Financial Statements
December 31, 2019

Boulder County Housing Authority

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Independent Auditor's Report

The Board of Commissioners
Boulder County Housing Authority
Boulder, Colorado

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of Boulder County Housing Authority (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of Boulder County Housing Authority as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder County Housing Authority's basic financial statements. The supplementary schedules on pages 81 – 84 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the financial statements.

The supplementary schedules on pages 81 – 84 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 27, 2020 on our consideration of Boulder County Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boulder County Housing 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 Boulder County Housing Authority's internal control over financial reporting and compliance.

Eide Bailly LLP

Bismarck, North Dakota
July 27, 2020

The Boulder County Housing Authority (BCHA) offers readers of BCHA's financial statements this narrative overview and analysis of the financial activities of BCHA for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with BCHA's financial statements which begin on page 9. This Management's Discussion and Analysis is presented in accordance with the requirements of Governmental Accounting Standards Board Statement No. 34 (GASB No. 34).

The Authority, a blended component unit of Boulder County, Colorado, is a public purpose financial enterprise and, therefore follows enterprise fund accounting. The financial statements are produced on the accrual basis of accounting. The statements in 2019 include one blended component unit, MFPH Acquisitions LLC, of which the Authority is the sole owner, and three discrete component units which are described below.

The first component unit, Josephine Commons, LLC (the "Corporation") is a Colorado Limited Liability Company formed in 2011. The second component unit, Aspinwall, LLC (the "Corporation") is a Colorado Limited Liability Company formed in 2012. The third component unit, Kestrel I, LLC (the "Corporation") is a Colorado Limited Liability Company formed in 2016. All three component units are legally separate from the Authority. The majority interest in the entities are owned and controlled by private investors. While the Authority, through a separate LLC, is the manager of these entities, its powers are limited to those specifically authorized in the respective operating agreements. Most significant transactions require approval of the investors. Accordingly, Josephine Commons, LLC, Aspinwall, LLC, and Kestrel I, LLC are discretely presented component units within the Authority's financial reporting entity.

To fully understand the activities and financial statements of the Authority, the following is a brief description of the Authority's significant programs and services which are provided to residents within the county of Boulder.

Portfolio Overview

The Boulder County Housing Authority consists of 809 units of affordable rental units that are scattered throughout the Boulder County area. Of those 809 units, 441 are located within our Low-Income Housing Tax Credit (LIHTC) partnerships: Josephine Commons, Aspinwall, and Kestrel. The remaining 368 units are dispersed throughout the county in which the Authority owns and manages.

Housing Choice Voucher (HCV) Program

The HCV Program is a rent subsidy program funded by the U.S. Department of Housing and Urban Development (HUD). The program assists individuals and families with very-low income, including seniors and people with disabilities. Assistance is provided on behalf of the participants, who secure their own housing within the community, with rent payments split in portions between the Authority and the household. As of December 31, 2019, the Authority had an annual contribution contract for 896 vouchers and had issued and utilized 868 vouchers. HUD grades this program through its Section 8 Management Assessment Program (SEMAP). BCHA received an "A" rating for 2019, was designated a High

Performer and had utilized 109% of its authorized annual funding. The breakdown of these vouchers is detailed below.

HUD-Veterans Affairs Supportive Housing (VASH) Program
The VASH program combines HCV rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating Veterans at VA medical centers and community-based outreach clinics. All participants are referred to the Authority by the VA. As of December 31, 2019, the Authority had utilized 65 VASH vouchers.

Family Unification Program (FUP)
FUP is a supportive housing, early intervention program that provides housing with supportive case management services to both families with identified child welfare concerns and youth transitioning out of the foster care system within Boulder County. The objective is to promote family reunification, with the end result being the prevention of the removal of children from their parents due to housing instability. FUP also addresses the needs of homeless youth that have spent considerable time in the foster care system by offering supportive services, enhancing their opportunity for self-sufficiency and transition into adulthood. As of December 31, 2019, the Authority had utilized 69 FUP vouchers.

Project-Based Voucher (PBV) Program
The PBV assistance is tied to the unit, rather than the person. BCHA owns and manages properties throughout the County and offers these units to eligible residents at a cost that is affordable to them. Participants come from BCHA's Family Self-Sufficiency Program, a five-year academic, employment and savings initiative program designed to help families to gain job training and education, improve their family's financial situation, and move toward self-sufficiency. As of December 31, 2019, the Authority had utilized 122 project-based vouchers.

Section 8 Voucher (Section 8)
Under the voucher program, individuals or families with a voucher find and lease a unit (either in a specified complex or in the private sector) and pay a portion of the rent. Most households pay 30% of their adjusted income for Section 8 housing. As of December 31, 2019, the Authority had 550 Section 8 vouchers utilized.

Non-Elderly Disabled (NED)
The NED program enables non-elderly disabled families to lease affordable private housing of their choice. As of December 31, 2019, the Authority has 34 NED vouchers utilized.

Other Vouchers
The Authority has 28 other vouchers utilized which in combination include 3 port in/port out, 5 Rental Assistance Demonstration (RAD) vouchers, 3 homeowners, 4 disaster recovery, and 13 Homeless Families vouchers.

Other Housing Assistance

Housing Stabilization Program (HSP)

HSP provides short-term rental assistance to residents of Boulder County who are at-risk of homelessness. HSP is funded by the Human Services Safety Net (HSSN), an initiative supported by the residents of Boulder County using property tax.

Continuum of Care Program (COC)

In 2016, BCHA received a federal grant from the US Department of Housing and Urban Development to fund a rapid re-housing program and support work to strengthen the safety net in Boulder. In 2019, the grant supported approximately 66 households in Boulder County who were homeless or at imminent risk of homelessness.

Emergency Solutions Grant (ESG)

BCHA receives federal funding through the ESG to engage homeless individuals and families living on the street, improve the number and quality of emergency shelter for homeless individuals and families, provide operational assistance for shelters, and rapidly rehouse homeless individuals and families. In 2019, the grant supported 22 households who were homeless or at imminent risk of homelessness.

Component Units - Partnerships in Low-Income Tax Credit Housing

The Authority or its affiliate is the general partner in three tax credit partnerships with a total of 441 units that are operating as of December 31, 2019: Josephine Commons, LLC, Aspinwall, LLC, and Kestrel LLC. All of these entities are component units of the Authority.

Resident Services

This service offers education, case management and supportive services to assist Boulder County residents on their path toward financial stability and self-sufficiency. Some of the programs include the Family Self-Sufficiency program, senior services, and Casa de la Esperanza (House of Hope), a residential program that includes afterschool programs and an academic center.

Housing Development

The Authority supports the development of affordable rental housing. Current year revenues from the Housing Development group include $1.9M in developer fees earned from the Kestrel development. Expenses also include pre-development expenses on several projects including a 9% LIHTC partnership in Nederland for 26 units of affordable housing and another 4% LIHTC partnership in Longmont for 73-units of affordable housing and mixed-use commercial space and parking garage.

Financial Highlights

- Cash, restricted cash, and cash equivalents increased almost 50% due to a large liability due to Boulder County, the sale of land, earned developer fee revenue, and a transfer-in by Boulder County for the purpose of acquiring land in Lafayette to support early childhood education in the County. Total assets increased $2,880,207 (4%) over 2018.
- Boulder County, who administers BCHA's payroll, embarked upon a significant upgrade to its financial system that took up much of 2018 and was implemented in May 2019. As a result of the upgrade to the new Oracle system, the County was delayed in issuing 6-months of payroll invoices to BCHA as well as cashing payments for 3-months of payroll from BCHA. The County's delay created a large payroll liability as reflected in Due to Boulder County and inflated Cash, Restricted Cash, and Cash Equivalents at year-end due to this liability.
- Rental subsidies increased as BCHA increased its voucher payment standard allocation and increased the number of vouchers issued and utilized by 12% (93 vouchers).
- Several grant programs including the weatherization, Community Development Block Grant – Disaster Recovery (CDBG-DR), and Tenant Based Rental Assistance (TBRA) were fully phased out in 2018 reducing Other Grants by 63% over 2018.
- The Authority continues to work closely with Boulder County Department of Housing and Human Services to ensure at-risk Boulder County residents receive both rental assistance and case management services through the Housing Stabilization Program. Through its partnership with Boulder County, the Authority is also administering a new local voucher program in collaboration with the City of Boulder and City of Longmont. The $600,000 grant will provide housing vouchers to homeless adults in Boulder County through 2021.
- The Authority continues to support its mission to provide affordable housing with the development of 26 new units in Nederland, Colorado through a 9% LIHTC partnership deal. Construction will be complete in summer 2020 with tenant move-in anticipated for September 2020.
- The Authority has also been working on a 4% LIHTC partnership deal for a mixed used property with commercial space, a parking garage for downtown Longmont, Colorado, and 73-units of affordable housing. Anticipated closing for this $28M project is July 2020.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to BCHA's basic financial statements. BCHA's basic financial statements are comprised of: 1) fund financial statements and 2) notes to the financial statements. As required by HUD, this report also includes supplemental information such as:

- Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs

The *Statement of Net Position* presents information on all of BCHA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of BCHA is improving or deteriorating. The *Statement of Net Position* begins on page 17.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how BCHA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in past or future periods. The *Statement of Revenues, Expenses and Changes in Net Position* begins on page 19.

The *Statement of Cash Flows* presents information showing BCHA's inflows and outflows of cash and cash equivalents during the most recent fiscal year. All changes in cash and cash equivalents are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related changes in net position. Thus, cash flows are reported in this statement for some items that will only result in revenue or expenses in past or future periods. This statement provides answers to such questions as where the cash came from, how was cash used and what was the change in the cash balance during the year. The *Statement of Cash Flows* begins on page 20.

The *Combining Balance Sheet for Discretely Presented Component Units* and the *Combining Statement of Net Position and of Revenues, Expenses and Changes in Net Position for Discretely Presented Component Units* presents the financial information for BCHA's discretely presented components units. The financial statements for the discretely presented component units begin on page 22.

Notes to the Basic Financial Statements provide financial statement disclosures that are an integral part of the basic financial statements. Such disclosures are essential to a comprehensive understanding of the information provided in the basic financial statements. *Notes to the Basic Financial Statements* begin on page 27.

Financial Analysis

***Statements of Net Position*:**

Boulder County Housing Authority
Net Position as of December 31, 2019
(in thousands of dollars)

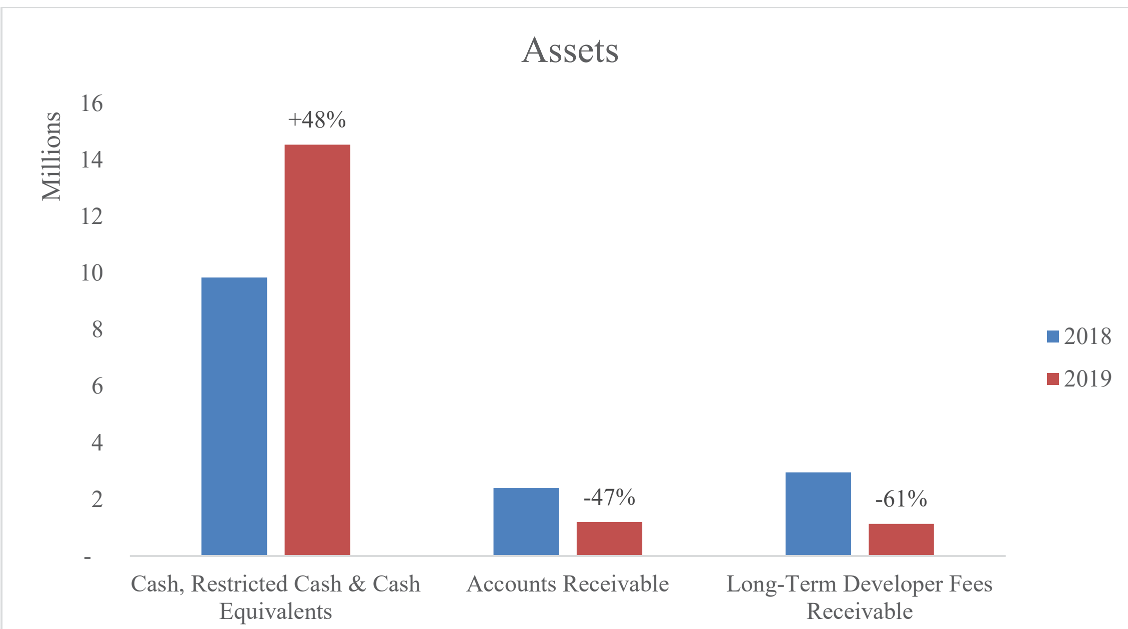
	2019	2018
Cash, Restricted Cash & Cash Equivalents	$ 14,534	$ 9,846
Accounts Receivable	1,275	2,401
Prepaid Expenses	50	71
Inventory	41	20
Developer Fees Receivable – long-term	1,138	2,954
Notes & Interest Receivable	33,178	30,871
Other Assets	85	87
Capital Assets (Net)	23,520	24,691
Total Assets	73,821	70,940
Deferred Outflows	1,413	860
Total Assets and Deferred Outflows	$ 75,233	$ 71,800
Accounts Payable & Accrued Liabilities	$ 1,344	$ 1,150
Deferred Revenue	29	40
Due to Discretely Presented Component Units	2	3
Due to Boulder County	1,560	718
Tenant Security Deposits Payable	107	107
Notes, Mortgages, Bonds & Interest Payable	20,000	20,439
Net OPEB Liability	490	474
Net Pension Liability	5,838	5,227
Total Liabilities	29,369	28,156
Deferred Inflows	42	1,026
Net Investment in Capital Assets	7,161	7,894
Restricted	219	41
Unrestricted	38,442	34,682
Total Net Position	45,822	42,618
Total Liabilities, Deferred Inflows and Net Position	$ 75,233	$ 71,800

Assets

Cash, Restricted Cash and Cash Equivalents increased $4,688,092 or 48% over 2018. Significant increases in cash include $1,933,116 in earned developer fee, $483,736 from the sale of land, and $600,000 to acquire land in Lafayette to support early childhood initiatives in Boulder County. Cash was also high due to a substantial payroll liability due to Boulder County.

