

Financial Statements

December 31, 2025

Housing Authority of the City of
Lakewood

dba

Metro West Housing Solutions

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

Table of Contents
December 31, 2025

Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
Combining Statement of Net Position - Component Units	17
Combining Statement of Revenues, Expenses and Changes in Net Position - Component Units.....	18
Notes to Financial Statements	19
Supplementary Information	
Combining Statement of Net Position	60
Combining Statement of Revenues, Expenses and Changes in Net Position	61
Single Audit	
Schedule of Expenditures of Federal Awards	62
Notes to Schedule of Expenditures of Federal Awards	63
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	64
Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance	66
Schedule of Findings and Questioned Costs	69
Financial Data Schedules	73



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions (the Authority) as of and for the year ended December 31, 2025, 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 and the aggregate discretely presented component units of the Authority as of December 31, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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*.

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 GAAS, 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 Financial Data Schedules (FDS) are presented for purposes of additional analysis as required by Housing and Urban Development Real Estate Assessment Center (REAC) and are also not a required part of the financial statements. 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 GAAS. In our opinion, the accompanying combining statements, Schedule of Expenditures of Federal Awards, and the FDS are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2026, 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.

Eide Bailly LLP

Reno, Nevada
September 2, 2026

The following discussion and analysis of the financial statements of the Housing Authority of the City of Lakewood, dba Metro West Housing Solutions (MWHS), provides an overview of the financial activities for the fiscal year ended December 31, 2025. Please consider the following information in addition to your review of the information in the basic financial statements.

Financial Highlights

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

- ✓ The end of the year net position for the Primary Government and the Discretely Presented Component Units is \$139,077,741 and \$60,545,732, respectively. This represents a total decrease of \$4,140,590 from December 31, 2024, as restated, due to the change in reporting entity of MWHS Creekside West, LLLP, Wolff Street Development, LLLP, and LHA Maplewood, LLLP as blended component units rather than discretely presented component units. See Note 15 for further information.
- ✓ Housing Choice Voucher Housing Assistance Payments (HAP) were \$23,277,049 for the year. This is an increase of \$2,459,858 from fiscal year 2024. These additional funds were made available by HUD due to increased leasing in the Housing Choice Voucher program and the payment of higher rent rates. All funds advanced by HUD during the year were expended. Some of these funds were HCV HUD held reserves that were released and \$1,510,881 were shortfall funds provided by HUD for just 2025.
- ✓ Housing Choice Voucher Annual Contributions from HUD for 2025 were \$24,659,184.
- ✓ Total Primary Government Unrestricted Cash and Cash Equivalents were \$14,069,668 and \$15,242,662 at December 31, 2025 and 2024, respectively. The 2024 unrestricted cash and cash equivalents was restated to include a total of \$841,452 from the blending of MWHS Creekside West, LLLP, Wolff Street Development, LLLP, and LHA Maplewood, LLLP. See Note 15 for further information.
- ✓ Primary Governmental Total Assets increased from \$174,920,491, as restated, to \$176,907,287 at December 31, 2025. The beginning balance was restated to include assets totaling \$31,006,119 from the blending of MWHS Creekside West, LLLP, Wolff Street Development, LLLP, and LHA Maplewood, LLLP, less eliminations totaling \$6,324,118. See Note 15 for further information.
- ✓ The redevelopment of Belmar Groves was completed at the end of 2025.
- ✓ Expenditures have been made in preparation for the Cedar Gardens redevelopment tax credit application submitted August 3, 2026.
- ✓ Expenditures have been made and long-range planning is in process for the development of the 8600 W. Dakota Property.
- ✓ Expenditures have been made and long-range planning is in process for the development of Art Line Village, the state-owned land at 1881 Pierce Street.

Agency Overview

MWHS contracts with the United States Department of Housing and Urban Development (HUD) for the Housing Choice Voucher (HCV) Program. The HCV program is authorized by HUD to administer 1,439 units of affordable, safe, and sanitary housing. MWHS develops and manages a portfolio of Low-Income Housing Tax Credit properties as well as operating market rate properties. All business-type activities are consolidated into one agency-wide total. Separate accounts are maintained for each activity or grant to control and manage funds for particular purposes.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the MWHS's basic financial statements. The basic financial statements are comprised of two components: 1) government-wide financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. In accordance with requirements as described in the U.S. Office of Management and Budget Uniform Guidance, an Independent Auditor's Report on compliance and a report on Internal Control is included.

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

The Primary Government activities encompasses: Housing Choice Vouchers; Portable Vouchers; Resident Services; Lakewood Housing Corporation; Paloma I; Paloma II; the MWHS equity portion of Low-Income Housing Tax Credit properties; Development Department; Housing Corporation for the City of Lakewood; Marston Pointe Apartments; Property Management; LHA Pierce Street, LLLP; MWHS Creekside West, LLLP; Wolff Street Development, LLLP; LHA Maplewood, LLLP; Retail Properties; Ridgemoor; Union; Van Gordon; Youngfield and Colfax Avenue; Dakota; and Willow Glen.

The Discretely Presented Component Units activities encompasses: 5100 W Alameda Holdings, LLC; MWHS Lamar Station, LLLP; MWHS Cityscape, LLLP; Paloma Villas III, LLLP; MWHS Fifty Eight Hundred, LLLP; MWHS Indy Street Flats LLLP; MWHS Sage Corner LLLP; MWHS Lamar II LLLP; Everett Court Partners LLC; and MWHS Belmar Groves LLLP.

Government-Wide Financial Statements

The Statement of Net Position presents information on all the assets and liabilities of MWHS. Under GASB 34, the difference between the assets and liabilities 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 MWHS is improving or deteriorating.

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

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

Notes to the Financial Statements

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

Combining Financial Statements

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

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

Primary Government Financial Analysis

Changes in net position may serve as a useful indicator of changes in the financial position of an organization. On December 31, 2025, the Primary Government assets exceeded liabilities and deferred inflows by \$139,077,741. This amount is broken down to \$42,489,237 that is net investment in capital assets, \$0 restricted by HUD, and \$96,588,504 available to fund the operations of MWHS. Capital assets represent 43% of total assets at \$76,624,589; unrestricted cash and cash equivalents represent 8% of assets at \$14,069,668; and notes and accrued interest receivable represent 33% of assets at \$57,905,931.

CONDENSED STATEMENTS OF NET POSITION

	2025	2024, as restated	Percent Change
Assets			
Current Assets	\$ 25,822,325	\$ 26,539,831	-2.7%
Noncurrent Assets	151,084,962	148,380,660	1.8%
Total Assets	<u>176,907,287</u>	<u>174,920,491</u>	<u>1.1%</u>
Liabilities			
Current Liabilities	5,514,094	3,908,879	41.1%
Noncurrent Liabilities	30,712,264	33,910,971	-9.4%
Total Liabilities	<u>36,226,358</u>	<u>37,819,850</u>	<u>-4.2%</u>
Deferred Inflows - Leases	<u>1,603,188</u>	<u>1,861,497</u>	<u>-13.9%</u>
Net Position			
Net Investment in Capital Assets	42,489,237	38,064,615	11.6%
Restricted for Housing Assistance Payments	-	73,862	-
Unrestricted	96,588,504	97,100,667	-0.5%
Total Net Position	<u>\$ 139,077,741</u>	<u>\$ 135,239,144</u>	<u>2.8%</u>

Primary Government Total Assets increased \$1,986,796 to \$176,907,287. The increase comes mainly from the addition of \$1,780,431 in developer fees receivable from the Belmar Groves Project. The balance is from additional accrued interest due to MWHS.

Primary Government Revenues outpacing expenses and a change in reporting entity resulted in an increase in the Net Position to \$139,077,741. Tenant rental payment increases resulted in additional revenue on occupied units in 2025 from 2024. Developer fee income for the year was \$1,708,431. Additional Housing Choice Voucher (HCV) leasing resulted in additional revenue and expenses in the program allowing for the payment of higher rents as well as providing additional Housing Assistance Payments (HAP) for more families in 2025. HUD PHA Grants were \$24,659,184 for the year.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2025	2024*	Percent Change
Operating Revenue			
Grants	\$ 27,004,864	\$ 24,160,957	11.8%
Rental	12,445,874	8,275,844	50.4%
Developer Fees	1,780,431	2,052,259	-13.2%
Other	2,665,610	1,788,038	49.1%
Total Operating Revenue	<u>43,896,779</u>	<u>36,277,098</u>	<u>21.0%</u>
Operating Expenses	<u>41,114,395</u>	<u>33,946,205</u>	<u>21.1%</u>
Operating Income	<u>2,782,384</u>	<u>2,330,893</u>	<u>19.4%</u>
Nonoperating Revenue	<u>1,056,213</u>	<u>444,191</u>	<u>137.8%</u>
Change in Net Position	<u>3,838,597</u>	<u>2,775,084</u>	<u>38.3%</u>
Net Position, Beginning of Year, as Originally Reported	119,366,188	116,591,104	2.4%
Change in Reporting Entity	<u>15,872,956</u>	<u>-</u>	<u>-</u>
Net Position, Beginning of Year, as Restated	<u>135,239,144</u>	<u>116,591,104</u>	<u>16.0%</u>
Net Position, End of Year	<u>\$ 139,077,741</u>	<u>\$ 119,366,188</u>	<u>16.5%</u>

* The 2024 column has not been restated to reflect the adjustment for change in reporting entity that occurred in 2025. See Note 15 for further information.

Capital Assets

During 2025, Primary Government Capital Assets decreased from \$77,495,362 at December 31, 2024, as restated, to \$76,624,589 at December 31, 2025, a net amount of \$870,773. The decrease can be attributed to depreciation expense of \$3,653,325, net with the acquisition of capital assets in the amount of \$3,013,482. Further information on Capital Assets may be found in Note 7 in the financial statements.

Long-Term Debt

The long-term debt balance was \$33,980,300 on December 31, 2025. During 2025, there were zero debt issuances and \$1,698,505 in payments on long-term debt. Further information on long-term debt may be found in Note 8 in the financial statements.

Future Plans for 2026

- ✓ In the year to come, Metro West Housing Solutions plans on continuing its mission of “providing an opportunity for a healthy, affordable, decent and safe living environment for the Lakewood community” through its programs, development activities, and partnerships.
- ✓ Housing Choice Vouchers – Continue to administer as many vouchers as are available with HUD funding. This is accomplished by continually monitoring HUD funding vs. leasing to determine available units. This process will be watched even more closely with the uncertainty of HUD funding. Leasing will continue to its maximum level allowed with HUD funding. It is noted that the current 2026 HAP HUD funding is level in 2026 from 2025.
- ✓ Development – Explore the development of projects through the use of various financing alternatives and partnerships. Pursue purchase opportunities of development sites to expand the real estate portfolio.
- ✓ Continue long-range planning for the development of the 6800 W. Dakota Ave. property and Art Line Village.
- ✓ Continue planning and submit LIHTC application for Cedar Gardens in the August competitive round.
- ✓ Continue to explore partnerships for developments. Continue to manage and operate the complexes so that they remain a popular and enjoyable family and senior residence by maintaining their community spirit and upkeep. Continue to schedule preventive and regular maintenance to maintain the properties and fund planned rehabilitation projects with budgeted reserve replacement funds.
- ✓ Complete loan conversion and final tax credit application for Belmar Groves. Receive remaining capital contributions from the investor.
- ✓ Complete and pursue options for limited partner exits for tax credit properties. Incorporate the operations of exited properties into the operations of MWHS.
- ✓ Pursuing the sale of all the Denver properties, and will reinvest the proceeds to build/purchase properties in Lakewood.
- ✓ Receive our S&P rating and use the rating issue bonds to finance upcoming projects at a more competitive rate.
- ✓ Purchase a Townplace Suites hotel to turn into Affordable Housing (named Tabor Ridge Apartments) without tax credit income restrictions. Complete minor level of rehab and start leasing in late 2026.
- ✓ Continue to pursue purchase of naturally occurring Affordable Housing in Lakewood area.
- ✓ Continue enhanced marketing efforts to bring occupancy back to historic levels.

Requests for Information

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

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

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Statement of Net Position
December 31, 2025

	Primary Government	Discretely Presented Component Units
Assets		
Current Assets		
Cash and cash equivalents	\$ 14,069,668	\$ 2,387,463
Restricted cash and cash equivalents	9,001,446	5,569,215
Accounts receivable		
Tenants, net	309,418	158,068
Other	567,696	83,455
Developer fees	33,717	-
Due from other agencies	284,962	-
Due from discretely presented component units	62,026	-
Leases	370,471	-
Accrued interest receivable - short-term	385,452	-
Prepaid expenses	398,291	527,842
Notes receivable - current portion	339,178	-
Total Current Assets	25,822,325	8,726,043
Accrued Interest Receivable - Long-Term	7,380,133	-
Developer Fees Receivable - Long-Term	8,483,172	-
Equity Method Investments	4,353,520	-
Due from Discretely Presented Component Units - Long-Term	3,016,628	-
Notes Receivable, Net of Current Portion	49,801,168	-
Lease Receivable - Long-Term	1,425,752	-
Other Assets, Net of Accumulated Amortization	-	1,276,075
Capital Assets		
Non-depreciable	15,888,898	19,686,561
Depreciable, net	60,585,037	180,008,990
Right-to-use leased assets, net	150,654	-
Total Capital Assets	76,624,589	199,695,551
Total Assets	\$ 176,907,287	\$ 209,697,669

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Statement of Net Position
December 31, 2025

	Primary Government	Discretely Presented Component Units
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 544,342	\$ 197,196
Construction payable	-	86,000
Construction loan payable	-	31,218,264
Developer fee payable - current portion	-	33,717
Due to Metro West Housing Solutions - current portion	-	62,026
Accrued liabilities	202,015	136,258
Accrued compensated absences	691,752	86,801
Accrued interest payable - current portion	-	638,443
Advanced revenues	114,947	52,531
Tenant security deposits payable	458,180	544,831
Lease liability - current portion	43,100	-
Notes and mortgages payable - current portion	3,459,758	1,200,367
Total Current Liabilities	5,514,094	34,256,434
Long-Term Liabilities		
Accrued interest payable - long-term	79,770	7,412,154
Developer fee payable - long-term	-	8,483,172
Due to Metro West Housing Solutions - long-term	-	3,016,628
Lease liability - net of current portion	111,952	-
Notes and mortgages payable - net of current portion and unamortized debt issuance costs	30,520,542	95,983,549
Total Long-Term Liabilities	30,712,264	114,895,503
Total Liabilities	36,226,358	149,151,937
Deferred Inflows - Leases	1,603,188	-
Net Position		
Net investment in capital assets	42,489,237	69,760,778
Restricted	-	-
Unrestricted	96,588,504	(9,215,046)
Total Net Position	139,077,741	60,545,732
Total Liabilities, Deferred Inflows and Net Position	\$ 176,907,287	\$ 209,697,669

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2025

	Primary Government	Discretely Presented Component Units
Operating Revenues		
HUD PHA grants	\$ 24,659,184	\$ -
Other grants	2,345,680	-
Rental income	12,445,874	13,609,318
Management fees	950,982	-
Developer fee income	1,780,431	-
Other	1,714,628	226,924
Total operating revenues	<u>43,896,779</u>	<u>13,836,242</u>
Operating Expenses		
Housing assistance payments	23,277,049	-
Administrative salaries and benefits	6,016,016	1,358,944
Maintenance salaries and benefits	1,363,797	1,701,529
Regular and extraordinary maintenance	2,471,097	1,570,558
Other administrative	1,625,788	1,864,032
Depreciation and amortization	3,657,075	7,489,555
Utilities	1,188,954	1,498,072
Insurance	802,329	814,516
Other expenses	712,290	582,018
Total operating expenses	<u>41,114,395</u>	<u>16,879,224</u>
Operating Income (Loss)	<u>2,782,384</u>	<u>(3,042,982)</u>
Non-Operating Revenues (Expenses)		
Loss on disposal of capital assets	(306,234)	(515,760)
Interest income	2,819,827	60,954
Interest expense	(1,457,380)	(4,943,622)
Total Non-Operating Revenues (Expenses)	<u>1,056,213</u>	<u>(5,398,428)</u>
Income (Loss) Before Contributions and Distributions	<u>3,838,597</u>	<u>(8,441,410)</u>
Contributions and Distributions		
Equity contributions (net of syndication costs)	-	500,000
Distributions	-	(37,777)
Total Contributions and Distributions	<u>-</u>	<u>462,223</u>
Change in Net Position	<u>3,838,597</u>	<u>(7,979,187)</u>
Net Position - Beginning of Year, as Originally Reported	119,366,188	85,373,837
Change in Reporting Entity	<u>15,872,956</u>	<u>(16,848,918)</u>
Net Position - Beginning of Year, as Restated	<u>135,239,144</u>	<u>68,524,919</u>
Net Position - End of Year	<u>\$ 139,077,741</u>	<u>\$ 60,545,732</u>

