost rate and does not draw for indirect administrative expenses.

Note 4 – Federally Funded and Insured Mortgage

The mortgage balance at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of the outstanding federally insured mortgage as of September 30, 2024, is \$15,642,347.



Supplementary Information Required by HUD
September 30, 2024

Amity Plaza LLC

HUD Project Number 101-11316

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required By HUD

Balance Sheet - Assets

September 30, 2024

Current Assets

1120	Cash in bank	\$ 4,756,145
1130	Accounts receivable, tenants	40,953
1135	Accounts receivable - HUD	-
1140	Accounts receivable - entity	1,890
1200	Prepaid expenses	87,223
		<u> </u>
	1100T Total current assets	<u>4,886,211</u>

Deposits Held in Trust

1191	Tenant security deposits	<u>61,734</u>
------	--------------------------	---------------

Restricted Deposits and Funded Reserves

1310	Mortgage escrow deposits	134,029
1320	Replacement reserve	619,708
		<u> </u>
	1300T Total deposits	<u>753,737</u>

Property and Equipment, at Cost

1410	Land	1,887,747
1420	Buildings and improvements	10,702,752
1460	Furnishings	253,791
1490	Miscellaneous fixed assets - construction in progress	206,627
		<u> </u>

	1400T Total fixed assets	13,050,917
1495	Accumulated depreciation	<u>(8,390,354)</u>

	1400N Net fixed assets	<u>4,660,563</u>
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1590	Miscellaneous other assets - lease receivable	<u>301,536</u>
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	1000T Total assets	<u>\$ 10,663,781</u>
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The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required By HUD

Balance Sheet - Liabilities and Member's Equity

September 30, 2024

Liabilities and Member's Equity

Current Liabilities

2110	Accounts payable	\$	126,685
2113	Accounts payable - entity		50,181
2120	Accrued wages payable		48,216
2131	Accrued interest payable - first mortgage		61,918
2170	Mortgage payable - first mortgage		199,908
2210	Prepaid rent		40,103
			<u> </u>
	2122T Total current liabilities		<u>527,011</u>

Deposit Liability

2191	Tenant security deposits payable		<u>61,402</u>
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Long-Term Liability

2320	Mortgage payable - first mortgage		15,442,439
2390	Miscellaneous long term liabilities - lease liability		301,536
			<u> </u>
	2300T Total long term liabilities		<u>15,743,975</u>
			<u> </u>
	2000T Total liabilities		<u>16,332,388</u>

Member's Equity

3130	Member's equity		<u>(5,668,607)</u>
			<u> </u>
	2033T Total liabilities and member's equity		<u>\$ 10,663,781</u>

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required By HUD

Statement of Profit and Loss - page 1

Year Ended September 30, 2024

Rental Income		
5120	Rent revenue - gross potential	\$ 665,944
5121	Tenant assistance payments	2,522,213
5250	Miscellaneous rent revenue	316
		<hr/>
5100T	Total rent revenue	3,188,473
		<hr/>
5152N	Net rental revenue (rent revenue less vacancies and concessions)	3,188,473
		<hr/>
Financial Revenue		
5440	Interest income - replacement reserve	17,074
5490	Miscellaneous financial revenue	190,044
		<hr/>
5400T	Total financial revenue	207,118
		<hr/>
Other Revenue		
5910	Laundry and vending	14,045
5920	Tenant charges	4,795
5990	Miscellaneous	27,112
		<hr/>
5900T	Total other revenue	45,952
		<hr/>
5000T	Total Revenue	3,441,543
		<hr/>
Administrative Expenses		
6210	Advertising and marketing	6,111
6310	Office salaries	565,837
6311	Office supplies	89,934
6312	Office rent	250
6320	Management fees	231,876
6330	Manager/superintendent salaries	70,274
6340	Legal	35,534
6350	Auditing	7,345
6351	Bookkeeping fees	3,812
6370	Bad debt	10,366
6390	Miscellaneous administrative expenses	27,558
		<hr/>
6263T	Total administrative expenses	1,048,897
		<hr/>
Utilities Expense		
6450	Electricity	74,290
6451	Water	27,941
6452	Gas	36,326
6453	Sewer	50,650
		<hr/>
6400T	Total utilities expense	189,207
		<hr/>