Total Accounts Receivable (A/R) decreased $1,126,019 or 47%. The primary driver of the decrease was a large portion of the Current A/R – Developer Fees was earned in 2019 from the Kestrel I, LLC project corresponding to an increase in cash. In 2019, BCHA closed on a 9% LIHTC deal in Nederland, Colorado. One of the sources of funding for the project was the Colorado Department of Local Affairs – Division of Housing (DOLA – Housing). At the time of closing, BCHA provided short-term bridge financing for DOLA – Housing's portion in the amount of $260,000. As a result, A/R – Due from other Agencies increased 314% over 2018. Long-term Developer Fees Receivable decreased 61% over 2018 as no new developer fee was recorded in 2019.

Total assets increased 4%, or $2,880,207 over 2018.

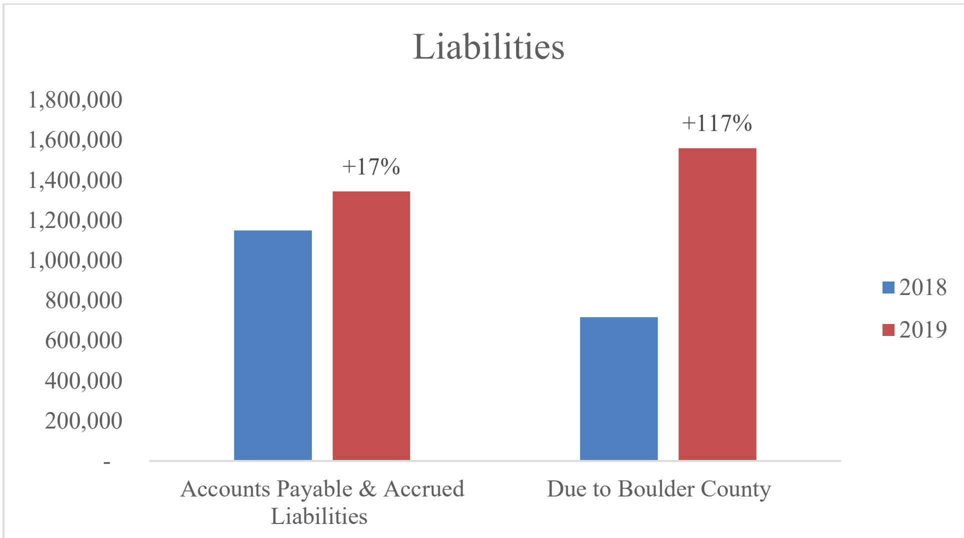


Liabilities

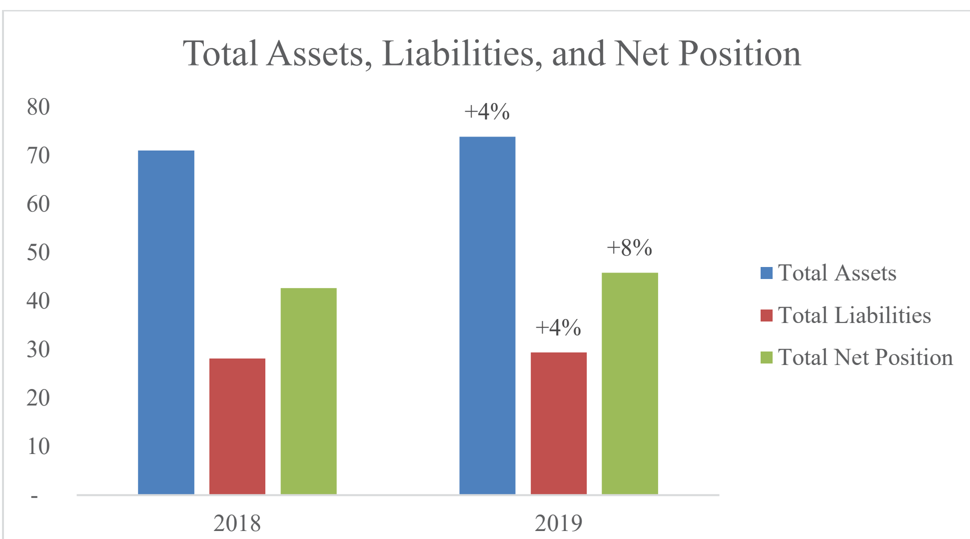
Accounts Payable and Accrued Liabilities increased 17%, or $193,810 over 2018. The primary driver of this increase is from a year-end accrual from pre-development expenses related to the Coffman development project. Additionally, Boulder County, who administers payroll for BCHA, embarked upon a significant upgrade to its financial system that took up much of 2018 and was implemented in May 2019. Due to Boulder County increased 117% or $842,348 over 2018 due to the implementation of the new Oracle software at the County. The County was delayed in issuing 6-months of payroll invoices to

BCHA as well as cashing payments for 3-months of payroll from BCHA. The ending balance for Due to Boulder County was $1,559,968 accounting for 6-months of payroll liability.

Notes, Mortgages, and Bonds and Interest Payable decreased 2% or $439,252. The decrease in payables is due to normal monthly payments and no new debt was incurred. Total liabilities increased 4%, or $1,212,635 over 2018.



Total Net Position represents BCHA's equity after liabilities are subtracted from assets. Net position is divided into three main categories. Total Net Position of BCHA increased by 8%, or $3,204,297 over December 31, 2018.



Revenues, Expenses, and Changes in Net Position

Boulder County Housing Authority
Change in Net Position for the Year Ended December 31, 2019
(in thousands of dollars)

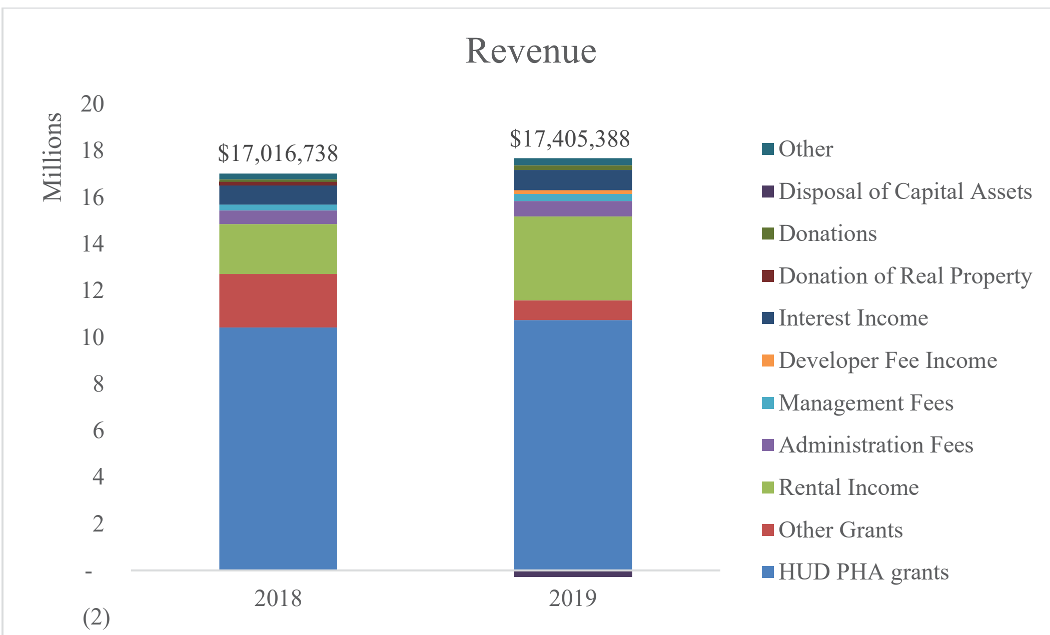
	2019	2018
Revenues		
HUD PHA grants	$ 10,734	$ 10,411
Other Grants	848	2,301
Rental Income	3,601	2,142
Administration Fees	650	580
Management Fees	310	254
Developer Fee Income	158	0
Interest Income	870	821
Donation of Real Property	0	157
Donations	200	106
Disposal of Capital Assets	(271)	-
Other	305	244
Total Revenues	17,405	17,017
Expenses		
Housing Assistance Payments	9,810	8,216
Administration	2,239	2,835
Maintenance	1,976	2,921
Direct Client Expense	1,978	2,153
Depreciation & Amortization	854	829
Utilities	339	323
Insurance	312	316
Interest Expense	562	592
Other Expenses	(2)	113
Total Expenses	18,066	18,299
Loss Before Transfers and HUD Capital Grant Income	(661)	(1,282)
Transfers from Primary Government	3,865	3,636
HUD Capital Grant Income	-	-
Change in Net Position	3,204	2,354
Net Position Beginning of Year, as Originally Reported	42,618	40,731
Adjustment for Adoption of New Standard	-	(467)
Net Position Beginning of Year, as Restated	42,618	40,264
Net Position - End of Year	$ 45,822	$ 42,618

Revenue

Total revenue slightly increased by 2%, or $388,650 over 2018. HUD Grants increased 3% or $322,927 over 2018 with an increase in Housing Choice Voucher funds. While there was a minor increase in total revenue, there was a substantial decrease to Other Grants by 63% or $1,452,528 over 2018. This decrease was primarily because three grant programs, the weatherization program, the Community Development Block Grant – Disaster Recovery (CDBG-DR) program, and the Tenant Based Rental Assistance (TBRA) program were discontinued in 2018. In total, the reduction of grant funding in 2019 was $943,121.

Rental income increased 68%, or $1,458,587 over 2018 primarily due to a financial reporting modification of how rental subsidies are reported within the financial statements. In 2018, rental subsidies were rolled up under HUD PHA Grants; in 2019, rental subsides were rolled up under Rental Income. Comparing Rental Income with subsidy across both years shows a 12% increase over 2018. Rental Income without subsidy shows a 7% increase over 2018. The subsidy increase was a result of a policy change which increased the voucher payment standard. This is also reflected on the expense side with an increase to the Housing Assistance Payments.

The following graph compares the revenues for the current and the previous years.



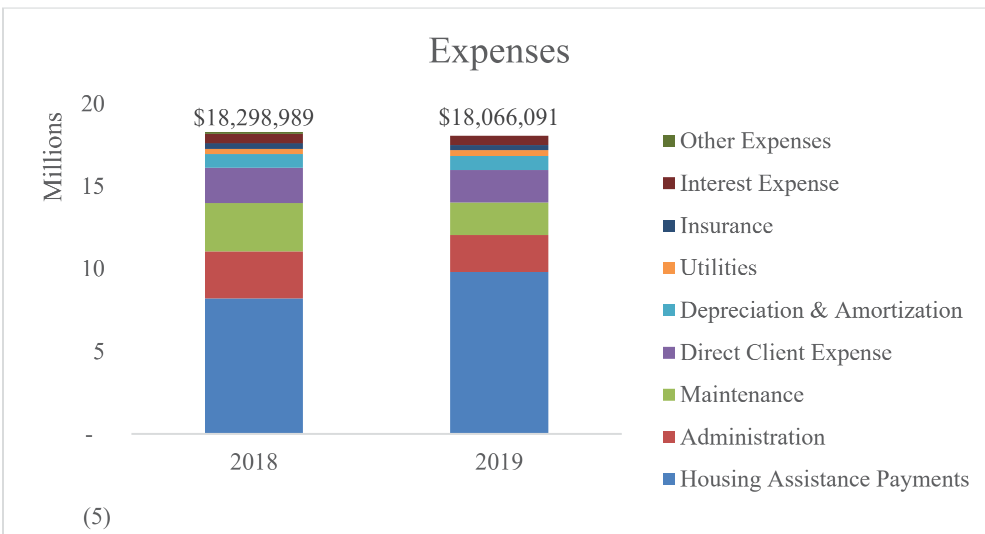
Expenses

Total expenses decreased 1%, or $232,898 over 2018. Housing Assistance Payments increased 19% or $1,593,726 over 2018. The increase is due in combination to a higher voucher payment standard and an increase in the number of voucher holders BCHA administers. BCHA's annual contribution contract for vouchers increased from 854 in 2018 to 896 in 2019, with 868 utilized in December 2019.

Administration and maintenance expenses decreased 21% and 32%, respectively. The primary driver to this was the discontinuation of the weatherization program. At the end of 2018, BCHA's maintenance department which included the staff of the weatherization team had 26 employees assigned. In 2019, BCHA's maintenance department had 22 employees assigned.

Direct client expenses decreased by 8% or $175,937. This was in part driven by the end of the TBRA program at the end of 2018.

The following graph compares the expenses for the current and previous years.



Capital Assets and Debt Administration

Capital Assets

As of December 31, 2019, BCHA's Capital Assets, net of depreciation was $23,519,700, a $1,171,273 decrease over 2018. This investment in capital assets includes land, buildings, improvements, equipment, and computer software.

Capital asset activity during the current fiscal year includes:

- Sale of a parcel of vacant commercial land in Lafayette for $781,800.
- Sale of land to Tungsten Village LLC, a discretely presented component unit, in the amount of $641,235.

- Roof replacement at eight properties and twenty-nine buildings in Louisville, Colorado in the amount of $637,502.

Additional information on the Authority's capital assets can be found in the Note 5 on page 38 of this report.

Long-Term Debt
As of December 31, 2019, BCHA had 10 long-term loans and 3 bonds. No new debt was incurred in 2019. Additional information on the Authority's long-term debt can be found in Note 7 on page 42 of this report.

Portfolio Debt Service Coverage Ratio (DSCR)
DSCR is a measure of the cash flow available to meet annual interest and principle payments on debt. A DSCR greater than 1 means the entity has sufficient income to pay its current debt obligation.
The Authority has two bond groups that include a majority of the properties within its portfolio. These bond groups were refinanced in 2012 and 2013.

	# Units	2018	2019
2012 Bond Group	130	0.99	1.48
2013 Bond Group	111	1.21	1.05

Economic Outlook

One of the Housing Authority's primary sources of revenue is federal funding from HUD which affects the Authority's Family Self-Sufficiency and HCV programs. Housing authorities receive operating subsidies in accordance with an operating subsidy funding formula. During the year ended December 31, 2019, HUD and other federal agencies provided approximately 62% of BCHA's total revenue.

For the HCV program, HUD provides housing authorities with a fixed annual budget for Housing Assistance Payments (HAP) and for administration fees. At the time of this transmittal, BCHA was awarded $10.8 million for HAP payments for FY2020, a 20.6% increase over 2019. This funding increase will continue to assist in housing low-income households. Additionally, BCHA received $600,000 in new funding for the Permanent Housing Support program which will reimburse the City of Boulder and Longmont for housing costs related to homeless households.