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Statement of Cash Flows
Year Ended December 31, 2025

	Primary Government
Operating Activities	
HUD PHA grants	\$ 24,649,364
Other grants	2,345,680
Receipts from tenants	12,300,812
Management fee income	950,982
Developer fee income	500,036
Other income	1,316,878
Housing assistance payments	(23,277,049)
Payments to employees	(7,416,984)
Payments to suppliers	(7,510,790)
Net Cash from Operating Activities	<u>3,858,929</u>
Capital and Related Financing Activities	
Cash received on lease receivables	416,114
Principal payments on lease liabilities	(46,288)
Acquisition of capital assets	(3,013,482)
Principal payments on long-term debt	(1,698,505)
Interest paid on long-term debt	(1,459,049)
Net Cash used for Capital and Related Financing Activities	<u>(5,801,210)</u>
Investing Activities	
Issuance of notes receivable	(2,706,541)
Payments received on notes receivable	4,220,086
Contributions to equity method investments	(500,000)
Interest income	1,480,832
Net Cash from Investing Activities	<u>2,494,377</u>
Net Change in Cash and Cash Equivalents	<u>552,096</u>
Cash and Cash Equivalents, Beginning of Year, as Originally Reported	19,849,916
Change in Reporting Entity	<u>2,669,102</u>
Cash and Cash Equivalents, Beginning of Year, as Restated	<u>22,519,018</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 23,071,114</u></u>

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Statement of Cash Flows
Year Ended December 31, 2025

	Primary Government
Reconciliation of Cash and Cash Equivalents	
Cash	\$ 14,069,668
Restricted Cash	9,001,446
Total Cash and Cash Equivalents	<u>\$ 23,071,114</u>
Reconciliation of operating income to net cash from operating activities	
Operating income	\$ 2,782,384
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	3,653,325
Amortization	3,750
Change in net deferred inflows from leases	(609,149)
Bad debt write-off	13,128
Write off of debt issuance costs	42,084
Changes in assets and liabilities	
(Increase) decrease in receivables	(2,068,593)
(Increase) decrease in prepaid expenses	6,418
Increase (decrease) in accounts payable	75,806
Increase (decrease) in accrued expenses	(37,171)
Increase (decrease) in advanced revenues	21,197
Increase (decrease) in security deposits payable	(24,250)
Net Cash from Operating Activities	<u>\$ 3,858,929</u>
Supplemental Schedule of Noncash Capital and Related Financing Activities	
Lease liability for the acquisition of a right-to-use leased asset	<u>\$ 76,524</u>
Lease receivable recognized on lessor lease transaction	<u>\$ 350,840</u>

	5100 W Alameda Holdings, LLC	MWHS Lamar Station, LLLP	MWHS CityScape, LLP	Paloma Villas III, LLP	MWHS Fifty Eight Hundred, LLP
Assets					
Current Assets					
Cash and cash equivalents	\$ 45,561	\$ 748,551	\$ 366,412	\$ 14,023	\$ 18,032
Restricted cash and cash equivalents	364,257	1,004,946	949,145	344,915	1,046,682
Accounts receivable					
Tenants	9,258	35,854	2,016	13,560	32,045
Other	16,307	-	-	-	38,867
Prepaid expenses	19,543	43,141	75,947	25,682	116,855
Total Current Assets	454,926	1,832,492	1,393,520	398,180	1,252,481
Other Assets, Net of Accumulated Amortization	-	24,943	32,033	-	136,795
Capital Assets					
Non-depreciable	665,232	1,280,672	2,672,818	905,787	2,810,196
Depreciable, net	4,788,705	13,220,310	17,234,991	3,846,784	26,883,978
Total Capital Assets	5,453,937	14,500,982	19,907,809	4,752,571	29,694,174
Total Assets	\$ 5,908,863	\$ 16,358,417	\$ 21,333,362	\$ 5,150,751	\$ 31,083,450
Liabilities and Net Position					
Current Liabilities					
Accounts payable	\$ 13,518	\$ 29,164	\$ 34,295	\$ 20,422	\$ 3,348
Construction payable	-	-	-	-	-
Construction loan payable	-	-	-	-	-
Developer fee payable - current portion	-	-	-	-	-
Due to Metro West Housing					
Solutions - current portion	-	28,428	33,598	-	-
Accrued liabilities	3,050	12,156	12,758	5,203	51,643
Accrued compensated absences	3,299	14,155	8,411	4,353	10,252
Accrued interest payable - current portion	5,071	81,631	349,756	4,654	-
Advanced revenues	44	4,458	6,458	607	9,951
Tenant security deposits payable	34,600	76,070	61,240	32,930	94,500
Notes and mortgages payable - current portion	50,709	404,087	220,362	30,912	165,767
Total Current Liabilities	110,291	650,149	726,878	99,081	335,461
Long-Term Liabilities					
Accrued interest payable - long-term	-	-	1,067,380	-	1,389,042
Developer fee payable - long-term	-	-	-	-	536,128
Due to Metro West Housing					
Solutions - long-term	-	-	-	-	192,500
Notes and mortgages payable - net of current portion and unamortized debt issuance costs	3,616,057	6,478,519	11,194,509	1,274,574	16,542,927
Total Long-Term Liabilities	3,616,057	6,478,519	12,261,889	1,274,574	18,660,597
Total Liabilities	3,726,348	7,128,668	12,988,767	1,373,655	18,996,058
Net Position					
Net investment in capital assets	1,787,171	7,618,376	8,492,938	3,447,085	12,985,480
Unrestricted	395,344	1,611,373	(148,343)	330,011	(898,088)
Total Net Position	2,182,515	9,229,749	8,344,595	3,777,096	12,087,392
Total Liabilities and Net Position	\$ 5,908,863	\$ 16,358,417	\$ 21,333,362	\$ 5,150,751	\$ 31,083,450

See Notes to Financial Statements

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Combining Statement of Net Position – Component Units
December 31, 2025

MWHS Indy Street Flats LLLP	MWHS Sage Corner LLLP	MWHS Lamar II LLLP	Everett Court Partners LLC	MWHS Belmar Groves LLLP	MWHS Creekside West, LLLP	Wolff Street Development, LLLP	LHA Maplewood, LLLP	Total
\$ 45,251	\$ 199,837	\$ 943	\$ 258	\$ 948,595	\$ -	\$ -	\$ -	\$ 2,387,463
733,727	339,102	355,011	287,357	144,073	-	-	-	5,569,215
31,835	2,068	3,717	-	27,715	-	-	-	158,068
15,184	-	-	-	13,097	-	-	-	83,455
61,420	20,017	35,874	37,886	91,477	-	-	-	527,842
887,417	561,024	395,545	325,501	1,224,957	-	-	-	8,726,043
134,328	61,171	106,055	78,045	702,705	-	-	-	1,276,075
3,066,374	461,248	1,962,540	2,276,694	3,585,000	-	-	-	19,686,561
24,629,183	9,857,212	14,483,654	8,961,891	56,102,282	-	-	-	180,008,990
27,695,557	10,318,460	16,446,194	11,238,585	59,687,282	-	-	-	199,695,551
\$ 28,717,302	\$ 10,940,655	\$ 16,947,794	\$ 11,642,131	\$ 61,614,944	\$ -	\$ -	\$ -	\$ 209,697,669
\$ 8,783	\$ 10,209	\$ 9,941	\$ 13,096	\$ 54,420	\$ -	\$ -	\$ -	\$ 197,196
-	-	-	-	86,000	-	-	-	86,000
-	-	-	-	31,218,264	-	-	-	31,218,264
-	33,717	-	-	-	-	-	-	33,717
-	-	-	-	-	-	-	-	62,026
5,500	15,174	10,540	6,783	13,451	-	-	-	136,258
22,354	2,179	8,369	4,724	8,705	-	-	-	86,801
31,650	2,578	13,978	18,938	130,187	-	-	-	638,443
6,440	1,535	1,919	8,206	12,913	-	-	-	52,531
80,850	27,000	40,000	28,520	69,121	-	-	-	544,831
149,870	40,250	63,076	75,334	-	-	-	-	1,200,367
305,447	132,642	147,823	155,601	31,593,061	-	-	-	34,256,434
1,427,977	313,854	496,965	329,596	2,387,340	-	-	-	7,412,154
2,597,118	128,748	-	721,516	4,499,662	-	-	-	8,483,172
2,039,385	57,073	58,575	656,776	12,319	-	-	-	3,016,628
13,693,651	4,365,599	6,932,780	8,452,433	23,432,500	-	-	-	95,983,549
19,758,131	4,865,274	7,488,320	10,160,321	30,331,821	-	-	-	114,895,503
20,063,578	4,997,916	7,636,143	10,315,922	61,924,882	-	-	-	149,151,937
12,319,443	5,912,611	9,450,338	2,710,818	5,036,518	-	-	-	69,760,778
(3,665,719)	30,128	(138,687)	(1,384,609)	(5,346,456)	-	-	-	(9,215,046)
8,653,724	5,942,739	9,311,651	1,326,209	(309,938)	-	-	-	60,545,732
\$ 28,717,302	\$ 10,940,655	\$ 16,947,794	\$ 11,642,131	\$ 61,614,944	\$ -	\$ -	\$ -	\$ 209,697,669

	5100 W Alameda Holdings, LLC	MWHS Lamar Station, LLLP	MWHS CityScape, LLP	Paloma Villas III, LLP	MWHS Fifty Eight Hundred, LLP
Operating Revenues					
Rental income	\$ 789,829	\$ 1,920,322	\$ 2,314,451	\$ 723,813	\$ 2,419,990
Other	28,112	2,501	1,060	-	11,483
Total operating revenues	817,941	1,922,823	2,315,511	723,813	2,431,473
Operating Expenses					
Administrative salaries and benefits	42,741	197,654	197,716	78,571	201,118
Maintenance salaries and benefits	100,060	231,324	225,496	93,607	371,901
Regular and extraordinary maintenance	98,175	156,046	253,529	161,184	264,986
Other administrative	271,815	194,925	230,411	176,011	266,392
Depreciation and amortization	267,199	642,036	672,425	226,912	1,410,906
Utilities	72,739	190,066	216,757	114,103	321,402
Insurance	49,509	97,713	130,491	49,862	121,876
Other expenses	17,322	126,974	47,210	30,277	129,808
Total operating expenses	919,560	1,836,738	1,974,035	930,527	3,088,389
Operating Income (Loss)	(101,619)	86,085	341,476	(206,714)	(656,916)
Non-Operating Revenues (Expenses)					
Loss on disposal of capital assets	-	-	-	-	-
Interest income	5,932	14,565	13,920	2,793	2,099
Interest expense	(65,792)	(244,874)	(640,693)	(52,851)	(753,243)
Total Non-Operating Revenues (Expenses)	(59,860)	(230,309)	(626,773)	(50,058)	(751,144)
Loss Before Contributions and Distributions	(161,479)	(144,224)	(285,297)	(256,772)	(1,408,060)
Contributions and Distributions					
Equity contributions (net of syndication costs)	-	-	-	-	-
Distributions	(36,545)	-	-	-	-
Total Contributions and Distributions	(36,545)	-	-	-	-
Change in Net Position	(198,024)	(144,224)	(285,297)	(256,772)	(1,408,060)
Net Position - Beginning of Year, as Originally Reported	2,380,539	9,373,973	8,629,892	4,033,868	13,495,452
Change in reporting entity	-	-	-	-	-
Net Position - Beginning of Year, as Restated	2,380,539	9,373,973	8,629,892	4,033,868	13,495,452
Net Position - End of Year	\$ 2,182,515	\$ 9,229,749	\$ 8,344,595	\$ 3,777,096	\$ 12,087,392

See Notes to Financial Statements

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

Combining Statement of Revenues, Expenses and Changes in Net Position – Component Units
Year Ended December 31, 2025

MWHS Indy Street Flats LLLP	MWHS Sage Corner LLLP	MWHS Lamar II LLLP	Everett Court Partners LLC	MWHS Belmar Groves LLLP	MWHS Creekside West, LLLP	Wolff Street Development, LLLP	LHA Maplewood, LLLP	Total
\$ 1,882,776	\$ 622,543	\$ 825,939	\$ 702,249	\$ 1,407,406	\$ -	\$ -	\$ -	\$ 13,609,318
112,194	-	10,623	16,491	44,460	-	-	-	226,924
1,994,970	622,543	836,562	718,740	1,451,866	-	-	-	13,836,242
215,289	44,167	105,748	88,613	187,327	-	-	-	1,358,944
240,228	56,879	142,079	70,626	169,329	-	-	-	1,701,529
244,279	64,162	71,963	91,483	164,751	-	-	-	1,570,558
225,984	92,399	108,985	108,564	188,546	-	-	-	1,864,032
1,265,068	534,919	646,539	350,677	1,472,874	-	-	-	7,489,555
201,120	92,387	89,607	75,744	124,147	-	-	-	1,498,072
116,566	42,934	69,496	52,645	83,424	-	-	-	814,516
124,107	16,827	38,889	9,476	41,128	-	-	-	582,018
2,632,641	944,674	1,273,306	847,828	2,431,526	-	-	-	16,879,224
(637,671)	(322,131)	(436,744)	(129,088)	(979,660)	-	-	-	(3,042,982)
(38,460)	-	-	(477,300)	-	-	-	-	(515,760)
10,188	3,982	4,088	3,387	-	-	-	-	60,954
(650,056)	(206,787)	(335,728)	(248,664)	(1,744,934)	-	-	-	(4,943,622)
(678,328)	(202,805)	(331,640)	(722,577)	(1,744,934)	-	-	-	(5,398,428)
(1,315,999)	(524,936)	(768,384)	(851,665)	(2,724,594)	-	-	-	(8,441,410)
-	-	-	-	500,000	-	-	-	500,000
-	-	-	(1,232)	-	-	-	-	(37,777)
-	-	-	(1,232)	500,000	-	-	-	462,223
(1,315,999)	(524,936)	(768,384)	(852,897)	(2,224,594)	-	-	-	(7,979,187)
9,969,723	6,467,675	10,080,035	2,179,106	1,914,656	5,584,743	5,203,930	6,060,245	85,373,837
-	-	-	-	-	(5,584,743)	(5,203,930)	(6,060,245)	(16,848,918)
9,969,723	6,467,675	10,080,035	2,179,106	1,914,656	-	-	-	68,524,919
\$ 8,653,724	\$ 5,942,739	\$ 9,311,651	\$ 1,326,209	\$ (309,938)	\$ -	\$ -	\$ -	\$ 60,545,732

Note 1 - Nature of Operations and Significant Accounting Policies

General

The Housing Authority of the City of Lakewood dba Metro West Housing Solutions (the Authority) is a corporate body politic created in 1974 and uses available federal, state and local resources to serve the residents of the City of Lakewood, Colorado, and surrounding areas, by upgrading and maintaining the existing housing stock, encouraging the construction of new housing affordable to low and moderate income households, and providing low and moderate income families and senior households with decent, safe, and affordable rental housing opportunities. The Authority owns and operates 1,658 units of affordable housing in Lakewood, Colorado and administers 1,439 housing choice vouchers.