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required By HUD

Statement of Profit and Loss - page 2

Year Ended September 30, 2024

Operating and Maintenance Expenses		
6510	Payroll	\$ 169,724
6515	Supplies	45,323
6520	Contracts	159,645
6525	Garbage and trash removal	14,332
6546	Heating/cooling repairs	9,502
6548	Snow removal	5,768
6570	Auto and fuel	1,415
6590	Miscellaneous operating and maintenance expenses	<u>3,671</u>
	6500T Total operating and maintenance expenses	<u>409,380</u>
Taxes and Insurance Expenses		
6711	Payroll taxes	61,395
6720	Property and liability insurance	221,566
6722	Workman's compensation	6,756
6723	Health insurance and other benefits	<u>166,247</u>
	6700T Total taxes and insurance expense	<u>455,964</u>
Financial Expense		
6830	Interest on notes payable	747,198
6850	Mortgage insurance premium	<u>39,286</u>
	6800T Total financial expenses	<u>786,484</u>
	6000T Total Cost of Operations Before Depreciation	<u>2,889,932</u>
	5060T Profit (Loss) Before Depreciation	551,611
	6600 Depreciation	<u>404,588</u>
	3250 Net Income (Loss)	<u><u>\$ 147,023</u></u>

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required By HUD

Statement of Profit and Loss - page 3

Year Ended September 30, 2024

S1000-010 Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.	<u>\$ 190,653</u>
S1000-020 Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.	<u>\$ 67,500</u>
S1000-040 Project improvement reserve releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.	<u>N/A</u>

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required by HUD

Attachment to Statement of Profit and Loss

Year Ended September 30, 2024

Account No. 5250 Miscellaneous rent revenue	
Other miscellaneous tenant income	\$ 316
	<u> </u>
Account No. 5490 Miscellaneous Financial Revenue	
Interest income	\$ 190,044
	<u> </u>
Account No. 5990 Miscellaneous Other Revenue	
Cell phone tower rent	\$ 25,128
Miscellaneous other revenue	1,947
Fraud recovery	37
	<u> </u>
	<u> </u>
	\$ 27,112
	<u> </u>
Account No. 6390 Miscellaneous administrative expenses	
Staff training	\$ 2,451
Travel & meals	12,150
Membership dues and fees	8,013
Late fees	131
Off-site storage - admin	415
Bank fees	363
Other miscellaneous admin expenses	4,035
	<u> </u>
	<u> </u>
	\$ 27,558
	<u> </u>
Account No. 6590 Miscellaneous Operating and Maintenance Expenses	
Resident screening	\$ 1,537
Resident services - recreation & publications	1,845
Maintenance uniforms	289
	<u> </u>
	<u> </u>
	\$ 3,671
	<u> </u>

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required by HUD

Statement of Member's Equity

Year Ended September 30, 2024

S1100-010	Beginning of year balance	\$ (3,623,904)
3250	Net income	147,023
S1200-420	Distributions	<u>(2,191,726)</u>
3130	End of year	<u><u>\$ (5,668,607)</u></u>

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required By HUD

Statement of Cash Flows - page 1

Year Ended September 30, 2024

Operating Activities

Receipts

S1200-010 Rental receipts	\$ 3,262,981
S1200-020 Interest receipts	207,118
S1200-030 Other operating receipts	45,952

S1200-040 Total receipts	<u>3,516,051</u>
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Expenses

S1200-050 Administrative	(664,815)
S1200-070 Management fee	(231,876)
S1200-090 Utilities	(186,831)
S1200-100 Salaries and wages	(237,608)
S1200-110 Operating and maintenance	(422,457)
S1200-140 Property insurance	(220,648)
S1200-150 Miscellaneous taxes and insurance	(234,398)
S1200-160 Tenant security deposits, net	12,205
S1200-170 Other operating expenses	-
S1200-180 Interest payments, first mortgage	(747,952)
S1200-210 Mortgage insurance premium	(39,286)
S1200-225 Entity disbursements	532,438