Other economic factors that also affect the economic outlook include inflationary pressure on utility rates, supplies and other costs, affordable housing market vacancy rates, and interest rate changes.

2020 Outlook for the Authority includes:

- In 2020, the spread of the COVID-19 virus impacted every aspect of life. The response to the pandemic is ongoing as the stay-at-home orders continued through the second quarter of 2020. At the time of reporting, the economic impact is still unknown. Preliminary reports show a significant drop in economic growth with a potential rebound in the third and fourth quarters.

With the passage of the federal CARES Act, stocks and other bond assets rebounded and have held steady. The CARES act also allocated additional funds for the Housing Choice Voucher (HCV) program. BCHA received an additional $130,274 in funding for the HCV program through Round 1 funding with potential for additional funds.

- Finish construction on the Authority's fourth discretely presented component unit Tungsten Village, LLC located in Nederland, Colorado.
- Continue to execute capital plan for controlled maintenance and rehabilitation of the existing Authority properties.
- Close on construction financing and begin construction on the Authority's fifth discretely presented component unit in Longmont, Colorado.
- Pre-development of an affordable housing project in Lafayette, Colorado.

Contact Information

This financial report is designed to provide the reader with a general overview of BCHA's finances and to demonstrate BCHA's financial accountability over its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

William Kugel
Finance Director
PO Box 471
Boulder, CO 80306
Boulder County Housing Authority's website: www.BoulderCountyHHS.org

	Primary Government	Discretely Presented Component Units
Assets and Deferred Outflows		
Current Assets		
Cash and cash equivalents	$ 13,211,338	$ 1,960,458
Restricted cash and cash equivalents	1,322,430	3,097,637
Accounts receivable		
Tenants	192,769	20,422
Developer fees	382,568	-
Other	149,401	14,479
Due from Boulder County Housing Authority	-	1,808
Due from other agencies	412,248	-
Due from component units	91,073	-
Due from Boulder County	46,644	-
Prepaid expenses	49,931	18,234
Inventory	41,156	-
Total Current Assets	15,899,558	5,113,038
Developer Fees	1,137,622	-
Notes Receivable	28,654,763	-
Accrued Interest Receivable	4,523,571	-
Other Assets	85,297	341,169
Capital Assets		
Non-depreciable	10,044,509	11,845,716
Depreciable, net	13,475,191	103,396,083
Total Capital Assets	23,519,700	115,241,799
Total Assets	73,820,511	120,696,006
Deferred Outflows		
Pensions	1,366,839	-
Other postemployment benefits	46,033	-
Total Deferred Outflows	1,412,872	-
Total Assets and Deferred Outflows	$ 75,233,383	$ 120,696,006

	Primary Government	Discretely Presented Component Units
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	$ 762,189	$ 114,609
Accounts payable - construction	-	621,498
Construction loan payable	-	2,003,500
Accrued liabilities	204,146	19,952
Accrued compensated absences	17,554	-
Accrued interest payable	54,777	231,721
Unearned revenues	29,048	61,887
Due to discretely presented component units	1,808	-
Due to Boulder County Housing Authority	-	91,073
Due to Boulder County	1,559,968	-
Tenant security deposits payable	107,255	131,066
Developer fee payable	-	382,568
Notes, mortgages and bonds payable - current portion	445,950	682,094
Total Current Liabilities	3,182,695	4,339,968
Long-Term Liabilities		
Accrued compensated absences	185,535	-
Developer fee payable	-	1,137,622
Accrued interest payable	-	3,529,098
Accrued liabilities - long-term	174,098	-
Notes, mortgages and bonds payable - net of current portion	19,498,932	70,234,849
Net postemployment benefits liability	489,536	-
Net pension liability	5,838,332	-
Total Long-Term Liabilities	26,186,433	74,901,569
Total Liabilities	29,369,128	79,241,537
Deferred Inflows		
Pensions	36,084	-
Other postemployment benefits	6,177	-
Total Deferred Inflows	42,261	-
Net Position		
Net investment in capital assets	7,095,239	42,321,356
Restricted	219,333	-
Unrestricted	38,507,422	(866,887)
Total Net Position	45,821,994	41,454,469
Total Liabilities, Deferred Inflows and Net Position	$ 75,233,383	$ 120,696,006

	Primary Government	Discretely Presented Component Units
Operating Revenues		
HUD PHA grants	$ 10,734,140	$ -
Other grants	848,465	-
Rental income	3,600,891	5,919,211
Administration fees	650,310	-
Management fees	309,788	-
Developer fee income	158,486	-
Other	305,013	130,309
Total operating revenues	16,607,093	6,049,520
Operating Expenses		
Housing assistance payments	9,809,856	-
Administrative salaries and benefits	1,618,060	205,705
Maintenance salaries and benefits	980,237	312,816
Regular and extraordinary maintenance	995,489	602,654
Direct client expenses	1,977,501	-
Other administrative	621,366	504,955
Depreciation and amortization	853,707	4,912,184
Utilities	339,089	657,180
Insurance	311,501	298,147
Other expenses	85,626	85,847
Total operating expenses	17,592,432	7,579,488
Operating Loss	(985,339)	(1,529,968)
Non-Operating Revenues (Expenses)		
Interest income	869,713	13,572
Interest expense	(561,659)	(2,556,955)
Donations	200,000	-
Gain on involuntary conversion of capital assets	177,839	1,857
Disposal of property and equipment	(3,201)	(179,101)
Loss on sale of capital assets	(446,056)	-
Other	88,000	-
Total Non-Operating Revenues (Expenses)	324,636	(2,720,627)
Loss Before Other Contributions (Distributions) and Transfers	(660,703)	(4,250,595)
Other Contributions (Distributions) and Transfers		
Member contributions, net of syndication costs	-	2,728,797
Member distributions	-	(9,147)
Transfers from Boulder County	3,865,000	-
Change in Net Position	3,204,297	(1,530,945)
Net Position - Beginning of Year	42,617,697	42,985,414
Net Position - End of Year	$ 45,821,994	$ 41,454,469

	Primary Government	Discretely Presented Component Units
Operating Activities		
HUD PHA grants	$ 10,734,140	$ -
Other grants	837,295	-
Receipts from tenants	3,539,941	5,917,061
Administration fees	650,310	-
Management fee income	309,788	-
Developer fee income	3,669,789	-
Other income	256,199	130,309
Housing assistance payments	(9,809,856)	-
Payments to employees	(3,489,893)	(518,521)
Payments to suppliers	(4,893,266)	(2,055,543)
Net Cash from Operating Activities	1,804,447	3,473,306
Noncapital Financing Activities		
Advances from (payments to) related party	482,555	15,704
Transfers in from Boulder County	3,865,000	-
Net Cash from Noncapital Financing Activities	4,347,555	15,704
Capital and Related Financing Activities		
Proceeds from construction note payable	-	2,003,500
Payments to related party	-	(511)
Principal payments on long-term debt	(438,154)	(609,160)
Proceeds from long-term debt borrowings	-	1,600,000
Interest paid on long-term debt	(562,757)	(1,799,725)
Payments on developer fee payable	-	(3,583,580)
Member contributions	-	2,768,797
Member distributions	-	(9,147)
Payment of syndication costs	-	(40,000)
Reimbursement of predevelopment and construction costs	1,018,199	(1,018,199)
Acquisition of capital assets	(1,521,494)	(3,660,352)
Proceeds from sale of capital assets	976,979	
Acquisition of other assets	1,203	-
Proceeds from donations	200,000	-
Proceeds from other	88,000	
Insurance proceeds received	211,923	10,113
Net Cash used for Capital and Related Financing Activities	(26,101)	(4,338,264)
Investing Activities		
Issuance of notes receivable	(1,600,000)	-
Payments received on notes receivable	75,646	-
Interest income	86,545	13,572
Net Cash (used for) from Investing Activities	(1,437,809)	13,572
Net Change in Cash and Cash Equivalents	4,688,092	(835,682)
Cash and Cash Equivalents, Beginning of Year	9,845,676	5,893,777
Cash and Cash Equivalents, End of Year	$ 14,533,768	$ 5,058,095

	Primary Government	Discretely Presented Component Units
Reconciliation of Cash and Cash Equivalents		
Cash	$ 13,211,338	$ 1,960,458
Restricted Cash	1,322,430	3,097,637
Total Cash and Cash Equivalents	$ 14,533,768	$ 5,058,095
Reconciliation of operating loss to net cash from operating activities		
Operating loss	$ (985,339)	$ (1,529,968)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation and amortization	853,707	4,912,184
Change in net postemployment benefits liability	15,494	-
Change in net pension liability	611,687	-
Changes in assets and liabilities		
Change in receivables	1,864,298	(7,720)
Change in prepaid expenses	21,379	57,545
Change in inventory	(21,021)	-
Change in accounts payable	(179,818)	35,116
Change in accrued expenses	(365,286)	579
Change in unearned revenues	(11,170)	7,978
Change in security deposits payable	516	(2,408)
Net Cash from Operating Activities	$ 1,804,447	$ 3,473,306
Supplemental Disclosure of Noncash Investing and Financing Activities		
Capital asset additions included in accounts payable	$ 74,712	$ -
Capital asset additions included in accrued liabilities	$ 278,695	$ -

	Josephine Commons, LLC	Aspinwall, LLC	Kestrel I, LLC	Tungsten Village, LLC	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 659,917	$ 650,243	$ 649,401	$ 897	$ 1,960,458
Restricted cash and cash equivalents	673,870	1,227,150	1,196,617	-	3,097,637
Accounts receivable					
Tenants	365	9,785	10,272	-	20,422
Other	-	9,552	4,927	-	14,479
Due from Boulder County Housing Authority	523	1,285	-	-	1,808
Prepaid Expenses	5,050	5,814	7,370	-	18,234
Total Current Assets	1,339,725	1,903,829	1,868,587	897	5,113,038
Other Assets, net of Accumulated Amortization	46,179	71,632	223,358	-	341,169
Capital Assets					
Non-depreciable	87,200	3,387,965	3,276,533	5,094,018	11,845,716
Depreciable, net	12,155,042	28,611,538	62,629,503	-	103,396,083
Total Capital Assets	12,242,242	31,999,503	65,906,036	5,094,018	115,241,799
Total Assets	$ 13,628,146	$ 33,974,964	$ 67,997,981	$ 5,094,915	$ 120,696,006

	Josephine Commons, LLC	Aspinwall, LLC	Kestrel I, LLC	Tungsten Village, LLC	Total
Liabilities and Net Position					
Current Liabilities					
Accounts payable	$ 15,203	$ 69,418	$ 29,988	$ -	$ 114,609
Accounts payable - construction	-	-	-	621,498	621,498
Construction note payable	-	-	-	2,003,500	2,003,500
Accrued liabilities	6,334	5,969	7,649	-	19,952
Accrued interest payable	39,685	94,977	97,059	-	231,721
Unearned revenues	3,882	19,506	38,499	-	61,887
Due to Boulder County Housing Authority	18,772	36,409	33,933	1,959	91,073
Tenant security deposits payable	21,050	54,192	55,824	-	131,066
Developer fee payable	-	-	310,291	72,277	382,568
Notes, mortgages and bonds payable - current portion	31,561	328,522	322,011	-	682,094
Total Current Liabilities	136,487	608,993	895,254	2,699,234	4,339,968
Long-Term Liabilities					
Developer fee payable	-	-	1,137,622	-	1,137,622
Accrued interest payable	405,218	2,189,631	934,249	-	3,529,098
Notes, mortgages and bonds payable - net of current portion	4,411,083	26,330,989	37,892,777	1,600,000	70,234,849
Total Long-Term Liabilities	4,816,301	28,520,620	39,964,648	1,600,000	74,901,569
Total Liabilities	4,952,788	29,129,613	40,859,902	4,299,234	79,241,537
Net Position					
Net investment in capital assets	7,799,598	5,339,992	27,691,248	1,490,518	42,321,356
Restricted	-	-	-	-	-
Unrestricted	875,760	(494,641)	(553,169)	(694,837)	(866,887)
Total Net Position	8,675,358	4,845,351	27,138,079	795,681	41,454,469
Total Liabilities and Net Position	$ 13,628,146	$ 33,974,964	$ 67,997,981	$ 5,094,915	$ 120,696,006

	Josephine Commons, LLC	Aspinwall, LLC	Kestrel I, LLC	Tungsten Village, LLC	Total
Operating Revenues					
Rental income	$ 757,055	$ 2,299,607	$ 2,862,549	$ -	$ 5,919,211
Other	1,910	20,626	107,773	-	130,309
Total operating revenues	758,965	2,320,233	2,970,322	-	6,049,520
Operating Expenses					
Administrative salaries and benefits	52,657	94,706	58,342	-	205,705
Maintenance salaries and benefits	79,690	111,362	121,764	-	312,816
Regular and extraordinary maintenance	88,213	293,363	221,078	-	602,654
Other administrative	54,251	188,392	262,312	-	504,955
Depreciation and amortization	467,929	1,206,351	3,237,904	-	4,912,184
Utilities	60,080	305,918	291,182	-	657,180
Insurance	37,360	100,306	160,481	-	298,147
Other expenses	72,229	5,970	7,648	-	85,847
Total operating expenses	912,409	2,306,368	4,360,711	-	7,579,488
Operating Income (Loss)	(153,444)	13,865	(1,390,389)	-	(1,529,968)
Non-Operating Revenues (Expenses)					
Interest income	150	13,400	22	-	13,572
Interest expense	(274,593)	(965,557)	(1,316,805)	-	(2,556,955)
Gain/loss on involuntary conversion of capital assets	-	1,857	-	-	1,857
Disposal of property and equipment	-	(179,101)	-	-	(179,101)
Total Non-Operating Revenues (Expenses)	(274,443)	(1,129,401)	(1,316,783)	-	(2,720,627)
Loss Before Other Contributions (Distributions)	(427,887)	(1,115,536)	(2,707,172)	-	(4,250,595)
Other Contributions (Distributions)					
Member contributions, net of syndication costs	-	-	1,933,116	795,681	2,728,797
Member distributions	(9,147)	-	-	-	(9,147)
Total Other Contributions (Distributions)	(9,147)	-	1,933,116	795,681	2,719,650
Change in Net Position	(437,034)	(1,115,536)	(774,056)	795,681	(1,530,945)
Net Position - Beginning of Year	9,112,392	5,960,887	27,912,135	-	42,985,414
Net Position - End of Year	$ 8,675,358	$ 4,845,351	$27,138,079	$ 795,681	$41,454,469