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

Reporting Entity

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

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

Blended Component Units

Eighteen additional entities are included in the financial reporting of the Authority as blended component units:

Lakewood Housing Corporation is included in the financial reporting entity of the Authority as a blended component unit. Lakewood Housing Corporation was created in December 1978 for the purpose of owning and operating various housing projects in Lakewood, Colorado, and the surrounding area. The sole member of Lakewood Housing Corporation is Metro West Housing Solutions which is able to impose its will on the organization. Accordingly, the activities and ending balances of Lakewood Housing Corporation are reported within the proprietary funds of the Authority. Eiber Village MM, LLC, the managing member of Everett Court Partners LLC, is wholly-owned by Lakewood Housing Corporation. Eiber Village MM, LLC has little or no activity.

LHA Ridgemoor Holdings, LLC is included in the financial reporting entity of the Authority as a blended component unit. LHA Ridgemoor Holdings, LLC was created to be the special limited partner in various entities which develop and own affordable housing properties. The sole member of LHA Ridgemoor Holdings, LLC is Metro West Housing Solutions which is able to impose its will on the organization. Accordingly, the activities and ending balances of LHA Ridgemoor Holdings, LLC are reported within the proprietary funds of the Authority.

LHA Pierce Street, LLLP is included in the financial reporting entity of the Authority as a blended component unit. LHA Pierce Street, LLLP was formed for the purpose of owning and operating a 118-unit low-income housing project in Lakewood, Colorado. Ownership interests in LHA Pierce Street, LLLP for the Authority, Lakewood Housing Corporation, and LHA Pierce Street, LLC are 99.98%, .01%, and .01%, respectively. Due to the Authority's ownership interests in these entities, the Authority is able to impose its will on LHA Pierce Street, LLLP. Accordingly, the activities and ending balances of LHA Pierce Street, LLLP are reported within the proprietary funds of the Authority.

MWHS Creekside West, LLLP is included in the financial reporting entity of the Authority as a blended component unit. MWHS Creekside West, LLLP was formed for the purpose of owning and operating Creekside West, an 82-unit multifamily housing project in Lakewood, Colorado. Ownership interests in MWHS Creekside West, LLLP for the Authority, Lakewood Housing Corporation, and MWHS Creekside West, LLC are 99.98%, .01%, and .01%, respectively. Due to the Authority's ownership interests in these entities, the Authority is able to impose its will on MWHS Creekside West, LLLP. Accordingly, the activities and ending balances of MWHS Creekside West, LLLP are reported within the proprietary funds of the Authority.

Wolff Street Development, LLLP is included in the financial reporting entity of the Authority as a blended component unit. Wolff Street Development, LLLP was formed for the purpose of owning and operating Villas at Sloan's Lake, a 63-unit multifamily housing project in Denver, Colorado. Ownership interests in Wolff Street Development, LLLP for the Authority, Lakewood Housing Corporation, and MWHS Morrison/Colfax II, LLC are 99.985%, .01%, and .005%, respectively. Due to the Authority's ownership interests in these entities, the Authority is able to impose its will on Wolff Street Development, LLLP. Accordingly, the activities and ending balances of Wolff Street Development, LLLP are reported within the proprietary funds of the Authority.

LHA Maplewood, LLLP is included in the financial reporting entity of the Authority as a blended component unit. LHA Maplewood, LLLP was formed for the purpose of owning and operating Maplewood Apartments, a 132-unit multifamily housing project in Lakewood, Colorado. Ownership interests in LHA Maplewood, LLLP for the Authority, Lakewood Housing Corporation, and LHA Maplewood, LLC are 99.98%, .01%, and .01%, respectively. Due to the Authority's ownership interests in these entities, the Authority is able to impose its will on LHA Maplewood, LLLP. Accordingly, the activities and ending balances of LHA Maplewood, LLLP are reported within the proprietary funds of the Authority.

LHA Pierce Street, LLC is wholly owned by the Authority and is the managing general partner of LHA Pierce Street, LLLP.

MWHS Los Altos LLC is wholly owned by the Authority and is the managing member of 5100 W Alameda Holdings, LLC.

MWHS Lamar Station, LLC is wholly owned by the Authority and is the managing general partner of MWHS Lamar Station, LLLP.

MWHS CityScape, LLC is wholly owned by the Authority and is the managing general partner of MWHS CityScape, LLLP.

MWHS Creekside West, LLC is wholly owned by the Authority and is the managing general partner of MWHS Creekside West, LLLP.

MWHS Morrison/Colfax II, LLC is wholly owned by the Authority and is the managing general partner of Paloma Villas III, LLLP and Wolff Street Development, LLLP.

LHA Maplewood, LLC is wholly owned by the Authority and is the managing general partner of LHA Maplewood, LLLP.

MWHS Fifty Eight Hundred LLC is wholly owned by the Authority and is the managing general partner of MWHS Fifty Eight Hundred, LLLP.

MWHS Indy Street Flats LLC is wholly owned by the Authority and is the managing general partner of MWHS Indy Street Flats LLLP.

MWHS Sage Corner LLC is wholly owned by the Authority and is the managing general partner of MWHS Sage Corner LLLP.

MWHS Lamar II LLC is wholly owned by the Authority and is the managing general partner of MWHS Lamar II LLLP.

MWHS Belmar Groves LLC is wholly owned by the Authority and is the managing general partner of MWHS Belmar Groves LLLP.

Metro West Housing Solutions is able to impose its will on these organizations through full ownership of the controlling entities. LHA Pierce Street, LLC; MWHS Los Altos LLC; MWHS Lamar Station, LLC; MWHS CityScape, LLC; MWHS Creekside West, LLC; MWHS Morrison/Colfax II, LLC; LHA Maplewood, LLC; MWHS Fifty Eight Hundred LLC; MWHS Indy Street Flats LLC; MWHS Sage Corner LLC; MWHS Lamar II LLC; and MWHS Belmar Groves LLC have little or no activity.

Separate financial statements are not issued for the blended component units. Condensed component unit information for Lakewood Housing Corporation, LHA Ridgemoor Holdings, LLC, LHA Pierce Street, LLLP MWHS Creekside West, LLLP, Wolff Street Development, LLLP, and LHA Maplewood, LLLP are disclosed in Note 14.

Discretely Presented Component Units

The component unit column of the combined financial statements includes the financial data of the Authority's discretely presented component units as of December 31, 2025. These units are reported in a separate column to emphasize that they are legally separate from the Authority.

Discretely presented component units consist of the following:

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

MWHS Lamar Station, LLLP (Lamar Station Crossing) was formed for the purpose of owning and operating Lamar Station Crossing, a 110-unit multifamily housing project in Lakewood, Colorado. MWHS Lamar Station, LLC has an ownership percentage of .01%.

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

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

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

MWHS Indy Street Flats LLLP (Indy Street Flats) was formed for the purpose of owning and operating Indy Street Flats, a 115-unit multifamily housing project in Lakewood, Colorado. MWHS Indy Street Flats LLC has an ownership percentage of .01%.

MWHS Sage Corner LLLP (Sage Corner) was formed for the purpose of owning and operating Sage Corner, a 43-unit multifamily housing project in Lakewood, Colorado. MWHS Sage Corner LLC has an ownership percentage of .01%.

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

Everett Court Partners LLC (Everett Court) was formed for the purpose of owning and operating a 50-unit multifamily housing project in Lakewood, Colorado. The Authority is the special member of Everett Court Partners LLC and has an ownership percentage of .01%. Lakewood Housing Corporation is the managing member of Everett Court Partners LLCs and has an ownership percentage of .01%. The managing member has management responsibilities of Everett Court.

MWHS Belmar Groves LLLP (Belmar Groves) was formed for the purpose of owning and operating a 118-unit multifamily housing project in Lakewood, Colorado. MWHS Belmar Groves LLC has an ownership percentage of .005%.

Basis of Accounting and Measurement Focus

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

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

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

Accounts Receivable

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

Notes and Interest Receivable

Notes and interest receivable are carried at amounts advanced, net of reserve for uncollectable accounts, if any. As of December 31, 2025, the Authority considered all notes and interest receivable to be fully collectable.

Developer Fees Receivable

Developer fees receivable and related interest receivable are carried at the amounts earned but unpaid in accordance with the development agreements with the various entities. As of December 31, 2025, the Authority considered all developer fees and interest receivable to be fully collectable.

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.

Equity Method Investments

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

Capital and Leased Assets

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

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

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

Long-lived assets held and used by an entity are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment loss has been recognized for the year ended December 31, 2025.

Right-to-use leased assets are recognized at the lease commencement date and represent the Authority's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the same method amortizing the debt. The amortization period is 5 years for all right-to-use leased assets.

Lease Liabilities

Lease liabilities represent the Authority's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Authority.

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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. Deferred inflows related to leases where the Authority is the lessor are reported in the statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) using the same method amortizing the lease receivable.

Accrued Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Codification Section C60, "Compensated Absences", and includes Vacation Time Off and Sick Leave. Employees are limited to a maximum number of vacation hours based upon years of service. In addition, employees age 55 with at least 25 years of consecutive service, or age 65 with at least 20 years of consecutive service, are paid out one-half of their accrued Sick Time up to a maximum of 480 hours for full time, and 240 hours for part time. All members of the executive team are paid out one-half of their Sick Time up to 480 hours maximum upon exit, regardless of age or years of service. Any accrued Vacation Time Off or eligible Sick Time stated above are paid out to employees upon termination of employment. These compensated absences are recognized as salary costs in the financial statements when earned. Compensated absences which have been earned but not paid as of year-end have been accrued in the accompanying financial statements.

Employees not specifically included in the aforementioned categories are not eligible to have unused Sick Time paid out upon termination but are eligible to use Sick Time during their employment. In accordance with GASB Codification Section C60, "Compensated Absences", the anticipated usage of Sick Time for those employees was calculated by reviewing the prior three years of Sick Time usage and calculating the average usage percentage. For 2025, this percentage totaled 81%. This percentage was applied to all accrued Sick Time for those employees not eligible for Sick Time payout upon termination and accrued accordingly in the accompanying financial statements.

The amount of total accumulated accrued compensated absences at December 31, 2025, was \$691,752 for the Authority.

Advanced Revenues

As of December 31, 2025, the Authority's advanced revenues consisted of prepaid rents of \$85,150 and an advance payment of a grant of \$29,797 before all eligibility requirements have been met.

Components of Net Position

Components of net position include the following:

- Net Investment in Capital Assets – Consists of capital and leased assets, net of accumulated depreciation and amortization and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.
- Restricted Net Position – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the Statement of Net Position that are subject to restraints on their use by HUD or other outside third party or enabling legislation. Restricted net position totaled \$0 at December 31, 2025.
- Unrestricted Net Position – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the Statement of Net Position that are not subject to restraints on their use.

Fraud Recovery

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

Operating Revenues and Expenses

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

Restricted and Unrestricted Resources

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

Business and Credit Risk

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

Budgetary

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

Accounting Estimates

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

Note 2 - Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The general depository agreement required by the annual contract with HUD has additional requirements, which the Authority met in 2025.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2025, the Authority's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with PDPA.

At December 31, 2025, the Authority's carrying amount of deposits was \$21,156,829, and the bank balance was \$21,584,291. Of the bank balances, \$1,002,451 was covered by Federal Depository Insurance. Of the remaining balances for 2025, \$20,581,840 was collateralized with securities held by a pledging financial institution's agent in the Authority's name.

Investments

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

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

Fair Value

Investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Money Market Mutual fund is categorized as Level 1 and is valued based on prices quoted in active markets for those securities. The intent of this investment is to hold these funds in a secure account that aligns with the Authority's investment policy. The money market mutual fund has a weighted average maturity of 10 days and a fair value of \$1 per share, and the Authority considers this investment a cash equivalent.

The weighted average maturity of the CSAFE investment is less than 90 days and is reported at cost plus interest as allowed by GASB. It is not subject to the fair value measurement categories noted above. The Authority considers this investment a cash equivalent.

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of December 31, 2025, investments held by the Authority are held in a money market fund totaling \$1,914,285 and a local government investment pool totaling \$657,216. These funds are classified as cash and cash equivalents on the Statement of Net Position.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The local government investment pool investment owned by the Authority is rated AAmmf by Fitch Ratings.

At December 31, 2025, the Authority had \$657,216 invested in Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by State statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. The Trust has a weighted average maturity to reset (WAM(R)) that is managed at under 60 days.

At December 31, 2025, the Authority had \$1,914,285 invested in a money market mutual fund. The fund invests in high-quality, short-term, U.S. dollar-denominated money market instruments of domestic and foreign issuers. The fund is valued at cost plus interest which approximates fair value. The fund is rated AAAM by Standard and Poor's and Aaa-mf by Moodys.

Note 3 - Restricted Cash and Cash Equivalents

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

Note 4 - Notes Receivable

	Principal	Accrued Interest	Total
<u>Notes Receivable from Discretely Presented Component Units:</u>			
2.00% note receivable from MWHS Lamar Station, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	\$ 2,285,970	\$ 46,250	\$ 2,332,220
2.00% note receivable from MWHS Lamar Station, LLLP, (CDOH), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	500,000	9,825	509,825

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

	Principal	Accrued Interest	Total
2.00% note receivable from MWHS Lamar Station, LLLP, (HOME), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	567,979	11,474	579,453
4.00% note receivable from MWHS CityScape, LLLP, (County HOME), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2044, secured by a deed of trust on the CityScape at Belmar property	900,000	446,774	1,346,774
4.00% note receivable from MWHS CityScape, LLLP, (CDOH), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2044, secured by a deed of trust on the CityScape at Belmar property	500,000	261,342	761,342
4.00% note receivable from MWHS CityScape, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	2,262,836	674,589	2,937,425
1.00% note receivable from MWHS Fifty Eight Hundred, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	800,000	67,293	867,293
1.00% note receivable from MWHS Fifty Eight Hundred, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	840,000	73,731	913,731
2.82% note receivable from MWHS Fifty Eight Hundred, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	4,370,000	1,191,771	5,561,771
1.00% note receivable from MWHS Fifty Eight Hundred, LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	600,000	49,615	649,615

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2025

	Principal	Accrued Interest	Total
3.00% note receivable from MWHS Sage Corner LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	384,000	75,873	459,873
3.00% note receivable from MWHS Sage Corner LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	396,000	80,653	476,653
3.00% note receivable from MWHS Sage Corner LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	430,000	75,736	505,736
3.00% note receivable from MWHS Sage Corner LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	450,000	81,592	531,592
3.00% note receivable from MWHS Indy Street Flats LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	3,445,315	849,453	4,294,768
3.00% note receivable from MWHS Indy Street Flats LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	300,000	69,003	369,003
3.00% note receivable from MWHS Indy Street Flats LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	600,000	130,168	730,168
3.00% note receivable from MWHS Indy Street Flats LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest balance due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	935,746	231,194	1,166,940
3.00% note receivable from MWHS Lamar II LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	1,880,000	119,637	1,999,637

Housing Authority of the City of Lakewood
 dba Metro West Housing Solutions
 Notes to Financial Statements
 December 31, 2025

	Principal	Accrued Interest	Total
6.00% note receivable from MWHS Lamar II LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	500,000	150,066	650,066
6.00% note receivable from MWHS Lamar II LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	795,000	227,262	1,022,262
0.1% note receivable from Everett Court Partners LLC, remaining principal and interest due July 2060, secured by a deed of trust and security agreement on the Everett Court property	910,000	5,211	915,211
0.1% note receivable from Everett Court Partners LLC, remaining principal and interest due July 2060, secured by a deed of trust and security agreement on the Everett Court property	910,000	5,210	915,210
3.80% Seller Carryback note receivable from Everett Court Partners LLC, payments due from available cash flow, unpaid principal and compounding interest due December 2060, secured by a deed of trust and security agreement on the Everett Court property	1,145,000	287,154	1,432,154
3.98% note receivable from MWHS Belmar Groves LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest due December 2065, secured by a deed of trust, security agreement, financing statement and fixture filing on the Belmar Groves property	21,800,000	2,170,744	23,970,744
3.98% note receivable from MWHS Belmar Groves LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest due December 2065, note may be drawn to a total of \$500,000, secured by a deed of trust, security agreement, financing statement, and fixture filing on the Belmar Groves property	499,500	34,752	534,252