S1200-230 Total disbursements	<u>(2,441,228)</u>
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S1200-240 Net Cash from Operating Activities	<u>1,074,823</u>
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Investing Activities

S1200-245 Net withdrawals from the mortgage escrow	1,646,470
S1200-250 Net withdrawals from the replacement reserve	94,077
S1200-255 Net withdrawals from the other reserves	-
S1200-330 Net purchase of fixed assets	(250,145)

S1200-350 Net Cash from Investing Activities	<u>1,490,402</u>
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Financing Activities

S1200-360 Principal payments on the first mortgage	(190,653)
S1200-420 Distributions	(2,191,726)

S1200-460 Net Cash used for Financing Activities	<u>(2,382,379)</u>
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S1200-470 Net Change in Cash	182,846
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S1200-480 Cash, Beginning of Period	<u>4,573,299</u>
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S1200T Cash, End of Period	<u><u>\$ 4,756,145</u></u>
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The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Supplementary Information Required By HUD

Statement of Cash Flows - page 2

Year Ended September 30, 2024

Reconciliation of Net Income to	
Net Cash from Operating Activities	
3250 Net income	\$ 147,023
Adjustments to reconcile net income to net cash	
from operating activities	
6600 Depreciation	404,588
6370 Bad debt	10,366
Changes in assets and liabilities	
S1200-490 Accounts receivable - tenants	40,137
S1200-500 Accounts receivable - other	532,438
S1200-520 Prepaid expenses	918
S1200-530 Tenant security deposits	8,316
S1200-540 Accounts payable	(108,859)
S1200-560 Accrued expenses	2,390
S1200-570 Accrued interest	(754)
S1200-580 Tenant security deposit liability	3,889
S1200-590 Prepaid rent	34,371
	<u>34,371</u>
S1200-610 Net Cash from Operating Activities	<u>\$ 1,074,823</u>

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Additional Supplementary Information Required by HUD - page 1

Year Ended September 30, 2024

Reserve Funds

1320P Balance, October 1, 2023	\$ 713,785
1320DT Total monthly deposits	67,500
1320ODT Other deposits	-
1320INT Interest on replacement reserve	17,074
1320OWT Other withdrawals (a)	<u>(178,651)</u>
1320 Balance, September 30, 2024	<u>\$ 619,708</u>
1320R Deposits suspended or waived indicator	No

(a) The other withdrawal represents amounts that were included in the beginning of year balance, however, were not part of the restricted replacement reserves.

Changes in Fixed Asset Accounts

	Balance 10/01/23	Additions	Deductions	Balance 9/30/24
1410 Land	\$ 1,880,752	\$ 6,995	\$ -	\$ 1,887,747
1420 Buildings and improvements	10,666,229	36,523	-	10,702,752
1460 Furnishings	253,791	-	-	253,791
1490 Miscellaneous fixed assets	<u>-</u>	<u>206,627</u>	<u>-</u>	<u>206,627</u>
Total	12,800,772	250,145	-	13,050,917
1495 Accumulated depreciation	<u>(7,985,766)</u>	<u>(404,588)</u>	<u>-</u>	<u>(8,390,354)</u>
Net property and equipment	<u>\$ 4,815,006</u>	<u>\$ (154,443)</u>	<u>\$ -</u>	<u>\$ 4,660,563</u>

Additions

Land and site improvements	
Sidewalk	\$ 6,995
Buildings and improvements	
Installation of security door	36,523
Miscellaneous fixed assets	
Construction in progress	<u>206,627</u>
	<u>\$ 250,145</u>

The Housing Authority of the City of Littleton, Colorado
 South Metro Housing Options
 HUD Project Number 101-11316
 Supplementary Information Required by HUD
 Computation of Surplus Cash, Distributions, and Residual Receipts - Year Ended
 September 30, 2024

Part A - Computation of Surplus Cash

Cash

S1300-010 Cash (Accounts 1120, 1170, and 1191)	\$ 4,817,879
1135 Accounts receivable - HUD	-
S1300-030 Other	-