	Josephine Commons, LLC	Aspinwall, LLC	Kestrel I, LLC	Tungsten Village, LLC	Total
Operating Activities					
Receipts from tenants	$ 759,262	$ 2,300,556	$ 2,857,243	$ -	$ 5,917,061
Other income	1,910	20,626	107,773	-	130,309
Payments to employees	(132,347)	(206,068)	(180,106)	-	(518,521)
Payments to suppliers	(282,232)	(864,456)	(908,855)	-	(2,055,543)
Net Cash from Operating Activities	346,593	1,250,658	1,876,055	-	3,473,306
Noncapital Financing Activity					
Advances from related party	3,575	10,170	-	1,959	15,704
Capital and Related Financing Activities					
Proceeds from construction note payable	-	-	-	2,003,500	2,003,500
Payments to related party	-	-	(511)	-	(511)
Principal payments on long-term debt	(29,262)	(270,369)	(309,529)	-	(609,160)
Proceeds from issuance of long-term debt	-	-	-	1,600,000	1,600,000
Interest paid on long-term debt	(217,190)	(573,471)	(1,009,064)	-	(1,799,725)
Payment on developer fee payable	-	(264,557)	(3,319,023)	-	(3,583,580)
Equity contributions	-	-	1,933,116	835,681	2,768,797
Equity distributions	(9,147)	-	-	-	(9,147)
Payment of syndication costs	-	-	-	(40,000)	(40,000)
Reimbursement of predevelopment and construction costs	-	-	-	(1,018,199)	(1,018,199)
Acquisition of capital assets	-	(244,417)	(33,891)	(3,382,044)	(3,660,352)
Insurance proceeds received	-	10,113	-	-	10,113
Net Cash used for Capital and Related Financing Activities	(255,599)	(1,342,701)	(2,738,902)	(1,062)	(4,338,264)
Investing Activity					
Interest income	150	13,400	22	-	13,572
Net Change in Cash and Cash Equivalents	94,719	(68,473)	(862,825)	897	(835,682)
Cash and Cash Equivalents, Beginning of Year	1,239,068	1,945,866	2,708,843	-	5,893,777
Cash and Cash Equivalents, End of Year	$ 1,333,787	$ 1,877,393	$ 1,846,018	$ 897	$ 5,058,095

	Josephine Commons, LLC	Aspinwall, LLC	Kestrel I, LLC	Kestrel I, LLC	Total
Reconciliation of Cash and Cash Equivalents					
Cash	$ 659,917	$ 650,243	$ 649,401	$ 897	$ 1,960,458
Restricted Cash	673,870	1,227,150	1,196,617	-	3,097,637
Total Cash and Cash Equivalents	$ 1,333,787	$ 1,877,393	$ 1,846,018	$ 897	$ 5,058,095
Reconciliation of operating income (loss) to net cash from operating activities					
Operating income (loss)	$ (153,444)	$ 13,865	$ (1,390,389)	$ -	$ (1,529,968)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization	467,929	1,206,351	3,237,904	-	4,912,184
Changes in assets and liabilities					
Change in receivables	1,722	(3,690)	(5,752)	-	(7,720)
Change in prepaid expenses	32,310	(4,918)	30,153	-	57,545
Change in accounts payable	(2,594)	34,239	3,471	-	35,116
Change in accrued expenses	185	172	222	-	579
Change in unearned revenues	135	6,558	1,285	-	7,978
Change in security deposits payable	350	(1,919)	(839)	-	(2,408)
Net Cash from Operating Activities	$ 346,593	$ 1,250,658	$ 1,876,055	$ -	$ 3,473,306

Note 1 - Nature of Operations and Significant Accounting Policies

General

The Boulder County Housing Authority is a corporate body created in 1975 and uses available federal, state and local resources to serve the residents of Boulder County, Colorado, 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 809 units of affordable housing in Boulder County and administers 702 Section 8 housing choice vouchers, 92 family unification program (FUP) vouchers, 67 Section 8 VASH vouchers, and 35 non-elderly disabled (NED) vouchers as of December 31, 2019.

The Authority is governed by a three-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 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

The Authority is included in Boulder County's reporting entity because of the significance of its operational and financial relationship with the County.

<u>Blended Component Units</u>

Five additional organizations are included in the financial reporting entity of the Authority as blended component units. MFPH Acquisitions LLC (MFPH) was created in April 2008 for the purpose of receiving certain affordable housing units from the Authority and will hold, manage and, at a future time determined by MFPH, sell the units at fair market value. Josephine Commons Manager, LLC is wholly owned by the Authority and is the managing member of Josephine Commons, LLC. Aspinwall Manager, LLC is wholly owned by the Authority and is the managing member of Aspinwall, LLC. Kestrel Manager, LLC is wholly owned by the Authority and is the managing member of Kestrel I, LLC. Tungsten Village GP, LLC is wholly owned by the Authority and is the managing member of Tungsten Village, LLC. The sole member of all five companies is the Boulder County Housing Authority which is able to impose its will on the organizations. Accordingly, the activities and the ending balances of MFPH, Josephine Commons Manager, LLC, Aspinwall Manager, LLC, Kestrel Manager, LLC and Tungsten Village GP, LLC are reported within the proprietary funds of the Authority. Josephine Commons Manager, LLC, Aspinwall Manager, LLC, Kestrel Manager, LLC and Tungsten Village GP, LLC have little or no activity. Separate financial statements for the blended component units are not issued. Condensed component unit information for MFPH Acquisitions LLC is disclosed in Note 16.

Discretely Presented Component Units

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

Josephine Commons, LLC (Josephine Commons) was formed to acquire, own, develop, construct and lease, manage and operate a low-income housing tax credit project with 74 units for low-income and elderly residents in Lafayette, Colorado. The managing member of the Company, Josephine Commons Manager, LLC, is wholly owned by the Boulder County Housing Authority. Josephine Commons Manager, LLC has an ownership percentage of .009%. As the managing member, the Authority has the day to day management responsibilities of the Company.

Aspinwall, LLC (Aspinwall) was formed to develop, construct, rehabilitate, own, maintain, and operate a 167-unit multi-family complex for low-income and elderly residents. The project is to include 95 scattered site rehabilitated units and 72 new construction units in Lafayette, Colorado. The managing member of the Company, Aspinwall Manager, LLC, is wholly owned by the Boulder County Housing Authority. Aspinwall Manager, LLC has an ownership percentage of .009%. As the managing member, the Authority has the day to day management responsibilities of the Company.

Kestrel I, LLC (Kestrel) was formed to develop, construct, rehabilitate, own, maintain, and operate a 200-unit multi-family complex for low-income and elderly residents in Louisville, Colorado. The managing member of the Company, Kestrel Manager, LLC, is wholly owned by the Boulder County Housing Authority. Kestrel Manager, LLC has an ownership percentage of .009%. As the managing member, the Authority has the day to day management responsibilities of the Company.

Tungsten Village, LLC (Tungsten Village) was formed to develop, construct, rehabilitate, own, maintain, and operate a 26-unit multi-family complex for low-income and elderly residents in Nederland, Colorado. The managing member of the Company, Tungsten GP, LLC, is wholly owned by the Boulder County Housing Authority. Tungsten GP, LLC has an ownership percentage of .01%. As the managing member, the Authority has the day to day management responsibilities of the Company.

The financial statements of the discretely presented component units are presented in the Authority's basic financial statements. Complete financial statements of the individual component units can be obtained from the Finance Director, Boulder County Housing Authority, PO Box 471, Boulder CO 80306.

Program Accounting

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

Basis of Accounting and Measurement Focus

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 balance sheet. Net position is segregated into invested in capital assets, restricted and unrestricted components. The statements of revenues, expenses and changes in fund net position present 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 statements of cash flows present the cash flows for operating activities, investing activities, capital and related financing activities and non-capital financing activities.

Cash and Cash Equivalents

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

For the 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. As of December 31, 2019, the Authority considered all accounts receivable to be fully collectable.

Notes and Interest Receivable

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

Inventory

Inventories are valued at the lower of cost or market using the first-in/first-out method.

Capital Assets

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

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

Buildings and improvements	5-45 years
Equipment	10-12 years
Furniture and fixtures	3-15 years
Vehicles	5 years

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

Deferred Outflows and Inflows of Resources

In addition to assets, the Balance Sheet includes a separate section for deferred outflows of resources. This separate element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority's Deferred Outflows for Pensions and OPEB represents the amount of pension and health care trust fund contributions made to the State plans subsequent to the December 31, 2018 measurement date, the deferred variance in expected to actual investment earnings, the deferred experience gains and losses, changes in employer proportion and differences between contributions recognized and proportionate share of contributions and changes in assumptions.

In addition to liabilities, the Balance Sheet includes a separate section for deferred inflows of resources. This separate element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority's Deferred Inflows for Pensions and OPEB represents the change in the Authority's "proportionate share" developed to distribute the aggregate plan liability and expense among all the employers' represented by the cost-sharing multiple-employer defined benefit pension plan in which the Authority participates, the deferred experience gains and losses, and the change in pension and health care investments.

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 income, interest expense, gain on sale of capital assets, donations of real property, transfers from primary government, HUD capital grant income, member contributions, and member distributions 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 assets are available.

Accumulated Unpaid Vacation and Sick Leave

The Authority follows Boulder County's policy on unpaid vacation and sick leave. The policy allows employees to accumulate unused vacation and medical leave benefits up to certain maximum hours. Upon termination, all unused vacation leave benefits are paid to the employee. Medical leave benefits may be paid to the employee depending on hire date or length of service. Employees hired as full-time employees prior to June 1, 1987, except Social Security Department employees, who have worked for the County for 20 years or who are eligible for retirement at age 62 are paid all unused medical leave benefits. Employees hired as full-time employees prior to June 1, 1987, expect Social Security Department employees, and have not worked for the County for 20 years nor are they eligible for retirement at age 62, are paid 50% of their unused medical leave. All other employees not listed in the above two categories, are not paid for unused medical leave.

Unearned Revenues

As of December 31, 2019, the Authority's unearned revenues consisted of prepaid rents of $29,048. At December 31, 2019, the discretely presented component units' unearned revenue consisted of prepaid rents of $48,220 and $13,667 for Kestrel's assumed service agreement with CenturyLink Sales Solutions, Inc. The agreement required a one-time payment from CenturyLink in the amount of $20,000 for an easement on providing the project with cable services. The contract expires in 2026.

Components of Net Position

Components of net position include the following:

- Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

- Restricted Net Position – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the balance sheet that are subject to restraints on their use by HUD.

- Unrestricted Net Position – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the balance sheet that are not subject to restraints on their use.

Business and Credit Risk

The Authority provides housing on account to clients which are located in Boulder County, 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.

Pensions

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

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGDTF's measurement date of December 31, 2018. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and December 31, 2019.

Postemployment Benefits Other Than Pensions (OPEB)

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

Note 2 - Deposits and Investments

Primary Government

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state 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 annual contract with HUD has additional collateral requirements, which the Authority met in 2019.

Custodial Credit Risk

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

At December 31, 2019, the Authority's carrying amount of deposits was $14,533,768 and bank balances totaled $15,443,926. Of the bank balances, $757,395 was covered by Federal Depository Insurance. Of the remaining balances for 2019, $14,645,526 was collateralized with securities held by the pledging financial institution's agent in the government's name, and $41,005 was uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of December 31, 2019, investments held by the Authority are held in a local government investment pool totaling $2,822,323. These funds are classified as cash and cash equivalents on the balance sheet.

Investments

Authorized Investments

Boulder County Housing Authority does not have an investment policy, but is subject to the general provisions of the Colorado Revised Statutes (C.R.S. 24-75-601).

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

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

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

Credit Risk

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

At December 31, 2019, the Authority had $2,822,323 invested in Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by State statute for local government entities to pools 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.

Discretely Presented Component Units

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, Josephine Commons, LLC's; Aspinwall, LLC's; and Kestrel I, LLC's deposits may not be returned to them.

At December 31, 2019, Josephine Commons' carrying amount of deposits was $1,333,787 and the bank balances totaled $1,346,582. Of the bank balances, $500,000 was covered by Federal Depository Insurance. The remaining balance of $846,582 was not insured and is exposed to custodial credit risk. Management does not believe that the deposits are exposed to a significant level of risk.

At December 31, 2019, Aspinwall's carrying amount of deposits was $1,877,393 and the bank balances totaled $1,912,664. Of the bank balances, $250,000 was covered by Federal Depository Insurance. The remaining balance of $1,662,664 was not insured and is exposed to custodial credit risk. Management does not believe that the deposits are exposed to a significant level of risk.

At December 31, 2019, Kestrel's carrying amount of deposits was $1,846,018 and the bank balances totaled $1,865,331. Of the bank balances, $500,000 was covered by Federal Depository Insurance. The remaining balance of $1,365,331 was not insured and is exposed to custodial credit risk. Management does not believe that the deposits are exposed to a significant level of risk.

At December 31, 2019, Tungsten Village's carrying amount of deposits was $897 and the bank balances totaled $897. Of the bank balances, $897 was covered by Federal Depository Insurance.

Note 3 - Restricted Cash

Restricted cash consists of cash and cash equivalents balances restricted for use in the Housing Choice Voucher program; held in escrow to comply with the requirements of HUD programs, Rural Development programs, and the Community Development Financial Institutions program; held to comply with bond requirements; and held for tenant security deposits.