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
3.98% note receivable from MWHS Belmar Groves LLLP, payments due to the extent the Partnership generates cash flow, remaining principal and accrued interest due December 2065, note may be drawn to a total of \$5,310,000, secured by a deed of trust, security agreement, financing statement, and fixture filing on the Belmar Groves property	1,133,000	181,844	1,314,844
Total Notes Receivable from Discretely Presented Component Units	50,140,346	7,608,216	57,748,562
Less current portion	<u>(339,178)</u>	<u>(382,874)</u>	<u>(722,052)</u>
Total Notes Receivable, Net of Current Portion	<u>\$ 49,801,168</u>	<u>\$ 7,225,342</u>	<u>\$ 57,026,510</u>

In addition to interest on notes receivable, the Authority charges interest on developer fees receivable from MWHS Fifty Eight Hundred, LLLP, MWHS Indy Street Flats LLLP, and MWHS Sage Corner LLLP. At December 31, 2025, the balance of accrued interest receivable consisted of the following:

Accrued interest receivable on notes receivable	\$ 7,608,216
Accrued interest receivable on developer fees - Notes 12 and 16:	
MWHS Fifty Eight Hundred, LLLP	6,632
MWHS Indy Street Flats LLLP	148,159
MWHS Sage Corner LLLP	<u>2,578</u>
Total interest receivable	<u>\$ 7,765,585</u>

Note 5 - Equity Method Investments

At December 31, 2025, the Authority's equity method investments consisted of the following:

<u>Discretely Presented Component Units:</u>	
5100 W Alameda Holdings, LLC	\$ 773,269
MWHS Lamar Station, LLLP	1,452,512
MWHS CityScape, LLLP	1,200,000
Paloma Villas III, LLLP	421,289
MWHS Fifty Eight Hundred, LLLP	2,500
MWHS Indy Street Flats LLLP	3,600
MWHS Sage Corner LLLP	100
MWHS Lamar II LLLP	100
MWHS Belmar Groves LLLP	500,050
	<u>4,353,420</u>
<u>Other:</u>	
Foothills Green, LP - see (A) below	100
	<u><u>\$ 4,353,520</u></u>

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

Note 6 - Leases

Lessor Activities

The Authority regularly provides commercial space to multiple unrelated entities at three buildings owned by the Authority. As of December 31, 2025, the Authority has accrued a receivable of \$714,727 related to the sixteen commercial leases existing at year-end. Deferred inflows related to these leases were \$677,651 as of December 31, 2025. The Authority recognized lease revenue of \$474,674 and interest revenue of \$15,036 during the year ended December 31, 2025. The interest rate on these leases ranges from .22% to 5.37%. Terms of the leases range from two to ten years with final receipt of lease payments expected in 2031.

The Authority, through its ownership of LHA Pierce Street, LLLP, has entered into antenna lease agreements with three unrelated entities at the Residences at Creekside property. As of December 31, 2025, the Authority has accrued a receivable of \$1,081,496 related to the three antenna leases existing at year-end. Deferred inflows related to these leases were \$925,537 as of December 31, 2025. The Authority recognized lease revenue of \$43,601 and interest revenue of \$39,769 during the year ended December 31, 2025. The interest rate on these leases is 3.64%. Initial terms of the leases range from twenty-three to thirty years with final receipt of lease payments expected in 2047.

Lessee Activities

During the year ended December 31, 2025, the following changes occurred in lease liabilities:

	Balance January 1,	Increases	Decreases	Balance December 31	Due Within One Year
Lease Liability	\$ 124,816	\$ 76,524	\$ (46,288)	\$ 155,052	\$ 43,100

Office Equipment Leases

The Authority has entered into multiple lease agreements as lessee for the use of copiers. The Authority is required to make monthly principal and interest payments throughout the term of the leases. Monthly lease payments of principal and interest range from \$98 to \$1,400 through maturity of May 2029, the final year of the existing leases. As of December 31, 2025, the value of the lease liability on these copiers was \$155,052. The lease liability was valued using a discount rate of 4.52%.

The estimated future lease payments to maturity for the years ending December 31 are as follows:

	Principal	Interest	Total
2026	\$ 43,100	\$ 5,704	\$ 48,804
2027	44,950	3,854	48,804
2028	46,880	1,924	48,804
2029	20,122	213	20,335
Total	\$ 155,052	\$ 11,695	\$ 166,747

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

Note 7 - Capital and Leased Assets

The following is a summary of property, structures and equipment for the year ended December 31, 2025:

	Balance January 1	Acquisition of Capital Assets From Change in Reporting Entity (Note 15)	Additions	Disposals	Transfers	Balance December 31
Nondepreciable assets						
Land	\$ 11,632,957	\$ 3,478,184	\$ -	\$ -	\$ -	\$ 15,111,141
Construction in progress	438,380	205,336	357,716	(1,220)	(222,455)	777,757
Total capital assets not being depreciated	12,071,337	3,683,520	357,716	(1,220)	(222,455)	15,888,898
Depreciable assets						
Buildings and improvements	63,201,874	39,193,252	1,914,793	(701,382)	222,455	103,830,992
Equipment and furniture	1,701,057	755,548	740,973	-	-	3,197,578
Total buildings and improvements	64,902,931	39,948,800	2,655,766	(701,382)	222,455	107,028,570
Accumulated depreciation	(27,714,454)	(15,521,588)	(3,602,639)	395,148	-	(46,443,533)
Total capital assets being depreciated	37,188,477	24,427,212	(946,873)	(306,234)	222,455	60,585,037
Right-to-use leased assets						
Right-to-use leased equipment	174,192	-	76,524	(30,247)	-	220,469
Accumulated amortization	(49,376)	-	(50,686)	30,247	-	(69,815)
Net right-to-use leased assets	124,816	-	25,838	-	-	150,654
Total capital and leased assets, net	\$ 49,384,630	\$ 28,110,732	\$ (563,319)	\$ (307,454)	\$ -	\$ 76,624,589

Note 8 - Long-Term Debt

During the year ended December 31, 2025, the following changes occurred in long-term debt:

	Balance January 1,	Restatement of Beginning Balance From Change in Reporting Entity (Note 15)	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	\$ 27,264,127	\$ 8,414,678	\$ (1,698,505)	\$ 33,980,300	\$ 3,459,758

Long-term debt as of December 31, 2025, consists of the following:

Notes and Mortgages Payable

3.75% note payable, proceeds used to refinance three notes previously secured by Marston Pointe property, due in monthly installments of \$73,025, including interest, with a maturity date of February 2030, secured by a deed of trust and assignment of rents on the Marston Pointe property	\$ 15,405,116
3.50% note payable, due in monthly installments of \$13,854, including interest, with a maturity date of December 2029, secured by a deed of trust and assignment of rents on the Paloma I and Paloma II properties	2,733,850
3.40% note payable, due in monthly installments of \$17,212, including interest, with a maturity date of December 2029, secured by a deed of trust and assignment of rents on the Cedar property	3,782,933
3.50% note payable, due in monthly installments of \$6,856, including interest, with a maturity date of December 2029, secured by a deed of trust and assignment of rents on the Willow Glen property	1,351,065
4.95% note payable, due in monthly installments of \$23,224, including interest, with a maturity date of January 2026, secured by a deed of trust on the Residences at Creekside property	2,504,995
7.35% note payable to FirstBank of Colorado, due in monthly installments of \$19,196, including interest, through the maturity date of March 2030, secured by a deed of trust and security agreement on the Creekside West property	2,011,568
4.250% note payable to ANB Bank, due in monthly installments of \$8,880, including interest, through the maturity date of January 2030, secured by a deed of trust on the Villas at Sloan's Lake property	1,628,675

6.70% note payable to Colorado Housing and Finance Authority (Mortgage 1), due in monthly installments of \$25,027, including interest, through the maturity date of June 2027, secured by a deed of trust, security agreement, financing statement, and an assignment of rents and leases on the Maplewood Apartments property	3,257,529
3.00% note payable to Colorado Housing and Finance Authority (Mortgage 2), due in monthly installments of \$2,117, including interest, through the maturity date of June 2027, secured by a deed of trust, security agreement, financing statement, and an assignment of rents and leases on the Maplewood Apartments property	373,460
0.00% TCAP note payable to Colorado Housing and Finance Authority, principal due September 2028, secured by a deed of trust, security agreement and financing statement on the Maplewood Apartments property	931,109
	<u>\$ 33,980,300</u>

The Marston Pointe, Paloma I and Paloma II, Cedar, and Willow Glen notes payable carry various financial covenants as defined by their respective loan agreements. At December 31, 2025, the Authority was in compliance with these covenants on the Marston Pointe, Paloma I and Paloma II, and Willow Glen loans. At December 31, 2025, the Authority was not in compliance on the Cedar loan. Subsequent to year-end, Cedar made an additional payment in order to satisfy the covenant requirements.

The estimated debt requirements to maturity for the years ending December 31 are as follows:

	Principal	Interest	Total
2026	\$ 3,459,758	\$ 1,297,490	\$ 4,757,248
2027	4,155,279	1,137,469	5,292,748
2028	1,578,719	1,020,556	2,599,275
2029	8,972,955	979,164	9,952,119
2030	15,813,589	155,500	15,969,089
Total	<u>\$ 33,980,300</u>	<u>\$ 4,590,179</u>	<u>\$ 38,570,479</u>

Note 9 - Annual Contributions Contract

The Authority has an annual contributions contract for housing choice vouchers and adjustments vary based on requirements. The maximum contract was \$22,578,945 for the year ended December 31, 2025.

Note 10 - Conduit Debt

The Authority is allowed by State statutes to provide private activity bonding authority to private sector entities for projects that serve the public interest. The bonds are secured by the properties being financed and are payable solely from revenues of the properties. Upon repayment of the bonds, ownership of the properties transfers to the respective private sector entities. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The Authority has issued tax-exempt private activity bonds to finance a portion of the cost of the development of the Fifty Eight Hundred Apartments housing project. At December 31, 2025, the outstanding principal balance of the bonds was \$10,478,554.

The Authority has issued tax-exempt private activity bonds to finance a portion of the cost of the development of the Indy Streets Flats housing project. At December 31, 2025, the outstanding principal balance of the bonds was \$8,859,577.

The Authority has issued Multifamily Housing Revenue Bonds to finance a portion of the cost of the construction and rehabilitation of a 108-unit multifamily housing project known as Caesar Square Apartments. At December 31, 2025, the outstanding principal balance of the bonds was \$6,749,033.

The Authority has issued Multifamily Housing Revenue Bonds to finance a portion of the cost of the construction and rehabilitation of a 118-unit multifamily housing project known as Belmar Groves Apartments. At December 31, 2025, the outstanding principal balance of the bonds was \$31,218,264.

Note 11 - Employee Pension Plans

Defined Contribution Plan

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

During 2025, employer contributions to the plan totaled \$789,235.

Deferred Compensation Plan

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

Note 12 - Related Party Transactions

Management Fees and Reimbursed Expenses

The Authority has entered into management agreements with the various related entities to provide management services for their respective projects. Under the agreements, the Authority is to be paid management fees totaling 5% of gross monthly collections. In addition, the Authority receives a monthly bookkeeping fee equal to \$4 per unit per month from 5100 W Alameda Holdings, LLC and a monthly accounting fee of \$250 from Everett Court.

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

During 2025, the Authority received the following management fees, accounting fees and reimbursed expenses from the various related entities:

	Bookkeeping/ Accounting Fees	Management Fees	Reimbursed Expenses
5100 W Alameda Holdings, LLC	\$ 2,400	\$ 39,582	\$ 167,900
MWHS Lamar Station, LLLP	-	89,362	409,800
MWHS CityScape, LLLP	-	114,005	412,900
Paloma Villas III, LLLP	-	36,000	182,800
MWHS Fifty Eight Hundred, LLLP	-	113,529	554,600
MWHS Indy Street Flats LLLP	-	93,408	476,700
MWHS Sage Corner LLLP	-	30,644	99,100
MWHS Lamar II LLLP	-	39,561	235,000
Everett Court Partners, LLC	3,000	35,484	160,500
MWHS Belmar Groves LLLP	-	69,990	366,100
	<u>\$ 5,400</u>	<u>\$ 661,565</u>	<u>\$ 3,065,400</u>

Developer Fees

MWHS Fifty Eight Hundred, LLLP – A developer fee of \$3,858,544 was capitalized as part of the building costs. The developer fee was to be paid out of capital contributions, per the development agreement, and any remaining developer fee payable is to be paid from available cash flows. All unpaid developer fees shall be paid in full on or before October 2030. Unpaid developer fee amounts will incur interest at a rate of 1% annually after the final capital contribution is received. During 2025, the Partnership incurred interest of \$6,632 on unpaid developer fees. During 2025, the Partnership paid \$392,972 for developer fees and related interest. At December 31, 2025, the Partnership owed \$536,128 to the Authority for developer fees and owed \$6,632 to the Authority for accrued interest on developer fees.

MWHS Indy Street Flats LLLP – A developer fee of \$3,616,957 was capitalized as part of building costs. The developer fee was to be paid out of capital contributions, per the development agreement, and any remaining developer fee payable is to be paid from available cash flows. All unpaid developer fees shall be paid in full on or before the 13th anniversary of the completion date. Interest is to accrue on deferred developer fees at the long-term Applicable Federal Rate. During 2025, the Partnership incurred interest of \$55,246 and paid interest of \$53,835 on unpaid developer fees. At December 31, 2025, the Partnership owed \$2,597,118 to the Authority for developer fees and owed \$148,159 to the Authority for accrued interest on developer fees.

MWHS Sage Corner LLLP – A developer fee of \$1,350,000 was capitalized as part of building costs. The developer fee is to be paid out of capital contributions, per the development agreement, and any remaining developer fee payable is to be paid from available cash flows. All unpaid developer fees shall constitute a loan bearing an interest rate equal to the long-term applicable federal rate for the month in which the project achieves construction completion (January 28, 2021). The long-term applicable federal rate was 1.35% as of January 28, 2021. During 2025, the Partnership paid \$95,695 for developer fees and the related accrued interest. At December 31, 2025, the Partnership owed \$162,465 to the Authority for developer fees. During 2025, the Partnership incurred interest of \$2,578 to the Authority for developer fees. At December 31, 2025, the Partnership owed \$2,578 to the Authority for accrued interest on developer fees.

Everett Court Partners, LLC – A developer fee of \$1,501,256 to Hartman Ely Investments, LLC, the developer, was previously capitalized as part of the building costs. The developer fee payable in the amount of \$855,414 was purchased and assumed in a prior year by Lakewood Housing Corporation, a blended component unit of the Authority. In exchange for this purchase and assumption, Lakewood Housing Authority was assigned the sole interest of the managing member of Everett Court Partners, LLC. Developer fees of \$25,002 were paid to the Authority in 2025. As of December 31, 2025, the Partnership owed \$721,516 to the Authority for developer fees. Unpaid developer fees are to be paid from available cash flow.

MWHS Belmar Groves, LLLP – The Authority is to receive a developer fee of \$5,014,026 for services performed to develop the Belmar Groves project. As of December 31, 2025, the Authority had earned \$5,014,026 of these fees which were capitalized to construction in progress and into the building costs. The Partnership paid no developer fees to the Authority during 2025. As of December 31, 2025, the Partnership owed developer fees in the amount of \$4,499,662 to the Authority. The developer fee payable is to be paid from capital contributions and net cash flow in accordance with the partnership agreement. Any amount of developer fee including the deferred developer fee that has not been paid in full on or before the end of the compliance period on the first building to start the credit period, shall be paid no later than such date.