S1300-040 Total Cash	4,817,879
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Current Obligations

S1300-050 Accrued mortgage interest payable	61,918
S1300-060 Delinquent mortgage principal payments	-
S1300-070 Delinquent deposits to reserve for replacements	-
S1300-075 Accounts payable (due within 30 days)	126,685
S1300-080 Loans and notes payable (due within 30 days)	-
S1300-090 Deficient Tax Insurance or MIP Escrow deposits	-
S1300-100 Accrued expenses (not escrowed)	48,216
2210 Prepaid rents	40,103
2191 Tenant security deposits liability	61,402
S1300-110 Other current obligations (October loan payment plus reserves)	36,816

S1300-140 Less Total Current Obligations	375,140
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S1300-150 Surplus Cash (Deficiency)	\$ 4,442,739
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The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Member's Certification

Year Ended September 30, 2024

I hereby certify that I have examined the accompanying financial statements and supplemental data of The Housing Authority of the City of Littleton, Colorado and, to the best of my knowledge and belief, the same is complete and accurate.

Amity Plaza LLC

By: _____
Amity Plaza LLC

Date: _____

The Housing Authority of the City of Littleton, Colorado

South Metro Housing Options

HUD Project Number 101-11316

Managing Agent's Certification

Year Ended September 30, 2024

I hereby certify that I have examined the accompanying financial statements and supplemental data of The Housing Authority of the City of Littleton, Colorado and, to the best of my knowledge and belief, the same is complete and accurate.

The Housing Authority of the City of Littleton, Colorado

By: _____
The Housing Authority of the City of Littleton, Colorado

Date: _____

Employer Identification Number: 84-1300668

The Housing Authority of the City of Littleton, Colorado
South Metro Housing Options
HUD Project Number 101-11316
Auditor Information
Year Ended September 30, 2024

Eide Bailly LLP
Certified Public Accountants
4310 17th Ave. S
PO Box 2545
Fargo, ND 58103
(701) 239-8500

Alexis Odden

Federal Employer ID Number: 45-0250958



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

The Board of Commissioners
The Housing Authority of the City of Littleton, Colorado
Longmont, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, of The Housing Authority of the City of Littleton, Colorado (the Authority), as of and for the year ended September 30, 2024, and the discretely presented component units as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued our report thereon dated March 31, 2025. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Fargo, North Dakota
March 31, 2025



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

The Board of Commissioners
The Housing Authority of the City of Littleton, Colorado
Longmont, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Housing Authority of the City of Littleton, Colorado’s (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major programs for the year ended September 30, 2024. The Authority's major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, 2024-004, and 2024-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Eide Bailly LLP

Fargo, North Dakota
March 31, 2025

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Section 8 Housing Choice Vouchers	14.871
Mortgage Insurance for the Purchase or Refinance of Existing Multifamily Housing Projects	14.155
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between Type A and Type B programs:	\$969,464
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2024-001 Preparation of Financial Statements, Prior Period Adjustments, Preparation of the Schedule of Expenditures and Audit Adjustments

Material Weakness

Criteria: A complete system of internal controls contemplates an adequate system for reporting and processing the financial statements and recording all adjustments.

Condition: The Authority does not have an internal control system to prepare the financial statements and related footnotes being audited or identify component units. As auditors, we were requested to draft the financial statements and accompanying notes along with proposing material audit adjustments and restating beginning net position due to a correction of error relating to the reporting units for discretely presented component units.

Cause: The Authority's internal controls related to the reporting requirements were not operating as designed.

Effect: The control deficiency resulted in a material misstatement to the financial statements that was not prevented or detected.

Recommendation: We recommend that the Authority establish controls to ensure proper recording of component units and ensure that all adjustments are recorded.

View of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs

2024-002 **U.S. Department of Housing and Urban Development – CFDA #14.871**
Housing Choice Vouchers
Applicable Federal Award Number and Year – HCV2024

Eligibility

Significant Deficiency in Internal Control over Compliance and Immaterial Instance of Noncompliance

Criteria: The Program requires the Authority to obtain signatures on release forms from all persons in the household over 18 years of age.