Note 4 - Notes Receivable

Notes Receivable from Discretely Presented Component Units	Principal	Accrued Interest
4.3% mortgage note receivable from Josephine Commons under the HOME funds, up to an amount of $550,000, payments due from cash flow, remaining principal and interest due August 2061, secured by a second mortgage	$ 550,000	$ 198,058
4.3% mortgage note receivable from Josephine Commons under the AHP fund, payments due from cash flow, remaining principal and interest due August 2061, secured by a third mortgage	250,000	84,080
4.3% mortgage note receivable from Josephine Commons under the Worth Cause Funds I program, entire principal balance will be forgiven after a term of 99 years unless canceled earlier, secured by a fourth mortgage	200,000	62,064
4.3% mortgage note receivable from Josephine Commons under the Worthy Cause Funds II program, entire principal balance will be forgiven after a term of 99 years unless canceled earlier, secured by a fifth mortgage	200,000	67,552
0.5% note receivable from Josephine Commons, due from cash flow, remaining principal and interest due August 2061, unsecured	443,293	16,515
1.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	270,000	32,718
2.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	442,035	85,579
2.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	430,000	83,249
1.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	623,023	62,856
1.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	464,754	56,318
2.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	5,289,998	1,024,157

	Principal	Accrued Interest
2.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	$ 3,020,000	$ 584,679
1.8% note receivable from Aspinwall, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	2,762,296	307,343
2.0% note receivable from Kestrel, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	2,600,000	208,277
2.0% note receivable from Kestrel, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	1,000,000	80,106
2.0% note receivable from Kestrel, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	350,000	28,037
2.0% note receivable from Kestrel, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	1,045,002	61,167
2.0% note receivable from Kestrel, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	580,297	46,485
4.0% note receivable from Kestrel, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	3,226,602	484,523
1.0% note receivable from Kestrel - see (C) below	1,450,000	40,411
6.0% note receivable from Tungsten Village, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	500,000	-
3.0% note receivable from Tungsten Village, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	440,000	-
3.0% note receivable from Tungsten Village, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	400,000	-
1.0% note receivable from Tungsten Village, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	260,000	-
Total Notes Receivable from Discretely Presented Component Units	$ 26,797,300	$ 3,614,174

	Principal	Accrued Interest
Notes Receivable - Other		
Notes receivable on two homes built through the Youthbuild program, interest calculated at below-market rate, principal and accrued interest payable upon sale of the properties by the owners, secured by second mortgages on the properties	$ 103,534	$ -
5% note receivable from Eagle Place Partners, LLLP, payment of annual principal and interest subject to cash flow distributions in the partnership agreement through the maturity date of April, 2047, secured by a deed of trust on the property - See (A) below	920,000	827,197
3% note receivable from Eagle Place Partners, LLLP, payment of annual principal and interest subject to cash flow distributions in the partnership agreement through the maturity date of April, 2047, secured by a deed of trust on the property - See (A) below	403,354	82,200
Thirty seven notes receivable for the Boulder County Rehabilitation Program, interest calculated at varying interest rates from 1% to 5%, payments due monthly on twenty-nine notes, payments deferred until maturity on eight notes - See (B) below	237,885	-
Eight non-interest-bearing notes receivable for the CDBG-DR Rehab Program, payments deferred for ten years, payments to begin in 2025 in varying monthly increments through maturity	192,690	-
Total Notes Receivable - Other	1,857,463	909,397
Total Notes Receivable	$ 28,654,763	$ 4,523,571

(A) The covenants of these notes require Eagle Partners, LLC to provide affordable housing units to households whose income is equal to or less than 60% of the listed area median income (AMI). No accrued interest was paid on these notes in 2019.

(B) These notes are issued to low-income residents of Boulder County who receive rehabilitation services on their home.

(C) Beginning June 1, 2019 and continuing the first day of June each subsequent year through June 1, 2028, interest is to be paid in ten annual installments of $14,779. Annual installments of principal and interest of $304,511 are to begin June 1, 2029 and continue on the first day of June each subsequent year through June 1, 2033. If principal has been prepaid on the note, the annual installments are to be recalculated to amortize the balance over a five-year period. If not paid earlier, the entire principal and interest balance is due April 1, 2034. Secured by a deed of trust on the Kestrel property.

Note 5 - Capital Assets

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

Primary Government

	Balance January 1	Additions	Transfers	Disposals	Balance December 31
Nondepreciable assets:					
Land	$ 9,604,553	$ -	$ -	$ (1,423,035)	$ 8,181,518
Construction in progress	1,486,249	1,413,775	-	(1,037,033)	1,862,991
Total capital assets not being depreciated	11,090,802	1,413,775	-	(2,460,068)	10,044,509
Depreciable assets:					
Computer equipment/software	47,819	-	-	-	47,819
Equipment	88,123	15,515	-	-	103,638
Furniture and fixtures	64,189	-	-	-	64,189
Buildings and improvements	28,163,815	791,996	-	(358,623)	28,597,188
Land improvements	27,996	-	-	-	27,996
Vehicles	443,395	57,957	-	-	501,352
Total buildings and improvements	28,835,337	865,468	-	(358,623)	29,342,182
Accumulated depreciation:					
Computer equipment/software	(47,819)	-	-	-	(47,819)
Equipment	(7,344)	(8,303)	-	-	(15,647)
Furniture and fixtures	(28,663)	(10,223)	-	-	(38,886)
Buildings and improvements	(14,869,541)	(776,078)	-	221,882	(15,423,737)
Land improvements	-	(4,941)	-	-	(4,941)
Vehicles	(281,799)	(54,162)	-	-	(335,961)
Total accumulated depreciation	(15,235,166)	(853,707)	-	221,882	(15,866,991)
Total capital assets being depreciated	13,600,171	11,761	-	(136,741)	13,475,191
Total capital assets, net	$ 24,690,973	$ 1,425,536	$ -	$ (2,596,809)	$ 23,519,700

Discretely Presented Component Units

Josephine Commons

	Balance January 1	Additions	Disposals	Balance December 31
Nondepreciable assets:				
Land	$ 86,500	$ -	$ -	$ 86,500
Construction in progress	700	-	-	700
Total capital assets not being depreciated	87,200	-	-	87,200
Depreciable assets:				
Land improvements	1,534,359	-	-	1,534,359
Furniture and fixtures	465,050	8,444	-	473,494
Buildings and improvements	13,527,192	-	-	13,527,192
Total buildings and improvements	15,526,601	8,444	-	15,535,045
Accumulated depreciation:				
Land improvements	(485,880)	(76,718)	-	(562,598)
Furniture and fixtures	(294,532)	(46,575)	-	(341,107)
Buildings and improvements	(2,137,684)	(338,614)	-	(2,476,298)
Total accumulated depreciation	(2,918,096)	(461,907)	-	(3,380,003)
Total capital assets being depreciated	12,608,505	(453,463)	-	12,155,042
Total capital assets, net	$ 12,695,705	$ (453,463)	$ -	$ 12,242,242

Aspinwall

	Balance January 1	Additions	Disposals	Balance December 31
Nondepreciable assets:				
Land	$ 3,387,965	$ -	$ -	$ 3,387,965
Depreciable assets:				
Land improvements	2,737,976	-	-	2,737,976
Geothermal	1,856,997	-	-	1,856,997
Appliances	162,967	-	-	162,967
Furniture and fixtures	340,510	-	-	340,510
Buildings and improvements	30,530,113	244,416	(222,184)	30,552,345
Total buildings and improvements	35,628,563	244,416	(222,184)	35,650,795
Accumulated depreciation:				
Land improvements	(593,229)	(136,898)	-	(730,127)
Geothermal	(1,609,396)	(247,600)	-	(1,856,996)
Appliances	(70,620)	(16,297)	-	(86,917)
Furniture and fixtures	(148,389)	(34,766)	-	(183,155)
Buildings and improvements	(3,453,574)	(763,315)	34,827	(4,182,062)
Total accumulated depreciation	(5,875,208)	(1,198,876)	34,827	(7,039,257)
Total capital assets being depreciated	29,753,355	(954,460)	(187,357)	28,611,538
Total capital assets, net	$ 33,141,320	$ (954,460)	$ (187,357)	$ 31,999,503

Kestrel

	Balance January 1	Additions	Disposals	Balance December 31
Nondepreciable assets:				
Land	$ 3,276,533	$ -	$ -	$ 3,276,533
Depreciable assets:				
Land improvements	5,876,073	-	-	5,876,073
Geothermal	4,947,657	-	-	4,947,657
Solar	518,358	-	-	518,358
Equipment	1,134,152	-	-	1,134,152
Furniture and fixtures	536,916	-	-	536,916
Buildings and improvements	57,562,618	33,891	-	57,596,509
Total buildings and improvements	70,575,774	33,891	-	70,609,665
Accumulated depreciation:				
Land improvements	(514,157)	(293,804)	-	(807,961)
Geothermal	(1,731,679)	(989,530)	-	(2,721,209)
Solar	(17,279)	(103,672)	-	(120,951)
Equipment	(198,477)	(113,415)	-	(311,892)
Furniture and fixtures	(93,960)	(53,692)	-	(147,652)
Buildings and improvements	(2,203,826)	(1,666,671)	-	(3,870,497)
Total accumulated depreciation	(4,759,378)	(3,220,784)	-	(7,980,162)
Total capital assets being depreciated	65,816,396	(3,186,893)	-	62,629,503
Total capital assets, net	$ 69,092,929	$ (3,186,893)	$ -	$ 65,906,036

Tungsten Village

	Balance January 1	Additions	Disposals	Balance December 31
Nondepreciable assets:				
Land	$ -	$ 500,000	$ -	$ 500,000
Construction in progress	-	4,594,018	-	4,594,018
Total capital assets, net	$ -	$ 5,094,018	$ -	$ 5,094,018

Note 6 - Construction Note Payable

Discretely Presented Component Units

Tungsten Village

Tungsten Village is financing the construction of the multi-family project in part with a 5% fixed-rate construction note payable to FirstBank. The construction note payable is expected to be converted to permanent financing upon the earlier of the completion of the conditions specified in the note agreement or June 1, 2021. Capital contributions received by Tungsten Village may be applied to the principal balance of the note prior to the conversion date. Interest payments are to be made monthly through the date the note is converted to permanent financing. The note may be drawn to a maximum of $7,127,134. At December 31, 2019, Tungsten Village owed principal of $2,003,500 on this note. The note is secured by a deed of trust and an assignment of rents on the Tungsten Village property.

Note 7 - Long-Term Debt

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

Primary Government

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	$ 6,032,556	$ -	$ (60,398)	$ 5,972,158	$ 55,938
Bonds Payable	14,350,480	-	(377,756)	13,972,724	390,012
Total long-term debt	$ 20,383,036	$ -	$ (438,154)	$ 19,944,882	$ 445,950

Discretely Presented Component Units

Josephine Commons

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	$ 4,466,604	$ -	$ (23,960)	$ 4,442,644	$ 31,561

Aspinwall

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	$ 26,911,470	$ -	$ (251,959)	$ 26,659,511	$ 328,522

Kestrel

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	$ 38,475,924	$ -	$ (261,136)	$ 38,214,788	$ 322,011

Tungsten Village

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Notes and Mortgages Payable	$ -	$ 1,600,000	$ -	$ 1,600,000	$ -

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

Primary Government

Notes and Mortgages Payable

9% mortgage note payable, due in monthly principal and interest installments of $1,789 with a maturity date of June 2038, secured by a deed of trust on the property and an assignment of rents	$ 193,466
6.75% mortgage note payable, due in monthly principal and interest installments of $1,907 with a maturity date of June 2036, secured by a deed of trust on the property and an assignment of rents	852,308
5.375% mortgage note payable, due in monthly principal and interest installments of $318 with a maturity date of June 2036, secured by a deed of trust on the property and an assignment of rents	138,286
2% mortgage note payable, due in monthly principal and interest installments of $2,120 with a maturity date of June 2046, secured by a deed of trust on the property and an assignment of rents	522,910
1% mortgage note payable, due in monthly principal and interest installments of $1,357 with a maturity date of October 2026, secured by a deed of trust on the property and an assignment of rents	107,514
1% mortgage note payable, due in monthly principal and interest installments of $297 with a maturity date of October 2026, secured by a deed of trust on the property and an assignment of rents	23,551
1% mortgage note payable, due in monthly principal and interest installments of $297 with a maturity date of May 2041, secured by a deed of trust on the property and an assignment of rents	68,749

0% note payable to Boulder County, entire principal balance due April 2024, unsecured	$	2,581,500
2% mortgage note payable, due in monthly principal and interest installments of $1,182 with a maturity date of August 2020, secured by a deed of trust on the property and an assignment of rents		8,220
1% mortgage note payable - see (A) below		1,475,654
Total notes and mortgages payable	$	5,972,158
Bonds Payable		
Series 2012 Housing Revenue Bonds - See (B) below	$	6,602,865
Series 2013 Housing Revenue Bonds - See (C) below		1,023,306
Series 2013 Housing Revenue Bonds - See (D) below		6,346,553
Total Bonds Payable		13,972,724
Total Long-Term Debt	$	19,944,882

(A) – Annual interest payments of $14,779 are to begin June 1, 2019 and continue annually on the first day of June through June 1, 2028. Annual payments of principal and interest of $304,511 are to begin June 1, 2029 and continue annually on the first day of June through the maturity date of March 1, 2033 at which time all remaining unpaid principal and accrued interest are due. Accrued interest of $25,654 through December 31, 2017, was added to the principal balance as of January 1, 2018. The mortgage note payable is secured by a deed of trust on the Kestrel property.

(B) – Housing Revenue Bonds, Series 2012 in the amount of $8,200,000 were authorized for issuance during 2012. Bond proceeds received from the issuance of these bonds totaled $7,616,499 as of December 31, 2019. The Authority has the ability to issue the remaining bonds of $583,501 at a future date but has no current plans to issue the remaining bonds. The bonds bear interest at 3.19%. The Authority is required to make monthly payments of $30,974, including interest, on the bonds through the final maturity date of November 2027. The Authority has covenants related to, among other matters, the maintenance of debt service coverage ratios. The bonds are secured by a deed of trust on the property and an assignment of rents.

(C) – The Authority issued $1,240,000 in Housing Revenue Bonds, Series 2013. The bonds bear interest at 3.36%. The Authority is required to make monthly payments of $6,117, including interest, on the bonds through the final maturity date of October 2023. The Authority has covenants related to, among other matters, the maintenance of debt service coverage ratios. The bonds are secured by a deed of trust on the property and an assignment of rents.

(D) – The Authority issued $7,450,000 in Housing Revenue Bonds, Series 2013. The bonds bear interest at 3.16%. The Authority is required to make monthly payments of $32,067, including interest, on the bonds through the final maturity date of April 2028. The Authority has covenants related to, among other matters, the maintenance of debt service coverage ratios. The bonds are secured by a deed of trust on the property and an assignment of rents.