Notes Payable

The Authority has entered into multiple loan agreements with the related entities. Provisions of the notes and balances of interest receivable/payable are detailed in Notes 4 and 16. During 2025, the related entities incurred the following interest amounts on the related party notes:

MWHS Lamar Station, LLLP	\$ 67,549
MWHS CityScape, LLLP	211,304
MWHS Fifty Eight Hundred, LLLP	176,606
MWHS Indy Street Flats LLLP	191,094
MWHS Sage Corner LLLP	57,491
MWHS Lamar II LLLP	155,173
Everett Court Partners, LLC	54,329
MWHS Belmar Groves LLLP	<u>1,103,444</u>
	<u>\$ 2,016,990</u>

Partnership Management Fees

MWHS Fifty Eight Hundred, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership management fee equal to \$10,000 annually, until the end of the compliance period for managing the Partnership’s operations and assets and other related services. During 2025, the Partnership incurred partnership administration fees of \$10,000 to the Authority. As of December 31, 2025, the Partnership owed \$72,500 to the Authority for these fees.

MWHS Indy Street Flats LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership management fee equal to \$15,000, increasing annually by 3%. During 2025, the Partnership incurred partnership management fees of \$17,389. As of December 31, 2025, the Partnership owed \$97,026 to the Authority for these fees.

Partnership Administration Fee

MWHS Lamar Station, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership administration fee equal to \$20,537, increasing annually by 3%. During 2025, the Partnership incurred partnership administration fees of \$28,428. As of December 31, 2025, the Partnership owed \$28,428 to the Authority for this fee.

MWHS CityScape, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership administration fee equal to \$25,000, increasing annually by 3%. During 2025, the Partnership incurred partnership administration fees of \$33,598. As of December 31, 2025, the Partnership owed \$33,598 to the Authority for this fee.

Paloma Villas III, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority an annual, cumulative fee equal to \$25,000, increasing 3% each year. Amounts are paid out of available cash flow; however, if cash flow is not available, the fee will accumulate but will only be expensed in the year it was paid. During 2025, the Partnership incurred and paid partnership administration fees of \$82,637.

MWHS Lamar II LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership administration fee equal to \$20,946, increasing annually by 3%, to the extent of available cash flow. During 2025, the Partnership incurred partnership administration fees of \$23,575. As of December 31, 2025, the Partnership owed \$23,575 to the Authority for this fee.

MWHS Belmar Groves LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative partnership administration fee equal to \$4,804, increasing annually by 3%, to the extent of available cash flow. During 2025, the Partnership incurred partnership administration fees of \$5,096. As of December 31, 2025, the Partnership owed \$12,046 to the Authority for this fee.

General Partner Asset Management Fee

MWHS Sage Corner LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative asset management fee equal to \$10,750, increasing 3% annually, to the extent of available cash flow. The combination of the management fees and general partner asset management fees cannot exceed 12% of the year's effective gross income. During 2025, the Partnership incurred asset management fees of \$12,099 to the Authority. As of December 31, 2025, the Partnership owed \$57,073 to the Authority for these fees.

Supervisory Administration Fee

MWHS Belmar Groves LLLP – Pursuant to the partnership agreement, the Partnership is to pay the Authority a cumulative supervisory administration fee equal to \$3,000, increasing annually by 3%, to the extent of available cash flow. During 2025, the Partnership incurred supervisory administration fees of \$3,273. As of December 31, 2025, the Partnership owed \$273 to the Authority for this fee.

Loan Shortfall Guaranty

MWHS Indy Street Flats LLLP – Pursuant to the partnership agreement, the Authority is obligated to provide funds to the Partnership in the event that the proceeds of the construction loan and secondary loans are less than the costs of construction. As of December 31, 2025, the Partnership owed \$1,532,593 to the Authority for loan shortfall guaranty loans. The amount will be repaid from available cash flows of the project.

Operating Deficit Guaranty

MWHS Indy Street Flats LLLP – Pursuant to the partnership agreement, if at any time after the stabilization period, an operating deficit exists, the Authority is to advance funds to the Partnership as a loan in an amount equal to the amount of the operating deficit. The Authority's obligation is limited to a maximum amount of \$591,583. The loan shall not bear interest and will be repaid from available cash flows of the project. As of December 31, 2025, the Partnership owed \$409,766 to the Authority for an operating deficit loan.

MWHS Fifty Eight Hundred, LLLP – Pursuant to the partnership agreement, the Authority is obligated to provide funds to the Partnership during the breakeven period to permit the Partnership to meet all reasonable operating and fixed costs attributable to the period. Repayment of the advances shall be made without the right of reimbursement. After the breakeven period, the Authority is obligated to fund the Partnership during the operating guaranty period in an amount up to \$716,000. Funds advanced during this period will be considered non-interest-bearing loans and repayment will be from available cash flows. As of December 31, 2025, the Partnership owed \$120,000 to the Authority for operating deficits.

MWHS Lamar II LLLP – Pursuant to the partnership agreement, if, at any time after the stabilization date, an operating deficit exists, as defined in the partnership agreement, the Authority shall advance funds to the Partnership as a loan in an amount equal to the amount of the operating deficit. The Authority's obligation shall be limited to a maximum amount of \$445,000. The loan shall not bear interest and shall be payable from available cash flows. As of December 31, 2025, the Partnership owes the Authority \$35,000 for operating deficits.

Guaranties

The partnership agreements with several of the Authority's discretely presented component units require the Authority to advance certain amounts to these partnerships for excess construction costs and operating deficits. The Authority may be required to advance additional amounts to these partnerships in the future; however, these amounts are not currently predictable.

Incentive Management Fee

5100 W Alameda Holdings, LLC – Pursuant to the operating agreement, the Company is to pay the Authority a non-cumulative fee equal to 80% of net cash flow available, as defined in the operating agreement, for services provided in managing the business of the Company. During 2025, the Company incurred and paid incentive management fees of \$146,184 to the Authority.

Company Management Fee

Everett Court Partners, LLC – Pursuant to the operating agreement, the Company is to pay the Authority, as managing member, a cumulative company management fee equal to \$5,000, increasing annually by 3% for services provided. During 2025, the Company incurred company management fees of \$5,796 to the Authority. As of December 31, 2025, the Company owed the Authority \$30,082 for accrued management fees.

Distributions

Paloma Villas III, LLLP – Pursuant to the partnership agreement, the Partnership is to pay the partners annual distributions to the extent of available cash flow. The Partnership paid no distributions to the Authority in 2025.

5100 W Alameda Holdings, LLC – Pursuant to the company agreement, the Company is to pay the members annual distributions to the extent of available cash flow. The Company paid distributions of \$3 to the Authority in 2025.

Advances

Everett Court Partners, LLC – as of December 31, 2025, the Partnership owed \$626,694 to the Authority for advances made to the Partnership to pay for the costs to replace the roof.

Note 13 - Commitments and Contingencies

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

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

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

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

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

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

During 2021, the Authority received funding in the amount of \$499,000 from the County, the proceeds of which were loaned to Lamar II. If the Authority or Lamar II should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through December 31, 2042, it is possible that the Authority would have to return the funds to the County.

During 2021, the Authority received funding in the amount of \$636,000 from the State, the proceeds of which were loaned to Lamar II. If the Authority or Lamar II should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through December 31, 2062, it is possible that the Authority would have to return the funds to the State.

During 2022, the Authority received funding in the amount of \$1,000 from the County, the proceeds of which were loaned to Lamar II. If the Authority or Lamar II should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through December 31, 2042, it is possible that the Authority would have to return the funds to the County.

During 2022, the Authority received funding in the amount of \$159,000 from the State, the proceeds of which were loaned to Lamar II. If the Authority or Lamar II should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through December 31, 2062, it is possible that the Authority would have to return the funds to the State.

During 2024, the Authority received funding in the amount of \$1,537,820 from the State, the proceeds of which were loaned to Belmar Groves. If the Authority or Belmar Groves should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through March 31, 2056, it is possible that the Authority would have to return the funds to the State.

During 2025 and 2024, the Authority received funding in the amount of \$500 and \$499,000, respectively, from the County, the proceeds of which were loaned to Belmar Groves. If the Authority or Belmar Groves should fail to meet certain requirements of providing affordable housing below market rates to low-income persons as provided in the funding agreement through December 31, 2045, it is possible that the Authority would have to return the funds to the County.

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

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

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

Note 14 - Condensed Component Unit Information

Condensed component unit information for Lakewood Housing Corporation, LHA Ridgemoor Holdings, LLC, LHA Pierce Street, LLLP, MWHS Creekside West, LLLP, Wolff Street Development, LLLP, and LHA Maplewood, LLLP, the Authority's blended component units, for the year ended December 31, 2025, is as follows:

Condensed Statement of Net Position

	Lakewood Housing Corporation	LHA Ridgemoor Holdings, LLC	LHA Pierce Street, LLLP	MWHS Creekside West, LLLP	Wolff Street Development, LLLP	LHA Maplewood, LLLP	Total
Assets							
Current Assets	\$ 1,335,216	\$ 9,029,742	\$ 1,679,101	\$ 790,340	\$ 357,341	\$ 1,300,760	\$ 14,492,500
Noncurrent Assets	2,810,446	-	1,059,430	-	-	-	3,869,876
Equity in Partnerships	421,289	-	-	-	-	-	421,289
Capital Assets	-	-	10,451,803	10,217,847	6,338,669	10,852,387	37,860,706
Right-to-Use Leased Assets	-	-	12,871	12,871	12,871	12,871	51,484
Total Assets	\$ 4,566,951	\$ 9,029,742	\$ 13,203,205	\$ 11,021,058	\$ 6,708,881	\$ 12,166,018	\$ 56,695,855
Liabilities							
Current Liabilities	\$ 17,222	\$ -	\$ 2,627,812	\$ 143,793	\$ 110,256	\$ 251,496	\$ 3,150,579
Noncurrent Liabilities	-	-	4,599,054	5,728,906	1,605,570	5,778,146	17,711,676
Deferred Inflows - Leases	-	-	925,536	-	-	-	925,536
Total Liabilities	17,222	-	8,152,402	5,872,699	1,715,826	6,029,642	21,787,791
Net Position	4,549,729	9,029,742	5,050,803	5,148,359	4,993,055	6,136,376	34,908,064
Total Liabilities and Net Position	\$ 4,566,951	\$ 9,029,742	\$ 13,203,205	\$ 11,021,058	\$ 6,708,881	\$ 12,166,018	\$ 56,695,855

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

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

	Lakewood Housing Corporation	LHA Ridgemoor Holdings, LLC	LHA Pierce Street, LLLP	MWHS Creekside West, LLLP	Wolff Street Development, LLLP	LHA Maplewood, LLLP	Total
Operating Revenues							
Rental income	\$ -	\$ -	\$ 1,838,574	\$ 1,263,998	\$ 909,713	\$ 1,944,912	\$ 5,957,197
Other	12,792	127,791	154,324	19,882	79,813	54,843	449,445
Total operating revenues	12,792	127,791	1,992,898	1,283,880	989,526	1,999,755	6,406,642
Operating Expenses							
Administrative	147,517	-	266,889	254,438	161,561	357,304	1,187,709
Maintenance	303	-	485,952	360,019	445,536	493,864	1,785,674
Depreciation	-	-	554,504	501,104	311,358	403,766	1,770,732
Utilities	86	-	176,958	107,898	109,300	195,545	589,787
Insurance	2,963	-	106,204	89,033	57,270	117,347	372,817
Other	2,831	-	35,447	70,362	47,371	64,695	220,706
Total operating expenses	153,700	-	1,625,954	1,382,854	1,132,396	1,632,521	5,927,425
Operating Income (Loss)	(140,908)	127,791	366,944	(98,974)	(142,870)	367,234	479,217
Non-Operating Revenues (Expenses)							
Loss on disposal of capital assets	-	-	(25,660)	(39,708)	-	-	(65,368)
Interest income	84,566	165,626	58,077	11,064	1,657	9,434	330,424
Interest expense	-	-	(106,563)	(308,766)	(69,662)	(300,537)	(785,528)
Total non-operating revenues (expenses)	84,566	165,626	(74,146)	(337,410)	(68,005)	(291,103)	(520,472)
Change in Net Position	(56,342)	293,417	292,798	(436,384)	(210,875)	76,131	(41,255)
Net Position, Beginning of Year, as Originally Reported	5,581,157	8,736,325	4,758,005	-	-	-	19,075,487
Change in Reporting Entity	(975,086)	-	-	5,584,743	5,203,930	6,060,245	15,873,832
Net Position, Beginning of Year, as Restated	4,606,071	8,736,325	4,758,005	5,584,743	5,203,930	6,060,245	34,949,319
Net Position, End of Year	\$ 4,549,729	\$ 9,029,742	\$ 5,050,803	\$ 5,148,359	\$ 4,993,055	\$ 6,136,376	\$ 34,908,064

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

Condensed Statement of Cash Flows

	Lakewood Housing Corporation	LHA Ridgemoor Holdings, LLC	LHA Pierce Street, LLLP	MWHS Creekside West, LLLP	Wolff Street Development, LLLP	LHA Maplewood, LLLP	Total
Net Cash From (Used For):							
Operating activities	\$ (714,257)	\$ 1,845,332	\$ 916,916	\$ 312,413	\$ 224,304	\$ 739,566	\$ 3,324,274
Capital and related financing activities	-	-	(601,578)	(512,273)	(134,167)	(1,055,583)	(2,303,601)
Investing activities	32,136	165,627	58,077	11,063	1,658	9,434	277,995
Net change in cash and cash equivalents	(682,121)	2,010,959	373,415	(188,797)	91,795	(306,583)	1,298,668
Cash and Cash Equivalents, Beginning of Year	1,481,270	4,026,150	1,205,904	890,977	243,556	1,534,569	9,382,426
Cash and Cash Equivalents, End of Year	<u>\$ 799,149</u>	<u>\$ 6,037,109</u>	<u>\$ 1,579,319</u>	<u>\$ 702,180</u>	<u>\$ 335,351</u>	<u>\$ 1,227,986</u>	<u>\$ 10,681,094</u>

Note 15 - Change in Reporting Entity

MWHS Creekside West, LLLP

During 2025, the Authority increased its ownership in MWHS Creekside West, LLLP by assuming the limited partner's share of MWHS Creekside West, LLLP, thereby gaining control of the entity. In connection therewith, the Authority assumed the existing assets and liabilities of MWHS Creekside West, LLLP. Net position for the primary government as of January 1, 2025, has been increased by \$5,584,743 for the change in reporting entity.

Wolff Street Development, LLLP

At December 31, 2024, the Authority's equity method investment in Wolff Street Development, LLLP totaled \$684,139. At December 31, 2024, the Authority also had a receivable of \$290,947 from Wolff Street Development, LLLP, related to partnership administration fees. During 2025, the Authority increased its ownership in Wolff Street Development, LLLP by assuming the limited partner's share of Wolff Street Development, LLLP, thereby gaining control of the entity. In connection therewith, the Authority assumed the existing assets and liabilities of Wolff Street Development, LLLP. Net position for the primary government as of January 1, 2025, has been increased by \$4,228,844 for the change in reporting entity.

LHA Maplewood, LLLP

At December 31, 2024, the Authority's equity method investment in LHA Maplewood, LLLP totaled \$876. During 2025, the Authority increased its ownership in LHA Maplewood, LLLP by assuming the limited partner's share of LHA Maplewood, LLLP, thereby gaining control of the entity. In connection therewith, the Authority assumed the existing assets and liabilities of LHA Maplewood, LLLP. Net position for the primary government as of January 1, 2025, has been increased by \$6,059,369 for the change in reporting entity.