Condition: During our testing, we noted two files that were missing signatures from one of the household members over the age of 18.

Cause: The Authority's internal controls related to maintaining proper files were not operating as designed and was an oversight by staff.

Effect: Weaknesses in internal control over compliance could result in the Authority failing to comply with eligibility requirements.

Questioned Costs: N/A

Context/Sampling: We tested 60 files from the population of over 250.

Repeat Finding from Prior Year: No.

Recommendation: We recommend that the Authority establish controls to ensure that all persons over 18 years of age sign the proper forms.

View of Responsible Officials: Management agrees with the finding.

**2024-003 U.S. Department of Housing and Urban Development – CFDA #14.871
Housing Choice Vouchers
Applicable Federal Award Number and Year – HCV2024**

Eligibility

Significant Deficiency in Internal Control over Compliance and Immaterial Instance of Noncompliance

Criteria: The Authority is required to determine income eligibility and calculate the tenant's rent payment using the documentation from third party verification in accordance with 24 CFR Part 5 Subpart F.

Condition: During our testing, we noted one file that the incorrect income was calculated and used on the form, however, the error did not cause a change in the tenant assistance payment.

Cause: The Authority's internal controls related to maintaining proper files were not operating as designed and was an oversight by staff.

Effect: Weaknesses in internal control over compliance could result in the Authority failing to comply with eligibility requirements.

Questioned Costs: N/A

Context/Sampling: We tested 60 files from the population of over 250.

Repeat Finding from Prior Year: No.

Recommendation: We recommend that the Authority establish controls to ensure that all the proper income is being calculated and used on the form to calculate HAP.

View of Responsible Officials: Management agrees with the finding.

2024-004 **U.S. Department of Housing and Urban Development – CFDA #14.871**
Housing Choice Vouchers
Applicable Federal Award Number and Year – HCV2024

HQS Enforcement

Significant Deficiency in Internal Control over Compliance

Criteria: The Authority is to maintain a copy of all HQS inspections and re-inspections of failed inspections.

Condition: During our testing, we noted one file that the passed re-inspection was not in the tenant file, however, we were able to substantiate that the re-inspection was completed and passed within the allowed time through their software system.

Cause: The Authority's internal controls related to maintaining proper files were not operating as designed and the inspection report was misplaced or filed incorrectly.

Effect: Weaknesses in internal control over compliance could result in the Authority failing to comply with eligibility requirements.

Questioned Costs: N/A

Context/Sampling: We tested 26 files from the population of 152 total failed inspections during the fiscal year.

Repeat Finding from Prior Year: No.

Recommendation: We recommend that the Authority establish controls to ensure that all the proper documents be filed in the tenant files.

View of Responsible Officials: Management agrees with the finding.

**2024-005 U.S. Department of Housing and Urban Development – CFDA #14.155
Mortgage Insurance for the Purchase or Refinance of Existing Multifamily Housing Projects
Applicable Federal Award Number and Year – HUD loan under Section 207/223(f), HUD Project
No. 101-11316**

Allowable Costs/Allowable Activities

Significant Deficiency in Internal Control over Compliance and Immaterial Instance of Noncompliance

Criteria: As required by the HUD regulatory agreement, expenses charged to the project operations, whether for management agent services or other expenses, must be reasonable, typical, necessary and show a clear benefit to the tenants of the property.

Condition: During our testing of cash disbursements, we identified unallowable expenditures charged to the project for staff treats and staff bonus pay.

Cause: The Authority's internal controls related to reviewing charges allocated to the project were not operating as designed and was an oversight by staff.

Effect: The project was charged for and paid unallowable expenses.

Questioned Costs: \$344

Context/Sampling: A non-statistical sample of 60 disbursements were selected for testing, which accounted for \$103,023 out of the total \$2,889,933 disbursement population.

Repeat Finding from Prior Year: No.

Recommendation: We recommend that the Authority establish controls to ensure that all costs charged to the project are for allowable costs.

View of Responsible Officials: Management agrees with the finding.