Discretely Presented Component Units

Josephine Commons

7.0% mortgage note payable to Berkadia Commercial Mortgage, Inc., due in monthly principal and interest payments of $19,166 through November 2029, secured by a deed of trust and assignment of rents, net of unamortized debt issuance costs of $52,135, based upon an effective rate of 7.35%	$ 2,799,351
4.3% mortgage note payable to Boulder County Housing Authority (BCHA) under the HOME funds, payments due from cash flow, remaining principal and interest due August 2061, secured by a second mortgage	550,000
4.3% mortgage note payable to BCHA under the AHP funds, payments due from cash flow, remaining principal and interest due August 2061, secured by a third mortgage	250,000
4.3% mortgage note payable to BCHA under the Worthy Cause Funds I program, entire principal balance will be forgiven after a term of 99 years unless canceled earlier, secured by a fourth mortgage	200,000
4.3% mortgage note payable to BCHA under the Worthy Cause Funds II program, entire principal balance will be forgiven after a term of 99 years unless canceled earlier, secured by a fifth mortgage	200,000
0.5% note payable to BCHA, due from cash flow, remaining principal and interest due August 2061, unsecured	443,293
	$ 4,442,644

Aspinwall

1.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	$ 270,000
2.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	442,035

Aspinwall (continued)

2.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	$ 430,000
1.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	623,023
1.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	464,754
2.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	5,289,998
2.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	3,020,000
1.8% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due July 2063, secured by a deed of trust on the property	2,762,296
4.2% note payable to FirstBank, monthly payments of $65,348, including interest through maturity date of August 2031, secured by a deed of trust, net of unamortized debt issuance costs of $213,244, based upon an effective interest rate of 4.47% - see (A) below	11,992,530
6.75% note payable to Mile High Community Loan Fund, Inc., monthly payments of principal and interest are to be made through maturity in 2031, secured by a deed of trust on the property	633,655
0% note payable to the State of Colorado, due in annual installments from available cash flow beginning April 2016 in the amount of $24,584, including interest, through maturity date of August 2045, secured by a deed of trust	731,220
	$ 26,659,511

Kestrel

3.96% mortgage note payable to Berkadia Commercial Mortgage, Inc., due in monthly principal and interest payments of $108,653 through March 2034, secured by a deed of trust, net of unamortized debt issuance costs of $689,606, based upon an effective rate of 4.25%	$ 24,250,456
2.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	2,600,000
2.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	1,000,000
2.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	350,000
2.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	1,045,002
2.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	580,297
4.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due March 2066, secured by a deed of trust on the property	3,226,602
1.0% note payable to BCHA, due in annual interest only payments of $14,779 until June 2029 when annual principal and interest payments of $304,511 are due through the maturity date of April 2034, secured by a deed of trust on the property	1,450,000
0.0% note payable to the State of Colorado - see (B) below	3,712,431
	$ 38,214,788

Tungsten Village

6.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	$ 500,000
3.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	440,000
3.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	400,000
1.0% note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	260,000
	$ 1,600,000
	$ 70,916,943

(A) The Company has covenants related to, among other matters, the maintenance of debt coverage ratios and invested in cash balance requirements.

(B) Principal and interest are to be paid in thirty-three annual installments of $112,497 beginning June 1, 2019 and continuing the first day of June each subsequent year until the maturity date of March 1, 2051, at which time all remaining principal is due. Annual payments are to be made from 50% of available cash flow as defined by the Amended and Restated Operating Agreement of the Borrower. The note is secured by a deed of trust on the property.

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

Primary Government

	Principal	Interest	Total
2020	$ 445,950	$ 548,924	$ 994,874
2021	451,745	534,854	986,599
2022	466,246	520,353	986,599
2023	1,337,737	500,519	1,838,256
2024	3,032,961	461,733	3,494,694
2025-2029	11,601,151	1,520,825	13,121,976
2030-2034	1,438,308	412,823	1,851,131
2035-2039	1,010,840	112,395	1,123,235
2040-2044	122,385	9,857	132,242
2045-2049	37,559	597	38,156
Total	$ 19,944,882	$ 4,622,880	$ 24,567,762

Discretely Presented Component Units

Josephine Commons

	Principal	Interest	Total
2020	$ 31,561	$ 221,478	$ 253,039
2021	33,843	196,145	229,988
2022	36,289	193,699	229,988
2023	38,913	191,075	229,988
2024	41,726	188,262	229,988
2025-2029	2,669,154	879,913	3,549,067
2030-2060	-	-	-
2061	1,243,293	5,527,212	6,770,505
2062-2111	-	-	-
2112	400,000	26,275,563	26,675,563
Unamortized debt issuance costs	(52,135)	-	(52,135)
Total	$ 4,442,644	$ 33,673,347	$ 38,115,991

Aspinwall

	Principal	Interest	Total
2020	$ 328,522	$ 597,258	$ 925,780
2021	293,415	537,829	831,244
2022	306,105	525,139	831,244
2023	319,348	511,896	831,244
2024	333,167	498,077	831,244
2025-2029	1,894,726	2,261,493	4,156,219
2030-2034	9,411,415	657,723	10,069,138
2035-2044	-	-	-
2045	683,951	-	683,951
2046-2062	-	-	-
2063	13,302,106	33,037,957	46,340,063
Unamortized debt issuance costs	(213,244)	-	(213,244)
Total	$ 26,659,511	$ 38,627,372	$ 65,286,883

Kestrel

	Principal	Interest	Total
2020	$ 322,011	$ 996,580	$ 1,318,591
2021	334,997	983,595	1,318,592
2022	348,506	970,085	1,318,591
2023	362,560	956,031	1,318,591
2024	377,181	941,410	1,318,591
2025-2029	2,411,006	4,471,278	6,882,284
2030-2034	22,233,801	3,422,528	25,656,329
2035-2050	-	-	-
2051	3,712,431	-	3,712,431
2052-2065	-	-	-
2066	8,801,901	26,315,338	35,117,239
Unamortized debt issuance costs	(689,606)	-	(689,606)
Total	$ 38,214,788	$ 39,056,845	$ 77,271,633

Tungsten Village

	Principal	Interest	Total
2020	$ -	$ -	$ -
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025-2053	-	-	-
2054	1,600,000	5,138,199	6,738,199
Unamortized debt issuance costs	-	-	-
Total	$ 1,600,000	$ 5,138,199	$ 6,738,199

No principal payments are due on the forgivable loans. Payments on the remaining notes are due from available cash flow with all remaining principal and accrued interest due August 2061 for Josephine Commons, July 2063 for Aspinwall, and March 2066 for Kestrel.

Note 8 - Conduit Debt

Trinity Commons

The Authority is authorized by state statutes to issue private activity bonds to private parties for projects that serve certain specified public purposes, such as affordable housing. In 2016, the Authority issued Multifamily Housing Revenue Bonds in the amount of $2,600,000 to finance the acquisition and rehabilitation of a 16-unit multifamily housing project known as Trinity Commons in Boulder, Colorado. Repayment of the bonds is secured by the revenues from the Trinity Commons project. The Authority, as the conduit issuer of the bonds, is not financially obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2019, the outstanding principal balance of the bonds was $2,599,954.

Kestrel

The Authority is authorized by state statutes to issue private activity bonds to private parties for projects that serve certain specified public purposes, such as affordable housing. In 2016, the Authority issued Multifamily Housing Revenue Bonds to finance the acquisition and rehabilitation of a 200-unit multifamily housing project known as Kestrel in Louisville, Colorado. Repayment of the bonds is secured by the revenues from the Kestrel project. The Authority, as the conduit issuer of the bonds, is not financially obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The original bond issuance was $53,500,000. At December 31, 2019, the outstanding principal balance of the bonds was $24,940,062.

Note 9 - Compensated Absences

A summary of the activity in the Authority's compensated absences for the year ended December 31, 2019 is as follows:

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Compensated absences	$ 185,141	$ 206,184	$ (188,236)	$ 203,089	$ 17,554

Note 10 - Annual Contributions Contract

The Authority has an annual contributions contract for the Section 8 Housing Choice Voucher program and adjustments vary based on requirements. The maximum contract was $8,984,785 for the year ended December 31, 2019.

Note 11 - Defined Benefit Pension Plan

Plan Description

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

Benefits provided

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

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

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

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

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lessor of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions

Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate*	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)*	-1.02%
Amount Apportioned to the LGDTF*	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411*	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411*	1.50%
Total Employer Contribution Rate to the LGDTF*	12.68%

*Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were $356,662 for the year ended December 31, 2019.

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

At December 31, 2019, the Authority reported a liability of $5,838,332 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017.

Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the Authority's proportion was .464 percent, which was a decrease of .005 percent from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Authority recognized pension expense of ($922,128). At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 244,119	$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	760,317	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,741	36,084
Contributions subsequent to the measurement date	356,662	-
Total	$ 1,366,839	$ 36,084

$356,662 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,		
2020	$	423,119
2021	$	93,571
2022	$	42,366
2023	$	415,037
2024	$	-
Thereafter	$	-

Actuarial assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018.

Discount rate	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	0% through 2019 and 1.5% Compounded Annually, Thereafter
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target Allocation**	**30 Year Expected Geometric Real Rate of Return**
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

- Employee contributions were assumed to be made at the member contribution rate as of the measurement date. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the single equivalent interest rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

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

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 8,931,442	$ 5,838,332	$ 3,250,634

Pension plan fiduciary net position

Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Changes between the measurement date of the net pension liability and December 31, 2019

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

Defined Contribution Pension Plans

Voluntary Investment Program

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

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The County does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2019, program members contributed $13,008 for the Voluntary Investment Program.

Defined Contribution Retirement Plan (DC Plan)

Plan Description – Employees of the LGDTF that were hired on or after January 1, 2019 which were eligible to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, have the option to participate in the LGDTF or the Defined Contribution Retirement Plan (PERA DC Plan). The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's CAFR as referred to above.

Funding Policy – All participating employees in the PERA DC Plan and the County are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the year ended December 31, 2019 is summarized in the tables below:

	January 1, 2019 through June 30, 2019	July 1, 2019 through December 31, 2019
Employee contribution rates	8.00%	8.75%
Employer contribution rates (on behalf of participating employees)	10.00%	10.00%

Additionally, the employers are required to contribute AED and SAED to the LGDTF as follows:

	Fiscal year-end as of December 31, 2019
Amortization Equalization Disbursement (AED) as in C.R.S. § 24-51-411*	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411*	1.50%
Total Employer Contribution Rate to the LGDTF	3.70%

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed $214,459 and the County recognized pension expense of $367,809 for the PERA DC Plan.

Note 12 - Postemployment Benefits Other Than Pensions

Plan Description

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

Benefits Provided

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

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

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

PERA Benefit Structure

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

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

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the County is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from County were $1,261,038 for the year ended December 31, 2019.

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

At December 31, 2019, the Authority reported a liability of $489,536 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the Authority's proportion was .036%, which did not change from its proportion of .036% measured as of December 31, 2017.

For the year ended December 31, 2019, the Authority recognized OPEB expense of $12,584. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,777	$ 745
Changes of assumptions or other inputs	3,434	-
Net difference between projected and actual earnings on OPEB plan investments	2,815	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,317	5,432
Contributions subsequent to the measurement date	28,690	-
Total	$ 46,033	$ 6,177

The amount of $28,690 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2020	$ 2,383
2021	2,383
2022	2,384
2023	4,339
2024	(301)
Thereafter	(22)

Actuarial assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in the aggregate
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health Care Cost Trend Rates	
Service-based premium subsidy	0.00 percent
PERACare Medicare Plans	5.00 percent
Medicare Part A Premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

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

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

	Cost for members without Medicare Part A	Premiums for members without Medicare Part A
Self-funded Medicare Supplement Plans	$ 736	$ 367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
United Helathcare Medicare HMO	686	213

The 2018 Medicare Part A premium is $422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

	Cost for members without Medicare Part A
Self-funded Medicare Supplement Plans	$ 289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
United Helathcare Medicare HMO	400

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target Allocation**	**30 Year Expected Geometric Real Rate of Return**
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the Authority's proportionate share of the net OPEB liability, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Proportionate Share of the Net OPEB Liability	$ 476,018	$ 489,536	$ 505,085

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Authority's proportionate share of the net OPEB liability, calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 547,749	$ 489,536	$ 439,770

OPEB plan fiduciary net position

Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Note 13 - Defined Contribution Pension Plan

Employees of the Authority who are members of the Local Government Division Trust Fund (LGDTF), may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available annual financial report for the 401(k) Plan. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

The 401(k) Plan is funded by voluntary employee contributions of up to a maximum limit set by the IRS. For the calendar years 2019, 2018, and 2017, the maximum limits set by the IRS were $19,000, $18,500 and $18,000, respectively. Catch-up contributions up to $6,000 each year for the calendar years 2019, 2018, and 2017 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC Section 414(v). The contribution requirements for the Authority are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the years ended December 31, 2019, 2018, and 2017, the 401(k) Plan employee contributions from the Authority were $13,008, $10,888, and $10,748, respectively.

Note 14 - Commitments and Contingencies

During 2019, the Authority entered into multiple large contracts with a local design and construction firm. The total amount of the contracts is $2,894,999. As of December 31, 2019, $1,983,314 had been incurred under the contracts. The remaining contract amounts of $911,685 are expected to be expended in the year ending December 31, 2020.

In addition to the contracts disclosed above, the Authority regularly enters into contracts for design and development for both current and new projects.

The Authority is in a dispute with one of its suppliers relating to services provided under its continuing services contract. A claim has been filed against the Authority in the amount of $187,000. As of December 31, 2019, the Authority accrued a contingent liability of $100,000, which is the amount that the Authority believes it will settle the claim for.

During 2019, Tungsten Village entered into a contract with Milender White, a local contractor, for construction of the multifamily development located in Nederland, Colorado. The total amount of the construction contract is $6,277,550. As of December 31, 2019, Tungsten Village had incurred $2,679,784 under this contract. The remaining contract amount of $3,597,766 is expected to be incurred and paid in the year ending December 31, 2020.

Note 15 - Related Party Transactions

Developer Fees

Aspinwall

Aspinwall, LLC (Aspinwall) has entered into a development agreement with the Authority in which the Authority is to provide services in connection with the development and construction of the project owned by Aspinwall. Developer fees of $3,400,442 have been incurred and capitalized as part of the building. During 2019, Aspinwall paid developer fees of $264,557 to the Authority. As of December 31, 2019, developer fees from Aspinwall were paid in full.