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

The initial balances from the above entities that were transferred as of January 1, 2025, net of the Authority's existing equity method investment balance and write-off of partnership administration fee receivable, are as follows:

	MWHS Creekside West, LLLP	Wolff Street Development, LLL	LHA Maplewood, LLL	Total
Cash	\$ 890,977	\$ 243,556	\$ 1,534,569	\$ 2,669,102
Other Current Assets	83,373	68,931	70,231	222,535
Other Noncurrent Assets	3,750	-	-	3,750
Capital Assets	10,544,919	6,627,357	10,938,456	28,110,732
Total Assets	<u>\$ 11,523,019</u>	<u>\$ 6,939,844</u>	<u>\$ 12,543,256</u>	<u>\$ 31,006,119</u>
Current Liabilities	\$ 331,223	\$ 116,811	\$ 522,036	\$ 970,070
Noncurrent Liabilities	5,607,053	1,619,103	5,960,975	13,187,131
Total Liabilities	5,938,276	1,735,914	6,483,011	14,157,201
Net Position	5,584,743	5,203,930	6,060,245	16,848,918
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 11,523,019</u>	<u>\$ 6,939,844</u>	<u>\$ 12,543,256</u>	<u>\$ 31,006,119</u>
Transfer of Net Position	\$ 5,584,743	\$ 5,203,930	\$ 6,060,245	\$ 16,848,918
Write-off of partnership administration fee receivable	-	(290,947)	-	(290,947)
Less Prior Equity Method Investment Balance	-	(684,139)	(876)	(685,015)
Change in Net Position	<u>\$ 5,584,743</u>	<u>\$ 4,228,844</u>	<u>\$ 6,059,369</u>	<u>\$ 15,872,956</u>

Note 16 - Discretely Presented Component Units

Capital Assets

The following is a summary of property, structures and equipment for the year ended December 31, 2025:

Land	\$ 19,059,867
Construction in progress	626,694
Land improvements	12,936,215
Building and improvements	209,967,547
Solar equipment	495,610
Furniture and equipment	<u>8,559,613</u>
	251,645,546
Accumulated depreciation	<u>(51,949,995)</u>
	<u><u>\$ 199,695,551</u></u>

Accrued Compensated Absences

The amount of accumulated unpaid leave at December 31, 2025, was \$86,801 for the discretely presented component units.

Advanced Revenues

At December 31, 2025, the discretely presented component units' advanced revenues consisted of prepaid rents of \$52,531.

Construction Note Payable

MWHS Belmar Groves LLLP is financing the construction of the housing project in part with a 5.29% construction note payable to FirstBank in an amount up to \$32,000,000. Monthly payments of interest only are to be made through the conversion date, expected to be March 1, 2026. During 2025, Belmar Groves incurred interest of \$1,182,555 on the construction note payable, of which \$277,450 was capitalized into building costs, and \$904,805 was expensed. The construction note payable is secured by a deed of trust, security agreement, and fixture filing and is guaranteed by the Authority. As of December 31, 2025, the balance of the construction note payable was \$31,218,264. The construction note payable is expected to be paid down from capital contributions and converted to a permanent loan in the amount of \$11,200,000.

Long-Term Debt

Long-term debt as of December 31, 2025, consists of the following:

Notes and Mortgages Payable

	Principal	Accrued Interest	Total
<u>Notes and Mortgages Payable to Primary Government:</u>			
2.00% note payable to the Authority, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	\$ 2,285,970	\$ 46,250	\$ 2,332,220
2.00% note payable to the Authority, (CDOH), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	500,000	9,825	509,825
2.00% note payable to the Authority, (HOME), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2042, secured by a deed of trust, security agreement and financing statement on the Lamar Station Crossing property	567,979	11,474	579,453
4.00% note payable to the Authority (County HOME), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2044, secured by a deed of trust on the CityScape at Belmar property	900,000	446,774	1,346,774
4.00% note payable to the Authority (CDOH), payments due to the extent the Partnership generates cash flow, remaining principal and interest due December 2044, secured by a deed of trust on the CityScape at Belmar property	500,000	261,342	761,342
4.00% note payable to the Authority, payments due to the extent the Partnership generates cash flow, remaining principal and interest due December, 2044, secured by a deed of trust on the CityScape at Belmar property	2,262,836	674,589	2,937,425
1.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	800,000	67,293	867,293

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

	Principal	Accrued Interest	Total
1.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	840,000	73,731	913,731
2.82% note payable to the Authority, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	4,370,000	1,191,771	5,561,771
1.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due March 2057, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property	600,000	49,615	649,615
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	384,000	75,873	459,873
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	396,000	80,653	476,653
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	430,000	75,736	505,736
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2057, secured by a deed of trust and security agreement on the Sage Corner property	450,000	81,592	531,592
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	3,445,315	849,453	4,294,768
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	300,000	69,003	369,003
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	600,000	130,168	730,168

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

	Principal	Accrued Interest	Total
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due August 2058, secured by a deed of trust and security agreement on the Indy Street Flats property	935,746	231,194	1,166,940
3.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	1,880,000	119,637	1,999,637
6.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	500,000	150,066	650,066
6.00% note payable to the Authority, payments due from available cash flow, remaining principal and interest due July 2060, secured by a deed of trust and security agreement on the Lamar II property	795,000	227,262	1,022,262
0.1% note payable to the Authority, unpaid principal and interest due July 2060, secured by a deed of trust and security agreement on the Everett Court property	910,000	5,211	915,211
0.1% note payable to the Authority, unpaid principal and interest due August 2060, secured by a deed of trust and security agreement on the Everett Court property	910,000	5,210	915,210
3.80% Seller Carryback note payable to the Authority, payments due from available cash flow, unpaid principal and compounding interest due December 2060, secured by a deed of trust and security agreement on the Everett Court property	1,145,000	287,154	1,432,154
3.98% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2065, secured by a deed of trust, security agreement, financing statement, and fixture filing on the Belmar Groves property	21,800,000	2,170,744	23,970,744
3.98% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2065, note may be drawn to a total of \$500,000, secured by a deed of trust, security agreement, financing statement, and fixture filing on the Belmar Groves property	499,500	34,752	534,252

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

	Principal	Accrued Interest	Total
3.98% note payable to the Authority, payments due from available cash flow, remaining principal and interest due December 2065, note may be drawn to a total of \$5,310,000, secured by a deed of trust, security agreement, financing statement, and fixture filing on the Belmar Groves property	1,133,000	181,844	1,314,844
Total Notes Payable to Primary Government	50,140,346	7,608,216	57,748,562

Notes and Mortgages Payable - Other:

5.05% note payable to First Bank, due in monthly installments of \$51,716, including interest, through the maturity date of September 2034, secured by a deed of trust on the CityScape at Belmar property, net of unamortized debt issuance costs of \$166,912, based upon effective interest rate of 5.43%	7,752,035	34,431	7,786,466
0.00% TCAP note payable to Colorado Housing and Finance Authority, unpaid principal due January 2041, secured by a deed of trust on the Los Altos de Alameda property, net of unamortized debt issuance costs of \$17,241 based upon effective interest rate of 0.06%	2,201,076	-	2,201,076
4.00% note payable to First Bank, due in monthly installments of \$9,043, including interest, through the maturity date of September 2027, secured by a deed of trust on the Los Altos de Alameda property, net of unamortized debt issuance costs of \$6,617 based upon effective interest rate of 4.39%	1,465,690	5,071	1,470,761
4.55% mortgage note payable to FirstBank of Colorado, due in monthly installments of \$24,141, including interest, with a maturity date of June 2032, secured by a deed of trust, security agreement and assignment of rents on the Lamar Station Crossing property, net of unamortized debt issuance costs of \$65,433 based upon effective interest rate of 5.01%	3,528,657	14,082	3,542,739
4.25% note payable to ANB Bank, due in monthly installments of \$7,181, including interest, through the maturity date of January 2030, secured by a deed of trust and an assignment of rents on the Paloma Villas III property, net of unamortized debt issuance costs of \$6,088 based upon effective interest rate of 4.52%	1,305,486	4,654	1,310,140

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

	Principal	Accrued Interest	Total
4.05% mortgage note payable to FirstBank, due in monthly installments of \$18,873, including interest, with a maturity date of August 2038, secured by a deed of trust, security agreement and fixture filing on the Lamar II property, and guaranteed by the Authority, net of unamortized debt issuance costs of \$186,673 based upon effective interest rate of 4.40%	3,820,856	13,978	3,834,834
5.01% note payable to Key Bank for the construction of Fifty Eight Hundred Apartments, due in monthly installments of \$57,304, including interest, with a maturity date of May 2035, secured by a deed of trust and security agreement on the Fifty Eight Hundred Apartments property, net of unamortized debt issuance costs of \$379,860, based upon an effective interest rate of 5.70%	10,098,694	-	10,098,694
4.15% note payable to FirstBank for the construction of Indy Street Flats, due in monthly installments of \$43,304, including interest, with a maturity date of July 2036, secured by a deed of trust, security agreement, fixture filing, and assignment of rents on the Indy Street Flats property, net of unamortized debt issuance costs of \$297,117, based upon an effective interest rate of 4.65%	8,562,460	31,650	8,594,110
5.00% note payable to Colorado Housing and Finance Authority, due in monthly installments of \$15,141, including interest, through the maturity date of September 2056, secured by a deed of trust, security agreement, financing statement, fixture filing and assignment of rents on the Sage Corner property, net of unamortized debt issuance costs of \$101,182, based upon an effective interest rate of 5.11%	2,745,849	-	2,745,849
3.77% mortgage note payable to Colorado Housing and Finance Authority, due in monthly installments of \$16,725, including interest, through the maturity date of August 2038, secured by a deed of trust, security agreement, financing statement and assignment of rents and leases on the Everett Court Partners property, net of unamortized debt issuance costs of \$209,647, based upon an effective interest rate of 4.48%	3,621,690	-	3,621,690
3.00% mortgage note payable to Colorado Housing and Finance Authority Housing Opportunity Fund, due in monthly installments of \$3,162, including interest, through the maturity date of September 2038, secured by a deed of trust on all property and equipment, a security agreement and assignment of rents and leases on the Everett Court Partners property, net of unamortized debt issuance costs of \$27,715, based upon an effective interest rate of 3.46%	652,077	-	652,077

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Notes to Financial Statements
December 31, 2025

	Principal	Accrued Interest	Total
1.00% mortgage note payable to the State of Colorado, payments due from available cash flow, unpaid principal and compounding interest due August 2037, secured by a deed of trust, security agreement and financing statement on the Everett Court Partners property	539,000	32,021	571,021
0.50% mortgage note payable to Jefferson County, unpaid principal and compounding interest due December 2060, secured by a deed of trust, security agreement and financing statement on the Everett Court Partners property	750,000	18,938	768,938
Total Notes and Mortgages Payable - Other	47,043,570	154,825	47,198,395
Total Notes and Mortgages Payable	97,183,916	7,763,041	104,946,957
Less current portion	(1,200,367)	(635,865)	(1,836,232)
Total Notes and Mortgages Payable, Net of Current Portion and Unamortized Debt Issuance Costs	\$ 95,983,549	\$ 7,127,176	\$ 103,110,725

At December 31, 2025, the balance of accrued interest payable for the discretely presented component units consisted of the following:

Accrued interest on notes and mortgages payable	\$ 7,763,041
Accrued interest on construction note payable	130,187
Accrued interest on developer fees - Notes 4 and 12:	
MWHS Fifty Eight Hundred, LLLP	6,632
MWHS Indy Street Flats LLLP	148,159
MWHS Sage Corner LLLP	2,578
Total accrued interest payable	\$ 8,050,597

The estimated debt requirements to maturity for the years ending December 31 are as follows:

2026	\$ 1,200,367
2027	2,676,943
2028	1,299,612
2029	1,346,570
2030	2,698,988
Thereafter	89,425,921
Unamortized debt issuance costs	(1,464,485)
Total	\$ 97,183,916

Antenna Leases

5100 W Alameda Holdings, LLC

5100 W Alameda Holdings, LLC has entered into an antenna lease agreement in July 2017 with an unrelated entity to lease space on the roof of the building to be used for cell towers. The original term of the first lease is for 5 years and is to automatically renew for 5 additional terms of 60 months each, unless an election to terminate the agreement is made at least 30 days prior to the expiration of the initial term or the renewal term by the tenant. The lease agreement calls for monthly rent of \$1,900 increasing 1.5% annually. During 2025, 5100 W Alameda Holdings, LLC earned lease income of \$28,112.

MWHS Fifty Eight Hundred, LLLP

MWHS Fifty Eight Hundred, LLLP has entered into an agreement with an unrelated entity to lease space on the roof of the building to be used for cell towers.

The original term of the lease is for 3 years beginning upon the installation of the equipment and is to automatically renew under the same terms and conditions for 4 additional terms of 60 months each, unless an election to terminate the agreement is made at least 180 days prior to the expiration of the initial term or the renewal term by the tenant. The agreement calls for a monthly license fee of \$800 and a monthly electricity fee of \$100. The monthly license fee and the monthly electricity fee are to increase 2% annually.

During 2025, the Partnership earned lease income of \$11,388.

Minimum future lease payments to be received are as follows:

	5100 W Alameda Holdings, LLC	MWHS Fifty Eight Hundred, LLLP
2026	\$ 30,599	\$ 11,279
2027	30,599	11,279
2028	30,599	11,279
2029	30,599	11,279
2030	30,599	11,279
Thereafter	513,536	151,735
Total	<u>\$ 666,531</u>	<u>\$ 208,130</u>

Note 17 - Subsequent Events

Mortgage Note Payable – Residences at Creekside

In March 2026, the Authority refinanced the Residences at Creekside mortgage note payable, which matured in January 2026 with a new variable interest rate mortgage note payable totaling \$2,543,579. Terms of the new note call for monthly payments of \$14,995, including interest, through the maturity date of March 1, 2036. Interest will accrue on the unpaid principal balance at the rate of 5.78% until March 1, 2031, at which time the rate may change based on the variable rate provisions in the note. The note is secured by a deed of trust on the Residences at Creekside property.

The estimated debt requirements to maturity for the years ending December 31 are as follows: 2026 - \$29,466; 2027 - \$33,505; 2028 - \$35,108; 2029 - \$37,637; 2030 - \$39,903; thereafter - \$2,367,960.

Acquisition of Partnership Interest – Paloma Villas III, LLLP

In March 2026, the Authority increased its ownership in Paloma Villas III, LLLP by assuming the limited partner's share of Paloma Villas III, LLLP, thereby gaining control of the entity. In connection therewith, the Authority assumed the existing assets and liabilities of Paloma Villas III, LLLP.

Revolving Line of Credit

In May 2026, the Authority opened a \$13,000,000 revolving line of credit with KeyBank which is being used to fund various construction projects of the Authority. Interest payments are due monthly, and any remaining principal balance is due upon the maturity date of May 2027. The line of credit is secured by the General Revenues of the Authority, as defined by the line of credit agreement. At September 1, 2026, the outstanding balance of the line of credit was \$11,863,102. The line of credit carries various financial covenants as defined by the line of credit agreement.

Conduit Debt – Tiffany Square Preservation, L.P.

In June 2026, the Authority issued Multifamily Housing Revenue Bonds in the amount of \$9,800,000 to finance a portion of the cost of the development of the Tiffany Square Preservation housing project.

Supplementary Information

December 31, 2025

Housing Authority of the City of
Lakewood

dba

Metro West Housing Solutions

(This page intentionally left blank.)