Kestrel

Kestrel I, LLC (Kestrel) has entered into a development agreement with the Authority in which the Authority is to provide services in connection with the development and construction of the project owned by Kestrel. Total developer fees of $6,091,976 have been earned and capitalized as part of the building. During 2019, Kestrel paid developer fees of $3,319,023 to the Authority. As of December 31, 2019, Kestrel owed the Authority $1,447,913 for developer fees. The remaining developer fees are expected to be paid from net cash flow.

Tungsten Village

Tungsten Village, LLC (Tungsten Village) has entered into a development agreement with the Authority in which the Authority is to provide services in connection with the development and construction of the project owned by Tungsten Village. Total developer fees of $793,735 are expected to be earned by the Authority under this agreement. During 2019, developer fees of $86,209 were earned and paid to the Authority, and another $72,277 was earned, but not paid. These amounts have been capitalized as part of construction in progress. The remaining balance of $635,249 will be earned and paid in accordance with the developer fee agreement.

Mortgage Notes and Accrued Interest

Josephine Commons

Josephine Commons has entered into multiple loan agreements with the Authority – see Note 7. During 2019, Josephine Commons incurred interest expense of $68,736 in relation to these mortgage notes payable. As of December 31, 2019, Josephine Commons owes the Authority $428,269 for accrued interest.

Aspinwall

Aspinwall has entered into multiple loan agreements with the Authority – see Note 7. During 2019, Aspinwall incurred interest expense of $380,907 in relation to these mortgage notes payable. As of December 31, 2019, Aspinwall owes the Authority $2,236,899 for accrued interest.

Kestrel

Kestrel has entered into multiple loan agreements with the Authority – see Note 7. During 2019, Kestrel incurred interest of $275,127 to the Authority on these mortgage notes payable. As of December 31, 2019, Kestrel owes the Authority $949,006 for accrued interest.

Tungsten Village

Tungsten Village has entered into multiple loan agreements with the Authority – see Note 7. As of December 31, 2019, no interest has been accrued on the notes.

Due from Related Party

Josephine Commons

As of December 31, 2019, Josephine Commons owed the Authority $18,772 for costs related to operations.

Aspinwall

As of December 31, 2019, Aspinwall owed the Authority $36,409 for costs related to operations.

Kestrel

As of December 31, 2019, Kestrel owed the Authority $33,933 for costs related to operations.

Tungsten Village

As of December 31, 2019, Tungsten Village owed the Authority $1,959 for construction costs paid on behalf of the project by the Authority.

Management Fees

Josephine Commons

Josephine Commons has entered into a management agreement with the Authority under which the Authority is to provide management services for the project. Under the terms of the agreement, Josephine Commons is to pay management fees equal to the lesser of $466 per unit or 5.5% of effective gross income. During 2019, Josephine Commons incurred management fees of $34,484 to the Authority.

Aspinwall

Aspinwall has entered into a management agreement with the Authority under which the Authority is to provide management services for the project. Under the terms of the agreement, Aspinwall is to pay management fees equal to the lesser of $480 per unit or 5.5% of effective gross income. During 2019, Aspinwall incurred management fees of $80,160 to the Authority.

Kestrel

Kestrel has entered into a management agreement with the Authority under which the Authority is to provide management services for the project. Under the terms of the agreement, Kestrel is to pay management fees equal to 4.5% of effective gross income. During 2019, Kestrel incurred management fees of $129,286 to the Authority.

Reimbursement of Expenses

Josephine Commons

During 2019, Josephine Commons reimbursed the Authority approximately $142,200 for payroll and other expenses.

Aspinwall

During 2019, Aspinwall reimbursed the Authority approximately $271,500 for payroll and other expenses.

Kestrel

During 2019, Kestrel reimbursed the Authority approximately $252,000 for payroll and other expenses..

Incentive Management Fee

Pursuant to the operating agreement, Josephine Commons is to pay the Authority for their services in managing the business of Josephine Commons, a non-cumulative fee equal to 80% of cash flow remaining after other required payments. At no time is the fee to exceed 10% of gross revenues in any year. During 2019, Josephine Commons paid incentive management fees of $65,858 to the Authority.

Construction and Operating Deficit Guarantees

Josephine Commons

Pursuant to the operating agreement, the Authority is required to fund operating deficits during the period beginning upon the date that stabilized operations is achieved and for five years thereafter as defined in the agreement. The Authority shall be obligated to provide funds in the form of a loan, not to exceed $350,000, shall bear no interest and shall be repayable solely from net cash flow as allowed in the operating agreement.

Aspinwall

Pursuant to the operating agreement, the Authority is required to fund operating deficits during the period beginning upon the date that stabilized operations is achieved and for five years thereafter as defined in the agreement. The Authority shall be obligated to provide funds in the form of a loan, not to exceed $910,000, shall bear no interest and shall be repayable solely from net cash flow as allowed in the operating agreement.

Kestrel

Pursuant to the operating agreement, the Authority is required to fund operating deficits during the period beginning upon the date that stabilized operations is achieved and for five years thereafter as defined in the agreement. The Authority shall be obligated to provide funds in the form of a loan, not to exceed $1,200,000, shall bear no interest and shall be repayable solely from net cash flow as allowed in the operating agreement.

Tungsten Village

As the sponsor of the Tungsten Village project, the Authority has provided an unconditional guaranty of all of the managing member's obligations for construction completion for the benefit of the investor member of Tungsten Village LLC. The managing member, Tungsten GP LLC, is wholly owned and controlled by the Authority. The Authority has also provided an unconditional guaranty of repayment to FirstBank, the construction and permanent lender for the Tungsten Village project.

Pursuant to the operating agreement, the Authority is required to fund operating deficits during the period beginning upon the date that stabilized operations is achieved and for five years thereafter as defined in the agreement. The Authority shall be obligated to provide funds in the form of a loan, not to exceed $234,000, shall bear no interest and shall be repayable solely from net cash flow as allowed in the operating agreement.

Purchase of Land and Predevelopment Costs

During 2019, Tungsten Village purchased land from the Authority for $500,000, the appraised value. The land sold to Tungsten Village had a carrying value of $641,235 resulting in a loss on sale of $141,135. At closing, Tungsten Village reimbursed the Authority for predevelopment costs of $1,018,199.

In March 2020, the Authority purchased commercial property in Lafayette, Colorado for $1,479,401. The Authority assumed a $1,200,000 note payable to Boulder County to assist with financing the purchase.

Due from Boulder County

At December 31, 2019, the Authority was owed $46,644 from Boulder County for rental assistance, costs of rehabilitation, and operating expenses.

Note Payable to Boulder County

At December 31, 2019, the Authority owed $2,581,500 to Boulder County on a loan agreement. Terms of the note are included in Note 8 to the financial statements.

Due to Boulder County

At December 31, 2019, the Authority owed Boulder County $1,559,968 for payroll and other operating expenses paid by the County.

Transfers to/from Primary Government

During 2019, the Authority received transfers of $3,865,000 from Boulder County consisting of $1,730,000 for the Housing Stabilization Program; $600,000 to assist with the purchase of the building in Lafayette, Colorado; $600,000 for the Permanent Supportive Housing Program; $485,000 for operating subsidy; $400,000 for Tungsten Village development and $50,000 for the Family Self Sufficiency Program.

Note 16 - Condensed Component Unit Information

Condensed component unit information for MFPH Acquisitions LLC, the Authority's blended component unit, for the year ended December 31, 2019, is as follows:

Condensed Balance Sheet

Assets	
Current Assets	$ 617,953
Notes Receivable	3,020,000
Accrued Interest	584,674
Capital Assets	1,708,374
Total Assets	$ 5,931,001
Liabilities	
Current Liabilities	$ 153,245
Net Position	5,777,756
Total Liabilities and Net Position	$ 5,931,001

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

Operating Revenues	
Tenant rent	$ 407,980
Rental assistance	-
Other	20,311
Total Operating Revenues	428,291
Operating Expenses	
Administrative salaries and benefits	51,415
Maintenance salaries and benefits	86,365
Regular and extraordinary maintenance	127,947
Other administrative	30,295
Depreciation and amortization	82,913
Utilities	38,612
Insurance	21,646
Other	-
Total Operating Expenses	439,193
Operating Loss	(10,902)
Nonoperating Income (Expense)	
Interest income	98,221
Interest expense	(43,942)
Gain on involuntary conversion of capital assets	36,999
Loss on disposal of property and equipment	(3,201)
Total Nonoperating Income (Expense)	88,077
Change in net position	77,175
Net Position, Beginning of year	5,700,581
Net Position, End of year	$ 5,777,756

Condensed Statement of Cash Flows

Net Cash from Operating Activities	$ 118,233
Net Cash used for Noncapital Financing Activities	-
Net Cash Used for Capital and Related Financing Activities	(10,144)
Net Cash from Investing Activities	39
Net Change in Cash and Cash Equivalents	108,128
Cash and Cash Equivalents, Beginning of year	500,072
Cash and Cash Equivalents, End of year	$ 608,200

Note 17 - Subsequent Events

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

Required Supplementary Information
December 31, 2019

Boulder County Housing Authority

Last 10 Fiscal Years*

	Measurement date as of December 31,				
	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.4643868621%	0.4694183739%	0.5021573565%	0.5303999056%	0.5692100296%
Authority's proportionate share of the net pension liability	$ 5,838,332	$ 5,226,645	$ 6,780,837	$ 5,842,785	$ 5,072,729
Authority's covered payroll	$ 3,043,125	$ 3,034,944	$ 3,193,175	$ 2,778,550	$ 2,673,518
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	191.85%	172.22%	212.35%	210.28%	189.74%
Plan fiduciary net position as a percentage of the total pension liability	75.96%	79.37%	73.65%	76.87%	80.72%

* Fiscal year 2015 was the first year of implementation, therefore only five years are shown

Last 10 Fiscal Years*

	Fiscal year-end as of December 31,				
	2019	2018	2017	2016	2015
Contractually required contribution	$ 356,662	$ 385,868	$ 409,439	$ 405,002	$ 381,694
Contributions in relation to the contractually required contribution	(356,662)	(385,868)	(409,439)	(405,002)	(381,694)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 2,812,786	$ 3,043,125	$ 3,034,944	$ 3,193,175	$ 2,778,550
Contributions as a percentage of covered payroll	12.68%	12.68%	13.49%	12.68%	13.74%

* Fiscal year 2015 was the first year of implementation, therefore only five years are shown

Last 10 Fiscal Years*

	Measurement date as of December 31, 2018	2017
Authority's proportion of the net OPEB liability	0.0359809546%	0.0364759926%
Authority's proportionate share of the net OPEB liability	$ 489,536	$ 474,042
Authority's covered-employee payroll	$ 3,043,125	$ 3,034,944
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.09%	15.62%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%

* Fiscal year 2018 was the first year of implementation, therefore only two years are shown

Last 10 Fiscal Years*

	Fiscal year-end as of December 31, 2019	2018
Contractually required contribution	$ 28,690	$ 31,040
Contributions in relation to the contractually required contribution	(28,690)	(31,040)
Contribution deficiency (excess)	$ -	$ -
Authority's covered payroll	$ 2,812,786	$ 3,043,125
Contributions as a percentage of covered payroll	1.02%	1.02%

* Fiscal year 2018 was the first year of implementation, therefore only two years are shown

Changes of benefit terms

There have been no changes in benefit terms since the last valuation.

Changes of assumptions

There have been no changes in actuarial assumptions or methods since the last valuation.

Supplementary Information
December 31, 2019

Boulder County Housing Authority

	Community Development Block Grant Disaster Recovery Grants 14.269	Section 8 Housing Assistance 14.195	Rural Rental Housing Loans 10.415	Community Development Block Grants/State's Program 14.228	Rural Rental Assistance Payments 10.427
Assets and Deferred Outflows					
Cash and cash equivalents	$ -	$ 131,813	$ -	$ -	$ 202,325
Restricted cash and cash equivalents	-	7,080	-	283,640	429,586
Accounts receivable					
Tenants	-	227	-	-	1,361
Developer fees	-	-	-	-	-
Other	-	-	-	-	-
Due from other agencies	-	-	-	-	5,214
Due from component units	-	-	-	-	-
Due from Boulder County	1,947	-	-	-	-
Prepaid expenses	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	1,947	139,120	-	283,640	638,486
Developer fees	-	-	-	-	-
Notes receivable	192,690	-	-	237,886	-
Accrued interest receivable	-	-	-	-	-
Other assets	-	-	-	-	-
Non-depreciable capital assets	-	67,617	56,316	-	-
Depreciable capital assets, net	-	163,596	1,329,648	-	-
	192,690	231,213	1,385,964	237,886	-
Total assets	194,637	370,333	1,385,964	521,526	638,486
Deferred outflows					
Pensions	-	-	-	-	-
Other postemployment benefits	-	-	-	-	-
Total deferred outflows	-	-	-	-	-
Total assets and deferred outflows	$ 194,637	$ 370,333	$ 1,385,964	$ 521,526	$ 638,486
Liabilities, Deferred Inflows and Net Position					
Liabilities					
Accounts payable	$ 223,166	$ -	$ -	$ -	$ 6,590
Accrued liabilities	-	-	-	-	817
Accrued compensated absences	-	-	-	-	-
Accrued interest payable	-	-	1,833	-	-
Unearned revenues	-	170	-	-	1,453
Due to discretely presented component units	-	-	-	-	-
Due to Boulder County	-	-	-	-	-
Tenant security deposits payable	-	7,080	-	-	14,422
Notes, mortgages and bonds payable - current	-	-	11,083	-	-
Total current liabilities	223,166	7,250	12,916	-	23,282
Noncurrent Liabilities					
Accrued compensated absences	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Accrued liabilities - long-term	-	-	-	-	-
Notes, mortgages and bonds payable - net of current portion	-	-	1,172,977	-	-
Net postemployement benefits liability	-	-	-	-	-
Net pension liability	-	-	-	-	-
Total noncurrent liabilities	-	-	1,172,977	-	-
Total liabilities	223,166	7,250	1,185,893	-	23,282
Deferred Inflows					
Pensions	-	-	-	-	-
Other postemployment benefits	-	-	-	-	-
Total deferred inflows	-	-	-	-	-
Net Position					
Net investment in capital assets	-	231,213	201,904	-	-
Restricted	-	-	-	-	-
Unrestricted	(28,529)	131,870	(1,833)	521,526	615,204
Total net position	(28,529)	363,083	200,071	521,526	615,204
Total liabilities, deferred outflows and net position	$ 194,637	$ 370,333	$ 1,385,964	$ 521,526	$ 638,486

	Housing Choice Vouchers/Family Unification Program 14.871 / 14.880	MFPH	Emergency Shelter Grant Program 14.231	HOME Investment Partnership Program 14.239	Farm Labor Housing Loans and Grants 10.405	Business Activities	14.896 PIH Family Self-Sufficiency Program	14.267 Continuum of Care Program	Total	Elimination of Intercompany Activity	Total
	$ 641,759	$ 597,385	$ -	$ -	$ -	$ 11,638,056	$ -	$ -	$ 13,211,338	$ -	$ 13,211,338
	516,371	10,815	-	-	-	74,938	-	-	1,322,430	-	1,322,430
	177,440	4,703	-	-	-	9,038	-	-	192,769	-	192,769
	-	-	-	-	-	382,568	-	-	382,568	-	382,568
	-	-	-	-	-	149,401	-	-	149,401	-	149,401
	-	-	26,255	-	-	390,770	16,380	54,956	493,575	(81,327)	412,248
	-	-	-	-	-	91,073	-	-	91,073	-	91,073
	-	-	-	-	-	44,697	-	-	46,644	-	46,644
	-	5,050	-	-	-	44,881	-	-	49,931	-	49,931
	-	-	-	-	-	41,156	-	-	41,156	-	41,156
	1,335,570	617,953	26,255	-	-	12,866,578	16,380	54,956	15,980,885	(81,327)	15,899,558
	-	-	-	-	-	1,137,622	-	-	1,137,622	-	1,137,622
	-	3,020,000	-	-	-	25,204,187	-	-	28,654,763	-	28,654,763
	-	584,674	-	-	-	3,938,897	-	-	4,523,571	-	4,523,571
	-	-	-	-	-	85,297	-	-	85,297	-	85,297
	-	561,321	-	-	274,563	9,084,692	-	-	10,044,509	-	10,044,509
	-	1,147,053	-	-	1,139,538	9,695,356	-	-	13,475,191	-	13,475,191
	-	5,313,048	-	-	1,414,101	49,146,051	-	-	57,920,953	-	57,920,953
	1,335,570	5,931,001	26,255	-	1,414,101	62,012,629	16,380	54,956	73,901,838	(81,327)	73,820,511
	-	-	-	-	-	1,366,839	-	-	1,366,839	-	1,366,839
	-	-	-	-	-	46,033	-	-	46,033	-	46,033
	-	-	-	-	-	1,412,872	-	-	1,412,872	-	1,412,872
	$ 1,335,570	$ 5,931,001	$ 26,255	$ -	$ 1,414,101	$ 63,425,501	$ 16,380	$ 54,956	$ 75,314,710	$ (81,327)	$ 75,233,383
	$ -	$ 140,955	$ -	$ -	$ -	$ 472,805	$ -	$ -	$ 843,516	$ (81,327)	$ 762,189
	133,246	-	-	-	-	70,083	-	-	204,146	-	204,146
	-	-	-	-	-	17,554	-	-	17,554	-	17,554
	-	-	-	-	167	52,777	-	-	54,777	-	54,777
	-	1,475	-	-	-	25,950	-	-	29,048	-	29,048
	-	-	-	-	-	1,808	-	-	1,808	-	1,808
	-	-	-	-	-	1,559,968	-	-	1,559,968	-	1,559,968
	-	10,815	-	-	-	74,938	-	-	107,255	-	107,255
	-	-	-	-	21,519	413,348	-	-	445,950	-	445,950
	133,246	153,245	-	-	21,686	2,689,231	-	-	3,264,022	(81,327)	3,182,695
	-	-	-	-	-	185,535	-	-	185,535	-	185,535
	-	-	-	-	-	-	-	-	-	-	-
	174,098	-	-	-	-	-	-	-	174,098	-	174,098
	-					-					
	-	-	-	-	178,295	18,147,660	-	-	19,498,932	-	19,498,932
	-	-	-	-	-	489,536	-	-	489,536	-	489,536
	-	-	-	-	-	5,838,332	-	-	5,838,332	-	5,838,332
	174,098	-	-	-	178,295	24,661,063	-	-	26,186,433	-	26,186,433
	307,344	153,245	-	-	199,981	27,350,294	-	-	29,450,455	(81,327)	29,369,128
	-	-	-	-	-	36,084	-	-	36,084	-	36,084
	-	-	-	-	-	6,177	-	-	6,177	-	6,177
	-	-	-	-	-	42,261	-	-	42,261	-	42,261
	-	1,708,374	-	-	1,214,287	3,739,461	-	-	7,095,239	-	7,095,239
	219,333	-	-	-	-	-	-	-	219,333	-	219,333
	808,893	4,069,382	26,255	-	(167)	32,293,485	16,380	54,956	38,507,422	-	38,507,422
	1,028,226	5,777,756	26,255	-	1,214,120	36,032,946	16,380	54,956	45,821,994	-	45,821,994
	$ 1,335,570	$ 5,931,001	$ 26,255	$ -	$ 1,414,101	$ 63,425,501	$ 16,380	$ 54,956	$ 75,314,710	$ (81,327)	$ 75,233,383

	Community Development Block Grant Disaster Recovery Grants 14.269	Section 8 Housing Assistance 14.195	Rural Rental Housing Loans 10.415	Community Development Block Grants/State's Program 14.228	Rural Rental Assistance Payments 10.427
Operating Revenues					
HUD PHA grants	$ -	$ -	$ -	$ -	$ -
Other grants	2,970	152,089	-	9,596	181,363
Rental income	-	84,210	-	-	249,827
Administrative fees	-	-	-	-	-
Management fees	-	-	-	-	-
Developer fee income	-	-	-	-	-
Other	-	4,189	-	-	8,172
Total Operating Revenues	2,970	240,488	-	9,596	439,362
Operating Expenses					
Housing assistance payments	-	-	-	-	-
Administrative salaries and benefits	-	22,632	-	-	34,390
Maintenance salaries and benefits	-	43,324	-	-	40,282
Regular and extraordinary maintenance	-	53,931	-	8,202	105,634
Direct client expenses	2,970	-	-	-	-
Other administrative	-	22,388	-	14	15,212
Depreciation and amortization	-	27,537	47,321	-	-
Utilities	-	34,189	-	-	50,208
Insurance	-	6,116	-	-	20,258
Other	-	-	-	64	-
Total Operating Expenses	2,970	210,117	47,321	8,280	265,984
Operating Income (Loss)	-	30,371	(47,321)	1,316	173,378
Non-Operating Revenues (Expenses)					
Interest income	-	-	-	2,707	118
Interest expense	-	(33,540)	(93,318)	-	-
Donations	-	-	-	-	-
Gain on involuntary conversion of capital assets	-	-	-	-	-
Disposal of property and equipment	-	-	-	-	-
Loss on sale of capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	(33,540)	(93,318)	2,707	118
Income (Loss) Before Transfers and HUD Capital Grant Income	-	(3,169)	(140,639)	4,023	173,496
Transfers from (to) primary government	-	-	-	-	-
Interprogram transfers	(35,214)	(24,044)	103,671	(25,070)	(88,767)
HUD capital grant income	-	-	-	-	-
Change in Net Position	(35,214)	(27,213)	(36,968)	(21,047)	84,729
Net Position - Beginning of Year	6,685	390,296	237,039	542,573	530,475
Net Position - End of Year	$ (28,529)	$ 363,083	$ 200,071	$ 521,526	$ 615,204

Housing Choice Vouchers/Family Unification Program 14.871 / 14.880	MFPH	Emergency Shelter Grant Program 14.231	HOME Investment Partnership Program 14.239	Farm Labor Housing Loans and Grants 10.405	Business Activities	14.896 PIH Family Self-Sufficiency Program	14.267 Continuum of Care Program	Total	Elimination of Intercompany Activity	Total
$ 9,920,132	$ -	$ -	$ -	$ -	$ -	$ 196,556	$ 617,452	$ 10,734,140	$ -	$ 10,734,140
-	-	71,378	-	-	431,069	-	-	848,465	-	848,465
-	407,980	-	-	-	2,858,874	-	-	3,600,891	-	3,600,891
650,310	-	-	-	-	-	-	-	650,310	-	650,310
-	-	-	-	-	309,788	-	-	309,788	-	309,788
-	-	-	-	-	158,486	-	-	158,486	-	158,486
135,488	20,311	-	-	-	136,853	-	-	305,013	-	305,013
10,705,930	428,291	71,378	-	-	3,895,070	196,556	617,452	16,607,093	-	16,607,093
9,809,856	-	-	-	-	-	-	-	9,809,856	-	9,809,856
448,652	51,415	-	-	-	807,774	174,869	78,328	1,618,060	-	1,618,060
-	86,365	-	-	-	810,266	-	-	980,237	-	980,237
-	127,947	-	-	-	699,775	-	-	995,489	-	995,489
-	-	141,359	-	-	1,331,012	-	502,160	1,977,501	-	1,977,501
178,138	30,295	-	-	-	362,331	-	12,988	621,366	-	621,366
-	82,913	-	-	56,033	639,903	-	-	853,707	-	853,707
-	38,612	-	-	-	216,080	-	-	339,089	-	339,089
4,873	21,646	-	-	-	258,608	-	-	311,501	-	311,501
1,255	-	-	-	-	82,320	-	1,987	85,626	-	85,626
10,442,774	439,193	141,359	-	56,033	5,208,069	174,869	595,463	17,592,432	-	17,592,432
263,156	(10,902)	(69,981)	-	(56,033)	(1,312,999)	21,687	21,989	(985,339)	-	(985,339)
-	98,221	-	-	-	768,667	-	-	869,713	-	869,713
-	(43,942)	-	-	(2,114)	(388,745)	-	-	(561,659)	-	(561,659)
-	-	-	-	-	200,000	-	-	200,000	-	200,000
-	36,999	-	-	-	140,840	-	-	177,839	-	177,839
-	(3,201)	-	-	-	-	-	-	(3,201)	-	(3,201)
-	-	-	-	-	(446,056)	-	-	(446,056)	-	(446,056)
-	-	-	-	-	88,000	-	-	88,000	-	88,000
-	88,077	-	-	(2,114)	362,706	-	-	324,636	-	324,636
263,156	77,175	(69,981)	-	(58,147)	(950,293)	21,687	21,989	(660,703)	-	(660,703)
-	-	-	-	-	3,815,000	50,000	-	3,865,000	-	3,865,000
(71,884)	-	83,920	(1,133)	23,554	107,777	(55,307)	(17,503)	-	-	-
-	-	-	-	-	-	-	-	-	-	-
191,272	77,175	13,939	(1,133)	(34,593)	2,972,484	16,380	4,486	3,204,297	-	3,204,297
836,954	5,700,581	12,316	1,133	1,248,713	33,060,462	-	50,470	42,617,697	-	42,617,697
$ 1,028,226	$ 5,777,756	$ 26,255	$ -	$ 1,214,120	$ 36,032,946	$ 16,380	$ 54,956	$ 45,821,994	$ -	$ 45,821,994

Federal Agency/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture (USDA)			
Direct Programs			
Rural Rental Assistance Payments - Casa Esperanza (Section 514)	10.427		$ 6,185
Rural Rental Assistance Payments - Prime Haven (Section 515)	10.427		51,719
Rural Rental Assistance Payments - Walter Self (Section 515)	10.427		123,459
			181,363
Farm Labor Housing Loan and Grants	10.405		221,237
Rural Rental Housing Loans	10.415		1,194,349
Total U.S. Department of Agriculture (USDA)			1,596,949
U.S. Department of Housing and Urban Development			
Direct Programs			
Housing Choice Vouchers Cluster			
Section 8 Housing Choice Vouchers	14.871		10,442,774
Family Self-Sufficiency Coordinator	14.896		174,869
Continuum of Care Program	14.267		595,463
Passed Through Colorado Housing and Finance Authority			
Section 8 Project-Based Cluster			
Section 8 Housing Assistance Payments	14.195	CO0990036010 / CO99R000007	152,089
Passed Through City of Boulder, Colorado			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Subgrantee	8,280
Passed Through Boulder County, Colorado			
CDBG - Disaster Recovery Grants Cluster			
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269	Subgrantee	2,970
Passed Through Colorado Coalition for the Homeless			
ESG - Emergency Solutions Grant Program - Homelessness Prevention and Rapid Re-Housing	14.231	Subgrantee	71,378
Total U.S. Department of Housing and Urban Development			11,447,823
Total Federal Expenditures			$ 13,044,772

Note A – Basis of Presentation

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

Note B – Summary of Significant Accounting Policies

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

Note C – Indirect Cost Rate

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

Note D – Farm Labor Housing Loan Program

The balances and transactions related to the Farm Labor Housing Loan Program, CFDA Number 10.405, are included in Boulder County Housing Authority's basic financial statements. The total balance of the loans outstanding as of December 31, 2019 is $199,814.

Note E – Rural Rental Housing Loan Program

The balances and transactions related to the Rural Rental Housing Loan Program, CFDA Number 10.415, are included in Boulder County Housing Authority's basic financial statements. The total balance of the loans outstanding as of December 31, 2019 is $1,184,060.

CPAs & BUSINESS ADVISORS

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*

Board of Commissioners
Boulder County Housing Authority
Boulder, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component units of the Boulder County Housing Authority as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Boulder County Housing Authority's basic financial statements, and have issued our report thereon dated July 27, 2020. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bismarck, North Dakota
July 27, 2020

CPAs & BUSINESS ADVISORS

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

Board of Commissioners
Boulder County Housing Authority
Boulder, Colorado

Report on Compliance for the Major Federal Program
We have audited Boulder County Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Boulder County Housing Authority's major federal program for the year ended December 31, 2019. Boulder County Housing Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions to its federal programs.

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

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

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Opinion on the Major Federal Program
In our opinion, Boulder County Housing 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, 2019.

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

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

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

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

Eide Bailly LLP

Bismarck, North Dakota
July 27, 2020

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?	No

Identification of major programs:

Name of Federal Program	CFDA Number
Section 8 Housing Choice Vouchers	14.871

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None