	Community Development Block Grants 14.218	Housing Choice Vouchers 14.871	HOME Investment Partnership Program 14.239	Blended Component Units
Assets				
Cash and cash equivalents	\$ -	\$ 610,960	\$ 45,300	\$ 8,832,610
Restricted cash and cash equivalents	-	-	-	1,848,484
Accounts receivable				
Tenants, net	-	253,270	-	37,062
Other	-	134,314	-	99,160
Developer fees	-	-	-	-
Due from other agencies	-	284,962	-	-
Due from discretely presented component units	-	-	-	-
Leases	-	-	-	22,066
Interprogram receivable	-	-	-	3,466,858
Accrued interest receivable - short-term	-	-	-	-
Prepaid expenses	-	4,701	-	186,260
Notes receivable - current portion	-	-	-	-
Total current assets	-	1,288,207	45,300	14,492,500
Accrued interest receivable - long-term	-	-	-	287,154
Developer fees receivable - long-term	-	-	-	721,516
Equity method investments	-	-	-	421,289
Due from discretely presented component units - long-term	-	-	-	656,776
Notes receivable, net of current portion	-	-	-	1,145,000
Lease receivable - long-term	-	-	-	1,059,430
Non-depreciable capital assets	-	-	-	4,324,591
Depreciable capital assets, net	-	5,748	-	33,536,115
Right-to-use leased assets, net	-	-	-	51,484
	-	5,748	-	42,203,355
Total assets	\$ -	\$ 1,293,955	\$ 45,300	\$ 56,695,855
Liabilities and Net Position				
Liabilities				
Accounts payable	\$ 118	\$ 8,953	\$ -	\$ 62,439
Interprogram payable	474,224	-	-	-
Accrued liabilities	1,016	30,990	-	11,288
Accrued compensated absences	4,082	41,787	-	75,313
Advanced revenues	-	13	-	53,598
Tenant security deposits payable	-	-	-	200,377
Lease liability - current	-	-	-	14,703
Notes and mortgages payable - current portion	-	-	-	2,732,861
Total current liabilities	479,440	81,743	-	3,150,579
Noncurrent Liabilities				
Accrued interest payable - net of current portion	-	-	-	4,315,138
Lease liability - net of current portion	-	-	-	38,393
Notes and mortgages payable - net of current portion	-	-	-	13,358,145
Total noncurrent liabilities	-	-	-	17,711,676
Total liabilities	479,440	81,743	-	20,862,255
Deferred Inflows - Leases	-	-	-	925,536
Net Position				
Net investment in capital assets	-	5,748	-	21,768,088
Restricted	-	-	-	-
Unrestricted	(479,440)	1,206,464	45,300	13,139,976
Total net position	(479,440)	1,212,212	45,300	34,908,064
Total liabilities, deferred inflows and net position	\$ -	\$ 1,293,955	\$ 45,300	\$ 56,695,855

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Combining Statement of Net Position
December 31, 2025

Business Activities	Brownfields Assessment and Cleanup Cooperative Agreements 66.818	Total	Elimination of Intercompany Activity	Total
\$ 4,580,798	\$ -	\$ 14,069,668	\$ -	\$ 14,069,668
7,152,962	-	9,001,446	-	9,001,446
19,086	-	309,418	-	309,418
334,222	-	567,696	-	567,696
33,717	-	33,717	-	33,717
-	-	284,962	-	284,962
62,026	-	62,026	-	62,026
348,405	-	370,471	-	370,471
-	-	3,466,858	(3,466,858)	-
385,452	-	385,452	-	385,452
207,330	-	398,291	-	398,291
339,178	-	339,178	-	339,178
13,463,176	-	29,289,183	(3,466,858)	25,822,325
11,378,161	-	11,665,315	(4,285,182)	7,380,133
7,761,656	-	8,483,172	-	8,483,172
3,932,231	-	4,353,520	-	4,353,520
2,359,852	-	3,016,628	-	3,016,628
54,039,838	-	55,184,838	(5,383,670)	49,801,168
366,322	-	1,425,752	-	1,425,752
11,564,307	-	15,888,898	-	15,888,898
27,043,174	-	60,585,037	-	60,585,037
99,170	-	150,654	-	150,654
118,544,711	-	160,753,814	(9,668,852)	151,084,962
\$ 132,007,887	\$ -	\$ 190,042,997	\$ (13,135,710)	\$ 176,907,287
\$ 472,832	\$ -	\$ 544,342	\$ -	\$ 544,342
2,992,634	-	3,466,858	(3,466,858)	-
158,721	-	202,015	-	202,015
570,570	-	691,752	-	691,752
61,336	-	114,947	-	114,947
257,803	-	458,180	-	458,180
28,397	-	43,100	-	43,100
726,897	-	3,459,758	-	3,459,758
5,269,190	-	8,980,952	(3,466,858)	5,514,094
49,814	-	4,364,952	(4,285,182)	79,770
73,559	-	111,952	-	111,952
22,546,067	-	35,904,212	(5,383,670)	30,520,542
22,669,440	-	40,381,116	(9,668,852)	30,712,264
27,938,630	-	49,362,068	(13,135,710)	36,226,358
677,652	-	1,603,188	-	1,603,188
15,331,731	-	37,105,567	5,383,670	42,489,237
-	-	-	-	-
88,059,874	-	101,972,174	(5,383,670)	96,588,504
103,391,605	-	139,077,741	-	139,077,741
\$ 132,007,887	\$ -	\$ 190,042,997	\$ (13,135,710)	\$ 176,907,287

	Community Development Block Grants 14.218	Housing Choice Vouchers 14.871	HOME Investment Partnership Program 14.239	Blended Component Units
Operating Revenues				
HUD PHA grants	\$ -	\$ 24,659,184	\$ -	\$ -
Other grants	20,000	-	500	-
Rental income	-	-	-	5,957,197
Management fees	-	-	-	127,727
Developer fee income	-	-	-	-
Other	-	25,304	-	321,718
Total Operating Revenues	20,000	24,684,488	500	6,406,642
Operating Expenses				
Housing assistance payments	-	23,277,049	-	-
Administrative salaries and benefits	39,529	965,875	-	700,964
Maintenance salaries and benefits	-	-	-	705,626
Regular and extraordinary maintenance	-	20,045	-	1,080,048
Other administrative	21,914	206,786	-	486,745
Depreciation	-	2,768	-	1,770,732
Utilities	-	2,269	-	589,787
Insurance	449	18,786	-	372,817
Other	474	67,714	-	220,706
Total Operating Expenses	62,366	24,561,292	-	5,927,425
Operating Income (Loss)	(42,366)	123,196	500	479,217
Non-Operating Revenues (Expenses)				
Loss on disposal of capital assets	-	-	-	(65,368)
Interest income	-	7,981	525	330,424
Interest expense	-	-	-	(785,528)
Total Non-Operating Revenues (Expenses)	-	7,981	525	(520,472)
Income (Loss) Before Interprogram Transfers	(42,366)	131,177	1,025	(41,255)
Interprogram transfers	-	-	(500)	-
Change in Net Position	(42,366)	131,177	525	(41,255)
Net Position - Beginning of Year, as Originally Reported	(437,074)	1,081,035	44,775	19,075,487
Change in reporting entity	-	-	-	15,873,832
Net Position - Beginning of Year, as Restated	(437,074)	1,081,035	44,775	34,949,319
Net Position - End of Year	\$ (479,440)	\$ 1,212,212	\$ 45,300	\$ 34,908,064

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2025

Business Activities	Brownfields Assessment and Cleanup Cooperative Agreements 66.818	Total	Elimination of Intercompany Activity	Total
\$ -	\$ -	\$ 24,659,184	\$ -	\$ 24,659,184
1,825,180	500,000	2,345,680	-	2,345,680
6,488,677	-	12,445,874	-	12,445,874
1,019,296	-	1,147,023	(196,041)	950,982
1,780,431	-	1,780,431	-	1,780,431
1,367,606	-	1,714,628	-	1,714,628
12,481,190	500,000	44,092,820	(196,041)	43,896,779
-	-	23,277,049	-	23,277,049
4,309,648	-	6,016,016	-	6,016,016
658,171	-	1,363,797	-	1,363,797
1,371,004	-	2,471,097	-	2,471,097
1,106,384	-	1,821,829	(196,041)	1,625,788
1,883,575	-	3,657,075	-	3,657,075
596,898	-	1,188,954	-	1,188,954
410,277	-	802,329	-	802,329
423,396	-	712,290	-	712,290
10,759,353	-	41,310,436	(196,041)	41,114,395
1,721,837	500,000	2,782,384	-	2,782,384
(240,866)	-	(306,234)	-	(306,234)
2,696,887	-	3,035,817	(215,990)	2,819,827
(887,842)	-	(1,673,370)	215,990	(1,457,380)
1,568,179	-	1,056,213	-	1,056,213
3,290,016	500,000	3,838,597	-	3,838,597
500,500	(500,000)	-	-	-
3,790,516	-	3,838,597	-	3,838,597
99,601,965	-	119,366,188	-	119,366,188
(876)	-	15,872,956	-	15,872,956
99,601,089	-	135,239,144	-	135,239,144
\$ 103,391,605	\$ -	\$ 139,077,741	\$ -	\$ 139,077,741

Single Audit

December 31, 2025

Housing Authority of the City of
Lakewood

dba

Metro West Housing Solutions

Housing Authority of the City of Lakewood
dba Metro West Housing Solutions
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

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 Program</i>			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers Program	14.871		\$ 24,561,292
<i>Passed Through Jefferson County</i>			
HOME Investment Partnership Program	14.239	Not Available	500
<i>Passed Through City of Lakewood</i>			
CDBG Entitlement Grants Cluster			
Community Development Block Grant (CDBG)	14.218	15-09011	<u>20,000</u>
Total U.S. Department of Housing and Urban Development			<u>24,581,792</u>
U.S. Environmental Protection Agency			
<i>Direct Program</i>			
Brownfields Assessment and			
Cleanup Cooperative Agreements	66.818		<u>500,000</u>
Total U.S. Environmental Protection Agency			<u>500,000</u>
Total Federal Financial Assistance			<u><u>\$ 25,081,792</u></u>

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Housing Authority of the City of Lakewood dba Metro West Housing Solutions (the Authority) under programs of the federal government for the year ended December 31, 2025. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note B – Summary of Significant Accounting Policies

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

Note C – Indirect Cost Rate

The Authority has not elected to use the 15% de minimis cost rate and does not draw for indirect administrative expenses.



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Lakewood, dba Metro West Housing Solutions (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 2, 2026. 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 Authority'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 have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 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*.

Metro West Housing Solutions' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
September 2, 2026



Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Housing Authority of the City of Lakewood dba Metro West Housing Solutions' (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2025. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended December 31, 2025.

Basis for Opinion on the 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 the 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 the 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.

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 2025-002 and 2025-003 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 response 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 response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Reno, Nevada
September 2, 2026

Housing Authority of the City of Lakewood dba Metro West Housing Solutions
Schedule of Findings and Questioned Costs
Year Ended December 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 program:	
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 Program	14.871
Dollar threshold used to distinguish between type A and type B programs:	\$ 1,000,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

**2025-001 Proposed Audit Adjustments and Lack of Review over Reconciliations
Material Weakness in Internal Control**

Criteria: A complete system of internal controls contemplates an adequate process for reporting financial information, including properly recording transactions and ensuring adjustments are identified, reviewed, and recorded in accordance with the Authority's accounting policies and generally accepted accounting principles. In addition, a well-designed system of internal control includes procedures to ensure that reconciliations of significant account balances are completed timely and are subject to independent review.

Condition: During the audit, material adjustments were proposed to the financial statements, primarily related to capital assets and leases, which were not identified through the Authority's normal financial reporting process. In certain instances, there was limited evidence of independent review over reconciliations of significant account balances.

Cause: The Authority's current review and reconciliation processes do not consistently identify all adjustments needed to ensure account balances and disclosures are complete and accurate prior to the audit.

Effect: As a result, there is an increased risk that material misstatements in the financial statements may not be identified and corrected in a timely manner without auditor involvement.

Recommendation: We recommend the Authority enhance its pre-audit financial reporting process by performing more comprehensive account reconciliations and analyses prior to year-end close, implement a structured review of account balances and supporting schedules, and ensure identified adjustments are recorded prior to the audit where appropriate.

Views of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs

2025-002 Direct Program

Department of Housing and Urban Development

FFAL #14.871

Section 8 Housing Choice Vouchers

Special Tests and Provisions: HQS Enforcement and Inspections

Significant Deficiency in Internal Control over Compliance

Criteria: As a condition of receiving Federal awards, non-Federal entities agree to comply with laws, regulations, and the provisions of grant agreements and contracts, and to maintain internal controls to provide reasonable assurance of compliance with these requirements. The Housing Choice Voucher program requires that recipients perform inspections of properties where tenants receiving Housing Assistance Payments reside and when inspections fail, re-inspections must be performed within 30 days for non-life-threatening issues and within 24 hours for life-threatening issues. In addition, the Housing Choice Voucher program requires inspections on these units to be performed at a minimum of once biennially.

Condition: The Authority did not perform re-inspections of 3 failed inspections within the prescribed 30-day or 24-hour requirement during 2025. In addition, HAP was not properly reviewed for possible abatement for 2 of these tenants. The Authority also did not have adequate controls in place for 3 other units to ensure the re-inspection requirement was met, however the lack of controls did not result in any non-compliance.

Cause: Controls over inspections that are a part of special tests and provisions were not properly designed to ensure that re-inspections of properties occurred within 30 days or 24 hours of a failed inspection, thus resulting in a deficiency of internal control.

Effect: The Authority could be issuing HAP for properties that are not up to code or potentially dangerous for their recipients if inspections fail and re-inspections are not occurring timely. In addition, an abatement of HAP might be missed if the re-inspections are not occurring timely.

Questioned Costs: None reported

Context/Sampling: We tested 60 out of a population of over 250 failed inspections during 2025 based on maximum risk of material noncompliance.

Repeat Finding from Prior Year(s): Yes

Recommendation: We recommend management revisit controls over follow-up on failed or incomplete inspections to correct this matter and ensure no further findings occur.

Views of Responsible Officials: There is no disagreement with the audit finding.

2025-003 Direct Program
Department of Housing and Urban Development
FFAL #14.871
Section 8 Housing Choice Vouchers
Special Tests and Provisions: Reasonable Rent
Significant Deficiency in Internal Control over Compliance

Criteria: As a condition of receiving Federal awards, non-Federal entities agree to comply with laws, regulations, and the provisions of grant agreements and contracts, and to maintain internal controls to provide reasonable assurance of compliance with these requirements. The Housing Choice Voucher program requires that recipients must determine that rent to the owner is reasonable in comparison to rent for other comparable unassisted units.

Condition: The Authority was unable to provide documentation for the rent reasonableness comparison for 1 tenant during 2025.

Cause: Controls over reasonable rent determination that are a part of special tests and provisions were not properly designed to ensure that comparisons were being retained.

Effect: As a result of the failure to determine reasonable rent for units leased under the Housing Choice Voucher program, there is an increased risk that the Authority is overpaying landlords, which can result in noncompliance with HUD regulations.

Questioned Costs: None reported

Context/Sampling: We tested 29 out of a population of 149 new leases during 2025 based on maximum risk of material noncompliance.

Repeat Finding from Prior Year(s): Yes

Recommendation: We recommend management revisit controls to ensure that reasonable rent determinations are conducted and documented in accordance with HUD requirements.

Views of Responsible Officials: There is no disagreement with the audit finding.

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
111 Cash - Unrestricted		\$2,387,463	\$8,832,610	\$4,580,798	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$5,024,384	\$1,648,107	\$6,895,159	
114 Cash - Tenant Security Deposits		\$544,831	\$200,377	\$257,803	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$7,956,678	\$10,681,094	\$11,733,760	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous		\$83,455	\$99,160	\$429,965	
126 Accounts Receivable - Tenants		\$321,128	\$59,388	\$47,332	
126.1 Allowance for Doubtful Accounts -Tenants		-\$163,060	-\$22,326	-\$28,246	
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0	
127 Notes, Loans, & Mortgages Receivable - Current			\$22,066	\$687,583	
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable				\$385,452	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$241,523	\$158,288	\$1,522,086	\$0
131 Investments - Unrestricted			\$421,289	\$3,932,231	
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$527,842	\$186,260	\$207,330	
143 Inventories					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From			\$3,466,858		
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$8,726,043	\$14,913,789	\$17,395,407	\$0
161 Land		\$19,059,867	\$4,228,184	\$10,882,957	
162 Buildings		\$210,646,193	\$54,210,658	\$40,918,489	
163 Furniture, Equipment & Machinery - Dwellings		\$8,109,432	\$1,544,942	\$1,148,022	
164 Furniture, Equipment & Machinery - Administration		\$459,526	\$75,341	\$636,969	
165 Leasehold Improvements		\$12,753,179	\$2,362,049	\$6,339,798	
166 Accumulated Depreciation		-\$51,959,340	-\$24,605,391	-\$21,900,934	
167 Construction in Progress		\$626,694	\$96,407	\$681,350	
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$199,695,551	\$37,912,190	\$38,706,651	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$2,204,430	\$54,406,160	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets		\$1,276,075	\$1,665,446	\$21,499,669	
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$200,971,626	\$41,782,066	\$114,612,480	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$0	\$209,697,669	\$56,695,855	\$132,007,887	\$0

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$118	\$283,196	\$62,439	\$472,832	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	\$4,082	\$86,801	\$75,313	\$570,570	
324 Accrued Contingency Liability					
325 Accrued Interest Payable		\$638,443			
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits		\$544,831	\$200,377	\$257,803	
342 Unearned Revenue		\$52,531	\$53,598	\$61,336	
343 Current Portion of Long-term Debt - Capital		\$32,418,631	\$2,747,564	\$755,294	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities		\$95,743			
346 Accrued Liabilities - Other	\$1,016	\$136,258	\$11,288	\$158,721	
347 Inter Program - Due To	\$474,224			\$2,992,634	
348 Loan Liability - Current		\$0			
310 Total Current Liabilities	\$479,440	\$34,256,434	\$3,150,579	\$5,269,190	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$95,983,549	\$13,396,538	\$22,619,626	
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		\$18,911,954	\$4,315,138	\$49,814	
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$114,895,503	\$17,711,676	\$22,669,440	\$0
300 Total Liabilities	\$479,440	\$149,151,937	\$20,862,255	\$27,938,630	\$0
400 Deferred Inflow of Resources			\$925,536	\$677,652	
508.4 Net Investment in Capital Assets		\$69,760,778	\$21,768,088	\$15,331,731	
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	-\$479,440	-\$9,215,046	\$13,139,976	\$88,059,874	\$0
513 Total Equity - Net Assets / Position	-\$479,440	\$60,545,732	\$34,908,064	\$103,391,605	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$209,697,669	\$56,695,855	\$132,007,887	\$0

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$45,300	\$610,960	\$16,457,131		\$16,457,131
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$0	\$13,567,650		\$13,567,650
114 Cash - Tenant Security Deposits			\$1,003,011		\$1,003,011
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$45,300	\$610,960	\$31,027,792	\$0	\$31,027,792
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects		\$275,142	\$275,142		\$275,142
124 Accounts Receivable - Other Government		\$9,820	\$9,820		\$9,820
125 Accounts Receivable - Miscellaneous		\$134,314	\$746,894		\$746,894
126 Accounts Receivable - Tenants		\$253,270	\$681,118		\$681,118
126.1 Allowance for Doubtful Accounts -Tenants		\$0	-\$213,632		-\$213,632
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current			\$709,649		\$709,649
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable			\$385,452		\$385,452
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$672,546	\$2,594,443	\$0	\$2,594,443
131 Investments - Unrestricted			\$4,353,520		\$4,353,520
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$4,701	\$926,133		\$926,133
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
144 Inter Program Due From			\$3,466,858	-\$3,466,858	\$0
145 Assets Held for Sale					
150 Total Current Assets	\$45,300	\$1,288,207	\$42,368,746	-\$3,466,858	\$38,901,888
161 Land			\$34,171,008		\$34,171,008
162 Buildings			\$305,775,340		\$305,775,340
163 Furniture, Equipment & Machinery - Dwellings			\$10,802,396		\$10,802,396
164 Furniture, Equipment & Machinery - Administration		\$12,773	\$1,184,609		\$1,184,609
165 Leasehold Improvements			\$21,455,026		\$21,455,026
166 Accumulated Depreciation		-\$7,025	-\$98,472,690		-\$98,472,690
167 Construction in Progress			\$1,404,451		\$1,404,451
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$5,748	\$276,320,140	\$0	\$276,320,140
171 Notes, Loans and Mortgages Receivable - Non-Current			\$56,610,590	-\$5,383,670	\$51,226,920
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$24,441,190	-\$4,285,182	\$20,156,008
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$5,748	\$357,371,920	-\$9,668,852	\$347,703,068
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$45,300	\$1,293,955	\$399,740,666	-\$13,135,710	\$386,604,956
311 Bank Overdraft					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days		\$8,953	\$827,538		\$827,538
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion		\$41,787	\$778,553		\$778,553
324 Accrued Contingency Liability					
325 Accrued Interest Payable			\$638,443		\$638,443
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits			\$1,003,011		\$1,003,011
342 Unearned Revenue		\$13	\$167,478		\$167,478
343 Current Portion of Long-term Debt - Capital			\$35,921,489		\$35,921,489
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$95,743		\$95,743
346 Accrued Liabilities - Other		\$30,990	\$338,273		\$338,273
347 Inter Program - Due To			\$3,466,858	-\$3,466,858	\$0
348 Loan Liability - Current			\$0		\$0
310 Total Current Liabilities	\$0	\$81,743	\$43,237,386	-\$3,466,858	\$39,770,528
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$0	\$131,999,713	-\$5,383,670	\$126,616,043
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$23,276,906	-\$4,285,182	\$18,991,724
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$0	\$0	\$155,276,619	-\$9,668,852	\$145,607,767
300 Total Liabilities	\$0	\$81,743	\$198,514,005	-\$13,135,710	\$185,378,295
400 Deferred Inflow of Resources			\$1,603,188		\$1,603,188
508.4 Net Investment in Capital Assets		\$5,748	\$106,866,345	\$5,383,670	\$112,250,015
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$45,300	\$1,206,464	\$92,757,128	-\$5,383,670	\$87,373,458
513 Total Equity - Net Assets / Position	\$45,300	\$1,212,212	\$199,623,473	\$0	\$199,623,473
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$45,300	\$1,293,955	\$399,740,666	-\$13,135,710	\$386,604,956

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
70300 Net Tenant Rental Revenue		\$13,310,430	\$5,957,197	\$6,488,677	
70400 Tenant Revenue - Other		\$298,888	\$142,495	\$330,734	
70500 Total Tenant Revenue	\$0	\$13,609,318	\$6,099,692	\$6,819,411	\$0
70600 HUD PHA Operating Grants					
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$20,000			\$1,825,180	\$500,000
71100 Investment Income - Unrestricted		\$60,954	\$330,424	\$2,696,887	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue		\$726,924	\$306,950	\$3,836,599	
71600 Gain or Loss on Sale of Capital Assets		-\$515,760	-\$65,368	-\$240,866	
72000 Investment Income - Restricted					
70000 Total Revenue	\$20,000	\$13,881,436	\$6,671,698	\$14,937,211	\$500,000
91100 Administrative Salaries	\$28,913	\$1,035,920	\$522,158	\$3,564,361	

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
91200 Auditing Fees		\$133,497	\$40,527	\$55,580	
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing		\$17,835	\$15,209	\$11,331	
91500 Employee Benefit contributions - Administrative	\$10,616	\$323,024	\$178,806	\$745,287	
91600 Office Expenses	\$2,047	\$294,029	\$115,983	\$271,464	
91700 Legal Expense		\$69,213	\$35,602	\$127,789	
91800 Travel	\$17,024	\$13,153	\$7,836	\$75,439	
91810 Allocated Overhead					
91900 Other	\$2,843	\$1,357,274	\$271,588	\$564,781	
91000 Total Operating - Administrative	\$61,443	\$3,243,945	\$1,187,709	\$5,416,032	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$474	\$16,808	\$20,242	\$7,068	
92500 Total Tenant Services	\$474	\$16,808	\$20,242	\$7,068	\$0
93100 Water		\$226,251	\$132,406	\$151,276	
93200 Electricity		\$599,707	\$192,420	\$119,866	
93300 Gas		\$119,031	\$43,141	\$64,120	
93400 Fuel					
93500 Labor					
93600 Sewer		\$199,664	\$90,319	\$111,926	
93700 Employee Benefit Contributions - Utilities					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
93800 Other Utilities Expense		\$353,419	\$131,501	\$149,710	
93000 Total Utilities	\$0	\$1,498,072	\$589,787	\$596,898	\$0
94100 Ordinary Maintenance and Operations - Labor		\$1,281,932	\$531,958	\$494,801	
94200 Ordinary Maintenance and Operations - Materials and		\$405,963	\$179,162	\$49,781	
94300 Ordinary Maintenance and Operations Contracts		\$1,136,892	\$888,233	\$1,262,625	
94500 Employee Benefit Contributions - Ordinary Maintenance		\$419,597	\$173,668	\$163,370	
94000 Total Maintenance	\$0	\$3,244,384	\$1,773,021	\$1,970,577	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs		\$171,197		\$107,784	
95300 Protective Services - Other			\$76,405		
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$171,197	\$76,405	\$107,784	\$0
96110 Property Insurance		\$777,407	\$355,093	\$342,776	
96120 Liability Insurance					
96130 Workmen's Compensation	\$449	\$37,109	\$16,490	\$65,378	
96140 All Other Insurance			\$1,234	\$2,123	
96100 Total insurance Premiums	\$449	\$814,516	\$372,817	\$410,277	\$0
96200 Other General Expenses			\$47,674	\$5,419	
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents		\$191,171		\$134,288	
96500 Bad debt - Mortgages					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
96600 Bad debt - Other		\$219,650	\$76,385	\$168,837	
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$410,821	\$124,059	\$308,544	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$4,943,622	\$785,528	\$887,842	
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$4,943,622	\$785,528	\$887,842	\$0
96900 Total Operating Expenses	\$62,366	\$14,343,365	\$4,929,568	\$9,705,022	\$0
97000 Excess of Operating Revenue over Operating Expenses	-\$42,366	-\$461,929	\$1,742,130	\$5,232,189	\$500,000
97100 Extraordinary Maintenance		\$27,703	\$12,653	\$58,598	
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense		\$7,489,555	\$1,770,732	\$1,883,575	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$62,366	\$21,860,623	\$6,712,953	\$11,647,195	\$0
10010 Operating Transfer In				\$500,500	
10020 Operating transfer Out					-\$500,000

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$500,500	-\$500,000
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$42,366	-\$7,979,187	-\$41,255	\$3,790,516	\$0
11020 Required Annual Debt Principal Payments	\$0	\$1,178,342	\$593,668	\$1,302,165	\$0
11030 Beginning Equity	-\$437,074	\$85,373,837	\$19,075,487	\$99,601,965	\$0
11040 Prior Period Adjustments, Equity Transfers and		-\$16,848,918	\$15,873,832	-\$876	
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1
11190 Unit Months Available		9038	4740	3720	
11210 Number of Unit Months Leased		8152	4374	3401	
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			\$25,756,304		\$25,756,304
70400 Tenant Revenue - Other			\$772,117		\$772,117
70500 Total Tenant Revenue	\$0	\$0	\$26,528,421	\$0	\$26,528,421
70600 HUD PHA Operating Grants		\$23,892,254	\$23,892,254		\$23,892,254
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants	\$500		\$2,345,680		\$2,345,680
71100 Investment Income - Unrestricted	\$525	\$7,981	\$3,096,771	-\$215,990	\$2,880,781
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$25,304	\$25,304		\$25,304
71500 Other Revenue		\$766,930	\$5,637,403	-\$196,041	\$5,441,362
71600 Gain or Loss on Sale of Capital Assets			-\$821,994		-\$821,994
72000 Investment Income - Restricted		\$0	\$0		\$0
70000 Total Revenue	\$1,025	\$24,692,469	\$60,703,839	-\$412,031	\$60,291,808
91100 Administrative Salaries		\$778,741	\$5,930,093		\$5,930,093
91200 Auditing Fees		\$21,430	\$251,034		\$251,034

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing		\$774	\$45,149		\$45,149
91500 Employee Benefit contributions - Administrative		\$187,134	\$1,444,867		\$1,444,867
91600 Office Expenses		\$62,435	\$745,958		\$745,958
91700 Legal Expense		\$1,195	\$233,799		\$233,799
91800 Travel		\$25,752	\$139,204		\$139,204
91810 Allocated Overhead					
91900 Other		\$95,200	\$2,291,686	-\$196,041	\$2,095,645
91000 Total Operating - Administrative	\$0	\$1,172,661	\$11,081,790	-\$196,041	\$10,885,749
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other		\$3,344	\$47,936		\$47,936
92500 Total Tenant Services	\$0	\$3,344	\$47,936	\$0	\$47,936
93100 Water			\$509,933		\$509,933
93200 Electricity			\$911,993		\$911,993
93300 Gas			\$226,292		\$226,292
93400 Fuel					
93500 Labor					
93600 Sewer			\$401,909		\$401,909
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense		\$2,269	\$636,899		\$636,899

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
93000 Total Utilities	\$0	\$2,269	\$2,687,026	\$0	\$2,687,026
94100 Ordinary Maintenance and Operations - Labor			\$2,308,691		\$2,308,691
94200 Ordinary Maintenance and Operations - Materials and		\$2,062	\$636,968		\$636,968
94300 Ordinary Maintenance and Operations Contracts		\$17,983	\$3,305,733		\$3,305,733
94500 Employee Benefit Contributions - Ordinary Maintenance			\$756,635		\$756,635
94000 Total Maintenance	\$0	\$20,045	\$7,008,027	\$0	\$7,008,027
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs			\$278,981		\$278,981
95300 Protective Services - Other			\$76,405		\$76,405
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$355,386	\$0	\$355,386
96110 Property Insurance			\$1,475,276		\$1,475,276
96120 Liability Insurance					
96130 Workmen's Compensation		\$12,613	\$132,039		\$132,039
96140 All Other Insurance		\$6,173	\$9,530		\$9,530
96100 Total insurance Premiums	\$0	\$18,786	\$1,616,845	\$0	\$1,616,845
96200 Other General Expenses		\$64,370	\$117,463		\$117,463
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents			\$325,459		\$325,459
96500 Bad debt - Mortgages					
96600 Bad debt - Other			\$464,872		\$464,872

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$64,370	\$907,794	\$0	\$907,794
96710 Interest of Mortgage (or Bonds) Payable			\$6,616,992	-\$215,990	\$6,401,002
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$6,616,992	-\$215,990	\$6,401,002
96900 Total Operating Expenses	\$0	\$1,281,475	\$30,321,796	-\$412,031	\$29,909,765
97000 Excess of Operating Revenue over Operating Expenses	\$1,025	\$23,410,994	\$30,382,043	\$0	\$30,382,043
97100 Extraordinary Maintenance			\$98,954		\$98,954
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$22,612,307	\$22,612,307		\$22,612,307
97350 HAP Portability-In		\$664,742	\$664,742		\$664,742
97400 Depreciation Expense		\$2,768	\$11,146,630		\$11,146,630
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$0	\$24,561,292	\$64,844,429	-\$412,031	\$64,432,398
10010 Operating Transfer In			\$500,500	-\$500,500	\$0
10020 Operating transfer Out	-\$500		-\$500,500	\$500,500	\$0
10030 Operating Transfers from/to Primary Government					

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	-\$500	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$525	\$131,177	-\$4,140,590	\$0	-\$4,140,590
11020 Required Annual Debt Principal Payments	\$0	\$0	\$3,074,175		\$3,074,175
11030 Beginning Equity	\$44,775	\$1,081,035	\$204,740,025		\$204,740,025
11040 Prior Period Adjustments, Equity Transfers and			-\$975,962		-\$975,962
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$1,212,212	\$1,212,212		\$1,212,212
11180 Housing Assistance Payments Equity		\$0	\$0		\$0
11190 Unit Months Available		17268	34766		34766

Lakewood Housing Authority (CO049)

LAKEWOOD, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
11210 Number of Unit Months Leased		14934	30861		30861
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					